Consolidated condensed interim financial statements as of June 30, 2016

ABENGOA

Innovative technology solutions for sustainability

01 Limited review report

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REPORT ON LIMITED REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of Abengoa, S.A. at the request of the Board of Directors:

Report on the Consolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying consolidated condensed interim financial statements ("the interim financial statements") of Abengoa, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the condensed consolidated statement of financial position as of 30 June 2016, and the consolidated condensed statement of profit or loss, consolidated condensed statement of comprehensive income, condensed consolidated statement of changes in equity, consolidated condensed statement of cash flows and explanatory notes thereto for the six-month period then ended. The Parent's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of consolidated condensed interim financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

Based on our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2016 are not prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of consolidated condensed interim financial statements, pursuant to Article 12 of Royal Decree 1362/2007.

Emphasis of Matters

We draw attention to Note 2 to the accompanying interim financial statements, which indicates that the aforementioned financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2015. Our conclusion is not modified in respect of this matter.

In addition, without modifying our conclusion, we draw attention to the information included by the directors in Notes 2 and 4 to the accompanying interim financial statements, which describe the evolution of operations and the events that took place in 2016 which led the Parent's directors to approve a restructuring agreement ("Abengoa Restructuring Agreement") entered into with various banks and new investors on 24 September 2016.

On 25 November 2015, the Parent's directors submitted the notification provided for in Article 5 bis of Spanish Insolvency Law 22/2003 at Seville Commercial Court no. 2 and requested similar proceedings for certain Spanish and foreign subsidiaries. On 18 March 2016, the Parent entered into a Standstill Agreement with a significant group of its main financial creditors which, once the majorities required by current legislation had been obtained, was accepted by the Seville Commercial Court no. 2 on 6 April 2016. This agreement provided for the negotiation within seven months of the restructuring of the Group's debt and capital in order to ensure the viability of its operations.

In 2016 the inability to access sufficient financing has paralysed the majority of the Group's operations and made it impossible for it to meet its deadline commitments in existing concessions and projects, whilst preventing it from undertaking significant new projects, all of which affected the performance of the business during these six months. As a result of all the foregoing, certain foreign companies have undergone court insolvency proceedings that have resulted in company or asset liquidation processes that are out of the Group's control.

Lastly, as mentioned above, on 24 September 2016 a restructuring agreement was entered into which envisages, among other matters, the restructuring of the Group's debt and of the Parent's share capital, with certain financial creditors and new investors becoming shareholders.

This agreement provides for the reorganisation of the Group's companies and businesses in accordance with the revised viability plan presented by the Parent on 16 August 2016. Under this plan, certain business lines and construction projects that are regarded in the viability plan as unnecessary for the continuity of the Group given the new agreed financing structure, or which the directors consider to be unfeasible in view of the current situation of the companies or the assets, will be discontinued.

As a result of all the foregoing, the Parent's directors have disclosed in the accompanying consolidated condensed interim financial statements the impacts of both the liquidation and discontinuation of the companies not included in the Group's viability plan and the effects of the restructuring of the debt and the corresponding debt reduction. Also, the loss for the first six months of 2016 includes the impact of the impairment losses which, in accordance with International Financial Reporting Standards (IFRSs), must be recognised at 30 June 2016. As a result, both the Group and the Parent had an equity deficit at 30 June 2016 and, therefore, the Parent was in a situation of mandatory dissolution. The directors consider that the agreed-upon restructuring, the effectiveness of which is subject to certain conditions precedent, including court approval and approval by the Annual General Meeting, will make it possible to restore the equity and financial position of the Group.

The aforementioned circumstances are indicative of the existence of a significant uncertainty regarding the ability of the Group to continue operating as a going concern. As a result, the viability of the Group, and the recovery of its assets, the settlement of its liabilities and the fulfilment of its guarantee commitments for the amounts reflected in the accompanying interim financial statements will depend on the effective application of the measures envisaged in the restructuring agreement, the evolution of the Group companies' operations and such future decisions as the current or future managers of the Group might make regarding its equity.

Report on Other Legal and Regulatory Requirements

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2016 contains the explanations which the Parent's directors consider appropriate about the significant events that took place in that period and their effect on the interim financial statements presented, of which it does not form part, and about the information required under Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim financial statements for the six-month period ended 30 June 2016. Our work was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Abengoa, S.A. and Subsidiaries.

Other Matters

This report was prepared at the request of the Board of Directors in relation to the publication of the half-yearly financial report required by Article 119 of the Consolidated Spanish Securities Market Law, approved by Legislative Royal Decree 4/2015, of 23 October, and implemented by Royal Decree 1362/2007, of 19 October.

Deloitte, S.L.

Manuel Arranz Alonso

30 September 2016

02 Consolidated condensed interim financial statements

02.1 Consolidated condensed statements of financial position as of June 30, 2016 and December 31, 2015

Consolidated condensed statements of financial position as of June 30, 2016 and December 31, 2015

- Amounts in thousands of euros -

Assets	Note (1)	06/30/2016	12/31/2015
Non-current assets			
Goodwill		367,626	364,429
Other intangible assets		197,540	1,081,548
Intangible assets	8	565,166	1,445,977
Property, plant & equipment	8	542,101	1,154,074
Concession assets in projects		270,481	2,411,291
Other assets in projects		638,081	948,372
Fixed assets in projects (project finance)	9	908,562	3,359,663
Investments in associates carried under the equity method	10	779,360	1,197,691
Available for sale financial assets		2,696	41,057
Other receivable accounts		483,974	1,057,729
Derivative assets	12	14,255	14,941
Financial investments	11	500,925	1,113,727
Deferred tax assets		1,490,493	1,584,751
Total non-current assets		4,786,607	9,855,883
Current assets			
Inventories	13	238,440	311,262
Trade receivables		803,917	1,248,227
Credits and other receivables		903,565	756,209
Clients and other receivables	14	1,707,482	2,004,436
Available for sale financial assets		5,058	5,342
Other receivable accounts		183,354	499,665
Derivative assets	12	6,332	13,814
Financial investments	11	194,744	518,821
Cash and cash equivalents		275,909	680,938
		2,416,575	3,515,457
Assets held for sale	7	5,578,324	3,255,859
Total current assets		7,994,899	6,771,316
Total assets		**12,781,506**	**16,627,199**

(1) Notes 1 to 29 are an integral part of these Consolidated Condensed Interim financial statements as of June 30, 2016

Consolidated condensed statements of financial position as of June 30, 2016 and December 31, 2015

- Amounts in thousands of euros -

Equity and liabilities	Note (1)	06/30/2016	12/31/2015
Equity attributable to owners of the Parent			
Share capital	15	1,839	1,841
Parent company reserves		721,369	1,784,044
Other reserves		(94,067)	(79,473)
Fully or proportionally consolidated entities		(806,833)	(1,022,854)
Associates		(21,248)	(7,559)
Accumulated currency translation differences		(828,081)	(1,030,413)
Retained earnings		(3,236,229)	(613,717)
Non-controlling Interest	16	524,359	390,633
Total equity		(2,910,810)	452,915
Non-current liabilities			
Project debt	17	14,599	503,509
Borrowings		6,105	6,566
Notes and bonds		-	-
Financial lease liabilities		10,481	19,522
Other loans and borrowings		87,534	345,437
Corporate financing	18	104,120	371,525
Grants and other liabilities		112,707	234,193
Provisions and contingencies		43,676	62,765
Derivative liabilities	12	19,623	38,002
Deferred tax liabilities		286,709	317,689
Personnel liabilities	28	3,625	3,631
Total non-current liabilities		585,059	1,531,314
Current liabilities			
Project debt	17	2,382,614	2,566,597
Borrowings		2,592,125	2,321,654
Notes and bonds		3,382,981	3,300,825
Financial lease liabilities		14,449	17,020
Other loans and borrowings		1,030,161	557,047
Corporate financing	18	7,019,716	6,196,546
Trade payables and other current liabilities	21	3,098,263	4,379,252
Income and other tax payables		212,671	195,446
Derivative liabilities	12	9,291	107,917
Provisions for other liabilities and charges		6,368	5,789
		12,728,923	13,451,547
Liabilities held for sale	7	2,378,334	1,191,423
Total current liabilities		15,107,257	14,642,970
Equity and liabilities		**12,781,506**	**16,627,199**

(1) Notes 1 to 29 are an integral part of these Consolidated Condensed Interim financial statements as of June 30, 2016

02.2 Consolidated income statements for the six month period ended June 30, 2016 and 2015

Consolidated income statements for the six month periods ended June 30, 2016 and 2015

- Amounts in thousands of euros -

		Six-month period ended	
	Note (1)	06/30/2016	06/30/2015 (2)
Revenue	5	1,215,346	3,307,359
Changes in inventories of finished goods and work in progress		168	46,416
Other operating income		42,161	89,687
Raw materials and consumables used		(776,195)	(1,970,948)
Employee benefit expenses		(271,880)	(431,710)
Depreciation, amortization and impairment charges	7,8 & 9	(1,812,555)	(186,254)
Other operating expenses		(260,104)	(452,018)
Operating profit		**(1,863,059)**	**402,532**
Financial income	22	14,900	52,605
Financial expense	22	(316,387)	(375,080)
Net exchange differences		308	1,483
Other financial income/(expense), net	22	(205,058)	(73,367)
Financial expense, net		**(506,237)**	**(394,359)**
Share of profit (loss) of associates carried under the equity method	**10**	**(331,946)**	**5,581**
Profit (loss) before income tax		**(2,701,242)**	**13,754**
Income tax (expense) benefit	23	(27,641)	61,359
Profit for the year from continuing operations		**(2,728,883)**	**75,113**
Profit (loss) from discontinued operations, net of tax	**7**	**(954,453)**	**6,236**
Profit for the year		**(3,683,336)**	**81,349**
Profit attributable to non-controlling interests		(5,612)	(4,398)
Profit attributable to non-controlling interests discontinued operations		(13)	(4,813)
Profit for the year attributable to the parent company		**(3,688,961)**	**72,138**
Weighted average number of ordinary shares outstanding (thousands)	25	941,567	865,437
Basic earnings per share from continuing operations (€ per share)	25	(2.90)	0.08
Basic earnings per share from discontinued operations (€ per share)	25	(1.01)	0.00
Basic earnings per share attributable to the parent company (€ per share)		**(3.91)**	**0.08**
Weighted average number of ordinary shares affecting the diluted earnings per share (thousands)	25	941,567	886,077
Diluted earnings per share from continuing operations (€ per share)	25	(2.90)	0.08
Diluted earnings per share from discontinued operations (€ per share)	25	(1.01)	0.00
Diluted earnings per share attributable to the parent company (€ per share)		**(3.91)**	**0.08**

(1) Notes 1 to 29 are an integral part of these Consolidated Condensed Interim financial statements as of June 30, 2016

(2) Restated figures, see Note 7 Assets held for sale and discontinued operations

02.3

Consolidated statements of comprehensive income for the six month period ended June 30, 2016 and 2015

Consolidated statements of comprehensive income for the six month periods ended June 30, 2016 and June 30, 2015

- Amounts in thousands of euros -

	Nota (1)	Six-month period ended 06/30/2016	Six-month period ended 06/30/2015 (2)
Profit for the period after income tax		**(3,683,336)**	**81,349**
Items that may be subject to transfer to income statement:			
Change in fair value of available for sale financial assets		(672)	707
Change in fair value of cash flow hedges		(18,890)	(13,006)
Currency translation differences		308,562	(80,301)
Tax effect		9,488	4,647
Net income/(expenses) recognized directly in equity		**298,488**	**(87,953)**
Cash flow hedges		(6,027)	49,466
Tax effect		1,507	(13,850)
Transfers to income statement for the year		**(4,520)**	**35,616**
Other comprehensive income		**293,968**	**(52,337)**
Total comprehensive income for the period		**(3,389,368)**	**29,012**
Total comprehensive income attributable to non-controlling interest		(111,855)	(44,113)
Total comprehensive income attributable to the parent company		**(3,501,223)**	**(15,101)**
Total comprehensive income attributable to the parent company from continuining operations		(2,163,579)	(35,655)
Total comprehensive income attributable to the parent company from discontinued operations		(1,337,644)	20,554

(1) Notes 1 to 29 are an integral part of these Consolidated condensed interim financial statements as of June 30, 2016

(2) Restated figures, see Note 7 Assets held for sale and discontinued operations

02.4

Consolidated statements of changes in equity as of June 30, 2016 and 2015

Consolidated statements of changes in equity for years ended June 30, 2016 and 2015

- Amounts in thousands euros -

	Attributable to the owners of the Company						
	Share capital	Parent company and other reserves	Accumulated currency translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Balance at December 31, 2014	**91,799**	**1,044,703**	**(529,331)**	**838,099**	**1,445,270**	**1,200,902**	**2,646,172**
Profit for the year after taxes	-	-	-	72,138	72,138	9,211	81,349
Other comprehensive income (loss)	**-**	**11,815**	**(99,054)**	**-**	**(87,239)**	**34,902**	**(52,337)**
Total comprehensive income (loss)	**-**	**11,815**	**(99,054)**	**72,138**	**(15,101)**	**44,113**	**29,012**
Treasury shares	-	3,209	-	-	3,209	-	3,209
Capital increase	810	149,822	-	-	150,632	-	150,632
Capital decrease	(537)	537	-	-	-	-	-
Distribution of 2014 profit	-	104,705	-	(199,599)	(94,894)	-	(94,894)
Transactions with owners	**273**	**258,273**	**-**	**(199,599)**	**58,947**	**-**	**58,947**
Capital increase in subsidiaries with non-controlling interest	-	-	-	-	-	298,835	298,835
Scope variations and other movements	-	77,160	-	66,540	143,700	426,457	570,157
Scope variations, acquisitions and other movements	**-**	**77,160**	**-**	**66,540**	**143,700**	**725,292**	**868,992**
Balance at June 30, 2015	**92,072**	**1,391,951**	**(628,385)**	**777,178**	**1,632,816**	**1,970,307**	**3,603,123**
Balance at December 31, 2015	**1,841**	**1,704,571**	**(1,030,413)**	**(613,717)**	**62,282**	**390,633**	**452,915**
Profit for the year after taxes	-	-	-	(3,688,961)	(3,688,961)	5,625	(3,683,336)
Other comprehensive income (loss)	**-**	**(14,594)**	**202,332**	**-**	**187,738**	**106,230**	**293,968**
Total comprehensive income (loss)	**-**	**(14,594)**	**202,332**	**(3,688,961)**	**(3,501,223)**	**111,855**	**(3,389,368)**
Capital decrease	(2)	2	-	-	-	-	-
Distribution of 2015 profit	-	(1,062,677)	-	1,062,677	-	-	-
Transactions with owners	**(2)**	**(1,062,675)**	**-**	**1,062,677**	**-**	**-**	**-**
Scope variations and other movements	-	-	-	3,772	3,772	21,871	25,643
Scope variations, acquisitions and other movements	**-**	**-**	**-**	**3,772**	**3,772**	**21,871**	**25,643**
Balance at June 30, 2016	**1,839**	**627,302**	**(828,081)**	**(3,236,229)**	**(3,435,169)**	**524,359**	**(2,910,810)**

Notes 1 to 29 are an integral part of these Consolidated condensed interim financial statements as of June 30, 2016

02.5 Consolidated condensed cash flow statements for the six month period ended June 30, 2016 and 2015

Consolidated condensed cash flow statements for the six month periods ended June 30, 2016 and 2015

- Amounts in thousands of euros -

	Note (1)	Six-months period ended 06/30/2016	06/30/2015 (2)
I. Profit for the period from continuing operations		**(2,728,883)**	**75,113**
Non-monetary adjustments		2,515,869	387,665
II. Profit for the year from continuing operations adjusted by non monetary items		**(213,014)**	**462,778**
III. Variations in working capital and discontinued operations		**(200,700)**	**(441,210)**
Income tax paid		(1,290)	(10,512)
Interest paid		(63,106)	(461,898)
Interest received		13,155	19,956
Elimination of flows from discontinued operations		28,510	151,727
A. Net cash provided by operating activities from continuing operations		**(436,445)**	**(279,159)**
Intangible assets and property, plant & equipment	5	(174,199)	(1,693,643)
Other investments/disposals		92,679	304,245
Elimination of flows from discontinued operations		31,283	381,073
B. Net cash used in investing activities from continuing operations		**(50,237)**	**(1,008,325)**
Initial Public Offering of subsidiaries		-	277,473
Other disposals and repayments		95,630	974,772
Elimination of flows from discontinued operations		-	(2,898)
C. Net cash provided by financing activities from continuing operations		**95,630**	**1,249,347**
Net increase/(decrease) in cash and cash equivalents		**(391,052)**	**(38,137)**
Cash, cash equivalents and bank overdrafts at beginning of the year		680,938	1,810,813
Translation differences cash or cash equivalent		(4,168)	38,096
Elimination of cash and cash equivalents classified as assets held for sale during the year		20,035	(41,843)
Elimination of cash and cash equivalents classificated as discontinued operations during the year		(29,844)	(212,337)
Cash and cash equivalents at end of the year		**275,909**	**1,556,592**

(1) Notes 1 to 29 forman are an integral part of these Consolidated condensed interim financial statements as of June 30, 2016
(2) Restated figures, see Note 7 Assets held for sale and discontinued operations

02.6 Notes to the consolidated condensed interim financial statements as of June 30, 2016

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Notes to the Consolidated Condensed Interim Financial Statements as of June 30, 2016

Note 1.- General information

Abengoa, S.A. is the parent company of the Abengoa Group (referred to hereinafter as 'Abengoa', 'the Group' or 'the Company'), which at the end of the six month period ended June 30, 2016, was made up of 677 companies: the parent company itself, 567 subsidiaries, 81 associates and 28 joint ventures. Additionally, the Group held a number of interests, of less than 20%, in other entities.

Abengoa, S.A. was incorporated in Seville, Spain on January 4, 1941 as a Limited Liability Company and was subsequently transformed into a Limited Liability Corporation ('S.A.' in Spain) on March 20, 1952. Its registered office is Campus Palmas Altas, 1 Energía Solar St., Seville, 41014.

The Group's corporate purpose is set out in Article 3 of its Bylaws. It covers a wide range of activities, although Abengoa is principally an applied engineering and equipment manufacturer, providing integrated project solutions to customers in the following sectors: energy, telecommunications, transport, water utilities, environmental, industrial and services.

Abengoa's shares are represented by class A and B shares which are listed on the Madrid and Barcelona stock exchanges and on the Spanish Stock Exchange Electronic Trading System (Electronic Market). Class A shares have been listed since November 29, 1996 and class B shares since October 25, 2012. The company completed the delisting process to exclude its class B shares from on the NASDAQ Global Select Market in the form of American Depositary Shares, which were quoted from October 29, 2013, following the capital increase carried out on October 17, 2013. The Company presents mandatory financial information quarterly and semiannually.

As of April 6, 2016, the company announced its intention to initiate the process for voluntary delisting of its Class B shares and American Depositary Shares Receipts (ADSs), as well as the conclusion of the American Depositary Receipt (ADR) program with Citibank, N.A. which delisting was effective on May 12, 2016.

Additionally, on April 29, 2016, the Company announced that the voluntary delisting of its Class B shares and American Depositary Shares (ADSs) from the NASDAQ Stock Market became effective on 28 April 2016 and that has taken steps to deregister those securities from the SEC and thereby terminate its reporting obligations under the U.S. Securities Exchange Act of 1934, as amended (Exchange Act). The Company has already filed Form 25 and Form 15F, resulting the exclusion effective from Sections 12(b) and 12(g) of the Exchange Act of 1934 and the reporting obligations related to the third quarter of 2016.

As a result of the delisting of the Class B shares and ADSs from the NASDAQ Stock Market, all trading in Abengoa, S.A. shares is now concentrated in the Spanish Stock Exchanges.

The shares of the associate Atlantica Yield (formerly Abengoa Yield, Plc.) are also listed in the NASDAQ Global Select Market since June 13, 2014. As of June 30, 2016 the Abengoa's investment on Atlantica Yield amounts to 41.47%.On January 7, 2016, the company announced to the Securities and Exchange Commission US (S.E.C) that the corporate name change to Atlantica Yield. However, the ticker "ABY" remains the same.

Abengoa is an international company that applies innovative technology solutions for sustainability in the energy and environment sectors, generating electricity from renewable resources, converting biomass into biofuels and producing drinking water from sea water. The Company supplies engineering projects under the 'turnkey' contract modality and operates assets that generate renewable energy, produces biofuel, manages water resources, desalinates sea water and treats sewage.

Abengoa`s business is organized under the following three activities:

› Engineering and construction: includes the traditional engineering activities in the energy and water sectors, with more than 70 years of experience in the market and the development of solar technology. Abengoa is specialized in carrying out complex turnkey projects for thermo-solar plants, solar-gas hybrid plants, conventional generation plants, biofuel plants and water infrastructures, as well as large-scale desalination plants and transmission lines, among others.

› Concession-type infrastructures: groups together the company's extensive portfolio of proprietary concession assets that generate revenues governed by long term sales agreements, such as take-or-pay contracts, tariff contracts or power purchase agreements. This activity includes the operation of electric energy generation plants (solar, cogeneration or wind), desalination plants and transmission lines. These assets generate low demand risk and the Company focuses on operating them as efficiently as possible.

› Industrial production: covers Abengoa's biofuel business with a high technological component. The Company holds an important leadership position in this activity in the geographical markets in which it operates.

Since March 28, 2016, the company is under the standstill agreement framework to reach an agreement with financial creditors to restructure its financial debt and the recapitalization of the group (see Note 2.1). On September 24, 2016, the Restructuring Agreement was signed between Abengoa and a group of financial creditors and the accession period started, which is expected to be accomplished on October 25, 2016 with the judicial approval of the agreement. The effective application of such restructuring agreement will allow the Company to rebalance its equity, which is currently negative, once the positive effect of the debt to equity swap is registered in the income statement of the Company (see Note 2.1 and 29).

These Consolidated condensed interim financial statements for the period ended June 30, 2016 have been formulated on September 29, 2016.

All public documents of Abengoa may be viewed at www.abengoa.com.

These Consolidated condensed interim financial statements are a free translation of the Consolidated condensed interim financial statements originally issued in Spanish and prepared in accordance with International Financial Reporting Standards adopted by the European Union. In the event of a discrepancy, the Spanish-language version prevails.

Note 2.- Basis of presentation

The Group's consolidated financial statements corresponding to the fiscal year ended December 31, 2015 were prepared by the Directors of the Company in accordance with International Financial Reporting Standards adopted by the European Union (IFRS-EU), applying the principles of consolidation, accounting policies and valuation criteria described in Note 2 of the notes to the aforementioned Consolidated financial statements, so that they present the Group's equity and financial position as of December 31, 2015 and the consolidated results of its operations, the changes in the consolidated net equity and the consolidated cash flows for the financial year ending on that date.

The Group's consolidated financial statements corresponding to the 2015 financial year were approved by the General Shareholders' Meeting of the Parent Company held on June 30, 2016.

These Consolidated condensed interim financial statements are presented in accordance with IAS (International Accounting Standard) 34, 'Financial Reporting' approved by the European Union.

These Consolidated condensed interim financial statements have been prepared based on the accounting records of Abengoa S.A. and the subsidiary companies which are part of the Group, and include the adjustments and re-classifications necessary to achieve uniformity between the accounting and presentation criteria followed by all the companies of the Group (in all cases, in accordance with local regulations) and those applied by Abengoa, S.A. for the purpose of preparing consolidated financial statements.

In accordance with IAS 34, consolidated condensed interim financial information is prepared solely in order to update the most recent annual Consolidated financial statements prepared by the Group, placing emphasis on new activities, occurrences and circumstances that have taken place during the six month period ended June 30, 2016 and not duplicating the information previously published in the annual Consolidated condensed financial statements for the year ended December 31, 2015. Therefore, the Consolidated condensed interim financial statements do not include all the information that would be required in complete Consolidated financial statements prepared in accordance with the International Financial Reporting Standards as issued by the EU.

In view of the above, for an adequate understanding of the information, these Consolidated condensed interim financial statements must be read together with Abengoa's consolidated financial statements for the year ended December 31, 2015.

Given the activities in which the companies of the Group engage, their transactions are not of a cyclical or seasonal nature. For this reason, specific breakdowns are not included in these explanatory notes to the Consolidated condensed interim financial statements corresponding to the six month period ended June 30, 2016.

In determining the information to be disclosed in the notes to the Consolidated condensed interim financial statements, the Group, in accordance with IAS 34, has taken into account its materiality in relation to the Consolidated condensed interim financial statements.

The amounts included within the documents comprising the Consolidated condensed interim financial statements (Consolidated condensed interim statements of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Condensed Cash Flow Statement and notes herein) are, unless otherwise stated, all expressed in thousands of Euros.

Unless otherwise stated, any presented percentage of interest in subsidiaries, joint ventures (including temporary joint operations) and associates includes both direct and indirect ownership.

2.1. Going concern

In accordance with IAS1, which requires the financial statements to be prepared regarding the going concern principle, unless Directors have the intention or any other real alternative of liquidation or cease of activity, the consolidated condensed interim financial statements at June 30, 2016 have been prepared applying this principle.

› In relation to the facts and circumstances occurred during the second half of the year 2015, which significantly deteriorated the liquidity position and the financial structure of Abengoa, that made the Directors of the Company to submit the communication provided by the Article 5 bis of Act 22/2003 of July 9, on insolvencies (Ley Concursal) and to initiate a refinancing process to try to reach an agreement with its main financial creditors, the following summary shows the facts related during the first six month period of the year 2016 until the preparation of the present Consolidated Condensed Interim Financial Statements for the six month period ended June 30, 2016:

a) In relation to the proceeding provided by the law 22/2003 (Ley Concursal) and the beginning of the aforementioned refinancing process, it should be noted that;

› On January 25, 2016, the Company announced that the independent and specialized consulting firm on refinancing process Alvarez&Marsal presented to the Board of Directors of Abengoa the Industrial Viability Plan that defined the structure of the future activity of Abengoa on an operating basis focusing on the activity of engineering and construction either developing its own technology or using technology developed by others.

› Based on this Initial Viability Plan, that confirms the industrial viability of Abengoa, the Company began negotiations with its creditors to restructure the debt and the necessary resources and provide Abengoa the optimal capital structure and the sufficient liquidity to continue operating competitively and sustainably in the future.

› In this sense, and in relation to the negotiations between the Company and a group of its creditors comprised of banks and holders of bonds issued by the Group, as of March 10, 2016, the Company informed that it has agreed with the advisers of such creditors the grounds for an agreement to restructure the financial indebtedness and recapitalize the Group. The Company believed that such agreement contained the essential elements to achieve a future restructuring agreement that, in any event, would be subject to reaching the accessions percentage required by Ley Concursal. On March 28, 2016, the Company and a group of creditors comprised of banks and holders of bonds Issued by the Group had reached a standstill agreement with the objective of providing the time necessary to keep working and reaching, as soon as possible, a full and complete agreement about the terms and conditions to restructure the financial indebtedness and recapitalize the Group. In order to reach this purpose, among other obligations assumed by all parties, the arrangement with parties contains expressly the compromise of creditors to abstain from claiming or accepting the payment of any amount owed as current amortization debt or advanced payments of capital or interest, as well as to charge default interests as a consequence of non-performance by the debtor.

› With respect to the foregoing, as of March 28, 2016, an application for the judicial approval of the standstill agreement (the “Standstill Agreement”) have been filed to the Mercantile Court of Seville nº 2 which obtained the support of 75.04% of financial creditors to which it was addressed, being therefore over the legally required majority (60%). Additionally, on April 6, 2016, the judge of the Mercantile Court of Seville nº2 issued the approval of the Standstill Agreement and extended the maturity of the agreement until October 28, 2016 (included), to the financial liability creditors which have not subscribed it or which showed the disconformity to the agreement. This agreement has been impugned by some creditors and currently is in court.

› From that moment until now, the Company has continued with the negotiation process with its main financial creditors and potential investors in order to develop the agreed terms of reference. In the context of these negotiations and the circumstances that have been affecting our projects since the Initial Viability Plan was prepared by Alvarez&Marsall, an Updated Viability Plan was prepared during the second half of May, which has been approved by the Board of Directors after the end of the six month period ended June 30, 2016, on August 3, 2016 as well as the term sheet of the restructuring agreement which was subscribed afterwards by the main creditors and which is mentioned below.

› This Updated Viability Plan shows the negotiations and difficulties that Abengoa experienced in certain projects as well as the changes which, as a result, have been made with respect to the Initial Viability Plan, as well as the review of certain hypothesis in the mentioned Plan and the update of the expected date of reactivation of our operations. Therefore, all of this calls for a significant reduction of Abengoa’s cash needs, which have been identified in this Updated Viability Plan, in approximately €1,200 million, compared to the initially estimated figure of €1,500 - €1,800 million.

› Pursuant to the preparation of the Updated Viability Plan and the ongoing negotiations, on June 30, 2016, Abengoa announced that had reached grounds for an agreement with the Bank Coordination Committee and a group of bondholders and investors on the main terms of the proposed financial restructuring to be signed.

› Afterwards, on August 11, 2016, the term sheet of the restructuring agreement was subscribed between Abengoa, S.A. and a group of entities comprising the main financial creditors and potential investors. Moreover, the Company has received acceptance letters in order to underwrite the new money financing in an amount which exceeds the liquidity requirement of the Revised Viability Plan. The agreement is subject to several conditions precedent which are common in this kind of transactions.

The fundamental principles of such agreement are the following:

(i) The amount of new money to be lent to the Group totals €1,169.6 million (including refinancing of the September and December 2015, March and September 2016 facilities). This financing would rank senior with respect to the preexisting debt and would be divided into different tranches:

- Tranche I: amounts to €945.1 million, with a maximum maturity of 47 months and secured by, among other things, certain assets that include the A3T project in Mexico and the shares of Atlantica Yield held by the Company. Creditors would be entitled to 30% of Abengoa’s new share capital post restructuring.

- Tranche II: amounts to €194.5 million, with a maximum maturity of 48 months and secured by, among other things, certain assets in the engineering business. Creditors would be entitled to 15% of Abengoa's new share capital post restructuring.

- Tranche III: contingent credit facility of up to €30 million, with a maximum maturity of 48 months secured by, among other things, certain assets that include the A3T project in Mexico and the shares of Atlantica Yield held by the Company and with the sole purpose of providing guaranteed additional funding for the completion of the A3T project. Creditors would be entitled to receive 5% of Abengoa's new share capital post restructuring.

(ii) New bonding facilities amount to €307 million. Financing entities would be entitled to 5% of Abengoa's new share capital post restructuring.

(iii) The restructuring proposal for the preexisting debt will involve a 97% reduction of its nominal value, while keeping the remaining 3% with a ten year maturity, with no annual coupon or option for capitalization.

(iv) Creditors who adhere to the agreement can choose either the conditions laid out in section (iii), or alternative conditions which consist of the following:

- Capitalization of 70% of preexisting debt in exchange for 40% of Abengoa's new share capital post restructuring.

- The remaining 30% of the nominal value of the preexisting debt will be refinanced through new debt instruments, replacing the preexisting ones, which will rank as senior or junior depending on whether or not such creditor participates in the new money facilities or new bonding facilities. Such instruments will have maturities of 66 and 72 months respectively, with the possibility of an extension of up to 24 months, accruing annual interest of 1.50% (0.25% cash payment and 1.25% Pay If You Can). The junior instrument could be subject to additional reductions (provided that total reduction does not exceed 80% of the nominal value prior to the capitalization) if the aggregate amount of refinanced preexisting debt (after the aforementioned capitalization) exceeds €2,700 million due to the crystallization of contingencies.

(v) At the end of the restructuring process, the current shareholders of the Company would hold around 5 % of the share capital. Eventually, through the issuance of warrants, they could increase such stake in a percentage to be agreed that will not exceed an additional 5%, if, within 96 months, the group has paid in full all outstanding amounts under the new financing to be provided in the framework of the restructuring and under the existing indebtedness (as this indebtedness may have been restructured), including its financial costs. Furthermore, the company intends to submit a proposal to merge the two types of existing shares into one sole class of shares for approval by a General Shareholders Meeting, although this is not considered a prerequisite of the restructuring agreement.

(vi) Within the context of the restructuring agreement and until its implementation, the Company has appointed Mr. Gonzalo Urquijo Fernández de Araoz as independent advisor, with no executive or management functions, to the board of directors for matters related with the Viability Plan and the fulfillment of the conditions precedent.

› As of the signed restructuring agreement on September 24, 2016, it is open a process, that will be finished on October 25, 2016, with the rest of financial creditors aiming to obtain the minimum required level of support required in the law of 75%.

b) <u>On the other hand, in relation with the proceedings in Brazil, on the occasion of the mentioned situation of Abengoa, it should be known that</u>;

› On January 29, 2016, Abengoa filed the recuperação judicial applications in Brazil about the companies Abengoa Concessões Brasil Holding S.A., Abengoa Construção Brasil Ltda and Abengoa Greenfield Brasil Holding S.A, which were admitted on February 22, 2016. This measure was undertaken provided that the Company incurred in a "Crise econômico scenario", which is contemplated in Brazillian Law 11.101/05. "Recuperação judicial" consists in a proceeding provided by the Brazillian Law which allows corporations to restructure their debt in an orderly manner and continue as a going concern once the financial difficulties are overcome.

› In relation to the aforementioned, on April 20, 2016, Abengoa presented the viability plan (plano de Recuperaçao) in which the main premises are based on the divestment of certain concessional transmission line assets in operation, as well as the divestment of lines which currently are under construction. It is expected that these divestments will allow a favorable agreement to repay the debt already restructured in companies under recuperação judicial (negotiations are in progress with creditors) as well as the possible preservation of the construction activity in Brazil. As explained in Note 7 of these consolidated condensed interim financial statements, both asset batches have been classified as non-current assets held for sale due to the compliance, at June 30, 2016,of the IFRS 5´s requirements. In relation with lines in operation, on June 24, 2016, Abengoa has received an offer by which the asset fair value estimation have been made. This offer, will serve as starting price in the judicial auction process provided to this kind of insolvency proceedings in Brazil

- On the other hand, and regardless the mentioned negotiation process, on June 28, 2016, ANEEL´s Board of Director decided to authorize the Electricity Inspection Service Office "SFE" and the Superintendent of Economy and Financial Inspection " SFF" for the issuance of a communication to the owner companies of construction in progress (ATEs), informing about the contract compliance, which may lead to an expiration declaration of concessions.

c) Additionally, in relation to the proceedings in United States, on occasion as well of the mentioned situation of Abengoa, indicate that,

- On February 1, 2016 and February 10, 2016, certain creditors initiated involuntary bankruptcy petitions to the Missouri Bankruptcy Court against the American affiliates Abengoa Bioenergy Nebraska, L.L.C. and Abengoa Bioenergy Company, L.L.C. respectively. After responding to the petitions, on February 24, 2016, both companies mentioned above along with Abengoa Bioenergy Outsourcing, LLC, Abengoa Bioenergy Engineering and Construction, LLC, Abengoa Bioenergy Trading US, LLC, and Abengoa Bioenergy Holding US, LLC opted to file for voluntary creditors´ protection under Chapter 11 provided by the USA Law. These petitions have been filed in order to allow the Company to continue as a going concern and, consequently, they included the authorization request for the payment of taxes, salaries and insurance premiums and other first day motions. Additionally, a request for the approval of a debtor-in-possession financing arrangement amounting to US$41 million was also filed. The hearing for these initial motions took place on March 2, 2016 and, during them, such companies were authorized to borrow an initial amount of US$8 million (which were additionally complemented with US$1.5 million authorized on March 29, 2016).

- Moreover, on March 23, 2016, certain creditors filed an involuntary insolvency proceeding against Abengoa Bioenergy Biomass of Kansas, LLC (ABBK)at the Kansas court.

- Also on March 29, the following American affiliates Abeinsa Holding Inc.; Abencor USA, LLC; Teyma Construction USA, LLC; Abeinsa EPC, LLC; Inabensa USA, LLC; Nicsa Industrial Supplies, LLC; Abener Construction Services, LLC; Abener North America Construction, LP; Abengoa Solar, LLC; Teyma USA & Abener Engineering and Construction Services General Partnership; Abeinsa Abener Teyma General Partnership; Abener Teyma Mojave General Partnership; and Abener Teyma Inabensa JV filed, under the "United States Bankruptcy Code" and the Delaware court, the named Chapter 11 in order to allow the companies to comply with their obligations and minimize the loss of value of their businesses. Such companies have requested authorization for the payment of taxes, salaries and insurances as well as other first day motions.

- In relation to all the above, on March 28 and 29, 2016, and in accordance with the clause 5.2 of the Standstill agreement mentioned before, Abengoa, S.A. and several of its Spanish affiliates (the "Chapter 15 Debtors") commenced cases under Chapter 15 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware ("Delaware Bankruptcy Court"). In these cases, the Chapter 15 Debtors seek recognition by the Delaware Bankruptcy Court of the proceeding commenced in the Spanish Court to obtain judicial approval (homologación judicial) of the Standstill Agreement (the "Spanish Proceeding") and application of the Standstill Agreement within the territorial jurisdiction of the United States. In the initial hearings held on March 31, 2016, the Delaware Bankruptcy Court granted the Chapter 11 Debtors' requests relief and the Initial Chapter 15 Debtors' requested provisional relief to stay creditor actions against them. Both hearings were uncontested and all motions were granted.

- Additionally, on April 7, 2016 Abengoa US Holding, LLC and seven other affiliated U.S. debtors (collectively, the "Additional Chapter 11 Debtors") each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the Delaware Bankruptcy Court (together with the Chapter 11 cases filed on March 29, 2016, the "Chapter 11 Proceedings"). All of the cases filed by the Additional Chapter 11 Debtors are being jointly administered with the lead Chapter 11 Proceeding filed on March 28, 2016 in the Delaware Bankruptcy Court. The Additional Chapter 11 Debtors are comprised of the following legal entities: Abener Teyma Hugoton General Partnership, Abengoa Bioenergy Biomass of Kansas, LLC, Abengoa Bioenergy Hybrid of Kansas, LLC, Abengoa Bioenergy New Technologies, LLC, Abengoa Bioenergy Technology Holding, LLC, Abengoa US Holding, LLC, Abengoa US Operations, LLC and Abengoa US, LLC.

- The Company further informs that at the initial hearing held on April 27, 2016 on the Chapter 11 petitions filed on April 7, 2016 by the additional Chapter 11 Debtors, the Delaware Bankruptcy Court granted the first-day relief requested by all but one of those debtors. With respect to ABBK's Delaware case, it was noted that on April 25, 2016 the U.S. Bankruptcy Court for the District of Kansas (the "Kansas Bankruptcy Court") had issued an order denying ABBK's request to transfer to the Delaware Bankruptcy Court an involuntary Chapter 11 case commenced against it on March 23, 2016 in the Kansas Bankruptcy Court. Referring to the Kansas Bankruptcy Court's ruling and the Delaware Bankruptcy Court stated that it would honor that decision, ordered a stay of ABBK's Chapter 11 case in Delaware, and directed ABBK to show why its Delaware case should not be dismissed. On May 2, 2016, ABBK moved to certify the Kansas Bankruptcy Court's ruling for direct appeal to the U.S. Court of Appeals for the Tenth Circuit and requested a stay of the Kansas bankruptcy case order pending the outcome of that appeal.

- The Company further informs that on April 26, 2016 its subsidiary Abengoa Solar LLC ("Abengoa Solar"), one of the Initial Chapter 11 Debtors, filed a motion requesting the Delaware Bankruptcy Court's authorization to consummate the sale of interests that two of Abengoa Solar's non-debtor subsidiaries hold in project entities responsible for the financing, design, construction, operation, maintenance, and transfer to the State of Israel of a concentrated solar energy thermal power station plant currently under construction there (the "Ashalim Project"). At the hearing on the motion held on May 3, 2016, the Delaware Bankruptcy Court authorized Abengoa Solar to make this transaction.

- On May 3, 2016, the American affiliate companies Abengoa Bioenergy Meramec Renewable, LLC, Abengoa Bioenergy Funding, LLC, Abengoa Bioenergy Maple, LLC, Abengoa Bioenergy of Indiana, LLC, Abengoa Bioenergy of Illinois, LLC y Abengoa Bioenergy Operations, LLC, commenced a voluntary Chapter 11 case in the Missouri Bankruptcy Court. In the framework of these proceedings and the already initiated Chapter 11 proceeding by Abengoa Bioenergy US Holding, LLC, this and the affiliate companies mentioned have filed motions in the East Missouri Bankruptcy Court in relation with the sale proceeding of the two Maple plants located on Indiana and Illinois, the plant of Ravenna and the plant of York. Additionally, to facilitate the sale of the Maple plant, the current creditors of such plants have agreed to concede additional financing for an amount of US$10 million (debtor-in-.possession financing).

- Continuing with the sale proceeding commented above, on August 22, 2016 as approved by the United States Bankruptcy Court for the Eastern District of Missouri (the "Bankruptcy Court"), an auction over certain assets of Abengoa Bioenergy US Holding, LLC (the Company.) has been conducted following the process previously agreed among certain debtors and debtors in possession (the "Debtors") and such Company, on June 12, 2016, Abengoa Bioenergy US Holding, LLC and certain Debtors filed a motion (the "Motion") with the Bankruptcy Court seeking, among other things, entry of an order (the "Bidding Procedures Order"); (a) approving certain auction and bidding procedures (the "Bidding Procedures") in connection with the sale of the Debtors' bioenergy plants in Ravenna, Nebraska, York, Nebraska, Mt. Vernon, Indiana, Madison, Illinois and Colwich, Nebraska (collectively, the "Purchased Assets"), (b) authorizing the Debtors to enter into stalking horse purchase agreements with KAAPA Ethanol Holdings, LLC for the Ravenna Assets, Green Plains, Inc. for the Mt. Vernon and Madison Assets (the "Maple Assets") and Biourja Trading, LLC for the York Assets, (c) approving procedures relating to the assumption and assignment of executory contracts and unexpired leases, and (d) scheduling an auction (the "Auction") and sale approval hearing (the "Sale Hearing").

- On June 15, 2016, the Bankruptcy Court entered the Bidding Procedures Order, and subsequently, the Debtors' investment banker, Carl Marks, engaged in an extensive marketing process for all of the Purchased Assets. Pursuant to the Bidding Procedures Order, certain competing bids were submitted, and on the aforementioned date (August 22, 2016), the Debtors conducted the Auction, the results of which were that: (i) KAAPA Ethanol Holdings, LLC was the successful bidder for the Ravenna Assets at US$115 million, (ii) Green Plains, Inc. was the successful bidder for the Maple Assets at US$200 million, (iii) Green Plains, Inc. was the successful bidder for the York Assets at US$37.375 million, and (iv) ICM, Inc. was the successful bidder for the Colwich Assets at US$3.15 million.

- The Bankruptcy Court has scheduled to conduct a hearing to approve these sales on August 29, 2016, and it is expected that these transactions will close by September 30, 2016. Following the completion of the sales of the bioenergy assets, after the payment of debtor-in-possession financing provided with regard to the Ravenna Assets and the Maple Assets, the net sale proceeds will then be distributed pursuant to a plan of liquidation. The plan will be filed with the Bankruptcy Court following the closing on the sale of Purchased Assets.

- Additionally, on date July 18, 2016, and in the Chapter 11 proceeding framework, already initiated by ABBK, the investment bank Ocean Park Advisors was hired to seek a strategic partner interested in buying the bioethanol plant and the co-generation plant located in Hugoton, Kansas.

- Finally, the companies Abengoa Bioenergy Holdco, Inc. and Abengoa Bioenergy Meramec Holding, Inc., have initiated voluntary proceedings of Chapter 11 in the Delaware Bankruptcy Court, where the pending chapter 11 resolutions of other American affiliates exist, as well as the Chapter 15 proceeding of Abengoa mentioned before.

d) In relation to the bankruptcy declaration by the Court of Rotterdam of Abengoa Bioenergy Netherlands, B.V. on date May 11, 2016, and appointing both a liquidator and supervising judges, should be known the following;

- After such bankruptcy declaration and the appointment of a liquidator, the liquidation process of the company started and therefore, since that moment, the loss of control was effective.

- In the framework of such bankruptcy proceeding, on date May 11, 2016, the company Alcogroup communicated the agreement to acquire the plant without disclosing the agreed acquisition price .

- Once completed the restructuring agreement and the recapitalization of the Group described in Note 2.1.a), the company will develop the agreed Updated Viability Plan with creditors and investors, which is focused on the traditional business of Engineering and Construction, where the company accumulates more than 75 years of experience. Specifically, this Updated Viability Plan focusses the activity in the energy and environmental industry. This business will be combined, in a balanced manner, with concessional infrastructure projects in sectors where Abengoa has a competitive advantage, mainly of technological kind, which allows a bigger added value projects. Regarding the mentioned Updated Viability Plan, will allow Abengoa to grow sustainably, based on the following five principles:

    1) A multidisciplinary team and a culture and ability to multifunctional work.

    2) Experience in engineering and construction and specially the outstanding strength in business development of high potential growing such as energy and water.

    3) Technology abilities in our targets, mainly in solar energy and water.

    4) A more efficient organization with more competitive general expenses.

    5) A financial approach adjusted to the current reality in which financial discipline and a rigorous evaluation of financial risks are key milestones.

- Based on the foregoing, and in prevision of the fulfilment of the agreement with financial creditors of the Company which assure the financial stability of Abengoa and the ability to generate resources from its operations as stated in the Updated Viability Plan, Abengoa´s Directors have deemed it appropriate to present the Consolidated Condensed Interim Financial Statements as of June 30, 2016 on a going concern.

  Based on the application of the going concern basis, Abengoa´s Directors have prepared these Consolidated condensed interim financial statements applying the International Accounting Standards consistently with Consolidated condensed interim financial statements and Consolidated financial statements filed in prior periods. For that purpose, and according to the aforementioned accounting framework, Abengoa´s Directors have made their best estimates and assumptions (see Note 3) in order to record the assets, liabilities, revenues and expenses as of June 30, 2016 in accordance with the existing information by the time of formulating these Consolidated condensed financial statements.

- The situation of the Group continues being affected by a strong limitation of financial resources, which has significantly influenced the evolution of the business by means of general business deceleration in all segments for one year. Thus, certain projects have left idle without possibility to assist with suitable financial resources to operate them. This situation has led on the one hand to breaches in contractual milestones, and on the other, to a very significant increase in estimated costs of their reactivation and therefore their continuance are not included in the viability plan associated to the Restructuring Agreement signed on September 24, 2016. Additionally, in certain countries, Group´s companies have incurred in judicial insolvency situations or bankruptcy in business which are not included in the mentioned viability plan. Given this situation, Directors have collected the significant negative impacts in the income statements at June 30, 2016 based on the best estimations made by Directors and in accordance with the International Accounting Standards. In this sense, the most significant negative impacts recorded in results at June 30, 2016, which have reached €-3,253 million, are mainly related to provisions in construction projects, to results from the sale of certain assets and the impairment of certain assets caused by the situation of the company.

  The following table shows the detail of such impacts (in million euros):

Item	Total
Project Construction costs (see Note 5.1 a)	(139)
Sale of assets (see Note 6.2 b)	56
Impairment of assets (see Note 5.1 b)	(3,079)
Default interests and guaranty executions (see Note 22)	(70)
Others	(21)
	(3,253)

  Due to all the above, the parent company, Abengoa, S.A., has incurred in losses since 2015 which has supposed a significant decrease in Equity and, as a consequence, at June 30, 2016 presents a negative net equity. In accordance with the Article 363 of the Spanish Corporation Law, a Company will be in dissolution situation when losses lead Net Equity to an amount lower than half shared capital, unless an increase or decrease in capital share were enough.

  The effective application of the signed Restructuring Agreement will allow to an immediate restoration of financial stability from the recognition of results from debt write-offs considered, in addition to provide the Group with the necessary financial resources to reactivate the activity. On the other hand, Directors are confident on generating future resources from operations given such financial resources and the application of the Updated Viability Plan, which will allow to rise the market confidence, the provision of liquidity to the Company and the continuance of its activity to operate in a competitive and sustainable manner in the future.

  For further information about the restructuring process, see Note 29 `Subsequent events`.

2.2. Application of new accounting standards

a) Standards, interpretations and amendments effective from January 1, 2016 under IFRS-EU, applied by the Group:

- Improvements to IFRSs 2012-2014 cycles. These improvements are mandatory for periods beginning on or after January 1, 2016 under IFRS-EU.
- IAS 1 (Amendment) 'Presentation of Financial Statements'. This amendment is mandatory for periods beginning on or after January 1, 2016 under IFRS-EU.
- IAS 16 (Amendment) 'Property, Plant and Equipment' and IAS 38 'Intangible Assets', regarding to acceptable methods of amortization and depreciation. This amendment is mandatory for periods beginning on or after January 1, 2016 under IFRS-EU.
- IAS 27 (Amendment) 'Separate financial statements' regarding the reinstatement of the equity method as an accounting option in separate Financial statements. This amendment is mandatory for periods beginning on or after January 1, 2016 under IFRS-EU.
- IFRS 11 (Amendment) 'Joint Arrangements' regarding acquisition of an interest in a joint operation. This amendment is mandatory for periods beginning on or after January 1, 2016 under IFRS-EU.

Abengoa's Directors believe that the applications of these amendments have not had any material impact.

b) Standards, interpretations and amendments published by the IASB that will be effective for periods after June 30, 2016:

- IFRS 10 (Amendment)' Consolidated Financial Statements' and IAS 28 'Investments in Associates', regarding to sale or contribution of assets between an investor and its associate or joint venture. The application of these amendments has been delayed with not specific date of application under IFRS-EU.
- IFRS 9 'Financial Instruments'. This Standard will be effective from January 1, 2018 under IFRS-IASB and has not yet been adopted by the EU.
- IFRS 15 'Revenues from contracts with Customers'. IFRS 15 is applicable for periods beginning on or after 1 January 2018 under IFRS-IASB, earlier application is permitted, IFRS 15 has not yet been adopted by the EU.
- Introduction of IFRS 16 "Leases" which supersedes IAS 17. Lessees will recognize most leases in the balance sheet as financed purchases. This standard will apply to periods beginning after January 1, 2019 under IFRS-EU.
- IFRS 10 (Amendment) 'Consolidated financial statements', IFRS 12 'Disclosure of interests in other entities' and IAS 28 'Investments in associates and joint ventures' regarding the exemption from consolidation for investment entities. These amendments are mandatory for periods beginning on or after January 1, 2016 under IFRS-IASB and have not yet been adopted by the EU.
- IAS 7 (Amendment) "Statement of cash flow" related to disclosures. This standard will apply to annual periods beginning after January 1, 2017 under IFRS-EU.
- IAS 12 (Amendment) "Income taxes" related to the recognition of not realized deferred taxes. This standard will apply to annual periods beginning after January 1, 2017 under IFRS-IASB, earlier application is permitted, and annual periods beginning after January 1, 2018 under IFRS-EU.

The Group is currently in the process of evaluating the impact on the Consolidated condensed interim financial statements derived from the application of the new standards and amendments that will be effective for periods beginning after June 30, 2016.

Note 3.- Critical accounting policies

These Consolidated condensed interim financial statements under IFRS-EU standards require estimates and assumptions that have an impact in assets, liabilities, income, expenses and disclosures related. Actual results could be shown differently than estimated. The most critical policies, which show the most significant estimates and assumptions of the business to determine the amounts in theses Consolidated condensed interim financial statements, are:

The most critical accounting policies that involve estimations are as follows:

- Impairment of intangible assets and goodwill.
- Revenue and expense from construction contracts.
- Service concession agreements.
- Income taxes and recoverable amount of deferred tax assets.
- Derivatives and hedging.

- Guarantees provided to third parties.

Some of these critical accounting policies require the deployment of significant judgement by The Board of Directors in order to determine appropriate assumptions and estimates to determine these critical accounting policies. These estimates and assumptions are not only based on historical experience of the Company, but also, on the advice of experts and consultants, expectations and forecasts as of the end of the reporting period. Directors´ assessment has to be considered given the business environment of the industries and geographies in which the Group operates, taking into account the future development of the business. Provided its nature, these judgments and assumptions are subject to an inherent degree of uncertainty and, thus, the real results may materially differ from assumptions and estimates used. Upon the occurrence of such event, assets and liabilities will be adjusted.

Based on what has been exposed in Note 2.1 regarding the application of the going concern accounting principle and during the accounting policies adaptation process, the best estimates and assumptions have been made by the Board of Directors in order to determine the impacts of that situation over the assets, liabilities, income and expenses.

Upon the occurrence of a significant change in the facts and circumstances upon which estimates and assumptions have been made, it may require the management to amend such estimates and assumptions in future periods. Changes in accounting estimates are recognized prospectively, in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Note 4.- Financial risk management

Abengoa's activities are undertaken through its operating segments and are exposed to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk.

Due to the facts and circumstances occurred during the second half of the year 2015, Abengoa had at the end of November 2015 substantial liquidity needs mainly to attend capital expenditure in assets, short and medium term debt maturities related to operations and negative working capital.

On November 25, 2015, due to the circumstances explained above, the Company decided to initiate a refinancing process to try to reach an agreement with its main financial creditors that would ensure a suitable framework in which to undertake the said negotiations and the financial stability of the Group in the short and medium term.

In relation to the refinancing process, after carefully evaluating the situation described above and in order to ensure the stability necessary to conduct these negotiations with the creditors, the Board of Directors of the Company deemed that the most appropriate approach was to submit the communication provided under Article 5 bis of Ley Concursal. In this regard, on December 15, 2015, Commercial Court No. 2 of Seville issued a Decree agreeing that the communication provided for under Article 5 bis of Ley Concursal had been filed.

Afterwards, on August 11, 2016, it has been subscribed a Term Sheet of the restructuring agreement between Abengoa, S.A. and a group of entities comprised of main financial creditors and potential investors. Moreover, acceptance confirmations have been received to the comfort letter to finance the new money provided in the restructuring agreement in excess to the previous requirements in the Updated Viability Plan. The agreement is subject to certain documentation and a number of usual conditions in this kind of transactions.

Abengoa´s Directors are confident on reaching a final agreement with creditors and, once signed, the achievement of the Viability Plan associated by means of the Group´s ability to generate cash from operations which will allow the financial restitution of Abengoa, S.A., and to provide to Abengoa the optimal capital structure and the liquidity enough to continue its activity and operate in a competitive and sustainable manner in the future.

Note 5.- Financial information by segment

5.1. Information by business segment

As indicated in Note 1, Abengoa's activity is grouped under the following three activities which are in turn composed of six operating segments:

- Engineering and construction; includes the traditional engineering business in the energy and water sectors, with more than 70 years of experience in the market. This activity comprises one operating segment Engineering and Construction.

  Abengoa specializes in carrying out complex "turnkey projects" for thermo-solar plants, solar-gas hybrid plants, conventional generation plants, biofuels plants and water infrastructures, as well as large-scale desalination plants and transmission lines, among others. In addition, this segment includes activities related to the development of thermo-solar technology, water management technology and innovative technology businesses such as hydrogen energy or the management of energy crops.

- Concession-type infrastructures; groups together the company's proprietary concession assets that generate revenues governed by long term sales agreements, such as take-or-pay contracts or power purchase agreements. This activity includes the operation of electric energy generation plants (solar, cogeneration or wind), desalination plants and transmission lines. These assets generate low demand risk and the Company focuses on operating them as efficiently as possible.

  The Concession-type infrastructures activity comprises four operating segments:

  - Solar – Operation and maintenance of solar energy plants, mainly using thermo-solar technology.
  - Water – Operation and maintenance of facilities aimed at generating, transporting, treating and managing water, including desalination and water treatment and purification plants.
  - Transmission – Operation and maintenance of high-voltage transmission power line infrastructures.
  - Cogeneration and other – Operation and maintenance of conventional cogeneration electricity plants.

- Industrial production; covers Abengoa's businesses with a high technological component, such as development of biofuels technology. The company holds an important leadership position in these activities in the geographical markets in which it operates.

  This activity is comprised of one operating segment:

  - Biofuels – Production and development of biofuels, mainly bioethanol for transport, which uses cellulosic plant fiber, cereals, sugar cane and oil seeds (soy, rape and palm) as raw materials.

Abengoa's Chief Operating Decision Maker ('CODM') assesses the performance and assignment of resources according to the above identified segments. The CODM in Abengoa considers revenues as a measure of the activity and the EBITDA (Earnings before interest, tax, depreciation and amortization) as measure of the performance of each segment. In order to assess the performance of the business, the CODM receives reports of each reportable segment using revenues and EBITDA. Net interest expense evolution is assessed on a consolidated basis given that the majority of the corporate financing is incurred at the holding level and the majority of investments in assets are held at project companies which are financed through project debt. The depreciation, amortization and impairment charges are assessed on a consolidated basis in order to analyze the evolution of net income and to determine the dividend pay-out ratio. These charges are not taken into consideration by CODM for the allocation of resources because they are non-cash charges.

The process to allocate resources by the CODM takes place prior to the award of a new project. Prior to presenting a bid, the company must ensure that the project debt for the new project has been obtained. These efforts are taken on a project by project basis. Once the project has been awarded, its evolution is monitored at a lower level and the CODM receives periodic information (revenues and EBITDA) on each operating segment's performance.

Directors consider that the restructuring agreement will lead the application of measures determined in the Updated Viability Plan (see Note 2.1) and therefore the assessment of the consequences that could derive to the financial information by segment shown so far.

a) The following table shows the Segment Revenues and EBITDA for the six month period ended June 30, 2016 and 2015:

	Revenue		EBITDA		
	For the six months period ended		For the six months period ended		
Item	06.30.16	06.30.15 (2)	06.30.16		06.30.15
Engineering and construction					
Engineering and construction	610,697	2,160,240	(103,308)	(1)	450,687
Total	**610,697**	**2,160,240**	**(103,308)**		**450,687**
Concession-type infrastructure					
Solar	16,880	123,249	10,952		86,057
Water	30,698	26,131	21,786		23,945
Transmission lines	1,653	1,591	(426)		423
Cogeneration and other	23,902	24,420	13,403		11,998
Total	**73,133**	**175,391**	**45,715**		**122,423**
Industrial production					
Biofuels	531,516	971,728	7,089		15,676
Total	**531,516**	**971,728**	**7,089**		**15,676**
Total	**1,215,346**	**3,307,359**	**(50,504)**		**588,786**

(1) Includes construction cost provisions of projects given the situation of the company and the applications of measures established in the approved viability plan for an amount of €-139 million (see Note 2.1).

(2) Restated figures. On June 30, 2016, the Company has reclassified the income statements for the six-month period ended June 30, 2016 and 2015 of the concessional assets LAT Brazil owner companies to Profit/loss from discontinued operations due to their significant activities developed within Abengoa (see Note 7).

The conciliation of EBITDA and the profit attributable to owners of the parent is as follows:

Item	For the six months period ended 06.30.16	For the six months period ended 06.30.15
Total segment EBITDA	(50,504)	588,786
Amortization and depreciation	(1,812,555)	(186,254)
Financial expenses net	(506,237)	(394,359)
Share in profits/ (losses) of associates	(331,946)	5,581
Income tax expense	(27,641)	61,359
Profit (loss) from discontinued operations, net of tax	(954,453)	6,236
Profit attributable to non-controlling interests	(5,625)	(9,211)
Profit attributable to the parent company	**(3,688,961)**	**72,138**

b) The assets and liabilities by segment as of June 30, 2016 and December 31, 2015 are as follows:

	Engineering and construction	Concession-type infrastructure				Industrial production	
Item	Eng. and const. (1)	Solar (1)	Water	Trans. (1)	Cog. and other (1)	Biofuels (1)	Balance as of 06.30.16 (2)
Assets allocated							
Intangible assets	142,781	348	1,697	-	68	420,272	565,166
Property plant and equipment	167,263	7,838	-	-	-	367,000	542,101
Fixed assets in projects	-	3,537	242,731	6,683	178,153	477,458	908,562
Current financial investments	159,327	5,475	945	2,824	1,162	25,011	194,744
Cash and cash equivalents	219,854	8,666	1,496	4,470	1,839	39,584	275,909
Subtotal allocated	**689,225**	**25,864**	**246,869**	**13,977**	**181,222**	**1,329,325**	**2,486,482**
Unallocated assets							
Non-current and associated financ. invest.	-	-	-	-	-	-	1,344,799
Deferred tax assets	-	-	-	-	-	-	1,490,493
Other current assets	-	-	-	-	-	-	1,937,867
Assets held for sale	-	-	-	-	-	-	5,521,865
Subtotal unallocated	-	-	-	-	-	-	**10,295,024**
Total Assets	-	-	-	-	-	-	**12,781,506**

(1) Include an impairment recognized at June 30, 2016 amounted to €-3,079 million given the situation of the company (see Notes 7, 8, 9, 10 and 11).

(2) See Note 7 to see assets and liabilities classified as non-current assets held for sale given the compliance of the IFRS5 "Non-current assets held for sale and discontinued operations".

	Engineering and construction	Concession-type infrastructure				Industrial production	
Item	Eng. and const.	Solar	Water	Trans.	Cog. and other	Biofuels	Balance as of 06.30.16 (1)
Liabilities allocated							
L-T and S-T corpor. financing	1,681,544	662,112	114,270	357,343	141,453	3,024,489	5,981,211
L-T and S-T project debt	5,982	515,512	21,443	1,037,079	475,146	342,051	2,397,213
L-T and S-T lease liabilities	24,077	-	-	-	-	853	24,930
Subtotal allocated	**1,711,603**	**1,177,624**	**135,713**	**1,394,422**	**616,599**	**3,367,393**	**8,403,354**
Unallocated liabilities							
L-T and S-T Other loans and borrowings	-	-	-	-	-	-	1,117,695
L-T grants and other liabilities	-	-	-	-	-	-	127,443
Provisions and contingencies	-	-	-	-	-	-	50,044
L-T derivative financial instruments	-	-	-	-	-	-	19,623
Deferred tax liabilities	-	-	-	-	-	-	286,709
L-T personnel liabilities	-	-	-	-	-	-	3,625
Other current liabilities	-	-	-	-	-	-	3,320,225
Liabilities held for sale	-	-	-	-	-	-	2,363,598
Subtotal unallocated	-	-	-	-	-	-	**7,288,962**
Total liabilities	-	-	-	-	-	-	**15,692,316**
Equity unallocated	-	-	-	-	-	-	**(2,910,810)**
Total liabilities and equity unallocated	-	-	-	-	-	-	**4,378,152**
Total liabilities and equity	-	-	-	-	-	-	**12,781,506**

(1) See Note 7 for a better understanding of assets and liabilities classified as non-current liabilities held for sale given the compliance with the stipulations and requirements of IFRS 5, 'Non-Current Assets Held for Sale and Discontinued Operations'.

	Engineering and construction	Concession-type infrastructure				Industrial production	
Item	Eng. and const.	Solar	Water	Trans.	Cog. and other	Biofuels	Balance as of 12.31.15
Assets allocated							
Intangible assets	245,242	355	6,775	-	318	1,193,287	1,445,977
Property plant and equipment	173,235	19,822	-	-	-	961,017	1,154,074
Fixed assets in projects	-	-	244,742	2,178,107	161,190	775,624	3,359,663
Current financial investments	344,600	26,912	4,471	14,954	5,834	122,050	518,821
Cash and cash equivalents	338,479	52,899	8,788	29,394	11,468	239,910	680,938
Subtotal allocated	**1,101,556**	**99,988**	**264,776**	**2,222,455**	**178,810**	**3,291,888**	**7,159,473**
Unallocated assets							
Non-current and associated financ. invest.	-	-	-	-	-	-	2,311,418
Deferred tax assets	-	-	-	-	-	-	1,584,751
Other current assets	-	-	-	-	-	-	2,315,698
Assets held for sale	-	-	-	-	-	-	3,255,859
Subtotal unallocated	-	-	-	-	-	-	**9,467,726**
Total Assets	-	-	-	-	-	-	**16,627,199**

	Engineering and construction	Concession-type infrastructure				Industrial production	
Item	Eng. and const.	Solar	Water	Trans.	Cog. and other	Biofuels	Balance as of 12.31.15
Liabilities allocated							
L-T and S-T corpor. financing	1,602,848	619,930	102,988	357,352	134,390	2,811,537	5,629,045
L-T and S-T project debt	136,985	337,109	78,376	1,712,168	453,945	351,523	3,070,106
L-T and S-T lease liabilities	21,827	-	-	-	-	14,715	36,542
Subtotal allocated	**1,761,660**	**957,039**	**181,364**	**2,069,520**	**588,335**	**3,177,775**	**8,735,693**
Unallocated liabilities							
L-T Other loans and borrowings	-	-	-	-	-	-	902,484
L-T grants and other liabilities	-	-	-	-	-	-	234,193
Provisions and contingencies	-	-	-	-	-	-	68,554
L-T derivative financial instruments	-	-	-	-	-	-	38,002
Deferred tax liabilities	-	-	-	-	-	-	317,689
L-T personnel liabilities	-	-	-	-	-	-	3,631
Other current liabilities	-	-	-	-	-	-	4,682,615
Liabilities held for sale	-	-	-	-	-	-	1,191,423
Subtotal unallocated	-	-	-	-	-	-	**7,438,591**
Total liabilities	-	-	-	-	-	-	**16,174,284**
Equity unallocated	-	-	-	-	-	-	**452,915**
Total liabilities and equity unallocated	-	-	-	-	-	-	**7,891,506**
Total liabilities and equity	-	-	-	-	-	-	**16,627,199**

The criteria used to obtain the assets and liabilities per segment, are described as follows:

› With the only objective of presenting liabilities by segment, Net Corporate Debt has been allocated by segments, since its main purpose is to finance investments in projects and in companies with the need to expand their businesses and lines of activity of the Group. Additionally, bridge loans issued at the corporate level have been allocated between different operating segments depending on the projects where funds have been allocated.

c) The investments in intangible assets and property, plant and equipment and fixed assets in projects by segments for the six month period ended June 30, 2016 and 2015 is as follows:

Item	For the six months period ended 06.30.16	For the six months period ended 06.30.15 (1)
Engineering and construction		
Engineering and construction	17,940	70,767
Total	**17,940**	**70,767**
Concession-type infrastructure		
Solar	1,066	743,178
Water	3,520	118,926
Transmission lines	3,455	41,438
Cogeneration and other	100,721	311,804
Total	**108,762**	**1,215,346**
Industrial production		
Biofuels	16,214	76,467
Total	**16,214**	**76,467**
Total investments by segments	**142,916**	**1,362,580**
Discontinued operations	31,283	331,063
Total	**174,199**	**1,693,643**

(1) Restated figures. On June 30, 2016, the Company has classified the cash flow statement of the period June 30, 2016 and 2015 of the transmission line owner companies in Brazil as profit/loss from discontinued operations, given their significant activities developed within Abengoa (see Note 7).

d) The distribution of depreciation, amortization and impairment charges by segments for the six month period ended June 30, 2016 and 2015 is as follows:

Item	For the six months ended 06.30.16 (1)	For the six months ended 06.30.15
Engineering and construction		
Engineering and construction	117,178	55,581
Total	**117,178**	**55,581**
Concession-type infrastructure		
Solar	72,883	45,950
Water	175	6,634
Transmission lines	9,870	1,223
Cogeneration and other	236,259	473
Total	**319,187**	**54,280**
Industrial production		
Biofuels	1,376,190	76,393
Total	**1,376,190**	**76,393**
Total	**1,812,555**	**186,254**

(1) Includes an impairment recognized during the six month period ended June 30, 2016 amounted to -€1,629 million given the situation of the Company (see Notes 7, 8 and 9). Additionally, at June 30, 2016, the company has recognized an impairment amounted to -€1,450 classified as results from discontinued operations, as financial expense and as share in profit (loss) of associates carried under the equity method (see Notes 9, 10 and 11).

(2) Restated figures. On June 30, 2016, the Company has reclassified the income statements for the six-month period ended June 30, 2016 and 2015 of the concessional assets LAT Brazil owner companies to Profit/loss from discontinued operations due to their significant activities developed within Abengoa (see Note 7).

5.2. Information by geographic areas

The revenue distribution by geographical region for the six month period ended June 30, 2016 and 2015 is as follows:

Geographical region	For the six months period ended 06.30.16	%	For the six months period ended 06.30.15 (*)	%
- North America	429,096	35	952,305	28
- South America (except Brazil)	47,412	4	819,403	24
- Brazil	93,543	8	302,684	12
- Europe (except Spain)	260,288	21	354,492	10
- Other regions	174,715	14	417,647	12
- Spain	210,292	17	460,828	14
Consolidated Total	**1,215,346**	**100**	**3,307,359**	**100**
Outside Spain amount	1,005,054	83	2,846,531	86
Spain amount	210,292	17	460,828	14

(*) Restated figures. On June 30, 2016 there has been classified the income statement for the six-month period ended June 30, 2016 and 2015 of the concessional assets LAT Brazil owner companies as profit/loss from discontinued operations, given their significant activities developed within Abengoa (see Note 7).

Note 6.- Changes in the composition of the Group

6.1. Changes in the consolidation group

During the first semester of the year 2016 a total of 3 associated companies were added to the consolidation perimeter of the group.

In addition, 8 subsidiaries, 2 associated companies and 3 joint ventures are no longer included in the consolidation group.

Within the companies which have left the consolidation perimeter is Abengoa Bioenergy Netherlands, B.V. given that, as a consequence of the declaration of bankruptcy by the Court of Rotterdam of such company on May 11, 2016, the appointment of a Liquidator and the consequent loss of control (see Note 2.1, 8.2 and 18.4).

6.2. Main acquisitions and disposals

a) Acquisitions

There were no significant acquisitions during the six month period ended June 30, 2016.

b) Disposals

- During the first semester of 2016, the main disposals are the following:

  - At the end of January 2016, the sale of the interest in Abengoa Solar Emirates Investment Company B.V. (TASEIC), parent company of Shams Power Company (Owner company of a 100MW thermo-solar plant developed by Abengoa in Abu Dhabi) was concluded. As a consequence of this sale Abengoa received an amount of US$30 million and has had a positive impact of €1 million in the consolidated Income Statement.

  - On March 31, 2016, the sale of the interest in the company Nicefield (owner company of a 70MW wind farm developed by Abengoa in Uruguay) was concluded. This sale concluded with an amount of US$0.4 million, releasing the company´s obligations of US$38 million of debt and its related guarantees, and has a positive impact in the consolidated Income Statement of €3 million.

  - At the beginning of April 2016, an agreement between Abengoa and Vela Energy, S.L. was closed for the sale of four photovoltaic plants located in the province of Seville and Jaen. The agreement, included in the divestment plan announced by the Company, has contributed with a debt reduction of €50 million, as well as a net cash inflow of €12 million and a negative impact in the consolidated income statements at June 30, 2016 for an amount of €4 million.

  - On April 16, 2016 an agreement between Abengoa and a group of investors (Estudios y Explotaciones de Recursos, S.A.U. Ingeniería de Manutención Asturiana, S.A., Noy Negev Energy, Limited Partnership and Shikun & Binui - Solel Boneh Infrastructure Ltd.) was signed for the transaction of all the Abengoa´s interest until that moment in the Project of Ashalim, consisting on the construction and operation of a 110MW thermo-solar plant located in Ashalim (Israel). The total amount of the transaction has been €64 million and was subjected to a number of conditions including the approval by creditors of the financing terms and the corresponding authorities of the State of Israel. As of June 30, 2016, not all of the conditions have been accomplished and thus, the sale transaction has not been recorded. Although, based on the total transaction amount, the investment has been recorded at fair value recognizing an impairment loss of €19 million (see Note 7). As of August 8, all the conditions have been accomplished and its collection has been effective.

  - On May 30, 2016, an agreement between Abengoa and Layar Castilla, S.A.U. has been signed for the transaction of all Abengoa´s interest in Explotaciones Varias, S.L. which aims the organization and operation of activities and businesses in relation to the acquisition of agricultural plot and its operation in agricultural, hunting and farming businesses directly, on partnership or by lease, the planting of crops, irrigation works and sanitation. This sale was completed for an amount of €16 million and has contributed with a positive impact in the consolidated income statement of €1 million.

  - At the beginning of June 2016, the agreement between Abengoa and the Company Garney has been closed for the transaction of the 80% Abengoa Vista Ridge LLC´s interest as owner Company of the assets associated to a water and conduction plant in United States. The agreement has contributed to a debt reduction of €105 million and no cash generation. As a consequence, the control over the assets has been transferred. Thus, and according to IFRS 10 – Consolidated Financial Statements, the loss of control over the company has supposed the disposal of all the assets and liabilities associated to the Company at book value on the date in which the loss of control was effective, as well as all minority interest of the Company and the valuation of the 20% interest at fair value at the date of loss of control. Due to all the above, it has been recorded a positive impact in the consolidated income statement of €74 million at June 30, 2016 (see Note 22.2).

  - After the closing of the six month period ended June 30, 2016, on July 5, 2016, an agreement between Abengoa and Excellance Field Factory, S.L.U. (affiliate company of Ericsson) has been signed for the sale of the deployment and maintenance of communication networks and subscriber loop business, currently operated by Abentel, to such company expressly created by Ericsson. The agreement, subjected to the compliance of certain conditions, involve the collection of €5 million as established and it would not have a significant impact in the consolidated income statements.

- On the other hand, and following the agreement reached with the infrastructure fund EIG Global Energy Partners (‘EIG’) on April 7, to establish the Joint Venture (JV) Abengoa Projects Warehouse I, LLP (APW-1) which structure consist of 55% invested by EIG and a remaining non-controlling interest of 45% by Abengoa, it should be note that, at the end of the year, the two asset transfer contributions to such JV were made by Abengoa (One corresponds to the 100% interest on CSP Atacama 1 and PV Atacama 1, solar plant project companies located in the Atacama Desert, Chile, and another second corresponds to a minority interest contribution of the power transmission line assets in Brazil.

After the end of the year 2015, and taking into account the situation in which the Company was, a process of reaching an understanding with EIG which will regulate the relationship between both parties about the contribution transferred to date considering the global agreement initially signed which resulted to the establishment of APW-1. The completion of these negotiations is a necessary condition to make the Restructuring Agreement effective which was signed on September 2016. As a consequence of the inability to accomplish the initial agreement, Abengoa has recognized an impairment charge in the APW-1 interest for an amount of €253 million in the income statements for the six month period ended June 30, 2016 while the negotiation process is completed.

6.3. Business combinations

During the first semester of the year 2016, there has not been further business combinations in the Group.

Note 7.- Assets held for sale and discontinued operations

The asset rotation plan started at the end of 2014. Abengoa's Board of Directors, on September 23, 2015, aimed to reinforce the implementation of the plan through the sale or partial divestment, in case of external equity partners, of certain assets through a new plan that involves the divestment of those assets included in the initial plan which had not been sold at that date, as well as the new assets which were incorporated. Based on this plan others assets have been incorporated given the situation of the company described on Note 2.1.

The table below shows the included assets of such plan at June 30, 2016. These assets are classified as non-current assets and liabilities held for sale in the consolidated condensed statement of financial position because of the compliance of all the stipulations and requirements of IFRS 5, 'Non-Current Assets Held for Sale and Discontinued Operations':

Asset	Details	Capacity
Cogeneration	2 cogeneration plants in Brazil	140 MW
Solar Power Plant One (SPP1)	Combine cycle in Algeria	150 MW
Manaus Hospital / Concecutex	Concessions in Brazil and Mexico	300 beds / 10,000 people
Khi Solar One / Xina Solar One	Solar plants in South Africa	150 MW
Tenés / Ghana / Chennai	Desalination plants	360,000 m3/day
Abent 3T & ACC4T (**)	Cogeneration plant in Mexico	840 MW
Atacama 2 (**)	Solar platform in Chile	280 MW
Ashalim (*)	Solar plant in Algeria	110 MW
Norte III	Combine cycle in Mexico	924 MW
ATN 3, S.A. (**)	Transmission lines in Peru	355 km
Bioethanol USA	1G and 2G bioethanol plant	405 Mgal
ATE IV-VIII, XVI-XXIV, Manaus y Norte Brasil	Transmission lines in Brazil	9,750 km
Xfera Móviles, S.A	Financial investment	-

(*) Sold during July 2016.

(**) Companies with assets held for sale at December 31, 2014. Circumstances and loss of control of these companies since last August (see Note 2.1) have delayed the rotation process. However, the intention of Directors remains completing such companies.

Additionally, in relation to the transmission lines in Brazil, and due to their significant activities developed within Abengoa, there has been classified in the income statement, as well as, the cash flow statement for the period ended June 30, 2016, and 2015, to Discontinued operations in the consolidated income statement and the consolidated cash flow statement, in compliance with all assumptions and requirements of the IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations'.

The above-mentioned net assets and liabilities, are accounted at the carrying amount they had prior to being classified as held for sale, except the assets related to the 1G and 2G plants of bioethanol in United States (Indiana, Illinois, Nebraska, York and Hugoton), the solar plants located in Chile (Atacama 2), the generation plans in Mexico (Abent 3and ACC4T), and the investment over Xfera Moviles, S.A. which are recorded at their expected sale or liquidation value and fair value in the case of a sale, after an impairment amounting to €810, €47, €946, €236 and €33 million respectively in the Consolidated Income Statements for the first semester of 2016.

At June 30, 2016 and December 31, 2015, the breakdown of assets and liabilities in the Consolidated condensed interim statements of financial position related to the rotation plan in force in each date, reclassified as assets and liabilities held for sale is the following:

Item	Balance as of 06.30.16	Balance as of 12.31.15
Intangible assets	279,410	-
Property plant and equipment	134,211	-
Fixed assets in projects	4,263,370	3,021,586
Investments in associates	237,151	163,667
Financial investments	343,906	3,306
Deferred tax assets	26,005	11,298
Current assets	295,289	31,589
Project debt	(1,663,734)	(923,497)
Corporate financing	(255,585)	-
Other non-current liabilities	(206,815)	(168,537)
Other current liabilities	(253,218)	(74,976)
Total net assets and liabilities held for sale	**3,199,990**	**2,064,436**

As of June 30, 2016 and 2015, a breakdown of the income statement of the transmission lines in Brazil concessional assets owner companies reclassified as results from discontinued operations is as follows:

	For the six months period ended 06.30.16 (*)	For the six months period ended 06.30.15
Revenue	60,626	82,963
Other operating income	1,887	-
Operating expenses (*)	(977,959)	(45,192)
I. Operating profit	(915,446)	37,771
II. Financial expense, net	(37,697)	(35,470)
III. Share of profit/(loss) of associates carried under the equity method	(68)	144
IV. Profit before income tax	(953,211)	2,445
V. Income tax benefit	(1,242)	(871)
VI. Profit for the period from continuing operations	(954,453)	1,574
VII. Profit attributable to minority interests	(13)	130
VIII. Profit for the period attributable to the Parent Company	**(954,466)**	**1,704**

(*) The impairment recognized over the assets amounts to €946 million (see Note 9.1)

Additionally, for the six month period ended June 31, 2016 and 2015, the cash flow statement related to transmission lines in Brazil which has been reclassified as discontinued operations is as follows:

Item	For the six months period ended 06.30.16	For the six months period ended 06.30.15
Profit for the year from continuing operations adjusted by non monetary items	44,610	57,332
Variations in working capital	10,548	306,406
Interest and income tax received / paid	(28,510)	(33,143)
A. Net cash provided by operating activities	**26,648**	**330,596**
B. Net cash used in investing activities	**(31,283)**	**(300,388)**
C. Net cash provided by financing activities	**-**	**(6,817)**
Net increase/(decrease) in cash and cash equivalents	(4,635)	23,391
Cash, cash equivalents and bank overdrafts at beginning of the year	29,844	22,988
Translation differences cash or cash equivalent	5,396	(2,714)
Cash and cash equivalents at end of the year	**30,605**	**43,665**

Note 8.- Intangible assets and property, plant and equipment

8.1. The detail of the main categories included in intangible assets as of June 30, 2016 and December 31, 2015 is as follows:

Item	Goodwill	Development assets	Other	Total
Intangible assets cost	418,469	426,666	178,346	1,023,481
Amortization and impairment	(50,843)	(273,981)	(133,491)	(458,315)
Total as of June 30, 2016	**367,626**	**152,685**	**44,855**	**565,166**

Item	Goodwill	Development assets	Other	Total
Intangible assets cost	364,429	1,241,032	185,497	1,790,958
Amortization and impairment	-	(256,769)	(88,212)	(344,981)
Total as of December 31, 2015	**364,429**	**984,263**	**97,285**	**1,445,977**

The most significant variation during the six month period ended June 30, 2016 mainly corresponds to a decrease caused by the reclassification as assets held for sale of the former development assets related to the bioethanol 2G plant of Hugoton in United States given the compliance of all conditions and requirements of the IFRS5 – "non-current assets held for sale and discontinued operations" after the beginning of the sale process initiated within the Chapter 11 proceedings (see Note 2.1). Given that the carrying amount is greater than fair value less cost to sell (taking into account as a reference the price in purchase offer to estimate the fair value) there is an impairment expense in the Consolidated Income Statement (see Note 7).

Additionally, there has been a decrease due to the impairment registered over certain intangible assets (goodwill, and development assets) pertaining to the Engineering and Construction segment, due to the uncertain recovery given the problems arise during the period to keep the activity in an appropriate way because the current situation of the Company; such decrease has been offset with an increase in the period due to the appreciation of the Brazilian real against the Euro. In accordance with the available information for the Directors and, based on the best estimates. An expense of €90 million for this concept has been recorded in the interim consolidated income statements at June 30, 2016.

8.2. The detail of the main categories included in Property, plant and equipment as of June 30, 2016 and December 31, 2015 is as follows:

Item	Lands and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other fixed assets	Total
Property, plant & equipment cost	225,189	606,562	62,192	94,808	988,751
Depreciation and impairment	(101,199)	(281,816)	-	(63,635)	(446,650)
Total as of June 30, 2016	**123,990**	**324,746**	**62,192**	**31,173**	**542,101**

Item	Lands and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other fixed assets	Total
Property, plant & equipment cost	485,721	1,219,862	56,589	104,992	1,867,164
Depreciation and impairment	(125,876)	(512,300)	-	(74,914)	(713,090)
Total as of December 31, 2015	**359,845**	**707,562**	**56,589**	**30,078**	**1,154,074**

The most significant variation during the six month period ended June 30, 2016 , mainly corresponds to the decrease generated by the exit of the consolidation perimeter of Abengoa Bioenergy Netherlands, B.V. after its loss of control over this company as a consequence of the beginning of the liquidation (see Note 21) after the declaration of bankruptcy in the last month of May as indicated on Note 2.1. In this way, and in accordance with the IFRS 10 – Consolidated Financial Statements, the loss of control over this Company has generated the disposal of all the assets and liabilities related to the Company at book value on the date in which the loss of control was effective, as well as the recognition of the retained interest over this company. Additionally, all assets and liabilities arisen after the loss of control have been recorded at fair value. Given the situation of bankruptcy of the company, the fair value has been obtained based on the recovery amount after the finalization of the liquidation process, recognizing an impairment charge amounted to €446 million in the consolidated income statement at June 30, 2016.

Additionally, there has been a decrease due to the reclassification as assets held for sale of the fixed assets related to the 1G and 2G bioethanol plant in United States (Nebraska and York) given the compliance of all conditions and requirements of the IFRS5 – "non-current assets held for sale and discontinued operations" after the beginning of the sale process initiated within the Chapter 11 proceedings (see Note 2.1). Given that the carrying amount is greater than its fair value less cost to sell (taking into account as a reference the price in purchase offer to estimate the fair value) there is an impairment expense in the Income Statement (see Note 7).

Note 9.- Fixed assets in projects

There are several companies which engage in the development of projects including the design, construction, financing, operation and maintenance of owned assets or assets under concession-type agreements.

9.1. The detail of concessional assets in projects as of June 30, 2016 and December 31, 2015 is as follows:

Item	Intangible and financial assets	Development assets	Total
Concession assets in projects cost	10,013	280,391	290,404
Amortization and impairment	(1,998)	(17,925)	(19,923)
Total as of June 30, 2016	**8,015**	**262,466**	**270,481**

Item	Intangible and financial assets	Development assets	Total
Concession assets in projects cost	2,485,489	280,166	2,765,655
Amortization and impairment	(354,364)	-	(354,364)
Total as of December 31, 2015	**2,131,125**	**280,166**	**2,411,291**

The most significant variation during the six month period ended June 30, 2016, mainly corresponds to the decrease due to the reclassification, as assets held for sale, of intangible assets of the concessional assets related to the transmission lines in Brazil. These assets comply with all assumptions and requirements of the IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' after the sale process initiated in the recuperação judicial framework provided by the Brazilian law (see Note 2.1 and 7). Given that the carrying amount is greater than fair value less cost to sell (taking into account as a reference the purchase offer to eliminate the fair value) there is an impairment expense amounted to €946 million in the Consolidated Income Statement. All this variation has been partially offset by the increase caused by the slight progress in Zapotillo Aqueduct concession and Unidad Punta de Rieles concession.

9.2. The detail of the main categories included in Other assets in projects as of June 30, 2016 and December 31, 2015 is as follows:

Item	Land and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other PP&E	Software and other intangibles	Total
Other assets in projects cost	201,951	350,881	8,171	366,236	62,843	990,082
Depreciation and impairment	(23,883)	(169,335)	-	(131,964)	(26,819)	(352,001)
Total as of June 30, 2016	**178,068**	**181,546**	**8,171**	**234,272**	**36,024**	**638,081**

Item	Land and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other PP&E	Software and other intangibles	Total
Other assets in projects cost	280,505	752,550	9,561	294,591	53,737	1,390,944
Depreciation and impairment	(48,572)	(275,945)	-	(92,055)	(26,000)	(442,572)
Total as of December 31, 2015	**231,933**	**476,605**	**9,561**	**202,536**	**27,737**	**948,372**

The most significant variation during the six month period ended June 30, 2016 mainly corresponds to the decrease caused by the reclassification, as assets held for sale, of the fixed assets related to the 1G bioethanol plants in United States (Indiana and Illinois) in compliance with all assumptions and requirements of the IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' after the sale process initiated in the Chapter 11 proceedings framework (see Note 2.1). Given that the carrying amount is greater than fair value less cost to sell (taking into account as a reference the price in purchase offer to estimate the fair value) there has been recognized and impairment charge for such assets in the Income statements (see Note 7).

Note 10.- Investments accounted for using the equity method

10.1. The detail of the main categories included in Investments accounted for using the equity method as of June 30, 2016 and December 31, 2015 is as follows:

Item	Balance as of 06.30.16	Balance as of 12.31.15
Associates	757,883	918,136
Joint Ventures	21,477	279,555
Total Investments accounted for using the equity method	**779,360**	**1,197,691**

The most significant variations of investments in associates and joint ventures during the first semester of 2016 correspond to the decrease due to the depreciation caused by the impairment over the APW-1 JV interest (see note 6.2) amounted €253 million after the loss of control of all economic rights over such investment, the sale of the investments over Explotaciones Varias, S.L. (see Note 6.2), the reclassification as assets held for sale of the investment in the thermo-solar project Xina in South Africa and the desalination project of Chennai in India (see Note 7) and the depreciation of the USD dollar against the Euro. All this variation has been partially offset by the reclassification of Abengoa Water USA as associate as a consequence of the loss of control due to the transaction of the 80% interest in Abengoa Vista Ridge LLC (see Note 6.2).

Additionally, there has been a decrease in the investment over the associate Rioglass Solar. In this sense, it should be noted that, related to the agreement reached at the 2015 closing with the minority partner (Rioglass Laminar) in which the control is transferred to that company, a convertible loan had been signed between Abengoa Rioglass as borrower and Rioglass Laminar as lender for an amount of €15 million. Such convertible loan was indispensable to keep the business under going concern and avoid the bankruptcy of Rioglass. The conversion of the loan into preferred equity (with preference only in the case of liquidation of sale of the company if Abengoa would take part in that) would happened if Abengoa would not have made a number of payments as client until April 20, 2016. In case of the 100% conversion, the preferred equity would be transferred to the outstanding capital and thus, Abengoa´s interest would be diluted to 15%. Finished the payment period without compliance by Abengoa given the situation of the Company, a negotiation with the partner Rioglass Laminar in being carried out in order to reach an agreement of shareholders and specifically concerning the minority interest protection. On June 30, 2016 there had not been yet the legally conversion of the loan.

Regardless the aforementioned, and given the high probability conversion of the loan, at the end of the first semester of 2016, it has been registered the potential dilution and the expense due to the impairment in the investment over Rioglass Solar in the Consolidated Income Statement for the six month period ended June 30, 2016 amounted to €82 million.

10.2. At June 30, 2016, the most significant investment to disclose about assets, liabilities and income statements correspond to Atlantica Yield.

As of June 30, 2016 and December 31, 2015, the assets and liabilities breakdown in the Consolidated Statement of Financial Position of Atlantica Yield is the following:

Item	Balance as of 06.30.16	Balance as of 12.31.15
Fixed assets in projects	8,321,295	8,554,873
Investments in associates	45,570	49,880
Financial investments	84,153	92,152
Deferred tax assets	183,158	173,118
Other non-current assets	121	-
Current assets	940,908	873,135
Project debt	(5,563,060)	(5,648,284)
Other non-current liabilities	(2,059,491)	(2,059,018)
Other current liabilities	(189,496)	(178,444)
Total net assets and liabilities	**1,763,158**	**1,857,412**

The amount related to other comprehensive income amounts to a loss of €85 million (€78 million as of December 31, 2015).

The following breakdown shows the Atlantica Yield Income Statements for the six month period ended June 30, 2016 and 2015:

Item	For the six months period ended 06.30.16	For the six months period ended 06.30.15
Revenue	419,204	225,819
Other operating income	27,285	20,801
Operating expenses	(264,946)	(122,757)
I. Operating profit	181,543	123,863
II. Financial expense, net	(186,560)	(116,541)
III. Share of profit/(loss) of associates carried under the equity method	2,997	2,997
IV. Profit before income tax	(2,020)	10,319
V. Income tax benefit	(14,608)	(5,657)
VI. Profit for the period from continuing operations, net of tax	(16,630)	4,662
VII. Profit attributable to non-controlling interests	(4,401)	(5,211)
VIII. Profit for the period attributable to the Parent Company	**(21,032)**	**(548)**

Note 11.- Financial investments

The detail of the main categories included in financial investment as of June 30, 2016 and December 31, 2015 is as follows:

Item	Balance as of 06.30.16	Balance as of 12.31.15
Available for sale financial assets	2,696	41,057
Other receivable accounts	483,974	1,057,729
Derivative assets	14,255	14,941
Total non-current financial investments	**500,925**	**1,113,727**

Item	Balance as of 06.30.16	Balance as of 12.31.15
Available for sale financial assets	5,058	5,342
Other receivable accounts	183,354	499,665
Derivative assets	6,332	13,814
Total current financial investments	**194,744**	**518,821**
Total financial investments	**695,669**	**1,632,548**

The most significant variations in current financial investments during the first semester of 2016 mainly correspond to a decrease due to the maturity of deposits associated to non-recourse confirming (see Note 21), the reclassification as held for sale of certain financial investments related to transmission lines in Brazil and the investment own by Abengoa over Xfera Moviles, S.A., and the decrease of the Befesa convertible loan.

In relation to the investment over Xfera Moviles, S.A. it should be known that, on June 20, 2016 an agreement has been signed between Abengoa and Masmovil Phone & Internet, S.A.U. for the transaction of the 3% interest owned by Abengoa until that moment over Xfera Moviles, S.A. (Yoigo as trademark), as well as the corresponding rights on the equity loans conceded to such company. On the other hand, Telia, with a 76.56%; ACS with a 17% and FCC with a 3.44% interest; have agreed the sale of their investments to Masmovil. With this transaction, which will be closed in the following months, Abengoa could collect up to €35 million by mean of the following instruments:

a) An amount of €21 million as loan amortization in 7 years since the seventh year which accrues a fix interest rate of 2% and a variable interest rate of 3% depending on the compliance by Xfera of several financial ratios and an early redemption option by Abengoa since the third month to the second year after the contract enters in force. Such early redemption option would be assured by an unconditional bank guaranty in first requirement. Additionally, it is conceded to Abengoa the right to capitalize the loan when several temporary terms and conditions are met by Xfera of several financial ratios.

b) An amount of €14 million as "earn-Out" in accordance to the established rules in the contract. In early redemption case, Abengoa will not have the right to collect any amount for this concept. €21 million will be collected at the operation closing, while the outstanding €14 million will be subjected to the results obtained by Yoigo in the following years.

Regardless the entry in force of this contract at June 30, 2016 closing, and given that the investment in Xfera is registered at fair value, the company has recognized an impairment of €33 million (see Note 22.2) as the difference between the book value and the amount to be collected of the loan, given the high probability of Abengoa to exercise the right of early redemption given the current situation of the liquidity of the company.

Additionally, and in relation to the Befesa convertible loan, it should be known that, at the beginning of May 2016 the agreement signed between Abengoa and the investment fund Triton Partner to sell the mentioned convertible loan in shares of Befesa Medio Ambiente, S.L.U. after the exercise of the sold purchase option by Abengoa on March 2016 for an amount of €20 million. As of June 30, the sale amount has been already been collected and a loss has been recognized for an amount of €136 million in the Consolidated Income Statement at June 30, 2016 (see Note 22.2).

Note 12.- Derivative financial instruments

The fair value of derivative financial instruments as of June 30, 2016 and December 31, 2015 is as follows:

	Balance as of 06.30.16		Balance as of 12.31.15	
Item	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Exchange rate derivatives – cash flow hedge	16,113	4,166	22,067	37,181
Exchange rate derivatives – non-hedge accounting	3,611	1,908	4,313	4,139
Interest rate derivatives – cash flow hedge	716	16,312	1,522	6,736
Interest rate derivatives – non-hedge accounting	-	6,321	-	32,998
Commodity derivatives – cash flow hedge	144	1	846	34,320
Commodity derivatives – non-hedge accounting	1	-	-	-
Embedded derivatives of convertible bonds, exchangeable bonds and shares options	2	206	7	30,545
Total	**20,587**	**28,914**	**28,755**	**145,919**
Non-current part	14,255	19,623	14,941	38,002
Current part	6,332	9,291	13,814	107,917

The most significant variation during the six month period ended June 30, 2016 corresponds to the net decrease in derivative financial liabilities mainly due to the sale of the convertible bond of Befesa to Triton Investment Fund (see Note 11), to the decrease due to an early settlement of interest rate derivatives associated to the syndicated loan, as well as to the decrease in the fair value of the convertible bond embedded derivative to ordinary shares of Atlantica Yield maturing on 2017 (see Note 18.3).

The fair value amount transferred to the Consolidated income statement in 2016 concerning the financial instruments derivatives designated as hedging instruments is a loss of €6,027 thousand (€49,466 thousand as of June 30, 2015).

The net amount of derivatives fair value transferred directly to the Consolidated income statement as a result of not meeting all the requirements of IAS39 to be designated as accounting hedges represents a loss of €455 thousand (loss of €1,918 thousand as of June 30, 2016).

Note 13.- Inventories

Inventories as of June 30, 2016 and December 31, 2015 were as follows:

Item	Balance as of 06.30.16	Balance as of 12.31.15
Goods for sale	6,562	5,766
Raw materials and other supplies	71,850	114,424
Work in progress and semi-finished products	3,529	139
Projects in progress	39,455	33,368
Finished products	38,723	55,350
Advance Payments to suppliers	78,321	102,215
Total	**238,440**	**311,262**

Note 14.- Clients and other receivable accounts

The breakdown of Clients and other receivable accounts as of June 30, 2016 and December 31, 2015 is as follows:

Item	Balance as of 06.30.16	Balance as of 12.31.15
Customer receivables	695,528	515,088
Unbilled revenues	399,046	787,535
Bad debt provisions	(84,046)	(63,707)
Tax receivables	500,172	552,958
Other debtors	196,782	212,562
Total	**1,707,482**	**2,004,436**

At the six month period ended June 30, 2016, Abengoa had non-recourse factoring lines, of which €26 million had been factored and a global transfer agreement of non-recourse collection rights related to the construction of a combined cycle plant in Mexico by €391 million.

Note 15.- Share capital

As of June 30, 2016 the share capital amounts to €1,838,739.13 corresponding to 941,567,871 shares completely subscribed and disbursed, divided into two distinct classes, as follows:

- 83,354,826 class A shares with a nominal value of 0.02 Euro each, all in the same class and series, each of which grants the holder a total of 100 voting rights (‘Class A Shares’).
- 858,213,045 class B shares with a nominal value of 0.0002 Euros each, all in the same class and series, each of which grants One (1) voting right and which affords its holder economic rights identical to the economic rights of Class A shares as stated in article 8 of the Company’s by laws (‘Class B Shares’ and, together with class A shares, ‘Shares with Voting Rights’).

The parent company Abengoa, S.A. has incurred in losses since 2015 which has supposed a significant decrease in Equity and, as a consequence, at the end of the period June 30, 2016 presents a situation of financial instability (negative net equity). In accordance with the Article 363 of the Spanish Corporation Law, a Company will be in dissolution situation when losses lead Net Equity to an amount lower than half shared capital, unless an increase or decrease in capital share were enough. In this sense, Directors are adopting necessary measures to restore the financial stability (see note 2.1 and 29).

Abengoa’s shares are represented by class A and B shares which are listed on the Madrid and Barcelona stock exchanges and on the Spanish Stock Exchange Electronic Trading System (Electronic Market). Class A shares have been listed since November 29, 1996 and class B shares since October 25, 2012. The Company presents mandatory financial information quarterly and semiannually.

In accordance with notifications received by the company and in compliance with reporting requirements to communicate shareholding percentages (voting rights) and the information received from relevant parties, shareholders with a significant holding as of June 30, 2016 are as follows:

Shareholders	Share %
Inversión Corporativa IC, S.A. (*)	44,60
Finarpisa, S.A. (*)	5,94

(*) Inversión Corporativa Group

On September 30, 2015 the General Shareholders' Meeting approved a capital increase of 430,450,152 Class B shares with a nominal value of €0.01 each reducing its unrestricted reserves, which would be delivered to all shareholders on a proportion of four Class B share by each owned Class A or B share. Such General Shareholders' Meeting approved a voluntary conversion right to change Class A shares of one euro nominal value (€0.002 nominal value as of December 31, 2015) to Class B shares of €0.01 nominal value (€0.0002 nominal value as of December 31, 2015) during certain pre-established periods until December 31, 2017. After exercising this right and after a capital reduction by means of the nominal value of all the class A shares at 0.98 each at that moment and all Class B shares at 0.0098 each at that moment, agreed by the Extraordinary Shareholders' Meeting of the company in October 10, 2015, a capital reduction by means of the nominal value of the converted shares at the value of €0.0198 per share, with unrestricted reserves credit.

With respect to the foregoing, after closing the 17th liquidity window dated April 15, 2016, the Company carried out on April 19, 2016, a reduction of capital share by the amount of €1,323.91 by means of the conversion of 66,864 Class A shares into new Class b shares.

On the other hand, on July 19, 2016, the Company has carried out a capital increase, without preferential subscription right as well, for an amount of 40.82 euros of nominal value by means the issuance of 204,081 new Class B shares aiming to attend the conversion applications received in relation to the 400,000,000 euros convertible bond at 6.25% interest rate and maturing on 2019 issued by the Company in January 2013. Finally and after closing the 18th liquidity window dated July 15, 2016, the Company carried out on July 28, 2016, a reduction of capital share by the amount of €3,314.12 by means of the conversion of 167,380 Class A shares into new Class b shares.

As a consequence of the mentioned operations, the share capital of Abengoa at the date of July 28, 2016, amounts €1,835,465.83 represented by 941,771,952 shares fully subscribed and paid, pertaining to two different classes: 83,187,446 Class A shares and 858,594,506 Class B shares.

The proposed distribution of 2015 and other reserves of the Parent Company approved by the General Shareholders ‘Meeting in June 30, 2016 has been charged to retained earnings.

Abengoa’s Board of Directors held on September 23, 2015 approved the suspension of our dividend until Abengoa achieve a credit rating of “BB-“from Standard & Poors or “Ba3” from Moody’s or our leverage ratio of Gross Corporate Debt (including bridge loan), as of the most recent balance sheet date which is approved, to Corporate EBITDA for the twelve months immediately preceding such balance sheet date, falls below 3.5x. As long as Abengoa do not reach the aforementioned credit rating or leverage ratio, Abengoa will not distribute dividends to their shareholders

Note 16.- Non-controlling interest

In the six month period ended June 2016, the increased of Non-controlling interest mainly corresponds to the appreciation of the Brazilian real, as well as the capital increase made in the desalination plant of Agadir.

Note 17.- Project debt

The Consolidation Group includes interests in various companies that, in general, have been created to develop an integrated product that consists of designing, constructing, financing, operating and maintaining a specific infrastructure (usually a large-scale asset such as a power transmission line). These may be owned outright or under a concession arrangement for a specific period of time and whose financing sources are various non-recourse project financing schemes (project finance).

Project finance (non-recourse financing) is generally used as a means of constructing an asset, using the assets and cash flows of the company or group of companies that will perform the activity associated with the project being financed as collateral. In most cases the assets and/or contracts are used as a guarantee for the repayment of the financing.

Compared to corporate financing, the project finance has certain key benefits, which include a longer borrowing period due to the profile of the cash flows generated by the project and a clearly defined risk profile.

Despite having a commitment from a financial institution during the awarding phase of the project and since the financing is usually completed in the latter stages of a construction project –mainly because these projects require a significant amount of technical and legal documentation to be prepared and delivered that is specific to the project (licenses, authorizations, etc.) –bridge loan (formerly named Non-recourse project financing in process) needs to be available at the start of the construction period in order to begin construction activities as soon as possible and to be able to meet the deadlines specified in the concession agreements.

Obtaining this financing is considered as a temporary funding transaction and is equivalent to the advances that clients traditionally make during the different execution phases of a construction project or works.

Bridge loan has specific characteristics compared to traditional advances from clients. For example the funds are usually advanced by a financial institution (usually for terms of less than 2-3 years), although there are similarities in the implicit risk that mainly relates to the capacity of the company that is going to own the project to construct it correctly in time and form.

The specific funding requirements that usually accompany bridge financing agreements usually include the following:

› The funds that are drawn down as the project is executed can only be used for developing the project to construct the asset, and

› The obligation to use the project finance to repay the bridge loan.

This means that conversion of the bridge loan in a long-term project finance arrangement has a very high degree of security from the start of the project (normally there is a comfort letter or support from the institutions that are going to participate in the long-term financing).

In terms of guarantees, both the bridge loan and the project finance have the same technical guarantees from the contractor in relation to price, deadlines and performance.

The difference is that the bridge loan in most cases also has corporate guarantee from the project's sponsor in order to cover the possibility of a delay in the financial closing of project finance.

Both guarantees (contractor and sponsor) are intended to underwrite the future cash flows from the project in the event that technical risks give rise to variations in them (failure to comply with the construction schedule or with the deadlines for finalizing the project finance).

Therefore the bridge loan and the project finance are –from a contractual perspective– independent loan transactions, although they are linked in terms of their overall aim (for example, with the exception of the aforementioned guarantees, both share the same risks; their sole purpose is for financing projects; they are generally repaid with funds from the project itself; and they are separate from the company's other cash sources) and commercially (the financial institution itself has an interest in favorably resolving the continuity of both transactions). These two types of financing are therefore considered to be similar in terms of managing the company's business.

Consequently, the internal criteria for classifying a financial liability in the Consolidated condensed statement of financial position as project debt is based on the characteristics and use of that financing and not on the guarantees provided, since the security and predictability of the substitution process (based on past guarantees) means that this guarantee is more theoretical or hypothetical with regards to its use (such a guarantee has never been used by the nominal beneficiaries).

In relation to the return on the project, usually it has been more beneficial to obtain bridge loan via the special purpose entity responsible for operating and maintaining the asset to be constructed. However, the cheaper cost of financing obtained at a corporate level has enabled projects to be financed centrally, generating important competitive advantages as well as reducing start times for project construction. Consequently, during the years 2014 and 2015 It was issued various bridge financing with a corporate guarantee were issued, structured in a similar way to the bridge loans used previously in terms of their purpose (project financing) and repayment (from project cash flows). This financing is therefore also considered to be similar to the project finance in terms of managing the business and the company's risk and it is therefore classified under the same heading.

17.1. The details of project debt applied to projects, for both non-current and current liabilities, as at June 30, 2016 and December 31, 2015 is as follows:

Project debt	Balance as of 06.30.16	Balance as of 12.31.15
Project finance (Non-recourse project financing)	495,074	1,021,047
Project bridge loan (Non-recourse project financing in process)	1,902,139	2,049,059
Total project debt	**2,397,213**	**3,070,106**
Non-current	14,599	503,509
Current	2,382,614	2,566,597

At the six month period ended June 30, 2016, the total amount of non-recourse projects overdue and unpaid amounts to €265 million. The corresponding interest associated have been recognized.

At the first six month period ended 2016, the total amount of project finance has decreased mainly due to the reclassification, as liabilities held for sale, of the non-recourse debt of certain transmission lines concessional assets, given its compliance with all assumptions and requirements of the IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' after the sale process initiated in the recuperação judicial framework provided by the Brazilian law (see Note 2.1 and 7). All this variation has been partially offset by the net increase in exchange rates (derived from the appreciation of the Brazilian real partially offset by the depreciation of the USD dollar) and the accrual of not paid interests of different loans.

The table below lists projects with bridge loan in progress (bridge loan) as of June 30, 2016 (amount in thousands of euros):

Item	Bridge financing amount drawn (2) (3)	Guarantee type (4)
LAT Brasil (1)	1,057,434	Contractor and Sponsor / Corporate
Abent T3	261,833	Corporate
ACC4T	89,660	Corporate
Plataforma Solar Atacama (1)	493,212	Contractor and Sponsor / Corporate
Total	**1,902,139**	

(1) Includes the transmission line projects in Brazil relating to ATE XVI Transmissora de Energía, S.A. (Miracema), ATE XVII Transmissora de Energía, S.A. (Milagres), ATE XVIII Transmissora de Energía, S.A. (Estreito), ATE XIX Transmissora de Energía, S.A. (Luiz Gonzaga), ATE XX Transmissora de Energía, S.A. (Teresina), ATE XXI Transmissora de Energía, S.A. (Parauapebas), ATE XXII Transmissora de Energía, S.A., ATE XXIII Transmissora de Energía, S.A. and ATE XXIV Transmissora de Energía, S.A. and to solar plant project in the Atacama Desert, Chile, which combines tower technology based on molten salts and photovoltaic.

(2) Green Bond funds used to finance Green Projects may be used to finance other Green Projects selected in accordance with the requirements of Use of Funds indicated in the Offering Memorandum, once obtained the long term funds related to projects. Additionally, Tranch B funds, once obtained the long term funds, may be allocated to new projects in progress once accomplished the specific requirements of the financing contract.

(3) Excludes amounts withdrawn from the project bridge loans, which have been issued by the projects with Contractor and Sponsor guarantee by Abengoa and/or some of corporate subsidiaries (which are not project companies), amounting to €477,651 thousands and which have been transferred to liabilities held for sale and, for Atacama I project in Chile specifically, included in the consolidated statement of financial position of Abengoa Project Warehouse (APW-1), joint venture accounted for using the equity method (see Note 7and 10) amounted €239,643 thousand.

(4) The guarantee references "Contractor and sponsor" refer to corporate guarantees mainly related to the bridge financing of the projects. The references to "Corporate" guarantees refer to guarantees related to the Green Bonds. These guarantees cover all of the indicated bridge financing.

Note 18.- Corporate financing

18.1. The breakdown of the corporate financing as of June 30, 2016 and December 31, 2015 is as follows:

Non-current	Balance as of 06.30.16	Balance as of 12.31.15
Credit facilities with financial entities	6,105	6,566
Finance lease liabilities	10,481	19,522
Other loans and borrowings	87,534	345,437
Total non-current	**104,120**	**371,525**

Current	Balance as of 06.30.16	Balance as of 12.31.15
Credit facilities with financial entities	2,592,125	2,321,654
Notes and bonds	3,382,981	3,300,825
Finance lease liabilities	14,449	17,020
Other loans and borrowings	1,030,161	557,047
Total current	**7,019,716**	**6,196,546**
Total corporate financing	**7,123,836**	**6,568,071**

At the six month period ended June 30, 2016, the total amount of the overdue and unpaid corporate-financing (principal and interest) amounts to €1,848 million. The corresponding default interest expenses have been recognized.

The increase as of June 30, 2016 in corporate financing was mainly due to the consideration as corporate debt of overdue and unpaid suppliers debt through non-recourse confirming instrument (€184 million), the matured and not paid derivative instruments (€135 million), the executed bank guaranty (€58 million), as well as the default interest recognized, all above plus the interest accrued for different loans. Additionally it was subscribed a new liquidity line for an amount of €137 million and until June 30, 2016 it has been disposed an amount of €38 million of debtor-in-.possession financing in United States (see Note 2.1). Moreover, all the mentioned has been affected by the appreciation of the Brazilian real. These amounts has been partially offset the disposal of liabilities of Abengoa Bioenergy Netherlands after the loss of control over such company as a consequence of the beginning of the liquidation process (see Note 8.2), the depreciation of the USD dollar as well as the reclassification to liabilities held for sale of other loans and borrowings related to transmission lines in Brazil (see Note 7).

In relation to the new liquidity line said before, it must be known that, in the framework of the negotiations with a group of creditors comprised of banks and holders of bonds issued by the Abengoa group, for the restructuring of its indebtedness and its recapitalization in line with the grounds of an agreement that was announced on March 10, 2016 (relevant fact number 236094), on March 21, 2016, Abengoa Concessions Investments Limited (“ACI”), a subsidiary of the Company, entered into a Secured Term Facility Agreement (the “Facility Agreement”) with, among others, the lenders as describe below (the “Lenders”) and the agent appointed thereunder (the “Agent”), pursuant to which it is entitled to borrow up to €137,094,751.30 (the “Loan Amount”) and is required to enter into related security documents (collectively, the “Loan Documents”).The Facility Agreement will be used for the general corporate and working capital purposes of the Company and its subsidiaries (the “Group”).

Upon the occurrence of certain usual events for this type of loan, the Lenders may exercise their right to require ACI to repay all or part of the Loan Amount, grant additional collateral or foreclose on, and dispose of the Pledged Shares (as described below under “Security”) in accordance with the Loan Documents.

The loan will mature on September 23, 2016 or (if maturity for the September Facility and the December Facility is extended to at least the same date) 12 months after the disposition date. Loans will initially bear interest at a rate per annum equal to the aggregate of EURIBOR plus 14.5% (on a payment in kind basis). Default interest will be payable at a rate of 5% above the interest rate.

In certain circumstances, a make-whole amount, a restructuring fee and/or a rollover fee may become payable under the Facility Agreement.

18.2. Credit facilities with financial entities

Credit facilities with financial entities as of June 30, 2016 and December 31, 2015 are as follow:

Item	Balance as of 06.30.16	Balance as of 12.31.15
Syndicated loan	703,468	690,640
ICO financing	30,564	30,082
Instalaciones Inabensa S.A. financing	284,885	280,930
Abener Energia S.A. financing	386,234	381,893
Teyma, Gestión de Contratos de Contrucc. e Ing. S.A financing	91,456	89,396
Abener Teyma Mojave General Partnership financing	63,943	65,636
Centro Morelos 264, S.A. de C.V financing	78,151	79,913
European Investment Bank financing	76,709	75,694
Revolving credit agreement (€125 million)	134,346	126,150
Working capital line (€106 million)	109,654	100,116
Working capital line (€132 million)	137,328	-
Remaining loans	501,492	407,770
Total	**2,598,230**	**2,328,220**
Non-current	6,105	6,566
Current	2,592,125	2,321,654

To ensure that the Company has sufficient funds to repay the debt regarding to its capacity to generate cash flow, Abengoa has to comply with a financial ratio (Net Financial Debt/Corporate EBITDA) with financial institutions. According to the financing agreements, the maximum limit of this ratio is 2.5 starting on December 31, 2014. As of June 30, 2016, Corporate Net Debt/EBITDA financial ratio is higher the set maximum indicated above.

As a consequence of the new ICO and BEI R&D&I project financing frame during 2015, Abengoa is obliged to meet a new financial covenant different to Corporate Net Debt/Corporate Ebitda detailed before. In this sense, Abengoa has to hold a ratio which numerator is the net corporate debt plus bridge loans minus treasury shares and the denominator is Group Ebitda, capped by 5.0. On March 31, 2016 this ratio is higher than 5.0.

18.3. Notes and bonds

The notional value of notes and bonds as of June 30, 2016 and December 31, 2015 is as follow:

Item	Balance as of 06.30.16	Balance as of 12.31.15
Exchangeable notes Atlantica Yield	540	12,889
Convertible notes Abengoa 2017 and 2019	167,200	167,300
Ordinary notes Abengoa	2,915,455	2,937,704
Commercial paper Abengoa Mexico	108,661	111,428
Euro-Commercial Paper Program (ECP)	57,925	56,727
Total	**3,249,781**	**3,286,048**
Non-current	-	-
Current	3,249,781	3,286,048

In accordance with IAS 32 and 39 and the terms and conditions of the issuance of all convertible notes, except the 2019 notes, since Abengoa has a contractual right to choose the type of settlement and one of these possibilities is paying through a variable number of shares and cash, the conversion option is qualified as an embedded derivative. Thus, the convertible bonds are considered a hybrid instrument, which includes a component of debt and an embedded derivative for the conversion option held by the bondholder. This applies to 2017 convertible bonds and the exchangeable notes Atlantica Yield 2017.

Convertible notes Abengoa 2017

The liability component carrying value at June 30, 2016 amounts to €5,391 thousand (€5,211 thousand in 2015).

Additionally, at June 30, 2016, the valuation through the Black Sholes model of the embedded derivative liability component amounts to €0 being its impact, at that date, an income of €531 thousand (€4,020 thousand of income in 2015), given the difference between its value at the six month period ended June 30, 2016 and the year ended December 2015.

The key data for the valuation model include the share price, the estimated profitability of the dividend, an envisaged option maturity life, an interest rate and underlying volatility as set forth in the table below:

	06.30.16	12.31.15
'Spot Abengoa ' Price (euros)	0.244	0.20
'Strike ' Price (euros)	5.24	5.24
Maturity	02/03/2017	02/03/2017
Volatility	91%	93%
Number of shares	1,068,702	1,068,702

On June 30, 2016, listed Price of these bonds was 11.16%.

At June 30, 2016, the option´s fair value of the subscribed shares to provide a partial hedge over this issuance obligation amounted €0 without any impact on profit and loss of this period.

The key data for the options valuation model included the share price, the estimated profitability of the dividend, an envisaged option maturity life, an interest rate and underlying volatility as set forth in the table below:

	06.30.16	12.31.15
'Spot Abengoa ' Price (euros)	0.244	0.20
'Strike ' Price (euros)	6.05	6.05
Maturity	02/03/2017	02/03/2017
Volatility	50%	73%
Number of shares	26,750,000	26,750,000

Convertible notes 2019

On January 4, 2016, it was accepted applications for conversion from Noteholders corresponding to a total principal amount of €100 thousand.

The carrying value of the liability component of the notes at June 30, 2016 amounts to €141,672 thousand.

Exchangeable notes Atlantica Yield 2017

The value of the liability component of the exchangeable bonds on June 30, 2016 amounts to €514 thousand.

Since the commencement of the exchange period for the Exchangeable Notes Atlantica Yield 2017 on September 1, 2015 (as set out the terms and conditions) through June 30, 2016, exchange notices for a total nominal amount of US$ 278 million, equivalent to 7,595,639 shares of Atlantica Yield, have been received and exchanged. This exchange has generated an income amounted to €8,881 in the Income Statements at June 30, 2016 (see Note 22.2).

On the other hand, the valuation of the embedded derivative liability component pending to exchange was €30,356, being its valuation €206 thousand at June 30, 2016 and the amount written off as a consequence of the exchange was €30,619 thousand, with an effect in the Income Statement of the difference between the two mentioned amounts of €340 thousand of finance expense.

The key data for the valuation model included the share price, the estimated profitability of the dividend, an envisaged option maturity life, an interest rate and underlying volatility as set forth in the table below:

	06.30.16	12.31.15
'Spot Atlantica Yield ' Price (euros)	18.58	19.29
'Strike ' Price (euros)	36.42	36.42
Maturity	03/05/2017	03/05/2017
Volatility	46%	76%
Number of shares	16,474	384,404

18.4. Other loans and borrowings

The breakdown of current and not current other loans and borrowings at June 30, 2016 and December 31, 2015 is the following:

	Balance as of 06.30.16	Balance as of 12.31.15
Sale and lease back	32,051	35,410
Derivative premiums payable	13,382	35,051
Low interest loans	8,620	9,362
Preferred shares of ACBH (Note 20.1)	55,646	48,426
Non-recourse confirming due and unpaid (group and not group)	690,326	304,204
Non-recourse confirming non due group suppliers	-	202,316
Holding LAT Brasil's preferential shares	-	243,070
Overdue and not paid derivatives	134,610	-
AB Netherlands Debt (*)	85,274	-
Drawn bank guarantees	58,130	-
Loans with public institutions and others	39,656	24,645
Total	**1,117,695**	**902,484**

(*) Debt with Abengoa Bioenergy Netherlands, B.V. given the loss of control as a consequence of the declaration of bankruptcy by the Court of Rotterdam over the Company on May 11, 2016, the election of a liquidator and the beginning of the liquidation process opened. At the formulation date of these financial statements, is probable to realize the liability (see Note 6.1 and 2.1).

Note 19.- Provisions and contingences

› Regarding the legal claims or legal action initiated by creditors in connection with any past due and unpaid debts, we point out that the Company is not aware that any legal claim whatsoever has been initiated, nor any other significant legal measure by any other creditor in connection with past due and unpaid debts at June 30, 2016, in addition to the mentioned in the 2015 annual accounts, except for the following:

Litigation claims regarding unattended accrued debts of different nature and amounts amounting up to US$76,714 thousand, €95,954 thousand, 51,437 thousand Mexican Pesos and 356,627 Chilean Pesos. On the other hand, there exist liens solicitations in United States for an approximate total amount of US$10,179 thousand. These solicitations do not need a reply by the claimed company.

› On the other hand, in relation to the pledged assets deposited by the Group from the date of application by Abengoa S.A. of Article 5 bis of Ley Concursal, we point out that at June 30, 2016 the Group has not been forced to surrender any asset as collateral for debt, in addition to the mentioned in the 2015 annual accounts with the exception of the following:

  › Executions for an amount of €22,998 thousand and US$16,875 thousand deposited in a collateralized bank accounts own by various companies of Abengoa Bioenergy and which guarantee was executed by the beneficiary as a consequence of the maturity of the guaranteed obligation.

Note 20.- Third-party guarantees and commitments

20.1. Third-party guarantees

› At the end of the first semester of 2016, the Group deposited to third parties (clients, financial entities, Public Entities and other third parties), directly by the group or by the parent company to other Group companies, various bank bond and surety insurances as guarantee to certain commitments (bid bonds, performance and others) amounted to €1,611,192 thousand (€1,629,787 thousand at December 31, 2015).

In addition, the Group deposited to third parties (clients, financial entities, Public Entities and other third parties), directly by the group or by the parent company to other Group companies, various guarantees through the declarations of intention and documented commitments undertaken as guarantee of certain commitments (Bid Bonds, performance, financing and others) amounted to €5,565,706 thousand (€7,053,099 thousand at December 31, 2015).

The following table details the guarantees undertaken by de Company classified by commitment type at June 30, 2016:

Typology	Guarantees/Surety Insurance	Guarantees	Total 06.30.2016	Total 12.31.2015
Bid Bond	48,598	93,995	142,593	1,161,492
Performance:	48,598	93,995	142,593	-
Materials supply	4,616	668,390	673,006	1,144,090
Advance payments	90,238	8,810	99,048	285,996
Execution (construction/collection/payments)	1,362,641	4,517,361	5,880,002	5,653,083
Quality	17,108	25,715	42,823	72,261
Operation and maintenance	49,080	251,435	300,515	335,370
Dismantling	3,726	-	3,726	3,726
Other	35,185	-	35,185	26,867
Subtotal	**1,611,192**	**5,565,706**	**7,176,898**	**8,682,886**
Group Company financing guarantees	-	1,686,290	1,686,290	1,561,591
Total	**1,611,192**	**7,251,996**	**8,863,188**	**10,244,477**

The most significant variations of the undertaken guarantees with third parties, regarding the information presented in the 2015 Consolidated Financial Statements, mainly relate to the settlement of guarantees deposited by the Parent Company to other Group Company for the submission of bids, mainly related to the execution of certain concessional projects of water desalination in Oman, as well as the lack of renewal in overdue guarantees with suppliers and financial entities.

- In addition, regarding the collateral granted to third parties (guarantees, etc.), there have been no significant breaches since the date of the communication provided by the Article 5 bis of the Ley Concursal, at June 30, 2016, which could lead to an outflow of resources and, therefore, to the recognition of a liability, with the following exceptions:
  - Execution of the performance bond and advance guarantee of the client of the project Al Khafji for an aggregate amount of €18 million, the execution of credit letters of the client Portland General Electric Company for a total aggregated amount of US$16 million (€15 million) and the execution of bank guarantees in the project Emera amounted to 39 million Canadian Dollars (€26 million).

Note 21.- Trade payables and other current liabilities

Trade payables and other current liabilities as of June 30, 2016 and December, 31, 2015 are shown in the following table:

Item	Balance as of 06.30.16	Balance as of 12.31.15
Trade payables for purchases of goods	1,978,923	2,983,046
Trade payables for services	546,891	764,627
Billings in excess and advance payments from clients	314,857	304,830
Remunerations payable to employees	56,358	40,204
Suppliers of intangible assets current	8,978	10,566
Other accounts payables	192,256	275,979
Total	**3,098,263**	**4,379,252**

The most significant variation corresponds to a decrease in trade payables for purchases of goods due to the reclassification of transmission lines in Brazil as held for sale (see Note 7).

At June 30, 2016 the total amount of trade payables and other current payables due and unpaid (principal and interest) amounted to €1,050 million. The corresponding default interests for this item have been recognized.

The table below shows the details of the non-recourse confirming carried out with external and group suppliers as at June 30, 2016 and December 31, 2015:

Item	Balance as of 06.30.16	Balance as of 12.31.15
Non-group amounts payable through Confirming	690,448	1,019,155
Group amounts payable through Confirming	42,582	236,687
Total	**733,030**	**1,255,842**

Related to these amounts, there are deposits and cash recorded under assets in the Consolidated condensed statement of financial position associated with payment of "non-recourse confirming" for an amount of €24 million (€465 million as of December 31, 2015).

Finally, it has been reclassified as corporate financing an amount of €690 million (see Note 18.4) relating to due and not paid confirming transactions (principal and interests) and additionally, €12 million related to companies held for sale.

Note 22.- Finance income and expenses

22.1 Finance income and expenses

The following table sets forth our Finance income and expenses for the six month period ended June 30, 2016 and 2015:

Finance income	For the six months period ended 06.30.16	For the six months period ended 06.30.15
Interest income from loans and credits	10,265	21,103
Interest rates benefits derivatives: cash flow hedges	3,014	28,630
Interest rates benefits derivatives: non-hedging	1,621	2,872
Total	**14,900**	**52,605**

Finance expenses	For the six months period ended 06.30.16	For the six months period ended 06.30.15
Expenses due to interest:		
- Loans from credit entities	(137,788)	(104,734)
- Other debts	(161,327)	(230,193)
Interest rates losses derivatives: cash flow hedges	(15,249)	(35,364)
Interest rates losses derivatives: non-hedging	(2,023)	(4,789)
Total	**(316,387)**	**(375,080)**
Net financial loss	**(301,487)**	**(322,475)**

Finance income has decreased at the six month period ended June 30, 2016 when compared to the previous year, mainly due to the change in the temporal value of our interest rate derivative hedges and lower yields of fixed-term deposits.

Finance expenses have decreased at the six month period ended June 30, 2106 when compared to the same period of the previous year, mainly due to the effect in 2015 by the 2017 convertible bond early repayment by an expense of €17 million, to lower interests given the reduction of nominal amounts as a consequence of the exchange of the Atlantica Yield 2017 convertible bonds and the 2019 convertible bonds conversion (see Note 18.3), as well as other minor financial expenses of the transfer of solar plants from Rofo 3, 3+ and 4 to Atlantica Yield during 2015.

22.2. Other net finance income and expenses

The following table sets out 'Other net finance income and expenses' for the three six period ended June 30, 2016 and 2015:

Other finance income	For the six months period ended 06.30.16	For the six months period ended 06.30.15
Profit from the sale of financial investments	78,897	-
Other finance income	817	485
Commodity derivatives gains: Cash flow hedge	6,116	5,878
Commodity derivatives gains: fair value hedging	8,881	-
Profit from commodity derivatives: cash flow hedges	829	-
Total	**95,540**	**6,363**

Other finance expenses	For the six months period ended 06.30.16	For the six months period ended 06.30.15
Loss from sale of financial assets	(290)	(50)
Loss from early conversion of convertible notes 2019	-	(15,141)
Outsourcing of payables	(10,404)	(41,843)
Other financial losses	(287,554)	(8,192)
Changes in the fair value of the derivatives embedded in the convertible bonds and options over shares	(9)	(12,167)
Commodity derivatives losses: Cash flow hedge	(2,236)	(621)
Commodity derivatives losses: non-hedging	(105)	(1,716)
Total	**(300,598)**	**(79,730)**
Other net finance income/expenses	**(205,058)**	**(73,367)**

The main variations in "Other financial income" correspond to the profit generated by the transaction of the 80% Abengoa Vista Ridge, LLC´s interest (see Note 6.2) and the partial exchange of convertible bonds of Atlantica Yield into Atlantica Yield shares (see Note 18.3).

"Other financial expenses" have increased mainly due to losses recognized as "other financial losses" because of the sale of the convertible loan in shares of Befesa, S.L.U. to Triton Investment Fund (see Note 11) which has contributed with €136 million, the impairment over the Xfera Moviles, S.A. interest for an amount of €33 million (see Note 11), due to higher financial expenses derived from the execution of bank guarantees for an amount of €63 million, from the default interests for an amount of €7 million, as well as the increase in banking fees, guarantee fees, credit letters, transfer fees and other banking expenses given the aforementioned current situation of the Company. Additionally, "outsourcing payables" are decreasing given the decrease in PPB issued.

The net amount of "Other net finance income and expenses" related to companies with project finance is a loss of €5,800 thousand (a loss of €18,767 thousand at June 30, 2015).

Nota 23.- Income tax

23.1. The effective tax rate for the period presented has been established based on Management's best estimates (see Note 3).

23.2. Income tax decrease to an expense of €28 million for the six month period ended June 30, 2016, compared to an income tax benefit of €61 million in the same period for 2015, mainly due the current circumstances in which the Company is involved and pending to have greater visibility about the realization of the Updated Viability Plan announced by the Company, it has not recognized the deferred tax assets (which could be realized against taxable income to be generated in the future, according to the aforementioned Updated Viability Plan) of the losses generated on the last semester, including those generated by the provisions and impairment charges as a consequence of the actual Company situation.

Note 24.- Fair value of financial instruments

The information on the financial instruments measured at fair value, is presented in accordance with the following:

› Level 1: assets or liabilities listed on active markets.

› Level 2: Measured on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

› Level 3: Measured on inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following is a breakdown of the Group's assets and liabilities measured at fair value as of June 30, 2016 and December 31, 2015 (except assets and liabilities with a carrying amount close to their fair value, non-quoted equity instruments measured at cost and contracts with components that cannot be measured reliably):

Category	Level 1	Level 2	Level 3	Balance as of 06.30.16
Non-hedging derivatives	-	(4,821)	-	(4,821)
Hedging derivatives	-	(3,506)	-	(3,506)
Available-for-sale	17	-	7,737	7,754
Total	**17**	**(8,327)**	**7,737**	**(573)**

Category	Level 1	Level 2	Level 3	Balance as of 12.31.15
Non-hedging derivatives	-	(37,493)	(25,869)	(63,362)
Hedging derivatives	-	(53,802)	-	(53,802)
Available-for-sale	29	-	46,370	46,399
Total	**29**	**(91,295)**	**20,501**	**(70,765)**

The financial instruments at fair value, determined from prices published in active markets (Level 1), consist of shares.

The majority of Abengoa's portfolio comprises financial derivatives designated as cash flow hedges, is classified as level 2 and corresponds mainly to the interest rate swaps (see Note 12).

The caption Non-hedging derivatives includes the fair value of the embedded derivatives in the exchangeable and convertible notes (except for the 2019 convertible notes), the fair value of the call options over Abengoa's own shares, as well as those derivatives purchased with the purpose of hedging market risk (interest rate, foreign exchange or commodities) that do not fulfill all the requirements, according to IAS 39 to be recorded as hedges from an accounting point of view.

At June 30, 2016, the embedded derivative of the convertible loan received as part of the transaction for the sale of Befesa has been cancelled after closing an agreement between Abengoa and the investment fund Triton Partner for the sale of the convertible loan into Befesa, S.L.U. shares. At December 31, 2015, such embedded derivative classified as level 3, had a negative fair value of €25,869 thousand (see Note 12).

The most significant item included under level 3 corresponds to the classification made at June 30, 2016 as assets held for sale due to the sale of the investment that Abengoa had in Xfera Moviles, S.A. (see Note 7).

The following table shows the changes in the fair value of level 3 assets for the six month period ended June 30, 2016 and December 31, 2015:

Movements	Amount
Beginning balance as of December 31, 2014	38,118
Gains and losses recognized in Equity	1,240
Changes in Non-hedging derivatives	(17,371)
Change in consolidation, reclassifications and translation differences	(1,486)
Total as of December 31, 2015	**20,501**
Gains and losses recognized in Equity	(2,361)
Changes in Non-hedging derivatives	(2,042)
Change in consolidation, reclassifications and translation differences	(8,361)
Total as of June 30, 2016	**7,737**

During the years considered in these Consolidated condensed interim financial statements , there have not been any significant reclassifications amongst the three levels presented above.

Note 25.- Earnings per share

25.1. Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the period.

Item	For the six months period ended 06.30.16	For the six months period ended 06.30.15
Profit from continuing operations attributable to equity holders of the company	(2,734,495)	70,715
Profit from discontinuing operations attributable to equity holders of the company	(954,466)	1,423
Average number of ordinary shares outstanding (thousands)	**941,567**	**865,437**
(Losses) / Earnings per share from continuing operations (€ per share)	(2.90)	0.08
(Losses) / Earnings per share from discontinuing operations (€ per share)	(1.01)	0.00
(Losses) / Earnings per share from profit for the year (€ per share)	**(3.91)**	**0.08**

25.2. Diluted earnings per share

To calculate the diluted earnings per share, the average weighted number of ordinary shares issued and outstanding is adjusted to reflect the conversion of all the potential diluting ordinary shares.

The potential diluting ordinary shares held by the group corresponded to the warrants on Class B shares issued in November 2011. On October 1, 2015 the share capital has been subscribed for the total amount of the outstanding warrants. The assumption is that all warrants would be exercised and a calculation is made to determine the number of shares that may have been acquired at fair value based on the monetary value of the subscription rights of the warrants still to be exercised. The difference between the number of shares issued assuming the exercise of the warrants, and the number of shares calculated based on the above, is included in the calculation of the diluted earnings per share.

In the second quarter of 2016 there are not dilutive factors affecting the diluted (losses) earnings for share.

Item	For the six months period ended 06.30.16	For the six months period ended 06.30.15
Profit for the year		
- Profit from continuing operations attributable to equity holders of the company	(2,734,495)	70,715
- Profit from discontinuing operations attributable to equity holders of the company	(954,466)	1,423
- Adjustments to attributable profit	-	-
Profit for the year attributable to the parent company	**(3,688,961)**	**72,138**
Average weighted number of ordinary shares outstanding (thousands)	941,567	865,437
- Warrants adjustments (average weighted number of shares in outstanding since issue)	-	20,640
Average weighted number of ordinary shares affecting the diluted earnings per share (thousands)	**941,567**	**886,077**
Diluted (losses) / earnings per share from continuing operations (€ per share)	(2.90)	0.08
Diluted (losses) / earnings per share from discontinuing operations (€ per share)	(1.01)	-
Diluted (losses) / earnings per share to the profit for the year (€ per share)	**(3.91)**	**0.08**

Note 26.- Average number of employees

The average number of employees classified by category during the six month period ended June 30, 2016 and 2015 was:

	Average number of employees for the six months ended 06.30.16		%	Average number of employees for the six months ended 06.30.15		%
Categories	Female	Male	Total	Female	Male	Total
Directors	47	428	2.7	61	491	2.1
Management	348	1,230	8.9	433	1,589	7.5
Engineers	1,012	2,269	18.6	1,450	3,293	17.7
Assistants and professionals	789	1,505	13.0	1,177	1,678	10.6
Operators	687	9,181	55.8	953	15,064	59.7
Interns	67	104	1.0	247	387	2.4
Total	**2,950**	**14,717**	**100**	**4,321**	**22,502**	**100**

During the six month period ended June 30, 2016 the average number of employees is 28% in Spain and 72% abroad.

Note 27.- Transactions with related parties

No dividends have been distributed to related parties during the period of 2016 (€29,329 thousand in 2015).

During the six month period ended June 30, 2016 the only transactions associated with related parties were the following:

- Service provision agreement signed between Simosa and Ms. Blanca de Porres Guardiola. The amount invoiced during the period was €47 thousand.
- Service agreement signed between Equipo Económico, S.L. (company related to Mr. Ricardo Martínez Rico, member of Board of Directors) and Abeinsa Ingeniería and Construcción Industrial, S.A. The amount invoiced during the period was €45 thousand.

These operations were subject to review by the Abengoa Audit Committee.

Note 28.- Employee remuneration and other benefits

Directors are remunerated as established in article 39 of the Bylaws. Directors' remuneration shall consist of all or some of the following concepts, for a total combined amount that shall be agreed by the General Shareholders' Meeting, pursuant to the directors' remuneration policy and conditional, when required by law, on the prior approval of the General Shareholders' Meeting: (a) a fixed fee; (b) expenses for attendance; (c) a share of the profits, under the terms established in Article 48, Paragraph 2, of the company's Bylaws; (d) variable remuneration based on general benchmark indicators or parameters; (e) remuneration through the provision of shares or share options or amounts that are linked to the Company's share price; (f) severance payments, provided that the director is not relieved of office on grounds if failing to fulfill the responsibilities attributable to him/her; and (g) savings or pension systems considered to be appropriate

On February 12, 2016, Mr. José Luis Aya Abaurre deceased.

On March 1, 2016 the Board of Directors agreed to cease Mr. José Dominguez Abascal as chairman of the Company, continuing as Director in the external director category. In his replacement, the Board of Directors appointed as executive chairman to Mr. Antonio Fornieles Melero, who became Executive Director, delegating all his powers except those that cannot be statutory and legally delegated and leaving the Audit Committee and the Appointments and Remunerations Committee.

On the same date, the Board of Directors agreed to delegate to the CEO Mr. Joaquín Fernández de Piérola Marín all the powers in his favor except those that cannot be legally delegated, who became executive director and maintaining this status. The exercise of these powers is several respect to those delegated in the same extension to the chairman Mr. Antonio Fornieles Melero.

On March 7, 2016, the Board of Directors of the Company agreed: a) to appoint as first Vice-President of the Board of Directors Mr. Joaquin Fernández de Piérola Marin joining this position to CEO. Also was appointed as a member of the Investments Committee replacing Mr. José Dominguez Abascal, b) to appoint as second Vice-President and coordinating Director Mrs. Alicia Velarde Valiente, c) to appoint as chairman of the audit committee and member and chairman of the Investments Committee Mrs. Alicia Velarde Valiente, and d) to replace by co-optation the vacancy left by the deceased Director Mr. José Luis Aya Abaurre, appointed as Director of the Company Inayaba, S.L. and appointing it as representative to Mrs. Ana Abaurrea Aya. Also, she is appointed as member of the Strategic and Technology Committee.

On April 18, 2016, the Board of Directors of the Company agreed to accept the resignation of Mr. José Dominguez Abascal as Director.

On May 25, 2016, the Board of Directors agreed to accept the resignation of Mr. Claudi Santiago Ponsa as Director.

The General Shareholders' Meeting held on June 30, 2016 approved, among other agreements, the following:

1. To cease Mr. Javier Benjumea Llorente as executive Director.
2. To fix the number of Directors to ten members.
3. To confirm and appoint as Director Mr. Joaquín Fernandez de Piérola Marín, as executive, Mr. Ricardo Martinez Rico, as independent, Mrs. Alicia Velarde Valiente, as independent and Inayaba, S.L. represented by Mrs. Ana Abaurrea Aya as weekly assistant.

Additionally, on June 30, 2016 overall remuneration accrued by Key Management of the Company (Senior Management which are not executive directors), including both fixed and variable components, amounted to €1,455 thousand (€4,135 thousand at June 30, 2015). As in previous years, this amount is determined based on the most updated stimulation of the Company considering the remuneration of Senior Management accrue uniformly during the year.

No advanced payments or credits are granted to members of the Board, nor are any guarantees or obligations granted in their favor.

As of December 31, 2015 the Company derecognized the existing provision regarding the two existing variable remuneration plans for managers, because Abengoa´s Directors considers that the accomplishment of all established requisites in order to consolidate the benefits provided as a consequence of the company situation resulting from the presentation of the communication provided by article 5 bis of the Ley Concursal.

Note 29.- Subsequent events

- As of September 18, 2016, and in the framework of the Updated Viability Plan and Financial Restructuring Terms announced on 16 August 2016, Abengoa Concessions Investments Limited ("ACI"), a subsidiary of the Company, entered into a secured term facility agreement (the "Facility Agreement") among, inter alia, the lenders as described below (the "Lenders") and the agent appointed thereunder (the "Agent"), pursuant to which it is entitled to borrow US$211,000,000 (the "Loan Amount") and is required to enter into related security documents (collectively, the "Loan Documents").

  As of the date of the Facility Agreement, the Lenders are Arvo Investment Holdings S.À R.L., CCP Credit Acquisition Holdings Lxco S.À R.L, Lajedoa Investments S.À R.L., OCM Luxembourg ABG Debt S.À R.L., Potter Netherlands Coöperatief U.A., y SPV Capital Funding Luxembourg S.À R.L.

  The amounts borrowed under the Facility Agreement will be used to refinance all amounts owing under a secured term facility agreement between ACI and Talos Capital Designated Activity Company (formerly Talos Capital Limited) dated 22 October 2015 for a nominal amount of US$130,000,000 (the "Talos Loan") and for the general corporate and working capital purposes of the Company and its subsidiaries (the "Group").

  Upon the occurrence of certain events that are customary for this type of loan, the Lenders may exercise their right to require ACI to repay all or part of the Loan Amount, post additional collateral or foreclose on, and dispose of, the Pledged Shares (as described below under "Security") in accordance with the Loan Documents.

  Maturity

  The loan will mature (a) on 18 September 2017 (provided that, prior to 29 March 2017, the maturity date for the existing September Facility, December Facility and March Facility are extended to at least the same date) or (b), absent such extensions, on 29 March 2017.

Interest

The loan under the Facility Agreement will bear interest at a rate per annum equal to the aggregate of LIBOR plus 12.5% (on a payment in kind basis). Default interest will be payable at a rate of 5% above the interest rate.

Material Fees

An arrangement and participation fee are, and in certain circumstances, a make-whole amount may become, payable under the Facility Agreement.

Guarantees

The Company and the following subsidiaries (the "Subsidiaries") will each provide a guarantee of all amounts payable to the finance parties under the Facility Agreement (in respect of the Company, on and from the date of the Facility Agreement, and in respect of the Subsidiaries, no later than 45 days after the date of the Facility Agreement): Abeinsa Asset Management, S.A., Abeinsa Infraestructuras Medio Ambiente, S.A., Abeinsa Inversiones Latam, Abeinsa, Ingeniería y Construcción Industrial, S.A., Abencor Suministros, S.A., Abener Energía, S.A., Abengoa Bioenergía, S.A., Abengoa Concessions, S.L., Abengoa Solar España, S.A., Abengoa Solar New Technologies, S.A., Abengoa Solar, S.A., Abengoa Water, S.L., Abentel Telecomunicaciones, S.A., ASA Desulfuración, S.A., Bioetanol Galicia, S.A., Ecoagrícola, S.A., Europea De Construcciones Metálicas, S.A., Instalaciones Inabensa, S.A., Negocios Industriales y Comerciales, S.A., Siema Technologies, S.L., Teyma Gestion De Contratos de Construcción E Ingeniería, S.A., Abengoa Bioenergy Trading Europe B.V., Abeima Teyma Zapotillo S. De R.L. de C.V., Construcciones Metálicas Mexicanas Comemsa, S.A. de C.V., Nicsamex, S.A. de C.V., Teyma Internacional, S.A., Teyma Uruguay Zf, S.A..

Security

Under the terms of the Loan Documents, ACI will pledge and grant a security interest in 16,000,000 ordinary shares of Atlantica Yield plc (formerly Abengoa Yield plc) held by it (14,000,000 of which were previously secured in relation to the Talos Loan) (the "Pledged Shares"), in favour of the Lenders as security for the Loan Amount and its obligations under the Loan Documents.

Financial covenants

The Facility Agreement requires ACI to maintain a loan to value ratio of not more than 80%.

Governing law and enforcement

The Facility Agreement is governed by English law and the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection therewith.

› On the other hand, on September 24, 2016 the Restructuring Agreement has been signed, and granted by public deed before the Notary public of Madrid, Mr. José Miguel García Lombardía, between the Parent Company, a group of Subsidiaries which debt is subject to the restructuring and a group of financial creditors which either are holders of existing debt instruments or will also be participating in the new money and new bonding facilities.

From the abovementioned date onwards, the Company announced the beginning of the accession period for the rest of financial creditors to adhere to the Restructuring Agreement. Once this period finalizes and after obtaining the support of creditors representing at least 75% of financial liabilities as required by Spanish Bankruptcy Law, Abengoa will apply for the judicial approval (homologación judicial) of the Restructuring Agreement so that the Standard Restructuring Terms (consisting on a 97% of the nominal value debt extinguishment and the remaining 3% due in 10 years from the restructuring date, accruing no interest and not able to be capitalized) will also be extended to those unsecured creditors of the Parent Company or its affected Subsidiaries who decided not to adhere to the Restructuring Agreement or that, having done so, did not specifically choose the Alternative Restructuring Terms that, in summary, consist of:

- Capitalization of 70% of preexisting debt in exchange for 40% of Abengoa's new share capital post restructuring.

- The remaining 30% of the nominal value of the preexisting debt will be refinanced through new debt instruments, replacing the preexisting ones, which will rank as senior or junior depending on whether or not such creditor participates in the new money facilities or new bonding facilities. Such instruments will have maturities of 66 and 72 months respectively, with the possibility of an extension of up to 24 months, accruing annual interest of 1.50% (0.25% cash payment and 1.25% Pay If You Can). The junior instrument could be subject to additional reductions (provided that total reduction does not exceed 80% of the nominal value prior to the capitalization) if the aggregate amount of refinanced preexisting debt (after the aforementioned capitalization) exceeds €2,700 million due to the crystallization of contingencies.

Once the homologation request has been filed, the following procedures in the United States and the United Kingdom will be initiated:

- A Company Voluntary Arrangement ("CVA") in England and Wales at the request of Abengoa Concessions Investments Limited in accordance with Part I of the English Insolvency Act 1986; and

- Various procedures under Chapter 11 ("Chapter 11") of the U.S. Bankruptcy Code at the request of various subsidiaries incorporated in the United States.

Both the CVA and the Chapter 11 procedures have the objective of extending the Standard Restructuring Terms described previously to the liabilities of the companies promoting the procedures for those creditors that have not acceded to the Restructuring Agreement.

- On the date of formulating the present consolidated condensed interim financial statements at June 30, 2016, and in accordance to the International Financial Reporting Standards (IFRS), the Company has recognized in the income statement those impairments related to judicial proceedings and the approved discontinued operations. Directors consider that the signature of the Restructuring Agreement will lead to the application of measures determined in the Updated Viability Plan, among them the abandonment of new activities and the liquidation or sale of assets which could trigger new losses. In accordance with the IFRS, these losses will be registered during the second semester of 2016. Likewise, and in compliance of accounting standards, the positive impact derived from the debt write-offs and capital increases contained in the restructuring plan, will be recognized during the second semester of 2016, which will allow to offset all accumulated negative results and to restore the financial stability at December 31, 2016.

Since June 30, 2016, no other events have occurred that might significantly influence the financial information detailed in this report, nor has there been any event of significance to the Group as a whole.

03

Consolidated condensed interim management report as of June 30, 2016

Consolidated Condensed Interim Management Report as of June 30, 2016

1.- Organizational structure and activities

Abengoa, S.A. is the parent company of the Abengoa Group (referred to hereinafter as 'Abengoa', 'the Group' or 'the Company'), which at the end of the six month period ended June 30, 2016, was made up of 677 companies: the parent company itself, 567 subsidiaries, 81 associates and 28 joint ventures. Additionally, the Group held a number of interests, of less than 20%, in other entities.

Abengoa, S.A. was incorporated in Seville, Spain on January 4, 1941 as a Limited Liability Company and was subsequently transformed into a Limited Liability Corporation ('S.A.' in Spain) on March 20, 1952. Its registered office is Campus Palmas Altas, 1 Energía Solar St., Seville, 41014.

The Group's corporate purpose is set out in Article 3 of its Bylaws. It covers a wide range of activities, although Abengoa is principally an applied engineering and equipment manufacturer, providing integrated project solutions to customers in the following sectors: energy, telecommunications, transport, water utilities, environmental, industrial and services.

Abengoa's shares are represented by class A and B shares which are listed on the Madrid and Barcelona stock exchanges and on the Spanish Stock Exchange Electronic Trading System (Electronic Market). Class A shares have been listed since November 29, 1996 and class B shares since October 25, 2012. The company completed the delisting process to exclude its class B shares from on the NASDAQ Global Select Market in the form of American Depositary Shares, which were quoted from October 29, 2013, following the capital increase carried out on October 17, 2013. The Company presents mandatory financial information quarterly and semiannually.

As of April 6, 2016, the company announced its intention to initiate the process for voluntary delisting of its Class B shares and American Depositary Shares Receipts (ADSs), as well as the conclusion of the American Depositary Receipt (ADR) program with Citibank, N.A. which delisting was effective on May 12, 2016.

Additionally, on April 29, 2016, the Company announced that the voluntary delisting of its Class B shares and American Depositary Shares (ADSs) from the NASDAQ Stock Market became effective on 28 April 2016 and that has taken steps to deregister those securities from the SEC and thereby terminate its reporting obligations under the U.S. Securities Exchange Act of 1934, as amended (Exchange Act). The Company has already filed Form 25 and Form 15F, resulting the exclusion effective from Sections 12(b) and 12(g) of the Exchange Act of 1934 and the reporting obligations related to the third quarter of 2016.

As a result of the delisting of the Class B shares and ADSs from the NASDAQ Stock Market, all trading in Abengoa, S.A. shares is now concentrated in the Spanish Stock Exchanges.

The shares of the associate Atlantica Yield (formerly Abengoa Yield, Plc.) are also listed in the NASDAQ Global Select Market since June 13, 2014. As of June 30, 2016 the Abengoa's investment on Atlantica Yield amounts to 41.47%.On January 7, 2016, the company announced to the Securities and Exchange Commission US (S.E.C) that the corporate name change to Atlantica Yield. However, the ticker "ABY" remains the same.

Abengoa is an international company that applies innovative technology solutions for sustainability in the energy and environment sectors, generating electricity from renewable resources, converting biomass into biofuels and producing drinking water from sea water. The Company supplies engineering projects under the 'turnkey' contract modality and operates assets that generate renewable energy, produces biofuel, manages water resources, desalinates sea water and treats sewage.

Abengoa`s business is organized under the following three activities:

- Engineering and construction: includes the traditional engineering activities in the energy and water sectors, with more than 70 years of experience in the market and the development of solar technology. Abengoa is specialized in carrying out complex turnkey projects for thermo-solar plants, solar-gas hybrid plants, conventional generation plants, biofuel plants and water infrastructures, as well as large-scale desalination plants and transmission lines, among others.
- Concession-type infrastructures: groups together the company's extensive portfolio of proprietary concession assets that generate revenues governed by long term sales agreements, such as take-or-pay contracts, tariff contracts or power purchase agreements. This activity includes the operation of electric energy generation plants (solar, cogeneration or wind), desalination plants and transmission lines. These assets generate low demand risk and the Company focuses on operating them as efficiently as possible.
- Industrial production: covers Abengoa's biofuel business with a high technological component, such as development of biofuels technology. The Company holds an important leadership position in these activities in the geographical markets in which it operates.

Since March 28, 2016, the company is under the standstill agreement framework to reach an agreement with financial creditors to restructure its financial debt and the recapitalization of the group. On September 24, 2016, the Restructuring Agreement was signed between Abengoa and a group of financial creditors and the accession period started, which is expected to be accomplished on October 25, 2016 with the judicial approval of the agreement. The effective application of such restructuring agreement will allow the Company to rebalance its equity, which is currently negative, once the positive effect of the debt to equity swap is registered in the income statement of the Company.

All public documents of Abengoa may be viewed at www.abengoa.com.

The amounts included within the present business evolution report at June 30, 2016 are expressed in millions of euros.

This business evolution report is a free translation of the report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

For an adequate understanding of the financial information, this business evolution report of the evolution of the business must be read together with Abengoa's Consolidated Financial Statements for the year 2015.

2.- Evolution and business results

a) Going concern

In accordance with IAS1, which requires the financial statements to be prepared regarding the going concern principle, unless Directors have the intention or any other real alternative of liquidation or cease of activity, the consolidated condensed interim financial statements at June 30, 2016 have been prepared applying this principle.

- In relation to the facts and circumstances occurred during the second half of the year 2015, which significantly deteriorated the liquidity position and the financial structure of Abengoa, that made the Directors of the Company to submit the communication provided by the Article 5 bis of Act 22/2003 of July 9, on insolvencies (Ley Concursal) and to initiate a refinancing process to try to reach an agreement with its main financial creditors, the following summary shows the facts related during the first six month period of the year 2016 until the preparation of the present Consolidated Condensed Interim Financial Statements for the six month period ended June 30, 2016:

  a) In relation to the proceeding provided by the law 22/2003 (Ley Concursal) and the beginning of the aforementioned refinancing process, it should be noted that;

    - On January 25, 2016, the Company announced that the independent and specialized consulting firm on refinancing process Alvarez&Marsal presented to the Board of Directors of Abengoa the Industrial Viability Plan that defined the structure of the future activity of Abengoa on an operating basis focusing on the activity of engineering and construction either developing its own technology or using technology developed by others.

    - Based on this Initial Viability Plan, that confirms the industrial viability of Abengoa, the Company began negotiations with its creditors to restructure the debt and the necessary resources and provide Abengoa the optimal capital structure and the sufficient liquidity to continue operating competitively and sustainably in the future.

    - In this sense, and in relation to the negotiations between the Company and a group of its creditors comprised of banks and holders of bonds issued by the Group, as of March 10, 2016, the Company informed that it has agreed with the advisers of such creditors the grounds for an agreement to restructure the financial indebtedness and recapitalize the Group. The Company believed that such agreement contained the essential elements to achieve a future restructuring agreement that, in any event, would be subject to reaching the accessions percentage required by Ley Concursal. On March 28, 2016, the Company and a group of creditors comprised of banks and holders of bonds Issued by the Group had reached a standstill agreement with the objective of providing the time necessary to keep working and reaching, as soon as possible, a full and complete agreement about the terms and conditions to restructure the financial indebtedness and recapitalize the Group. In order to reach this purpose, among other obligations assumed by all parties, the arrangement with parties contains expressly the compromise of creditors to abstain from claiming or accepting the payment of any amount owed as current amortization debt or advanced payments of capital or interest, as well as to charge default interests as a consequence of non-performance by the debtor.

    - With respect to the foregoing, as of March 28, 2016, an application for the judicial approval of the standstill agreement (the "Standstill Agreement") have been filed to the Mercantile Court of Seville nº 2 which obtained the support of 75.04% of financial creditors to which it was addressed, being therefore over the legally required majority (60%). Additionally, on April 6, 2016, the judge of the Mercantile Court of Seville nº2 issued the approval of the Standstill Agreement and extended the maturity of the agreement until October 28, 2016 (included), to the financial liability creditors which have not subscribed it or which showed the disconformity to the agreement. This agreement has been impugned by some creditors and currently is in court.

    - From that moment until now, the Company has continued with the negotiation process with its main financial creditors and potential investors in order to develop the agreed terms of reference. In the context of these negotiations and the circumstances that have been affecting our projects since the Initial Viability Plan was prepared by Alvarez&Marsall, an Updated Viability Plan was prepared during the second half of May, which has been approved by the Board of Directors after the end of the six month period ended June 30, 2016, on August 3, 2016 as well as the term sheet of the restructuring agreement which was subscribed afterwards by the main creditors and which is mentioned below.

› This Updated Viability Plan shows the negotiations and difficulties that Abengoa experienced in certain projects as well as the changes which, as a result, have been made with respect to the Initial Viability Plan, as well as the review of certain hypothesis in the mentioned Plan and the update of the expected date of reactivation of our operations. Therefore, all of this calls for a significant reduction of Abengoa's cash needs, which have been identified in this Updated Viability Plan, in approximately €1,200 million, compared to the initially estimated figure of €1,500 - €1,800 million.

› Pursuant to the preparation of the Updated Viability Plan and the ongoing negotiations, on June 30, 2016, Abengoa announced that had reached grounds for an agreement with the Bank Coordination Committee and a group of bondholders and investors on the main terms of the proposed financial restructuring to be signed.

› Afterwards, on August 11, 2016, the term sheet of the restructuring agreement was subscribed between Abengoa, S.A. and a group of entities comprising the main financial creditors and potential investors. Moreover, the Company has received acceptance letters in order to underwrite the new money financing in an amount which exceeds the liquidity requirement of the Revised Viability Plan. The agreement is subject to several conditions precedent which are common in this kind of transactions.

The fundamental principles of such agreement are the following:

(i) The amount of new money to be lent to the Group totals €1,169.6 million (including refinancing of the September and December 2015, March and September 2016 facilities). This financing would rank senior with respect to the preexisting debt and would be divided into different tranches:

- Tranche I: amounts to €945.1 million, with a maximum maturity of 47 months and secured by, among other things, certain assets that include the A3T project in Mexico and the shares of Atlantica Yield held by the Company. Creditors would be entitled to 30% of Abengoa's new share capital post restructuring.

- Tranche II: amounts to €194.5 million, with a maximum maturity of 48 months and secured by, among other things, certain assets in the engineering business. Creditors would be entitled to 15% of Abengoa's new share capital post restructuring.

- Tranche III: contingent credit facility of up to €30 million, with a maximum maturity of 48 months secured by, among other things, certain assets that include the A3T project in Mexico and the shares of Atlantica Yield held by the Company and with the sole purpose of providing guaranteed additional funding for the completion of the A3T project. Creditors would be entitled to receive 5% of Abengoa's new share capital post restructuring.

(ii) New bonding facilities amount to €307 million. Financing entities would be entitled to 5% of Abengoa's new share capital post restructuring.

(iii) The restructuring proposal for the preexisting debt will involve a 97% reduction of its nominal value, while keeping the remaining 3% with a ten year maturity, with no annual coupon or option for capitalization.

(iv) Creditors who adhere to the agreement can choose either the conditions laid out in section (iii), or alternative conditions which consist of the following:

- Capitalization of 70% of preexisting debt in exchange for 40% of Abengoa's new share capital post restructuring.

- The remaining 30% of the nominal value of the preexisting debt will be refinanced through new debt instruments, replacing the preexisting ones, which will rank as senior or junior depending on whether or not such creditor participates in the new money facilities or new bonding facilities. Such instruments will have maturities of 66 and 72 months respectively, with the possibility of an extension of up to 24 months, accruing annual interest of 1.50% (0.25% cash payment and 1.25% Pay If You Can). The junior instrument could be subject to additional reductions (provided that total reduction does not exceed 80% of the nominal value prior to the capitalization) if the aggregate amount of refinanced preexisting debt (after the aforementioned capitalization) exceeds €2,700 million due to the crystallization of contingencies.

(v) At the end of the restructuring process, the current shareholders of the Company would hold around 5 % of the share capital. Eventually, through the issuance of warrants, they could increase such stake in a percentage to be agreed that will not exceed an additional 5%, if, within 96 months, the group has paid in full all outstanding amounts under the new financing to be provided in the framework of the restructuring and under the existing indebtedness (as this indebtedness may have been restructured), including its financial costs. Furthermore, the company intends to submit a proposal to merge the two types of existing shares into one sole class of shares for approval by a General Shareholders Meeting, although this is not considered a prerequisite of the restructuring agreement.

(vi) Within the context of the restructuring agreement and until its implementation, the Company has appointed Mr. Gonzalo Urquijo Fernández de Araoz as independent advisor, with no executive or management functions, to the board of directors for matters related with the Viability Plan and the fulfillment of the conditions precedent.

› As of the signed restructuring agreement on September 24, 2016, it is open a process, that will be finished on October 25, 2016, with the rest of financial creditors aiming to obtain the minimum required level of support required in the law of 75%.

b) <u>On the other hand, in relation with the proceedings in Brazil, on the occasion of the mentioned situation of Abengoa, it should be known that</u>;

› On January 29, 2016, Abengoa filled the recuperação judicial applications in Brazil about the companies Abengoa Concessões Brasil Holding S.A., Abengoa Construção Brasil Ltda and Abengoa Greenfield Brasil Holding S.A, which were admitted on February 22, 2016. This measure was undertaken provided that the Company incurred in a "Crise econômico scenario", which is contemplated in Brazillian Law 11.101/05. "Recuperação judicial" consists in a proceeding provided by the Brazillian Law which allows corporations to restructure their debt in an orderly manner and continue as a going concern once the financial difficulties are overcome.

› In relation to the aforementioned, on April 20, 2016, Abengoa presented the viability plan (plano de Recuperaçao) in which the main premises are based on the divestment of certain concessional transmission line assets in operation, as well as the divestment of lines which currently are under construction. It is expected that these divestments will allow a favorable agreement to repay the debt already restructured in companies under recuperação judicial (negotiations are in progress with creditors) as well as the possible preservation of the construction activity in Brazil. As explained in Note 7 of these consolidated condensed interim financial statements, both asset batches have been classified as non-current assets held for sale due to the compliance, at June 30, 2016,of the IFRS 5´s requirements. In relation with lines in operation, on June 24, 2016, Abengoa has received an offer by which the asset fair value estimation have been made. This offer, will serve as starting price in the judicial auction process provided to this kind of insolvency proceedings in Brazil

› On the other hand, and regardless the mentioned negotiation process, on June 28, 2016, ANEEL´s Board of Director decided to authorize the Electricity Inspection Service Office "SFE" and the Superintendent of Economy and Financial Inspection " SFF" for the issuance of a communication to the owner companies of construction in progress (ATEs), informing about the contract compliance, which may lead to an expiration declaration of concessions.

c) <u>Additionally, in relation to the proceedings in United States, on occasion as well of the mentioned situation of Abengoa, indicate that</u>,

› On February 1, 2016 and February 10, 2016, certain creditors initiated involuntary bankruptcy petitions to the Missouri Bankruptcy Court against the American affiliates Abengoa Bioenergy Nebraska, L.L.C. and Abengoa Bioenergy Company, L.L.C. respectively. After responding to the petitions, on February 24, 2016, both companies mentioned above along with Abengoa Bioenergy Outsourcing, LLC, Abengoa Bioenergy Engineering and Construction, LLC, Abengoa Bioenergy Trading US, LLC, and Abengoa Bioenergy Holding US, LLC opted to file for voluntary creditors´ protection under Chapter 11 provided by the USA Law. These petitions have been filed in order to allow the Company to continue as a going concern and, consequently, they included the authorization request for the payment of taxes, salaries and insurance premiums and other first day motions. Additionally, a request for the approval of a debtor-in-possession financing arrangement amounting to US$41 million was also filed. The hearing for these initial motions took place on March 2, 2016 and, during them, such companies were authorized to borrow an initial amount of US$8 million (which were additionally complemented with US$1.5 million authorized on March 29, 2016).

› Moreover, on March 23, 2016, certain creditors filed an involuntary insolvency proceeding against Abengoa Bioenergy Biomass of Kansas, LLC (ABBK)at the Kansas court.

› Also on March 29, the following American affiliates Abeinsa Holding Inc.; Abencor USA, LLC; Teyma Construction USA, LLC; Abeinsa EPC, LLC; Inabensa USA, LLC; Nicsa Industrial Supplies, LLC; Abener Construction Services, LLC; Abener North America Construction, LP; Abengoa Solar, LLC; Teyma USA & Abener Engineering and Construction Services General Partnership; Abeinsa Abener Teyma General Partnership; Abener Teyma Mojave General Partnership; and Abener Teyma Inabensa JV filed, under the "United States Bankruptcy Code" and the Delaware court, the named Chapter 11 in order to allow the companies to comply with their obligations and minimize the loss of value of their businesses. Such companies have requested authorization for the payment of taxes, salaries and insurances as well as other first day motions.

- In relation to all the above, on March 28 and 29, 2016, and in accordance with the clause 5.2 of the Standstill agreement mentioned before, Abengoa, S.A. and several of its Spanish affiliates (the "Chapter 15 Debtors") commenced cases under Chapter 15 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware ("Delaware Bankruptcy Court"). In these cases, the Chapter 15 Debtors seek recognition by the Delaware Bankruptcy Court of the proceeding commenced in the Spanish Court to obtain judicial approval (homologación judicial) of the Standstill Agreement (the "Spanish Proceeding") and application of the Standstill Agreement within the territorial jurisdiction of the United States. In the initial hearings held on March 31, 2016, the Delaware Bankruptcy Court granted the Chapter 11 Debtors' requests relief and the Initial Chapter 15 Debtors' requested provisional relief to stay creditor actions against them. Both hearings were uncontested and all motions were granted.

- Additionally, on April 7, 2016 Abengoa US Holding, LLC and seven other affiliated U.S. debtors (collectively, the "Additional Chapter 11 Debtors") each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the Delaware Bankruptcy Court (together with the Chapter 11 cases filed on March 29, 2016, the "Chapter 11 Proceedings"). All of the cases filed by the Additional Chapter 11 Debtors are being jointly administered with the lead Chapter 11 Proceeding filed on March 28, 2016 in the Delaware Bankruptcy Court. The Additional Chapter 11 Debtors are comprised of the following legal entities: Abener Teyma Hugoton General Partnership, Abengoa Bioenergy Biomass of Kansas, LLC, Abengoa Bioenergy Hybrid of Kansas, LLC, Abengoa Bioenergy New Technologies, LLC, Abengoa Bioenergy Technology Holding, LLC, Abengoa US Holding, LLC, Abengoa US Operations, LLC and Abengoa US, LLC.

- The Company further informs that at the initial hearing held on April 27, 2016 on the Chapter 11 petitions filed on April 7, 2016 by the additional Chapter 11 Debtors, the Delaware Bankruptcy Court granted the first-day relief requested by all but one of those debtors. With respect to ABBK's Delaware case, it was noted that on April 25, 2016 the U.S. Bankruptcy Court for the District of Kansas (the "Kansas Bankruptcy Court") had issued an order denying ABBK's request to transfer to the Delaware Bankruptcy Court an involuntary Chapter 11 case commenced against it on March 23, 2016 in the Kansas Bankruptcy Court. Referring to the Kansas Bankruptcy Court's ruling and the Delaware Bankruptcy Court stated that it would honor that decision, ordered a stay of ABBK's Chapter 11 case in Delaware, and directed ABBK to show why its Delaware case should not be dismissed. On May 2, 2016, ABBK moved to certify the Kansas Bankruptcy Court's ruling for direct appeal to the U.S. Court of Appeals for the Tenth Circuit and requested a stay of the Kansas bankruptcy case order pending the outcome of that appeal.

- The Company further informs that on April 26, 2016 its subsidiary Abengoa Solar LLC ("Abengoa Solar"), one of the Initial Chapter 11 Debtors, filed a motion requesting the Delaware Bankruptcy Court's authorization to consummate the sale of interests that two of Abengoa Solar's non-debtor subsidiaries hold in project entities responsible for the financing, design, construction, operation, maintenance, and transfer to the State of Israel of a concentrated solar energy thermal power station plant currently under construction there (the "Ashalim Project"). At the hearing on the motion held on May 3, 2016, the Delaware Bankruptcy Court authorized Abengoa Solar to make this transaction.

- On May 3, 2016, the American affiliate companies Abengoa Bioenergy Meramec Renewable, LLC, Abengoa Bioenergy Funding, LLC, Abengoa Bioenergy Maple, LLC, Abengoa Bioenergy of Indiana, LLC, Abengoa Bioenergy of Illinois, LLC y Abengoa Bioenergy Operations, LLC, commenced a voluntary Chapter 11 case in the Missouri Bankruptcy Court. In the framework of these proceedings and the already initiated Chapter 11 proceeding by Abengoa Bioenergy US Holding, LLC, this and the affiliate companies mentioned have filed motions in the East Missouri Bankruptcy Court in relation with the sale proceeding of the two Maple plants located on Indiana and Illinois, the plant of Ravenna and the plant of York. Additionally, to facilitate the sale of the Maple plant, the current creditors of such plants have agreed to concede additional financing for an amount of US$10 million (debtor-in-.possession financing).

- Continuing with the sale proceeding commented above, on August 22, 2016 as approved by the United States Bankruptcy Court for the Eastern District of Missouri (the "Bankruptcy Court"), an auction over certain assets of Abengoa Bioenergy US Holding, LLC (the Company.) has been conducted following the process previously agreed among certain debtors and debtors in possession (the "Debtors") and such Company, on June 12, 2016, Abengoa Bioenergy US Holding, LLC and certain Debtors filed a motion (the "Motion") with the Bankruptcy Court seeking, among other things, entry of an order (the "Bidding Procedures Order"); (a) approving certain auction and bidding procedures (the "Bidding Procedures") in connection with the sale of the Debtors' bioenergy plants in Ravenna, Nebraska, York, Nebraska, Mt. Vernon, Indiana, Madison, Illinois and Colwich, Nebraska (collectively, the "Purchased Assets"), (b) authorizing the Debtors to enter into stalking horse purchase agreements with KAAPA Ethanol Holdings, LLC for the Ravenna Assets, Green Plains, Inc. for the Mt. Vernon and Madison Assets (the "Maple Assets") and Biourja Trading, LLC for the York Assets, (c) approving procedures relating to the assumption and assignment of executory contracts and unexpired leases, and (d) scheduling an auction (the "Auction") and sale approval hearing (the "Sale Hearing").

- On June 15, 2016, the Bankruptcy Court entered the Bidding Procedures Order, and subsequently, the Debtors' investment banker, Carl Marks, engaged in an extensive marketing process for all of the Purchased Assets. Pursuant to the Bidding Procedures Order, certain competing bids were submitted, and on the aforementioned date (August 22, 2016), the Debtors conducted the Auction, the results of which were that: (i) KAAPA Ethanol Holdings, LLC was the successful bidder for the Ravenna Assets at US$115 million, (ii) Green Plains, Inc. was the successful bidder for the Maple Assets at US$200 million, (iii) Green Plains, Inc. was the successful bidder for the York Assets at US$37.375 million, and (iv) ICM, Inc. was the successful bidder for the Colwich Assets at US$3.15 million.

- The Bankruptcy Court has scheduled to conduct a hearing to approve these sales on August 29, 2016, and it is expected that these transactions will close by September 30, 2016. Following the completion of the sales of the bioenergy assets, after the payment of debtor-in-possession financing provided with regard to the Ravenna Assets and the Maple Assets, the net sale proceeds will then be distributed pursuant to a plan of liquidation. The plan will be filed with the Bankruptcy Court following the closing on the sale of Purchased Assets.

- Additionally, on date July 18, 2016, and in the Chapter 11 proceeding framework, already initiated by ABBK, the investment bank Ocean Park Advisors was hired to seek a strategic partner interested in buying the bioethanol plant and the co-generation plant located in Hugoton, Kansas.

- Finally, the companies Abengoa Bioenergy Holdco, Inc. and Abengoa Bioenergy Meramec Holding, Inc., have initiated voluntary proceedings of Chapter 11 in the Delaware Bankruptcy Court, where the pending chapter 11 resolutions of other American affiliates exist, as well as the Chapter 15 proceeding of Abengoa mentioned before.

d) <u>In relation to the bankruptcy declaration by the Court of Rotterdam of Abengoa Bioenergy Netherlands, B.V. on date May 11, 2016, and appointing both a liquidator and supervising judges, should be known the following</u>;

- After such bankruptcy declaration and the appointment of a liquidator, the liquidation process of the company started and therefore, since that moment, the loss of control was effective.

- In the framework of such bankruptcy proceeding, on date May 11, 2016, the company Alcogroup communicated the agreement to acquire the plant without disclosing the agreed acquisition price .

- Once completed the restructuring agreement and the recapitalization of the Group described in Note 2.1.a), the company will develop the agreed Updated Viability Plan with creditors and investors, which is focused on the traditional business of Engineering and Construction, where the company accumulates more than 75 years of experience. Specifically, this Updated Viability Plan focusses the activity in the energy and environmental industry. This business will be combined, in a balanced manner, with concessional infrastructure projects in sectors where Abengoa has a competitive advantage, mainly of technological kind, which allows a bigger added value projects. Regarding the mentioned Updated Viability Plan, will allow Abengoa to grow sustainably based on the following five principles:

  1) A multidisciplinary team and a culture and ability to multifunctional work.

  2) Experience in engineering and construction and specially the outstanding strength in business development of high potential growing such as energy and water.

  3) Technology abilities in our targets, mainly in solar energy and water.

  4) A more efficient organization with more competitive general expenses.

  5) A financial approach adjusted to the current reality in which financial discipline and a rigorous evaluation of financial risks are key milestones.

- Based on the foregoing, and in prevision of the fulfilment of the agreement with financial creditors of the Company which assure the financial stability of Abengoa and the ability to generate resources from its operations as stated in the Updated Viability Plan, Abengoa´s Directors have deemed it appropriate to present the Consolidated Condensed Interim Financial Statements as of June 30, 2016 on a going concern.

Based on the application of the going concern basis, Abengoa´s Directors have prepared these Consolidated condensed interim financial statements applying the International Accounting Standards consistently with Consolidated condensed interim financial statements and Consolidated financial statements filed in prior periods. For that purpose, and according to the aforementioned accounting framework, Abengoa´s Directors have made their best estimates and assumptions in order to record the assets, liabilities, revenues and expenses as of June 30, 2016 in accordance with the existing information by the time of formulating these Consolidated condensed financial statements.

- The situation of the Group continues being affected by a strong limitation of financial resources, which has significantly influenced the evolution of the business by means of general business deceleration in all segments for one year. Thus, certain projects have left idle without possibility to assist with suitable financial resources to operate them. This situation has led on the one hand to breaches in contractual milestones, and on the other, to a very significant increase in estimated costs of their reactivation and therefore their continuance are not included in the viability plan associated to the Restructuring Agreement signed on September 24, 2016. Additionally, in certain countries, Group´s companies have incurred in judicial insolvency situations or bankruptcy in business which are not included in the mentioned viability plan. Given this situation, Directors have collected the significant negative impacts in the income statements at June 30, 2016 based on the best estimations made by Directors and in accordance with the International Accounting Standards. In this sense, the most significant negative impacts recorded in results at June 30, 2016, which have reached €-3,253 million, are mainly related to provisions in construction projects, to results from the sale of certain assets and the impairment of certain assets caused by the situation of the company.

  The following table shows the detail of such impacts (in million euros):

Item	Total
Project Construction costs	(139)
Sale of assets	56
Impairment of assets	(3,079)
Default interests and guaranty executions	(70)
Others	(21)
	(3,253)

  Due to all the above, the parent company, Abengoa, S.A., has incurred in losses since 2015 which has supposed a significant decrease in Equity and, as a consequence, at June 30, 2016 presents a negative net equity. In accordance with the Article 363 of the Spanish Corporation Law, a Company will be in dissolution situation when losses lead Net Equity to an amount lower than half shared capital, unless an increase or decrease in capital share were enough.

  The effective application of the signed Restructuring Agreement will allow to an immediate restoration of financial stability from the recognition of results from debt write-offs considered, in addition to provide the Group with the necessary financial resources to reactivate the activity. On the other hand, Directors are confident on generating future resources from operations given such financial resources and the application of the Updated Viability Plan, which will allow to rise the market confidence, the provision of liquidity to the Company and the continuance of its activity to operate in a competitive and sustainable manner in the future.

For further information about the restructuring process, see `Subsequent events`.

b) Application of new accounting standards

a) Standards, interpretations and amendments effective from January 1, 2016 under IFRS-EU, applied by the Group:

- Improvements to IFRSs 2012-2014 cycles. These improvements are mandatory for periods beginning on or after January 1, 2016 under IFRS-EU.
- IAS 1 (Amendment) ‘Presentation of Financial Statements’. This amendment is mandatory for periods beginning on or after January 1, 2016 under IFRS-EU.
- IAS 16 (Amendment) ’Property, Plant and Equipment’ and IAS 38 ‘Intangible Assets’, regarding to acceptable methods of amortization and depreciation. This amendment is mandatory for periods beginning on or after January 1, 2016 under IFRS-EU.
- IAS 27 (Amendment) ‘Separate financial statements’ regarding the reinstatement of the equity method as an accounting option in separate Financial statements. This amendment is mandatory for periods beginning on or after January 1, 2016 under IFRS-EU.
- IFRS 11 (Amendment) ’Joint Arrangements’ regarding acquisition of an interest in a joint operation. This amendment is mandatory for periods beginning on or after January 1, 2016 under IFRS-EU.

Abengoa’s Directors believe that the applications of these amendments have not had any material impact.

b) Standards, interpretations and amendments published by the IASB that will be effective for periods after June 30, 2016:

- IFRS 10 (Amendment)’ Consolidated Financial Statements’ and IAS 28 ‘Investments in Associates’, regarding to sale or contribution of assets between an investor and its associate or joint venture. The application of these amendments has been delayed with not specific date of application under IFRS-EU.
- IFRS 9 ‘Financial Instruments’. This Standard will be effective from January 1, 2018 under IFRS-IASB and has not yet been adopted by the EU.

- IFRS 15 'Revenues from contracts with Customers'. IFRS 15 is applicable for periods beginning on or after 1 January 2018 under IFRS-IASB, earlier application is permitted, IFRS 15 has not yet been adopted by the EU.

- Introduction of IFRS 16 "Leases" which supersedes IAS 17. Lessees will recognize most leases in the balance sheet as financed purchases. This standard will apply to periods beginning after January 1, 2019 under IFRS-EU.

- IFRS 10 (Amendment) 'Consolidated financial statements', IFRS 12 'Disclosure of interests in other entities' and IAS 28 'Investments in associates and joint ventures' regarding the exemption from consolidation for investment entities. These amendments are mandatory for periods beginning on or after January 1, 2016 under IFRS-IASB and have not yet been adopted by the EU.

- IAS 7 (Amendment) "Statement of cash flow" related to disclosures. This standard will apply to annual periods beginning after January 1, 2017 under IFRS-EU.

- IAS 12 (Amendment) "Income taxes" related to the recognition of not realized deferred taxes. This standard will apply to annual periods beginning after January 1, 2017 under IFRS-IASB, earlier application is permitted, and annual periods beginning after January 1, 2018 under IFRS-EU.

The Group is currently in the process of evaluating the impact on the Consolidated condensed interim financial statements derived from the application of the new standards and amendments that will be effective for periods beginning after June 30, 2016.

c) Changes in the composition of the Group

During the first semester of the year 2016 a total of 3 associated companies were added to the consolidation perimeter of the group.

In addition, 8 subsidiaries, 2 associated companies and 3 joint ventures are no longer included in the consolidation group.

Within the companies which have left the consolidation perimeter is Abengoa Bioenergy Netherlands, B.V. given that, as a consequence of the declaration of bankruptcy by the Court of Rotterdam of such company on May 11, 2016, the appointment of a Liquidator and the consequent loss of control (see Note 2.1, 8.2 and 18.4)..

d) Main acquisitions and disposals

- There were no significant acquisitions during the six month period ended June 30, 2016.

- During the first semester of 2016, the main disposals are the following:

  - At the end of January 2016, the sale of the interest in Abengoa Solar Emirates Investment Company B.V. (TASEIC), parent company of Shams Power Company (Owner company of a 100MW thermo-solar plant developed by Abengoa in Abu Dhabi) was concluded. As a consequence of this sale Abengoa received an amount of US$30 million and has had a positive impact of €1 million in the consolidated Income Statement.

  - On March 31, 2016, the sale of the interest in the company Nicefield (owner company of a 70MW wind farm developed by Abengoa in Uruguay) was concluded. This sale concluded with an amount of US$0.4 million, releasing the company´s obligations of US$38 million of debt and its related guarantees, and has a positive impact in the consolidated Income Statement of €3 million.

  - At the beginning of April 2016, an agreement between Abengoa and Vela Energy, S.L. was closed for the sale of four photovoltaic plants located in the province of Seville and Jaen. The agreement, included in the divestment plan announced by the Company, has contributed with a debt reduction of €50 million, as well as a net cash inflow of €12 million and a negative impact in the consolidated income statements at June 30, 2016 for an amount of €4 million.

  - On April 16, 2016 an agreement between Abengoa and a group of investors (Estudios y Explotaciones de Recursos, S.A.U. Ingeniería de Manutención Asturiana, S.A., Noy Negev Energy, Limited Partnership and Shikun & Binui - Solel Boneh Infrastructure Ltd.) was signed for the transaction of all the Abengoa´s interest until that moment in the Project of Ashalim, consisting on the construction and operation of a 110MW thermo-solar plant located in Ashalim (Israel). The total amount of the transaction has been €64 million and was subjected to a number of conditions including the approval by creditors of the financing terms and the corresponding authorities of the State of Israel. As of June 30, 2016, not all of the conditions have been accomplished and thus, the sale transaction has not been recorded. Although, based on the total transaction amount, the investment has been recorded at fair value recognizing an impairment loss of €19 million (see Note 7). As of August 8, all the conditions have been accomplished and its collection has been effective.

- On May 30, 2016, an agreement between Abengoa and Layar Castilla, S.A.U. has been signed for the transaction of all Abengoa´s interest in Explotaciones Varias, S.L. which aims the organization and operation of activities and businesses in relation to the acquisition of agricultural plot and its operation in agricultural, hunting and farming businesses directly, on partnership or by lease, the planting of crops, irrigation works and sanitation. This sale was completed for an amount of €16 million and has contributed with a positive impact in the consolidated income statement of €1 million.

- At the beginning of June 2016, the agreement between Abengoa and the Company Garney has been closed for the transaction of the 80% Abengoa Vista Ridge LLC´s interest as owner Company of the assets associated to a water and conduction plant in United States. The agreement has contributed to a debt reduction of €105 million and no cash generation. As a consequence, the control over the assets has been transferred. Thus, and according to IFRS 10 – Consolidated Financial Statements, the loss of control over the company has supposed the disposal of all the assets and liabilities associated to the Company at book value on the date in which the loss of control was effective, as well as all minority interest of the Company and the valuation of the 20% interest at fair value at the date of loss of control. Due to all the above, it has been recorded a positive impact in the consolidated income statement of €74 million at June 30, 2016 (see Note 22.2).

- After the closing of the six month period ended June 30, 2016, on July 5, 2016, an agreement between Abengoa and Excellance Field Factory, S.L.U. (affiliate company of Ericsson) has been signed for the sale of the deployment and maintenance of communication networks and subscriber loop business, currently operated by Abentel, to such company expressly created by Ericsson. The agreement, subjected to the compliance of certain conditions, involve the collection of €5 million as established and it would not have a significant impact in the consolidated income statements.

- On the other hand, and following the agreement reached with the infrastructure fund EIG Global Energy Partners (‘EIG’) on April 7, to establish the Joint Venture (JV) Abengoa Projects Warehouse I, LLP (APW-1) which structure consist of 55% invested by EIG and a remaining non-controlling interest of 45% by Abengoa, it should be note that, at the end of the year, the two asset transfer contributions to such JV were made by Abengoa (One corresponds to the 100% interest on CSP Atacama 1 and PV Atacama 1, solar plant project companies located in the Atacama Desert, Chile, and another second corresponds to a minority interest contribution of the power transmission line assets in Brazil.

  After the end of the year 2015, and taking into account the situation in which the Company was, a process of reaching an understanding with EIG which will regulate the relationship between both parties about the contribution transferred to date considering the global agreement initially signed which resulted to the establishment of APW-1. The completion of these negotiations is a necessary condition to make the Restructuring Agreement effective which was signed on September 2016. As a consequence of the inability to accomplish the initial agreement, Abengoa has recognized an impairment charge in the APW-1 interest for an amount of €253 million in the income statements for the six month period ended June 30, 2016 while the negotiation process is completed.

e) Main figures

Financial data

- Revenues of €1,215 million, a 63.3% lower to the same period of 2015.
- EBITDA of €-51 million, a decrease of 108.7% compared to the same period of 2015.

Item	Balance as of 06.30.16	Balance as of 06.30.15 (1)	Var (%)
Income Statement			
Revenue	1,215	3,307	(63.3)
EBITDA	(51)	589	(108.7)
EBITDA Margin	(4%)	18%	(123.6)
Net Income	(3,689)	72	(5,223.6)
Balance Sheet			
Total Assets	12,782	28,616	(55.3)
Equity	(2,911)	3,603	(180.8)
Corporate Net Debt	5,569	2,555	117.9
Share Information			
Last price (€ per B share)	0.24	2.82	(91.5)
Capitalization (A+B share) (€ million)	256	2,610	(90.2)
Daily trading volume (€ million)	6	42	(85.7)

(1) Restated figures in income statement due to the classification of transmission lines activity as discontinued operations.

- Corporate debt amounts to €7,124 million in comparison to €6,568 million at December 31, 2015.
- Project finance amounts to €2,397 million in comparison to €3,070 million at December 31, 2015. Within project finance are included €1,902 million of bridge loan with corporate guaranty (€2,049 million at December 31, 2015). Such bridge finance, does not include bridge financing for an amount of €478 million (€399 million at December 31, 2015) which have been classified as assets and liabilities held for sale, nor bridge financing for the Atacama I project in Chile for an amount of €240 million (€238 million at December 31,2015), given its integration by the equity method.

Operating figures

- The international activity represents 84% of the consolidated revenues.
- The main operating figures of June 30, 2016 and 2015 are the following:

Key operational	June 2016	June 2015
Transmission lines (km)	3,532	5,275
Water Desalination (Cap. ML/day)	475	775
Cogeneration (GWh)	263	793
Solar Power Assets (MW)	201	1,603
Biofuels Production (ML/year)	2,790	3,270

f) Consolidated income statement

The following summary shows the Consolidated Income Statement of Abengoa at June 30, 2016 and June 30, 2015, with an explanation of the main variations between both periods.

Item	For the six months period ended 2016	2015 (1)	Var (%)
Revenues	1,215	3,307	(63.3)
Operating income and expenses	(1,266)	(2,718)	(53.4)
EBITDA	(51)	589	(108.7)
Depreciation and amortization	(1,813)	(186)	874.7
I. Net Operating Profit	(1,864)	403	(562.5)
Financial profit (loss)	(301)	(322)	(6.5)
Net Exchange differences and other financial gain / losses	(204)	(73)	179.5
II. Finance Cost, net	(505)	(395)	27.8
III. Share of (loss)/(profit) of associates	(332)	6	(5,633.3)
IV. Profit Before Income Tax	(2,701)	14	(19,392.9)
V. Income tax expense	(28)	61	(145.9)
VI. Profit for the year from continuing operations	(2,729)	75	(3,738.7)
Profit (loss) from discontinued operations, net of tax	(954)	6	(16,000.0)
Profit for the year	(3,683)	81	(4,646.9)
VII. Non-controlling interests and non-controlling interests discontinued operations	(6)	(9)	(33.3)
Net income attributable to the parent company	**(3,689)**	**72**	**(5,223.6)**

(1) Restated figures in income statement due to the classification of transmission lines activity as discontinued operations.

Revenues

Revenues have decreased by 63.3% to €1,275 million; this means a decrease of €2,092 million in comparison to the €3,307 million of the same period last year. This decrease in revenues is mainly attributable to the current situation of the Group, derived from a strong limitation of financial resources in the last months and which has significantly affected the evolution of the business after the general deceleration of the business in all activities. In addition to the above, there has been a decrease in revenues due to the negative impact of the finalization of the construction of several projects in 2015 and the sale to Atlantica Yield of certain owner companies of concession-type plants during 2015 under the ROFO agreement and because of the loss of control of Rioglass at the end of 2015 and the bioethanol plant in Holland during the first semester of 2016. All this have been partially offset by the positive impact of ethanol and sugar sold in Brazil derived from higher stock volume of raw material of the previous harvest and the beginning of the current harvest period as well as higher prices of both products in relation with the same period of the previous year.

EBITDA

The EBITDA amount has been reduced by 108,7% to €-51 million, which is a decrease of €640 million in comparison to the €589 million of the same period last year. This decrease in EBITDA is mainly attributable to the current situation of the Group, as mentioned in the last section, which has derived in a deceleration of the business in all activities and consequently in the EBITDA obtained in each of them. In addition to the above, there has been a decrease in EBITDA due to the negative impacts of the finalization of the construction of several projects in 2015 and the sale to Atlantica Yield of certain owner companies of concession-type plants during 2015 under the ROFO agreement and because of the loss of control of Rioglass and the bioethanol plant in Holland during the first semester of 2016. All this have been partially offset by the positive impact of ethanol and sugar sold in Brazil derived from higher stock volume of raw material of the previous harvest and the beginning of the current harvest period, as well as better ethanol margins in Europe and the higher prices in ethanol and sugar in Brazil.

Net operating profit

Net operating profit has decreased by 562.5% from a profit of €403 million in the first semester of 2015 to a loss of €1,864 million in the same period in 2016. This decrease in the net operating profit is mainly attributable to all mentioned above in the EBITDA section. Additionally, losses have increased due to the impairment registered over certain intangible assets (goodwill, and development assets) pertaining to the Engineering and Construction segment, due to the doubtful recovery given the problems arise during the period to keep the activity in an appropriate way because of the current situation of the Company. Additionally, there is an impairment recognized due to changes in the fair value of the 1G and 2G bioethanol plants in United States (Indiana, Illinois, Nebraska, York and Hugoton), the solar plants located in Chile, the generation plants in Mexico and the bioethanol plant in Holland. All the mentioned has been partially offset by the lower amortization costs due to the sale to Atlantica Yield of certain owner companies of concession-type plants during 2015 under the ROFO agreement.

Net financial costs

Net financial cost has reached a loss of €505 million, which is an increase of a 27,8% in comparison to the net loss of €395 million in the same period last year. This increase of losses is mainly attributable to the impairment registered over Xfera Moviles, S.A., to the financial cost due to the convertible notes derivative settlement of Befesa, to higher financial expenses derived to the execution of guarantees and interest financial expenses and other banking expenses due to the current situation of the Company described before, all partially offset by the profit generated by the transaction of the 80% interest over Abengoa Vista Ridge, LLC and the lower financial costs in project finance after the sale to Atlantica Yield of certain owner companies of concession-type plants during 2015 under the ROFO agreement.

Share of results in associates

Results from share in associates companies decreased from a profit of €6 million during the first semester of 2015 to a loss of €332 million in the same period of 2016. This decrease is mainly attributable to the impairment charge in the associated companies Rioglass and APW-1.

Corporate income tax

Corporate income tax decreased from a profit of €61 million in the first semester of the year 2015 up to a loss of €28 million in the same period of 2016. This decrease is mainly attributable to the non-recognition of revenues derived from higher tax credit carryforwards over losses obtained during the period given the current situation of the Group, described in previous sections, until there is better visibility of the implementation of the Viability Plan announced by the Company.

Profit for the year from continuing operations

In addition to all foregoing, profit from continuing operations decrease from a profit of €75 million in the second quarter of the year 2015 up to a loss of €2,729 million in the same period in 2016.

Profit/(Loss) from discontinued operations, net of tax

Profit/ (Loss) from discontinued operations, net of tax, decreased from a profit of €6 million in the second quarter of 2015 to a negative results of €954 million in the same period in 2016. This decrease is mainly attributable to the consideration as discontinued operations of transmission lines in Brazil and the effect to the consolidation of Atlantica Yield and affiliates through the equity method at the end of the year 2015, once lost the control and left its consolidation through the global integration method (classified until that moment as discontinued operations).

Profit attributable to the parent company

Profit attributable to the parent company decreased from a profit of €72 million in the second quarter of 2015 to a loss of €3,689 million for the same period in 2016 as a consequence of the changes described in previous sections.

g) Results by activities

The following table shows the distribution between business activities of the consolidate revenues and consolidated EBITDA at June 30, 2016 and June 30, 2015, with an explanation about the main variations between both periods:

	Revenues			Ebitda			Margin	
	For the six months period ended			For the six months period ended			For the six months period ended	
Item	**06.30.16**	**06.30.15 (1)**	**Var (%)**	**06.30.16**	**06.30.15**	**Var (%)**	**06.30.16**	**06.30.15**
Engineering and construction								
E&C	611	2,160	(71.7)	(104)	451	(123.1)	(17.0%)	20.9%
Total	**611**	**2,160**	**(71.7)**	**(104)**	**451**	**(123.1)**	**(17.0%)**	**20.9%**
Concession-type infrastructure								
Solar	17	123	(86.2)	11	86	(87.2)	64.7%	69.9%
Water	30	26	15.4	22	24	(8.3)	73.3%	92.3%
Transmission lines	2	2	-	-	-	-	-	-
Cogeneration and others	24	24	-	13	12	8.3	54.2%	50.0%
Total	**73**	**175**	**(58.3)**	**46**	**122**	**(62.3)**	**63.0%**	**69.7%**
Industrial production								
Bioenergy	531	972	(45.4)	7	16	(56.3)	1.3%	1.6%
Total	**531**	**972**	**(45.4)**	**7**	**16**	**(56.3)**	**1.3%**	**1.6%**
Total	**1,215**	**3,307**	**(63.3)**	**(51)**	**589**	**(108.7)**	**(4.2%)**	**17.8%**

(1) Restated figures in income statement due to the classification of transmission lines activity as discontinued operations.

Engineering & Construction

Revenues in the Engineering & Construction segment has decreased by 71.7% to €611 million, which is a decrease of €1,549 million compared to the €2,160 million of the same period last year. This decrease in revenues is mainly attributable to the current situation of the Group given the strong limitation of financial resources in which the Company is subjected in the last months and which has significantly affected the evolution of the business after the general deceleration of the Engineering & Construction activity. The main projects under construction affected by all the above situation corresponds to the combined cycle plants in Mexico (AT3 and AT4), to thermo-solar and photovoltaic plants in Chile (Atacama solar plant), thermos-solar plants in South Africa and to transmission lines in Brazil. In addition to the above, there has been a decrease in revenues due to the negative impacts as a consequence of the finalization of the construction in 2015 of certain transmission line projects in Peru and Poland.

Engineering & Construction EBITDA has decreased by 123.1% to €-104 million, which is a decrease of €555 million, compared to the €451 million in the same period in the last year. This decrease is mainly attributable to the current situation of the Group, mentioned in the previous section, which has caused the deceleration in the projects under construction mentioned before and consequently the EBITDA obtained in each of them. Additionally the decrease in EBITDA is due to the negative impacts as a consequence of the finalization in the construction of certain projects of transmission lines during 2015 in Peru and Poland mentioned before.

Concession-type Infrastructures

Revenues in concession-type infrastructures have decreased by 58.3% to €73 million, which is a decrease of €102 million compared to the €175 million of the same period last year. This decrease in revenues is mainly attributable to the negative impacts as a consequence of the sale to Atlantica Yield of certain owner companies of concession-type plants during 2015 under the ROFO agreement and corresponds to desalination plants in Algeria (Skikda and Honanine), to a transmission line in Peru (ATN2), to thermo-solar plants in Spain (Helioenergy 1 and 2, Helios 1 and 2, Solnova 1, 3 and 4, Solaben 1 and 6) and a thermo-solar plant in South Africa (Kaxu Solar One).

Concession-type infrastructure EBITDA has decreased by 62.3% to €46 million, which is a decrease of €76 million compared to the €122 million on the same period last year. This decrease in EBITDA is also mainly attributed to what has been mentioned in the previous section related to the negative impacts as a consequence of the sale to Atlantica Yield of certain owner companies of concession-type plants during 2015 under the ROFO agreements mentioned before.

Industrial Production

Industrial production revenues have decreased by 45.4% to €531 million, which is a decrease of €441 million compared to €972 million of the same period last year. This decrease in revenues is mainly attributable to the current situation of the Group mentioned before and has caused a deceleration and the stoppage, in certain situations, of the activity of certain plants in Europe and USA. All this impact has been partially offset by the positive impact in volume of ethanol and sugar sold in Brazil derived from higher raw material stocks from the previous harvest and the early beginning of the current harvest, as well as higher prices in both products in relation with the same period of the previous year.

Industrial production EBITDA has reached a positive outcome of €7 million, which is a decrease of €9 million compared to the positive EBITDA of €16 million in the same period last year. This decrease in EBITDA is mainly attributable to the negative impact given the current situation of the Group which, as mentioned before, has caused the deceleration and the stoppage in certain situations of the activity in certain plants in Europe and USA mainly, including the loss of control of the plant in Holland at the beginning of May. All this impact has been partially offset by the positive impacts in EBITDA in volume of ethanol and sugar sold in Brazil derived from higher raw material stocks from the previous harvest and the beginning of the current harvest, as well as better margins in ethanol in Europe and higher prices in Brazil.

h) Consolidated statement of financial position

Consolidated balance sheet

A summary of Abengoa's consolidated asset for June 30, 2016 and December 31, 2015 is given below, with main variations:

Item	Balance as of 06.30.16	Balance as of 12.31.15	Var (%)
Intangible assets & Tangible fixed assets	1,107	2,600	(57.4)
Fixed assets in projects	909	3,360	(72.9)
Investments accounted for using the equity method	779	1,198	(35.0)
Financial investments	565	1,114	(49.3)
Deferred tax assets	1,490	1,585	(6.0)
Non-current assets	**4,850**	**9,857**	**(50.8)**
Inventories	236	311	(24.1)
Clients and other receivables	1,703	2,004	(15.0)
Financial investments	195	519	(62.4)
Cash and cash equivalents	276	681	(59.5)
Assets held for sale	5,522	3,256	69.6
Current assets	**7,932**	**6,771**	**17.1**
Total Assets	**12,782**	**16,628**	**(23.1)**

- Non-current assets have decreased by 50.8 % to €5,007 million, which is a decrease of €4,850 million compared to the 9,857 million at December 31, 2015. This decrease in non-current assets is mainly attributable to the disposal of assets in Abengoa Bioenergy Netherlands B.V. after its deconsolidation given its loss of control after starting the liquidation process as a consequence of the declaration of liquidation by the liquidator in Holland and the impairment of assets in Brazil, to the classification as assets held for sale of the property, plant and equipment of the plants in United States, the investment in Yoigo and certain transmission lines in Brazil, to the negative impact of the derivative liability value on the convertible notes of Befesa and the impairment over the investment in Rioglass Solar after its dilution of shares and APW-1. All the previous impact has been partially offset by a light increase of assets in projects under construction related to a slight progress in construction works in the Zapotillo Aqueduct concession and the Unidad Punta de Rieles to the net positive impact due to the appreciation of the Brazilian real and the depreciation of the US dollar.

- Current assets have increased by 17.1% to €7,932 million, which is an increase in €1,161 million compared to the €6,771 million at December 31, 2015. This increase in assets is mainly attributable to new non-current assets classified as assets held for sale mentioned before. The mentioned has been partially offset by the lower financial investments and cash and cash equivalents due to the maturities of collateralized non-recourse confirming liabilities, netted by the cash obtained in the new liquidity lines in March, 2016 and due to the debtor-in-possession financing in United States (see Note 2.1 of the Interim Financial Statements), in which a total amount of US$37.5 million have been disposed at June 30, 2016.

A summary of Abengoa's consolidated liabilities as of June 30, 2016 and December 31, 2015 is given below, with main variations:

Item	Balance as of 06.30.16	Balance as of 12.31.15	Var (%)
Capital and reserves	(3,435)	62	(5,640.3)
Non-controlling Interest	524	391	34.0
Total Equity	**(2,911)**	**453**	**(742.6)**
Long-term non-recourse financing	15	504	(97.0)
Corporate financing	104	372	(72.0)
Grants and other liabilities	127	234	(45.7)
Provisions and Contingencies	44	63	(30.2)
Derivative financial instruments	20	38	(47.4)
Deferred tax liabilities and Personnel liabilities	290	322	(9.9)
Total non-current liabilities	**600**	**1,532**	**(60.8)**
Short-term non-recourse financing	2,383	2,567	(7.2)
Corporate financing	7,020	6,197	13.3
Trade payables and other current liabilities	3,098	4,379	(29.3)
Current tax liabilities	216	195	10.8
Derivative financial instruments	9	108	(91.7)
Provisions for other liabilities and expenses	6	6	-
Liabilities held for sale	2,362	1,191	98.3
Total current liabilities	**15,094**	**14,643**	**3.1**
Total liabilities	**12,782**	**16,628**	**(23.1)**

- Equity has decreased by 742.6% to €-2,911 million, which is a decrease of €3,364 million compared to €453 million at December 31, 2015. This decrease in equity is mainly attributable to the negative outcome as a consequence of the current situation of the Group which has been described before in the Consolidated Income Statement section. This has been partially offset by the net positive evolution of conversion differences of the appreciation of the Brazilian real and the depreciation of the US Dollar.

- Non-current liabilities have decreased by 60.8% to €600 million, which is a decrease of €932 million compared to 1,532 million at December 31, 2015. This decrease in non-current liabilities is mainly attributable to the reclassification as liabilities held for sale of project debt related to certain transmission lines concessional projects in Brazil. The aforementioned has been partially offset by the net increase due to the Exchange rate (derived from the appreciation of the Brazilian real, partially offset by the depreciation of the US$) and the accrual of interests related to unpaid loans to the negative impact of the depreciation of the US dollar, partially offset by the appreciation of the Brazilian real.

- Current liabilities have increased by 3.1% to €15,094 million, which is an increase of €451 million compared to the €14,769 million at December 31, 2015. This increase in current liabilities is mainly attributable to non-current liabilities classified as held for sale mentioned before, as well as by the increase in corporate financing due to the new liquidity line provided at the end of March and due to the debtor-in-possession financing in United States (see Note 2.1 of the Interim Financial Statements), in which a total amount of €37.5 million have been disposed at June 30, 2016. All the mentioned has been partially offset by the decrease in the trade payables and other current liabilities section due to maturities during the period of non-recourse confirming which had cash collateral or equivalent to cash collateral as guaranty of its pay.

i) Consolidated cash flow statements

A summary of the consolidated cash flow statements of Abengoa for the periods ended June 30, 2016 and June 30, 2015 with an explanation of the main cash flows:

Item	06.30.16	06.30.15 (1)	Var (%)
Profit for the year from continuing operations	**(2,729)**	**75**	**(3,738.7)**
Non-monetary adjustments	2,516	388	548.5
Variations in working capital and discontinued operations	(201)	(441)	(54.4)
Income tax paid & Interest received/paid	(51)	(452)	(88.7)
Discontinued operations	29	152	(81.2)
A. Net Cash Flows from operating activities	**(436)**	**(278)**	**56.9**
B. Net Cash Flows from investing activities	**(50)**	**(1,009)**	**(95.0)**
C. Net Cash Flows from financing activities	**96**	**1,249**	**(92.3)**
Net increase/(decrease) of cash and equivalent	**(390)**	**(38)**	**920.3**
Cash at beginning of year	681	1,811	(62.4)
Translation differences cash or equivalent	(4)	38	(110.5)
Assets held for sale and discontinued operations	(10)	(254)	(96.1)
Cash and cash equivalent at end of period	**277**	**1,557**	**(82.2)**

(1) Restated figures in the cash flow statement due to the classification of transmission lines activity as discontinued operations.

- As of June 30, 2016, cash outflows from operating activities amounts to €436 million compared to €278 million in 2015, due to the lower cash generated from the profit of the year, the decrease in working capital and the tax and interests credit receipts and payments, mainly derived from the current situation of the Group given by the strong limitation of financial resources in which the Company is subjected in the last months and which has significantly affected the evolution of the business after the general deceleration of all activities.

- In terms of net cash flows from investment activities, there is a net cash outflow of €50 million as of June 30, 2016, compared with net cash outflow of €1,009 million in the same period 2015. The lower cash outflows from investment activities is mainly caused by the current situation of the Group mentioned previously. The main investments were mainly because of transmission lines in Brazil and cogeration projects in Mexico, partially netted by the new money from the sale of Sham´s interest of Abengoa, Explotaciones Varias, for the sale of four photovoltaic plants located in the province of Seville and Jaén and for the sale of the convertible loan into shares of Befesa Medio Ambiente, S.L.U.

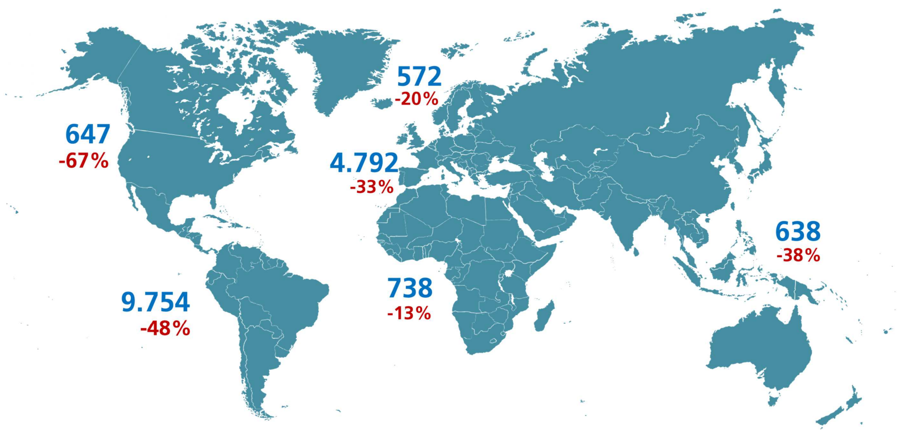
- Net cash flow from financing activities was €96 million as of June, 30 2016 compared to €1,249 million in the same period 2015. The lower cash inflows from financing activities is mainly caused by the current situation of the Group previously mentioned. Net cash generation mainly comes from a new liquidity line given at the end of March and the debtor-in-possession financing.

j) Human Resources

Abengoa's workforce decreased by 31.1% to 17,141 people as of June 30, 2016, compared to June 30, 2015 (24,894 people).

<u>Geographical distribution of the workforce</u>

The distribution of the average number of employees was 28% in Spain and 72% abroad.



Distribution by professional groups

The average number of employees by categories as of June 30, 2016 and 2015 was:

	Average number of employees for the six months ended 06.30.16		%	Average number of employees for the six months ended 06.30.15		%
Categories	Female	Male	Total	Female	Male	Total
Directors	47	428	2.7	61	491	2.1
Management	348	1,230	8.9	433	1,589	7.5
Engineers	1,012	2,269	18.5	1,450	3,293	17.7
Assistants and professionals	789	1,505	13.0	1,177	1,678	10.6
Operators	687	9,181	55.8	953	15,064	59.7
Interns	67	104	1.0	247	387	2.4
Total	**2,950**	**14,717**	**100**	**4,321**	**22,502**	**100**

3.- Information on the foreseeable evolution of the Group

To estimate the outlook for the Group, it is important to take into account the current temporary situation of the Company and the initiated refinancing process based on the Viability Plan that defined the structure of the future activity of Abengoa on an operating basis focusing on the Activity of Engineering and Construction either developing its own technology or using technology developed by others.

Such refinancing plan initiated by the Company with its creditors consists on the restructuration of the debt to provide the optimal capital structure and the sufficient liquidity to continue operating competitively and sustainably in the future.

The approval of the restructuring plan will lead the evolution of the Group in the future.

4.- Financial risk management

Abengoa's activities are undertaken through its operating segments and are exposed to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk.

Due to the facts and circumstances occurred during the second half of the year 2015, Abengoa had at the end of November 2015 substantial liquidity needs mainly to attend capital expenditure in assets, short and medium term debt maturities related to operations and negative working capital.

On November 25, 2015, due to the circumstances explained above, the Company decided to initiate a refinancing process to try to reach an agreement with its main financial creditors that would ensure a suitable framework in which to undertake the said negotiations and the financial stability of the Group in the short and medium term.

In relation to the refinancing process, after carefully evaluating the situation described above and in order to ensure the stability necessary to conduct these negotiations with the creditors, the Board of Directors of the Company deemed that the most appropriate approach was to submit the communication provided under Article 5 bis of Ley Concursal. In this regard, on December 15, 2015, Commercial Court No. 2 of Seville issued a Decree agreeing that the communication provided for under Article 5 bis of Ley Concursal had been filed.

Afterwards, on August 11, 2016, it has been subscribed a Term Sheet of the restructuring agreement between Abengoa, S.A. and a group of entities comprised of main financial creditors and potential investors. Moreover, acceptance confirmations have been received to the comfort letter to finance the new money provided in the restructuring agreement in excess to the previous requirements in the Updated Viability Plan. The agreement is subject to certain documentation and a number of usual conditions in this kind of transactions.

Abengoa´s Directors are confident on reaching a final agreement with creditors and, once signed, the achievement of the Viability Plan associated by means of the Group´s ability to generate cash from operations which will allow the financial restitution of Abengoa, S.A., and to provide to Abengoa the optimal capital structure and the liquidity enough to continue its activity and operate in a competitive and sustainable manner in the future.

5.- Information on research and development activities

R&D investments during the second quarter of the year 2016 has been €8 million, lower than the amount invested at June 30, 2015 (€66 million) mainly due because the current situation of the Company.

6.- Stock exchange evolution

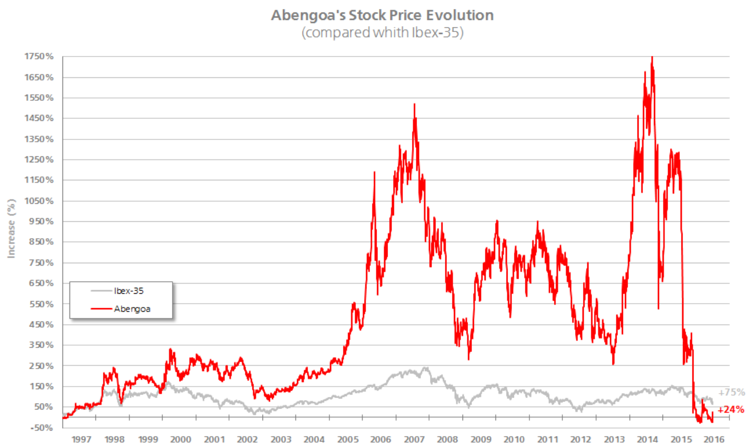
According to data provided by Bolsas y Mercados Españoles (BME), in the first six months of 2016 a total of 114,225,119 Class A shares and 2,805,624,622 Class B shares in the Company were traded, equivalent to an average daily trading volume of 899,410 Class A shares and 22,091,532 Class B shares. The average daily traded cash volume was €0.6 million for Class A shares and €5.2 million for Class B shares.

	A-Shares		B-Shares	
Share Evolution	Total	Daily	Total	Daily
Volume (thousands of shares)	114,225	899	2,805,625	22,092
Volume (M€)	70.7	0.6	654.6	5.2

Quotes	A-Shares	Data	B-Shares	Data
Last	0.5630	30-jun	0.2440	30-jun
Maximum	1.0000	29-mar	0.4250	9-mar
Average	0.6184		0.2331	
Minimum	0.3380	19-jan	0.1300	11-feb

The last price of Abengoa's shares in the first six months of 2016 was 0.56 euros for Class A shares, 37% higher than at the end of 2015; and 0.24 euros per Class B share, 25% higher than the close of 2015.

Since its IPO in the Spanish stock exchange in November 29, 1996, the value of the Company has risen by 24%. The selective IBEX-35 index has risen by 75% during the same period.



7.- Information on the purchase of treasury shares

On November 19, 2007, the Company entered into a liquidity agreement on class A shares with Santander Investment Bolsa, S.V. Replacing this liquidity agreement, on January 8, 2013, the Company entered into a liquidity agreement on class A shares with Santander Investment Bolsa, S.V. in compliance with the conditions set forth in CNMV Circular 3/2007 of December 19. On November 8, 2012, the company entered into a liquidity agreement on class B shares with Santander Investment Bolsa, S.V. in compliance with the conditions set forth in CNMV Circular 3/2007 of December 19. With effects as of April 21, 2015 the agreement related to B class shares has been terminated. With effects as of September 28, 2015, transactions under the liquidity agreement entered into on January 10, 2013 with Santander Investment Bolsa, Sociedad de Valores, S.A. with respect to the Class A shares of the company has been temporarily suspended.

As of June 30, 2016 treasury stock amounted to 5,662,480 shares, all of them class A shares.

Regarding the operations carried out during the period, treasury stock purchased amounted to 0 class A shares and 0 class B shares and treasury stock transferred amounted to 0 class A shares and 0 class B shares.

8.- Dividends

Abengoa's Board of Directors held on September 23, 2015 approved the suspension of our dividend until Abengoa achieve a credit rating of "BB-" from Standard & Poors or "Ba3" from Moody's or our leverage ratio of Gross Corporate Debt (including bridge loan), as of the most recent balance sheet date which is approved, to Corporate EBITDA for the twelve months immediately preceding such balance sheet date, falls below 3.5x. As long as Abengoa do not reach the aforementioned credit rating or leverage ratio, Abengoa will not distribute dividends to their shareholders.

9.- Relevant events reported to the CNMV

Details of the Relevant Events corresponding to the first half of 2016:

- Written Communication of 01/04/16.- Abengoa announces fulfillment with the conditions precedent for the entry into force of the amendments to the terms and conditions of the convertible bond due on 2017
- Written Communication of 01/26/16.- The Company communicates advance in the restructuring process
- Written Communication of 01/26/16.- Supplement to the relevant fact published yesterday
- Written Communication of 01/26/16.- The Company communicates the admission to trading of new Class B shares following conversion of certain bonds
- Written Communication of 01/29/16.- Admission to trading of the new Class B shares following the end of the 16º Conversion Period
- Written Communication of 02/12/16.- The Company informs that the Company's director Mr. José Luis Aya Abaurre has deceased
- Written Communication of 02/16/16.- Industrial Viability Plan
- Written Communication of 02/17/16.- Abengoa announces that it will hold a conference call to present its Industrial Viability Plan
- Written Communication of 02/17/16.- The Company announces new Access data for today's conference call
- Written Communication of 02/25/16.- The Company has agreed to call the noteholders' meeting
- Written Communication of 02/29/16.- Abengoa announces results for the second semester 2015
- Written Communication of 03/01/16.- Abengoa announces changes in its Board of Directors
- Written Communication of 03/08/16.- Abengoa announces changes in the Committees of its Board of Directors
- Written Communication of 03/10/16.- The Company informs of advances in the negotiations of the restructuring agreement
- Written Communication of 03/11/16.- Abengoa presents its Business Plan and Financial Restructuring Proposal
- Written Communication of 03/15/16.- Abengoa informs dial-in details to Access the call
- Written Communication of 03/16/16.- Business Plan and Financial Restructuring Proposal Presentation
- Written Communication of 03/17/16.- Abengoa announces the proceedings to accede the standstill
- Written Communication of 03/22/16.- Abengoa announces the granting of a liquidity line
- Written Communication of 03/28/16.- Abengoa announces submission of the application for the judicial approval (homologación) of the Standstill Agreement to the Courts of Seville
- Written Communication of 03/28/16.- Abengoa announces the lack of quorum for the valid constitution of the Noteholders' Meeting in connection with the Notes "€500,000,000 8.50 per cent. Notes due 2016" (ISIN: XS0498817542) which was called on February 25
- Written Communication of 03/29/16.- Abengoa announces that it will not convene a Noteholders' Meeting in connection with the Notes 500.000.000 euros 8.50 per cent Notes due 2016 (ISIN: XS0498817542) to be held on second call
- Written Communication of 03/30/16.- Abengoa announces commencement of proceedings in the United States
- Written Communication of 04/06/16.- Abengoa announces the judicial approval (homologación judicial) of the Standstill Agreement
- Written Communication of 04/06/16.- Abengoa announces that it will apply for delisting from the Nasdaq Stock Market and deregistration of its Class B shares with the U.S. Securities and Exchange Commission

- Written Communication of 04/14/16.- Abengoa announces advances in the Chapter 11 and Chapter 15 proceedings in the United States
- Written Communication of 04/19/16.- Abengoa announces changes in the Board of Directors
- Written Communication of 04/27/16.- Admission to trading of the new Class B shares following the end of the 17º Conversion Period
- Written Communication of 04/29/16.- Abengoa announces delisting from Nasdaq
- Written Communication of 05/04/16.- Abengoa announces advances in the US proceedings
- Written Communication of 05/12/16.- Abengoa announces first quarter results for 2016
- Written Communication of 05/25/16.- Abengoa announces changes in its Board of Directors
- Written Communication of 05/27/16.- Abengoa calls the General Shareholders' Meeting
- Written Communication of 06/03/16.- Abengoa informs of a complement to the announce of the General Shareholders' Meeting
- Written Communication of 06/14/16.- Abengoa updates advances in the proceedings in the United States
- Written Communication of 06/30/16.- Abengoa announces changes in the Board of Directors
- Written Communication of 06/30/16.- Abengoa announces resolutions approved by the General Shareholders' Meeting
- Written Communication of 06/30/16.- The Company releases the Chairman's and CEO's discourses during the Ordinary General Shareholders' meeting held today
- Written Communication of 08/10/16.- The Company announces admission to trading of new Class B shares after the end of the 18th Conversion Period
- Written Communication of 08/10/16.- The Company announces admission to trading of new Class B shares after the conversion of certain bonds
- Written Communication of 08/11/16.- Abengoa announces the terms and conditions of the restructuring proposal and informs that will hold a conference call on Tuesday, August 16th
- Written Communication of 08/16/16.- Presentation of Abengoa´s Updated Viability Plan & Financial Restructuring Terms
- Written Communication of 08/25/16.- Abengoa updates the processes in the United States
- Written Communication of 09/19/16.- The Company clarifies information appeared in the media
- Written Communication of 09/19/16.- Abengoa announces that it has been granted with a liquidity line
- Written Communication of 09/24/16.- Abengoa announces the execution of the Restructuring Agreement and the beginning of the accession period
- Written Communication of 09/27/16.- Abengoa announces the convening of Noteholders' Meetings regarding certain issuances

10.- Alternative performance measures

Abengoa presents the income statement in accordance to the International Financial Reporting Standards (IFRS), however, uses some alternative performance measures (APMs) to provide additional information to assist the comparison and comprehension of the financial information, facilitate decision-making and the assessment of group´s performance.

The most significant APM are the following:

- EBITDA: Operating profit + depreciation, amortization and impairment charges.
- Operating margin: EBITDA / revenue.
- Net corporate debt; Corporate financing – cash and cash equivalents (excluding project companies) – current financial investments (excluding project companies).
- Net cash provided by operating activities; variations in cash arisen as the difference between collections and payments caused by trade transactions in the Group during the period.
- Net cash used in investing activities; variations in cash arisen as the difference between collections and payments caused by divestment and investment transactions in the Group during the period.
- Net cash provided by financing activities; variations in cash arisen as the difference between collections and payments caused by financing transactions in the Group during the period.
- Earnings per share (EPS); Profit for the year attributable to the parent company / number of ordinary shares outstanding.
- Market capitalization; number of shares at the end of the period x quote at the end of the period.

- Backlog: Value of construction contracts awarded and pending to execute.

11.- Subsequent events

- As of September 18, 2016, and in the framework of the Updated Viability Plan and Financial Restructuring Terms announced on 16 August 2016, Abengoa Concessions Investments Limited ("ACI"), a subsidiary of the Company, entered into a secured term facility agreement (the "Facility Agreement") among, inter alia, the lenders as described below (the "Lenders") and the agent appointed thereunder (the "Agent"), pursuant to which it is entitled to borrow US$211,000,000 (the "Loan Amount") and is required to enter into related security documents (collectively, the "Loan Documents").

  As of the date of the Facility Agreement, the Lenders are Arvo Investment Holdings S.À R.L., CCP Credit Acquisition Holdings Lxco S.À R.L, Lajedoa Investments S.À R.L., OCM Luxembourg ABG Debt S.À R.L., Potter Netherlands Coöperatief U.A., y SPV Capital Funding Luxembourg S.À R.L.

  The amounts borrowed under the Facility Agreement will be used to refinance all amounts owing under a secured term facility agreement between ACI and Talos Capital Designated Activity Company (formerly Talos Capital Limited) dated 22 October 2015 for a nominal amount of US$130,000,000 (the “Talos Loan”) and for the general corporate and working capital purposes of the Company and its subsidiaries (the "Group").

  Upon the occurrence of certain events that are customary for this type of loan, the Lenders may exercise their right to require ACI to repay all or part of the Loan Amount, post additional collateral or foreclose on, and dispose of, the Pledged Shares (as described below under "Security") in accordance with the Loan Documents.

  Maturity

  The loan will mature (a) on 18 September 2017 (provided that, prior to 29 March 2017, the maturity date for the existing September Facility, December Facility and March Facility are extended to at least the same date) or (b), absent such extensions, on 29 March 2017.

  Interest

  The loan under the Facility Agreement will bear interest at a rate per annum equal to the aggregate of LIBOR plus 12.5% (on a payment in kind basis). Default interest will be payable at a rate of 5% above the interest rate.

  Material Fees

  An arrangement and participation fee are, and in certain circumstances, a make-whole amount may become, payable under the Facility Agreement.

  Guarantees

  The Company and the following subsidiaries (the "Subsidiaries") will each provide a guarantee of all amounts payable to the finance parties under the Facility Agreement (in respect of the Company, on and from the date of the Facility Agreement, and in respect of the Subsidiaries, no later than 45 days after the date of the Facility Agreement): Abeinsa Asset Management, S.A., Abeinsa Infraestructuras Medio Ambiente, S.A., Abeinsa Inversiones Latam, Abeinsa, Ingeniería y Construcción Industrial, S.A., Abencor Suministros, S.A., Abener Energía, S.A., Abengoa Bioenergía, S.A., Abengoa Concessions, S.L., Abengoa Solar España, S.A., Abengoa Solar New Technologies, S.A., Abengoa Solar, S.A., Abengoa Water, S.L., Abentel Telecomunicaciones, S.A., ASA Desulfuración, S.A., Bioetanol Galicia, S.A., Ecoagrícola, S.A., Europea De Construcciones Metálicas, S.A., Instalaciones Inabensa, S.A., Negocios Industriales y Comerciales, S.A., Siema Technologies, S.L., Teyma Gestion De Contratos de Construcción E Ingeniería, S.A., Abengoa Bioenergy Trading Europe B.V., Abeima Teyma Zapotillo S. De R.L. de C.V., Construcciones Metálicas Mexicanas Comemsa, S.A. de C.V., Nicsamex, S.A. de C.V., Teyma Internacional, S.A., Teyma Uruguay Zf, S.A..

  Security

  Under the terms of the Loan Documents, ACI will pledge and grant a security interest in 16,000,000 ordinary shares of Atlantica Yield plc (formerly Abengoa Yield plc) held by it (14,000,000 of which were previously secured in relation to the Talos Loan) (the “Pledged Shares”), in favour of the Lenders as security for the Loan Amount and its obligations under the Loan Documents.

  Financial covenants

  The Facility Agreement requires ACI to maintain a loan to value ratio of not more than 80%.

  Governing law and enforcement

  The Facility Agreement is governed by English law and the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection therewith.

- On the other hand, on September 24, 2016 the Restructuring Agreement has been signed, and granted by public deed before the Notary public of Madrid, Mr. José Miguel García Lombardía, between the Parent Company, a group of Subsidiaries which debt is subject to the restructuring and a group of financial creditors which either are holders of existing debt instruments or will also be participating in the new money and new bonding facilities.

From the abovementioned date onwards, the Company announced the beginning of the accession period for the rest of financial creditors to adhere to the Restructuring Agreement. Once this period finalizes and after obtaining the support of creditors representing at least 75% of financial liabilities as required by Spanish Bankruptcy Law, Abengoa will apply for the judicial approval (homologación judicial) of the Restructuring Agreement so that the Standard Restructuring Terms (consisting on a 97% of the nominal value debt extinguishment and the remaining 3% due in 10 years from the restructuring date, accruing no interest and not able to be capitalized) will also be extended to those unsecured creditors of the Parent Company or its affected Subsidiaries who decided not to adhere to the Restructuring Agreement or that, having done so, did not specifically choose the Alternative Restructuring Terms that, in summary, consist of:

- Capitalization of 70% of preexisting debt in exchange for 40% of Abengoa's new share capital post restructuring.

- The remaining 30% of the nominal value of the preexisting debt will be refinanced through new debt instruments, replacing the preexisting ones, which will rank as senior or junior depending on whether or not such creditor participates in the new money facilities or new bonding facilities. Such instruments will have maturities of 66 and 72 months respectively, with the possibility of an extension of up to 24 months, accruing annual interest of 1.50% (0.25% cash payment and 1.25% Pay If You Can). The junior instrument could be subject to additional reductions (provided that total reduction does not exceed 80% of the nominal value prior to the capitalization) if the aggregate amount of refinanced preexisting debt (after the aforementioned capitalization) exceeds €2,700 million due to the crystallization of contingencies.

Once the homologation request has been filed, the following procedures in the United States and the United Kingdom will be initiated:

- A Company Voluntary Arrangement ("CVA") in England and Wales at the request of Abengoa Concessions Investments Limited in accordance with Part I of the English Insolvency Act 1986; and

- Various procedures under Chapter 11 ("Chapter 11") of the U.S. Bankruptcy Code at the request of various subsidiaries incorporated in the United States.

Both the CVA and the Chapter 11 procedures have the objective of extending the Standard Restructuring Terms described previously to the liabilities of the companies promoting the procedures for those creditors that have not acceded to the Restructuring Agreement.

› On the date of formulating the present consolidated condensed interim financial statements at June 30, 2016, and in accordance to the International Financial Reporting Standards (IFRS), the Company has recognized in the income statement those impairments related to judicial proceedings and the approved discontinued operations. Directors consider that the signature of the Restructuring Agreement will lead to the application of measures determined in the Updated Viability Plan, among them the abandonment of new activities and the liquidation or sale of assets which could trigger new losses. In accordance with the IFRS, these losses will be registered during the second semester of 2016. Likewise, and in compliance of accounting standards, the positive impact derived from the debt write-offs and capital increases contained in the restructuring plan, will be recognized during the second semester of 2016, which will allow to offset all accumulated negative results and to restore the financial stability at December 31, 2016.

Since June 30, 2016, no other events have occurred that might significantly influence the financial information detailed in this report, nor has there been any event of significance to the Group as a whole.