Business evolution report
as of March 31, 2017

ABENGOA

Innovative technologic solutions
for sustainability

Contents

Business evolution report as of March 31, 2017

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 as of March 31, 2017, was made up of 609 companies: the parent company itself, 502 subsidiaries, 82 associates and 24 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, C/ Energía Solar nº 1, 41014 Seville.

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.

As explained in the following breakdown of section 2.1, on March 31, 2017, the Restructuring Completion Date has taken place (Restructuring Completion Date) established in the Restructuring Agreement and the effective application of such Restructuring Agreement allow the parent company Abengoa, S.A. to rebalance its equity, which is currently negative, once the positive effect of the restructuring of the debt to equity swap is registered in the Income Statement of the Company.

Abengoa's shares are represented by class A and B shares which are listed 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 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.

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 April 28, 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 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 listed in the NASDAQ Global Select Market since June 13, 2014. As of March 31, 2017 the Abengoa's investment on Atlantica Yield amounted 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, produce biofuel, manage water resources, desalinate sea water and treat sewage.

Abengoa`s business is organized under the following two 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, biofuels 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 have low demand risk and the Company focuses on operating them as efficiently as possible.

Directors consider that the Restructuring Agreement implementation will involve the application of measures determined in the Updated Viability Plan (see section 2.1.1). Consequences that would overcome relating to financial information presented by segments are being assessed in accordance with the IFRS 8 "Operating Segments".

As a consequence of the sale processes opened given the discontinuance of Bioenergy and the transmission lines in Brazil based on the Updated Viability Plan of Abengoa approved by the Board of Directors on August 3, 2016, and due to the significance of their activities developed by Abengoa, their Income Statement and Cash flow statements have been reclassified to discontinued operations in the Consolidated Income Statement and in the Consolidated cash flow statement as of March 31, 2017 and 2016. The classification has been done in accordance with the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.

The 2016 Consolidated Financial Statements of the Group will be subjected to the approval of the General Shareholders Meeting of Abengoa, that will take place within the legal period.

This Business evolution report has been prepared from the accounting records of Abengoa, S.A. and other companies integrated in the Group, and includes adjustments and reclassifications made to standardize the accounting and disclosure policies followed by all Group companies (in all cases, local standards) to those followed by Abengoa, S.A.

The information included in this Business evolution report is prepared with the only aim to update the content disclosed in the last Consolidated Financial Statements formulated by the Group, making emphasis in the new activities, facts and circumstances occurred during the three month period ended March 31, 2017 and not duplicating the information previously published in the Consolidated Financial Statements for the year ended 2016. Therefore, the mentioned Report includes all the information required in a Consolidated Financial Statements prepared in accordance to IFRS-EU.

For all the mentioned, for an adequate understanding of the financial information, this Business evolution report must be read together with Abengoa's Consolidated Financial Statements for the year 2016.

The present Business evolution report has been approved for publication by the Board of Directors on May 9, 2017.

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

2.- Evolution and business results

2.1. Restructuring process

2.1.1. Restructuring process situation updating

The following summary shows the facts related during the first quarter of the year 2017 until the publication of the present Business evolution report, in relation with the financial restructuring process realized in Abengoa since the November 25, 2015 after filing the application provided in Article 5 bis of Law 22/2003 by Directors of the Company:

a) <u>In relation to the proceeding provided by the law 22/2003 (Ley Concursal) and the beginning of the financial restructuring process, it should be noted that</u>;

› On January 17, 2017, the Restructuring Agent notified the occurrence of the Restructuring Effective Date. As continuation of which the Company announced a supplemental restructuring accession period, dated from January 18, 2017 to January 24, 2017. After finishing the Supplemental Accession Period, the final percentage of support of the Restructuring Agreement reached the 93.97%.

› In light of the situation in Mexico and in order to accelerate the completion of the Restructuring and begin implementing the Viability Plan as soon as possible, on February 14, 2017, the Company, together with some of its principal creditors and investors, has developed a proposal for the adjustment of the drawdown mechanism of new money financing (the "Drawdown Proposal") set out in the Term Sheet and the Restructuring Steps Plan to the Restructuring Agreement, maintaining the initial structure of the transaction. Such Drawdown Proposal will required certain amendments to the Term Sheet, the Restructuring Steps Plan, the Restructuring Agreement and the New Money Financing Commitment Letter, such amendments were required by the Company to all parties of the Restructuring Agreement in the same date.

› On February 28, 2017, the Company informed that it obtained the consent of the Majority Participating Creditors required under the Restructuring Agreement to approve the Amendments required to implement the Drawdown Proposal. Such approval allowed the Company to initiate the required steps to close the restructuring and permit the funding of the New Money.

- On March 17, 2017 and in accordance with Clauses 9.2.2 and 9.2.3 of the Restructuring Agreement, the Restructuring Documents and New Corporate Governance Documents were approved occurring therefore the Restructuring Document Approval Date, allowing the signing the execution of the Restructuring Documents and New Corporate Governance Documents and the completion of the Restructuring process.

- On March 23, 2017, the Company announced that the Restructuring Documents and the New Corporate Governance Documents were signed although their effectiveness was subjected to the occurrence of the Restructuring Steps Commencement Date, date in which was expected to occur once the Escrow Agent receives the transaction funds.

- On March 27, 2017, the Escrow Agent confirmed that an amount equal to the New Money Financing Commitments was funded into the escrow account and, consequently, the Restructuring Agent has confirmed that the Restructuring Steps Commencement Date occurred. The Company executed, at the same date, the share capital increases and the warrants approved by the Extraordinary General Shareholders' Meeting held on November 22, 2016, registering the deeds on March 28, 2017 in the the Commercial Registry of Seville.

- Consequently, the Company issued one thousand five hundred and seventy seven million nine hundred forty three thousand eight hundred and twenty five (1,577,943,825) new class A shares and sixteen thousand three hundred and sixteen three hundred sixty nine thousand five hundred and ten (16,316,369,510) new class B shares with a dilution for pre-existing shareholders of 95%.In relation with warrants, the Company issued eighty three million forty nine thousand six hundred and seventy five (83.049.675) class A warrants of the Company and eight hundred and fifty eight million seven hundred fifty six thousand two hundred and ninety (858.756.290) class B warrants of the Company, with effects as "Record date" of March 27, 2017.

- On March 30, 2017, and in connection with the Class A and Class B shares issued in the above mentioned share capital increase, after having made the relevant filings with the Madrid and Barcelona Stock Exchanges and the National Commission of Securities Market ("CNMV"), the latter positively verified all requirements for the admission to trading in the Madrid and Barcelona Stock Exchanges of the shares, including the verification of the Prospectus, admitting to trading one thousand five hundred and seventy seven million nine hundred forty three thousand eight hundred and twenty five (1,577,943,825) new class A shares and sixteen thousand three hundred and sixteen three hundred sixty nine thousand five hundred and ten (16,316,369,510) new class B shares with effects March 31, 2017.

- Additionally, in connection with the warrants, after having made the relevant filings with the Madrid and Barcelona Stock Exchanges and the National Commission of Securities Market ("CNMV"), the latter positively verified all requirements for the admission to trading of the instruments in the Automated Quotation System Block Market of the Madrid and Barcelona Stock Exchanges (the "AQS"), in the "Warrants, Certificates and Other Products" segment, including the verification of the Prospectus, admitting to trading eighty three million forty nine thousand six hundred and seventy five (83.049.675) class A warrants of the Company and eight hundred and fifty eight million seven hundred fifty six thousand two hundred and ninety (858.756.290) class B warrants of the Company, with effects March 31, 2017. if the conditions for the exercise of the warrants are fulfilled, the Initial Exercise Date of the warrants will be 31 March 2025 and the Final Exercise Date of the warrants will be June 30, 2025.

  The Prospectus is available in the Company's website and in the website of the CNMV. In particular, the Company informed that it contains important notices to the market.

  On March 31, 2017, the Restructuring Agent confirmed that the Restructuring Completion Date occurred on such date.

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>

  - A ruling was issued in the Judicial Recovery process on December 2, 2016 in which it was decided: i) to include these expiration proceedings in the Judicial Recovery process; ii) to suspend the proceedings and the execution of warranties to preserve the assets of holding companies in Judicial Recovery. A special hearing was scheduled for December 31, 2016 at which the Ministry of Mines and Energy, the ANEEL representative and the judicial administrator are called to appear. The creditor´s meeting, initially call for March 31, 2017, has been delayed to the end of May of 2017.

  - The May 31, 2017 is the date in which is expected the vote for the Brazilian companies reorganization in the "recuperaçao judicial" proceeding".

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

  - During the first quarter of 2017, there were not any significant fact additional to the mentioned in the year ended 2016 financial statements.

d) In relation to the bankruptcy declaration by the Court of Rotterdam of Abengoa Bioenergy Netherlands, B.V. on May 11, 2016 were appointed both a liquidator and supervising judges, it should be noted that;

- During the first quarter of 2017, there were not any significant fact additional to the mentioned in the year ended 2016 financial statements.

e) Regarding the declaration of bankruptcy of Abengoa México, S.A. de C.V.

- In pursuit of reaching an agreement with its creditors, last March 2017 Abengoa Mexico set out to its creditors a supporting agreement (lock-up agreement) agreed by the 71% creditors, which main obligation consist on filing the bankruptcy agreement that the Company suggest to creditors in order to present it to the Courts which main terms are:

  (i) In relation with common debts, Abengoa México has proposed the following treatment:

    a) proposal to capitalize the ordinary interests to be paid, being therefore part of the principal;

    b) the principal will be paid quarterly since March 2018;

    c) the principal to be paid will generate new interests, varying the period depending on the date of the resolution of approval of the agreement;

    d) the annual interest rate is fixed to 7% with an increase of 50 basis points per semester until the total payment;

    e) default interests due at the date of declaration of bankruptcy will be rejected by creditors. However, the default in payment of the amounts agreed will suppose the generation of default interests with a 14% rate during the period of default;

  (ii) in relation with credits against the bankruptcy estate and secured credits, it will be paid in accordance with the contracts and documents related;

  (iii) in relation with tax credits, Abengoa Mexico will propose to pay them in accordance with the applicable tax jurisdiction;

  (iv) finally, the treatment of subordinated credits will mean the inability to pay to subordinated creditors until the common credits are paid.

2.1.2. Going concern

Once the Restructuring Agreement described in section 2.1.1.a) is completed, 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 sustainable growing of Abengoa, based on the following five principles:

1) A multidisciplinary team and a culture and ability of 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 target markets, mainly in solar and water energy.

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.

The situation of the Group during the first three months period ended March 31, 2017, which has been affected by a strong limitation of financial resources for more than a year and a half, has significantly influenced the evolution of the business not only in terms of a generalized slowdown and deterioration of the Group's operations but also as a result of numerous insolvency or bankruptcy proceedings involving companies not included in the Company's Updated Viability Plan.

Consequently, 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 December 31, 2016 presented a negative net equity. In the parent company Abengoa Director´s opinion, the expected measures in the effective application of the Restructuring Agreement have allowed to gain a financial stability once there is a positive impact recognized in the income statement derived from debt write-offs, capital increases and, in addition has provided the Group with the necessary financial resources 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.

Based on the foregoing, Abengoa´s Directors have prepared this Business evolution report at March 31, 2017 on a going concern. Based on the application of the going concern basis, Abengoa´s Directors have applied the International Financial Reporting Standards ('IFRS') consistently with the 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 of the Annual Financial Statements for year ended 2016) in order to record the assets, liabilities, revenues and expenses as of March 31, 2017 in accordance with the existing information by the time of preparing this Business evolution report.

2.1.3. Restructuring process accounting impacts

As indicated on note 2.1.1.a), on March 31, 2017 and communicated by relevant report, the completion of the Restructuring of the Group and therefore the Company recognized at that date all the accounting impacts related were announced. From an accounting perspective, the Restructuring Agreement is subject to IFRIC 19 "Cancellation of financial liabilities with equity instruments", derecognizing a portion of the debt to be cancelled at book value, recognizing the refinanced debt at fair value and registering the equity instrument to be handed over at fair value and recognizing the difference between such both amounts in the Income statement. The issued Equity instruments should be firstly recognized and valuated in the date in which the liability or a part of it is cancelled.

When valuating the handed over equity instruments, it has been applied the IFRS 13 "Fair value measurement" and, consequently, it has been taken as reference the market price in the Spanish Stock Exchanges on the date in which the Restructuring process was completed and the liability was written off, this means the March 31, 2017. This market price was €0.055 per each class A share, and €0.024 each class B share. Applying such amount to the capital Increase of Abengoa (1,577,943,825 class A shares and 16,316,369,510 class B shares, which correspond to 95% of Capital share), the shares fair value accounted in the Consolidated Equity has been €478 million.

With the portion of debt to be refinanced, and given that the conditions of the debt to be refinanced have been substantially modified after the Restructuring agreement, IAS 39 "Financial instruments, recognition and measurement" has been applied, derecognizing the portion of the debt to be refinanced at book value, registering the equity instrument to be handed over at fair value and recognizing the difference between both amounts in the Income statement.

Regarding the cancellation of the liabilities subject to the standard conditions of the Agreement (amounts payable to creditors who have not signed the Agreement), since there is no obligation to deliver equity instruments in order to cancel 97% of the liabilities, the terms of IAS 39 has been apply to both the derecognition of the percentage of the liability mentioned above and the recognition of a new liability equal to 3% of the original liability which has been recorded at its fair value and recognizing an impact on the Incopme Statement by the difference between both amounts.

All the mentioned caused a positive impact in the consolidated Net Equity of Abengoa at March 31, 2017 of €6,292 million (€5,814 million in the income statement and €478 million in capital share and share premium). The following table shows the breakdown of such impacts (In million euros:

Concept	Amount
Decrease of debt to be refinanced at its carrying amount	8,461
Increase of refinanced debt at its fair value	(1,943)
Increase of equity instruments	478
Related expenses (comissions, fees, etc.)	(138)
Tax impact	(566)
Total impacts in Net Consolidated Equity	**6,292**

(1) The final impact resulting from the Restructuring Agreement could change depending on several factors which will be concreted in the following months, but in Director´s opinion it is not expected significant differences to those previously detailed..

It is important to be known that the previous positive impact on the consolidated Equity of Abengoa at March 31, 2017 exclusively shows the economic impact of the financial debt restructuration of Abengoa, and therefore it does not try to show the future financial situation of Abengoa which, in Director´s opinion, and once implemented the Restructuring Agreement will depend on the achievement of the Updated Viability Plan related to the Group capacity to generate resources from its operations and the liquidity supply in market to continue with the activity in a competitive and sustainable manner.

2.2. Financial position

2.2.1. Changes in the composition of the Group

During the first quarter of the year 2017 a total of 4 subsidiaries were included in the consolidation group.

In addition, 25 companies were no longer classified as subsidiaries are not included in the consolidation group.

2.2.2. Changes in assets held for sale and discontinued operations

During the first quarter of 2017, the most significant change corresponds to the investment on Atlantica Yield and affiliates. In this sense, and as continuation of the assets divestment plan of the Updated Viability Plan, such company, incorporated in the consolidated financial statements of Abengoa through the equity method, has been classified as assets and liabilities held for sale in the Consolidated statement of financial position given the compliance all the requirements of the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.

In accordance to such IFRS, non-current assets (or group of assets for their disposal) classified as held for sale, should be registered at the lower of their book value and their fair value less cost to sale.

In order to determine the investment fair value, and given that the Atlantica Yield shares quote on the NASDAQ Global Select Market, the market price at March 31, 2017 has been taken into account, which was $20.96. Given that the fair value is higher than the book value, no adjustments have been registered.

2.2.3. Main acquisitions and disposals

There were no significant acquisitions during the first quarter of 2017.

During the period of three months ended March 31, 2017, there were not significant disposals with the exception of the sale of the bioethanol business in Europe as part of the Divestment plan established in the Updated Viability Plan.

On March 16, 2017, Abengoa Bioenergía Inversiones, S.A. (the "Seller"), subsidiary of Abengoa, S.A., entered into a sale and purchase agreement (the "Agreement") with a company controlled by private equity fund Trilantic Europe (the "Purchaser"), which governs the sale of the bioethanol business of Abengoa in Europe through the transfer of shares of Abengoa Bioenergy France, S.A., Biocarburantes de Castilla y León, S.A., Bioetanol Galicia, S.A., Ecocarburantes Españoles, S.A. and Ecoagrícola, S.A. The sale and purchase agreement become effective once certain conditions precedent have been fulfilled (among others, the approval of the transaction by the Spanish Anti-trust Authority).

The amount foreseen amounts to €140 million (enterprise value), including debt and working capital assumed by the Purchaser and minority interests, the amounts of which will be adjusted on transaction closing date and is not expected in Directors´ opinion to change significantly.

2.2.4. Main figures

Financial data

- Revenues of €336 million, a 21% lower to the same period of 2016.
- EBITDA of €-24 million, a decrease of 187% compared to the same period of 2016.

Item	For the three months ended 03.31.17	For the three months ended 03.31.16 (1)	Var (%)
Income Statement (in million euros)			
Revenue	336	425	(21)
EBITDA	(24)	28	(187)
EBITDA Margin	(7%)	7%	(210)
Net Income	5,561	(340)	1,733
Balance Sheet			
Total Assets	10,068	9,914	2
Equity	(711)	(6,780)	90
Corporate Net Debt	2,570	7,237	(64)
Share Information (in million euros)			
Last price (€ per B share)	0.02	0.26	(92)
Capitalization (A+B share) (€ million)	504	282	79
Daily trading volume (€ million)	11	9	22

(1) Restated figures in the Income Statement due to the discontinuance of the activity in transmission lines in Brazil and the operating segment of Bioenergy. Amounts in balance sheet are referred at date of December 31, 2016.

Operating figures

- The international activity represents 91% of the consolidated revenues.
- The main operating figures of March 31, 2017 and 2016 are the following:

Key operational	03.31.17	03.31.16
Transmission lines (km)	3,532	3,532
Water Desalination (Cap. ML/day)	475	475
Cogeneration (GWh)	257	393
Solar Power Assets (MW)	200	200
Biofuels Production (ML/year)	1,030	3,270

Corporate debt conciliation

The following table set out the conciliation of the Net Corporate Debt with the information included in the Statement of financial position at March 31, 2017 and December 31, 2016 (in million euros):

Item	Balance as of 03.31.17	Balance as of 12.31.16
+ Corporate financing	3,230	7,665
- Financial investments	374	150
- Cash and cash equivalents	286	278
- Treasury stock + Financial investment and Treasury in project companies	-	-
Total Net Debt	**2,570**	**7,237**

2.2.5. Consolidated income statement

The following summary shows the Consolidated Income Statement of Abengoa at March 31, 2017 and March 31, 2016, with an explanation of the main variations between both periods (in million euros):

	Balance as of 03.31.17	Balance as of 03.31.16 (1)	Var (%)
Revenues	336	425	(21)
Operating expenses	(360)	(397)	9
EBITDA	(24)	28	(186)
Depreciation and amortization	(26)	(5)	(420)
I. Net Operating Profit	(50)	23	(317)
II. Finance Cost, net	(152)	(147)	(3)
Financial incomes / expenses	6,420	(159)	4,138
Net Exchange rates differences and other financial incomes/expenses	6,268	(306)	2,148
III. Share of (loss)/(profit) of associates	(2)	3	(167)
IV. Profit Before Income Tax	6,216	(280)	2,320
V. Income tax expense	(562)	(8)	(6,925)
VI. Profit for the year from continuing operations	5,654	(288)	2,063
Profit (loss) from discontinued operations, net of tax	(96)	(50)	(92)
Profit for the year	5,558	(338)	1,744
VII. Non-controlling interests	3	(2)	250
Net income attributable to the parent company	**5,561**	**(340)**	**1,736**

(1) Restated figures in the Income Statement due to the discontinuance of the activity in transmission lines in Brazil and the operating segment of Bioenergy.

Revenues

Revenue decreased by 21% to €336 million, which is a decrease of €89 from €425 million in the same period of 2016. The decrease in consolidated revenues is mainly due to the situation of the Company during the first three month period ended March 31, 2017 given the strong limitations of financial resources in which the Company is subjected for over a year and a half, which has affected significantly to the evolution of the business after the general deceleration on the EPC business developing, mainly in North America, South America and South Africa.

EBITDA

EBITDA has decreased in a 186% reaching €-24 million, which suppose a decrease of €52 million compared to the €28 million of the same period of the previous year. The decrease in EBITDA is mainly attributable to the already mentioned situation of the Group during the first three month period ended March 31, 2017 in last paragraph, which has supposed the general deceleration on the EPC project business and the increase of independent professional services due to advisors participating in the restructuring process.

Operating profit

Operating profit has decreased in 317%, from profit of €23 million on March, 2016 to losses of €50 million on March, 2017. This decrease in the operating profit is mainly attributable to all the mentioned before in the EBITDA paragraph. Additionally, losses have increased mainly due to the impairment expenses registered in certain assets fixed pertaining to the Engineering and Construction segment due to their doubtful recovery given the problems arisen during the period to keep developing the activity in an appropriate manner during the first three month period ended March 31, 2017.

Net Financial Expense

Net Finance expenses have reached a profit of €6,268 million, which is an increase of the 2,148% in comparison to a loss of €306 million in the same period of 2016. This increase in expenses is mainly due The positive impact caused by the financial debt restructuring of the Group (see section 2.1), as well as the lower financial expenses, in comparison with the three month ended March 2016, due to the valuation of the derivative convertible bond of Befesa and the default interests arisen due to the situation in which was the Company.

Share of profit (loss) of associates carried under the equity method

The result of associates decreased from a profit of €3 million on March, 2016 to a loss of €2 million on March, 2017. This decrease is mainly attributable to the integration of the negative results generated by Atlantica Yield during the period.

Corporate Income Tax

Corporate income tax increased from a net loss of €8 million on March, 2016 to a net loss of €562 million on March, 2017. This decrease in mainly attributable to income tax expenses recognized due to the positive result arisen after the financial debt restructuring of the Group (see section 2.1).

Profit for the year from continuing operations

Due to the aforementioned changes, results from continuing operations of Abengoa increased from losses of €288 million on March, 2016 to a profit of €5,654 million in the same period of 2017.

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

The result from discontinued operations, net of tax decreased from a loss of €50 million on March, 2016 to a loss of €96 million in the same period of 2017. This decrease is mainly attributable to the integration of results of the transmission lines in Brazil and the operative segment of Bioenergy after its consideration in the previous year as discontinued operation including an impairment given its recognition during the period as fair value.

Profit attributable to the parent company

Profit attributable to the parent company increased from a loss of €340 million on March, 2016 to a profit of €5,561 million on March, 2017 as a consequence of the changes described in previous sections.

2.2.6. Results by activities

The following table shows the distribution between business activities of revenues and consolidated EBITDA at March 31, 2017 and March 31, 2016, with an explanation about the main variations between both periods (in million euros):

	Revenue			Ebitda			Margin	
Concepto	**For the three months ended 03.31.17**	**For the three months ended 03.31.16 (1)**	**Var (%)**	**For the three months ended 03.31.17**	**For the three months ended 03.31.16 (1)**	**Var (%)**	**For the three months ended 03.31.17**	**For the three months ended 03.31.16**
Engineering and construction								
Engineering and construction	295	391	(25)	(49)	7	(800)	(17%)	2%
Total	**295**	**391**	**(25)**	**(49)**	**7**	**(800)**	**(17%)**	**2%**
Concession-type Infrastructures								
Solar	15	9	67	10	6	67	67%	67%
Water	12	15	(20)	8	11	(27)	67%	73%
Transmission lines	-	1	(100)	-	-	-	-	-
Cogeneration and others	14	9	56	7	4	75	50%	44%
Total	**41**	**34**	**21**	**25**	**21**	**19**	**61%**	**62%**
Total	**336**	**425**	**(21)**	**(24)**	**28**	**(186)**	**(7%)**	**7%**

(1) Restated figures in the Income Statement due to the discontinuance of the activity in transmission lines in Brazil and the operating segment of Bioenergy.

Engineering & Construction

Revenues in the Engineering & Construction segment has decreased by 25% to €295 million, which is a decrease of €96 million compared to the €391 million of the same period last year. This decrease in revenues is mainly attributable to the situation of the Group during the first three month period ended March 31, 2017 given the strong limitation of financial resources in which the Company is subjected for more than a year and a half and which has significantly affected the evolution of the business after the general deceleration on the EPC business developing, mainly in North America, South America and South Africa.

Engineering & Construction EBITDA has decreased by 800% to €-49 million, which is a decrease of €56 million, compared to the €7 million in the same period in the last year. This decrease is mainly attributable to the situation of the Group during the first three month period ended March 31, 2017, mentioned in the previous section, which has caused the deceleration in The EPC business developing and the increase of independent professional service expenses due to advisors participating in the restructuring process.

Concession-type Infrastructures

Revenues in concession-type infrastructures have increased by 21% to €41 million, which is an increase of €7 million compared to the €34 million in the same period last year. This increase in revenues is mainly attributable To the income generated in the thermo-solar plant of Khi once entered into operations at the end of 2016 as well as higher performance in certain concessional-type assets like the solar-gas central (SPP1) in Algeria, Punta Rieles eolic field in Uruguay and the Manaus Hospital in Brazil.

Concession-type infrastructure EBITDA has increased by 19% to €25 million, which is an increase of €4 million compared to the €21 million in the same period last year. This increase in EBITDA is also mainly attributed to what has been mentioned in the previous section related to income generated in certain concessional-type assets.

2.2.7. Consolidated statement of financial position

Consolidated balance sheet

A summary of Abengoa's consolidated asset for March 31, 2017 and December 31, 2016 is given below, with main variations (in million euros):

	Balance as of 03.31.17	Balance as of 12.31.16	Var (%)
Intangible assets and fixed assets	198	254	(22)
Fixed assets in projects	434	398	9
Associates under the equity method	70	823	(91)
Financial investments	63	65	(3)
Deferred tax assets	595	615	(3)
Non-current assets	**1,360**	**2,155**	**(37)**
Inventories	99	100	(1)
Clients and other receivable accounts	1,373	1,327	3
Financial investments	374	150	149
Cash and cash equivalents	286	278	3
Assets held for sale	6,576	5,904	11
Current assets	**8,708**	**7,759**	**12**
Total assets	**10,068**	**9,914**	**2**

- Non-current assets have decreased by 37% to €1,360 million, which is a decrease of €795 million compared to the €2,155 million at December 31, 2016. This decrease in non-current assets is mainly attributable to the classification as assets held for of the investment in Atlantica Yield after comply with the requirements of IFRS 5 (see section 2.2.2).

- Current assets have increased by 12% to €8,708 million, which is an increase in €949 million compared to the €7,759 million at December 31, 2016. This increase in assets is mainly attributable to new non-current assets classified as assets held for sale mentioned before, as well as cash and cash collateral received from the new money provided by the restructuring agreement finished at the end of March (see section 2.1).

A summary of Abengoa's consolidated liabilities as of March 31, 2017 and December 31, 2016 is given below, with main variations (in millions euros):

	Balance as of 03.31.17	Balance as of 12.31.16	Var (%)
Capital and reserves	(1,264)	(7,335)	83
Non-controlling interest	553	555	
Total Equity	**(711)**	**(6,780)**	**90**
Project debt	13	13	-
Corporate financing	1,540	267	477
Grants and other liabilities	74	66	12
Provisions and Contingencies	55	51	8
Derivative financial instruments	7	6	17
Deferred tax liabilities and Personnel liabilities	714	176	306
Total non-current liabilities	**2,403**	**579**	**315**
Project debt	234	2,003	(88)
Corporate financing	1,690	7,398	(77)
Trade payables and other current liabilities	2,583	2,654	(3)
Current tax liabilities	137	146	(6)
Derivative financial instruments	8	12	(33)
Provisions for other liabilities and expenses	26	17	53
Liabilities held for sale	3,698	3,885	(5)
Total current liabilities	**8,376**	**16,115**	**(48)**
Total Shareholders' Equity and Liabilities	**10,068**	**9,914**	**2**

- Equity has increased by 90% to €-711 million, which is an increase of €6,069 million compared to €-6,780 million at December 31, 2016. This increase in equity is mainly attributable to the positive impact after the financial restructuring (see section 2.1) and the net positive evolution of Exchange rate differences given the appreciation of the Brazilian real and the depreciation of the US dollar.

- Non-current liabilities has increased by 315% to €2,403 million, which is an increase of €1,824 million compared to the €579 million at December 31, 2016. This increase is mainly due to the net impact of the financial restructuring once the old debt has decreased and the new debt increased maturing in the long term (see section 2.1).

- Current liabilities have decreased by 48% to €8,376 million, which is a decrease of €7,739 million compared to the €16,115 million at December 31, 2016. This decrease in current liabilities is mainly attributable to the impact of the financial restructuring once decreased the old debt to be refinanced net of the already financed debt maturing in the short term as well as the slight decrease in suppliers after the payment of certain suppliers once obtained the new money from the restructuration (see section 2.1).

2.2.8. Consolidated cash flow statements

A summary of the Consolidated cash flow statements of Abengoa for the periods ended March 31, 2017 and March 31, 2016 with an explanation of the main cash flows (in million euros):

	Balance as of 03.31.17	Balance as of 03.31.16 (1)	Var (%)
Profit for the year from continuing operations	**5,654**	**(288)**	**2,063**
Non-monetary adjustments	(5,708)	244	(2,439)
Variations in working capital and discontinued operations	(205)	(11)	(1,764)
Interest received/paid	(25)	(62)	60
Discontinued operations	14	21	(33)
A. Net Cash Flows from operating activities	**(270)**	**(96)**	**(181)**
Intangible assets and property, plant & equipment	(44)	(162)	73
Other investments/disposals	-	36	(100)
Discontinued operations	9	62	(85)
B. Net Cash Flows from investing activities	**(35)**	**(64)**	**45**
Other disposals and repayments	317	136	133
Discontinued operations	13	(2)	750
C. Net Cash Flows from financing activities	**330**	**134**	**146**
Net increase/(decrease) of cash and equivalent	**25**	**(26)**	**196**
Cash at beginning of year	278	681	(59)
Translation differences cash or equivalent	1	(6)	117
Discontinued operations	(18)	(201)	91
Cash and cash equivalent at end of year	**286**	**448**	**(36)**

(1) Restated figures in the Income Statement due to the discontinuance of the activity in transmission lines in Brazil and the operating segment of Bioenergy.

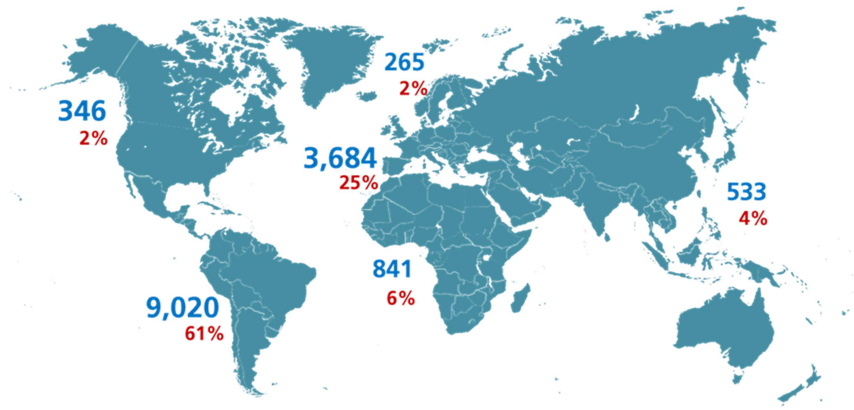
- As of March 31, 2017, cash outflows from operating activities amounts to €270 million compared to €96 million in the same period of 2016, due to the lower cash generated after the general deceleration in business in all segments, the decrease in working capital and the tax and interests credit receipts and payments, mainly derived from the situation of the Group during the first three month period ended March 31, 2017 given by the strong limitation of financial resources in which the Company is subjected for more than a year and a half.
- In terms of net cash flows from investment activities, there is a net cash outflow of €35 million as of March 31, 2017, compared with net cash outflow of €64 million in the same period of 2016. The lower cash outflows from investment activities are mainly caused by the situation of the Group during the first three month period ended March 31, 2017 mentioned previously.
- Net cash flow from financing activities was €330 million as of March 31, 2017 compared to €134 million in the same period of 2016. The higher cash inflows from financing activities are mainly caused by the net cash obtained in the financial debt restructuring of the Group (see section 2.1).

2.2.9. Human resources

Abengoa's workforce is formed by 14,689 people at March 31, 2017, which is a decrease of 8% compared to the previous year (15,983 people).

Geographical distribution of the workforce

The 25% people are located in Spain while the remaining 75% are abroad. The total number of employees at March 31, 2017 by geographical area and its share over the total is:



Distribution by professional groups

The average number of employees by categories as of March 31, 2017 and 2016 was:

	03.31.17			03.31.16		
Categories	Female	Male	Total %	Female	Male	Total %
Directors	35	320	2%	45	427	3%
Management	259	900	8%	336	1,235	9%
Engineers	724	1,657	16%	1,019	2,231	18%
Assistants and professionals	599	1,366	13%	833	1,584	14%
Operators	578	8,175	60%	644	9,284	56%
Interns	29	47	1%	78	78	1%
Total	**2,224**	**12,465**	**100%**	**2,955**	**14,839**	**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 situation of the Company after the restructuring process.

In this sense, once finished the restructuring process described in section 2.1.1.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 sustainable growing of Abengoa, based on the following five principles:

1) A multidisciplinary team and a culture and ability of 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 target markets, mainly in solar and water energy.

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.

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.

Notwithstanding Abengoa's situation during the first three month period ended March 31, 2017 as discussed in section 2.1.1.a) which has affected the management of the company's liquidity and capital risks, the Risk Management Model used by Abengoa has always attempt to minimize the potential adverse impact of such risks upon the Group's financial performance.

Risk is managed by the Group's Corporate Finance Department, which is responsible for identifying and evaluating financial risks in conjunction with the Group's operating segments, quantifying them by project, region and company, and diversifying the sources of finance in an attempt to prevent concentrations.

Written internal risk management policies exist for global risk management, as well as for specific areas of risk, such as foreign exchange risk, credit risk, interest rate risk, liquidity risk, the use of hedging instruments and derivatives and the investment of cash surpluses.

Both internal risk management policies and key control procedures for each company are written and their implementation is monitored through Internal Audit department procedures.

5.- Information on research and development activities

R&D investments during the first quarter of the year 2017 has been €0 million, lower than the amount invested at March 31, 2016 (€4 million) mainly due because the situation of the Company during the first three month period ended March 31, 2017.

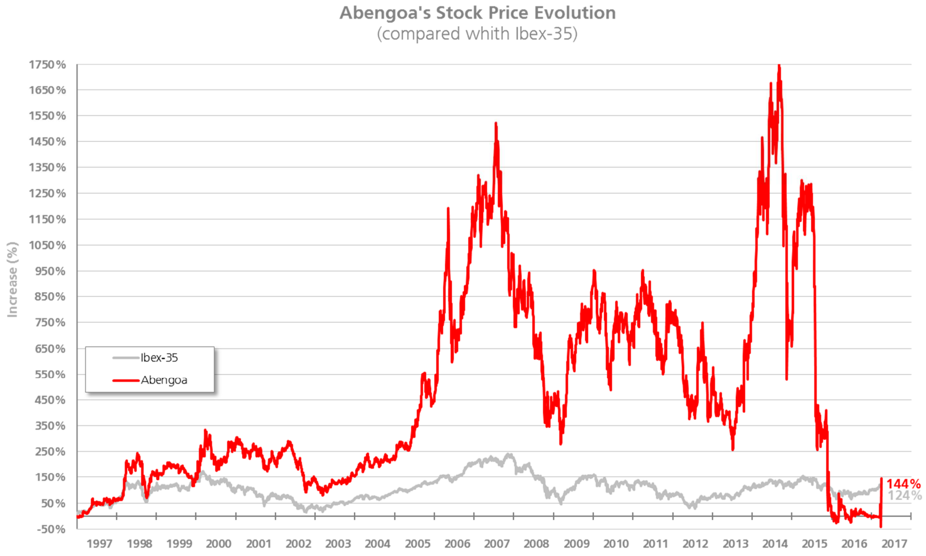
6.- Stock exchange evolution

According to data provided by Bolsas y Mercados Españoles (BME), during the first quarter of 2017 a total of 447,283,376 Class A shares and 6,482,700 Class B shares in the company were traded, equivalent to an average daily trading volume of 6,881,283 Class A shares and 99,732,626 Class B shares. The average daily traded cash volume was €1.2 million for Class A shares and €9.6 million for Class B shares.

	A Shares		B Shares	
Share evolution	**Total**	**Daily**	**Total**	**Daily**
Volume (thousands of shares)	447,283	6,881	6,482,621	99,733
Volume (M€)	74.9	1.2	623.6	9.6

Quotes		Data		Data
Last	0.055	31-mar	0.024	31-mar
Maximun	0.969	27-mar	0.317	24-mar
Average	0.167	-	0.096	-
Minimun	0.035	31-mar	0.017	31-mar

The last price of Abengoa's shares at the end of the three month period ended March 31, 2017 was €0.06 for Class A shares, a 86% lower than at the end of 2016; and €0.02 per Class B share, 87% lower than the close of 2016.



Since its IPO in the Spanish stock exchange in November 29, 1996, the value of the Company has increased by 144%. The selective IBEX-35 index has risen by 124% during the same period.

7.- Information on the purchase of treasury shares

Abengoa, S.A. and its subsidiaries have complied with all legal requirements regarding companies and treasury stock.

The parent company has not pledged its shares in any type of mercantile transaction or legal business, nor are any Abengoa, S.A. shares held by third parties who could act on its behalf or on behalf of group companies.

Finally, it should be noted that potential reciprocal shareholdings established with Group companies are temporary and comply with the requirements of the consolidated text of the Spanish Capital Companies Act.

As of March 31, 2017 treasury stock amounted to 5,662,480 shares (5,662,480 shares in 2016), of which 5,662,480 are class A shares and any are class B shares.

Regarding the operations carried out during the year, the number of treasury stock purchased amounted to zero class A shares and zero class B shares and treasury stock transferred amounted to zero class A shares and zero class B share.

8.- Corporate governance

The Board of Director of the Company, at its meeting held on March 23, 2017, unanimously resolved, at the proposal of the Appointments and Remunerations Committee, appoint by means of co-optation the existing vacancy in the Board after the dismissal of Mr. Javier Targhetta Roza, appointing as Director to Mr. Miguel Antoñanzas Alvear, as independent Director.

Additionally, is appointed as member of the Appointments and Remunerations Committee replacing Mr. José Luis del Valle Doblado who left such committee.

9.- Dividends

The terms and conditions included in the financial agreements entered into as part of the Restructuring Agreement include a prohibition on the distribution of dividends until all of the new money financing and old money financing is repaid in full. Therefore, we expect that no dividend payments will be made until, at least, 2023, date in which the last Old Money financing is expected to be repaid. The prohibition on dividends also affects "Abengoa Abenewco 1, S.A.U." ("AbeNewco 1") and "Abengoa Abenewco 2, S.A.U." ("AbeNewco 2"), the holding companies recently incorporated by Abengoa in the context of the Group's corporate restructuring. Whilst distribution of dividends within the companies of AbeNewco 1's consolidation perimeter are generally permitted, distributions of dividends in favor of the Company, AbeNewco 2 and any shareholders thereof are prohibited, except for distributions required to attend scheduled debt service payments and, up to a certain cap, distributions required to attend the Company's general corporate expenses.

10.- Relevant events reported to the CNMV

Detail of written communications to the CNMV corresponding to the first quarter of 2016 and until the business evolution report date:

- Written Communication of 01/17/17.- Abengoa announces the beginning of the Supplemental Accession Period.
- Written Communication of 01/26/17.- The Company announces the extension of the Participation Deadline.
- Written Communication of 01/26/17.- The Company announces changes in its Board of Directors.
- Written Communication of 01/31/17.- Abengoa announces the extension of the Participation Deadline.
- Written Communication of 02/03/17.- Abengoa announced final percentage of support to the restructuring agreement.
- Written Communication of 02/08/17.- Abengoa announces admission to trading of new Class B shares derived from the 20th Conversion Period.
- Written Communication of 02/08/17.- Correction in connection with the relevant fact published yesterday.

- Written Communication of 02/14/17.- Abengoa, to complete the Transaction, announces a waiver request under the Restructuring Agreement.
- Written Communication of 02/27/17.- Abengoa announces changes in the Appointments and Remunerations Committee.
- Written Communication of 02/28/17.- Abengoa announces the approval of the consent requested to Creditors on February 14.
- Written Communication of 02/28/17.- Abengoa announces 2016 results and is nearing the completion of its financial restructuring.
- Written Communication of 03/16/17.- Abengoa announces the sale of the Bioethanol Plants in Europe.
- Written Communication of 03/17/17.- Abengoa announces the Restructuring Documents Approval.
- Written Communication of 03/23/17.- Abengoa announces the appointment of an independent director.
- Written Communication of 03/23/17.- Abengoa announces advances in the restructuring process.
- Written Communication of 03/28/17.- Abengoa announces the Restructuring Steps Commencement Date and the execution of corporate resolutions.
- Written Communication of 03/29/17.- Abengoa announces the registration of the share capital increase.
- Written Communication of 03/30/17.- Abengoa announces the verification of the Prospectus of the new shares and admission to trading.
- Written Communication of 03/31/17.- Abengoa announces completion of the Restructuring.
- Written Communication of 05/04/2017. – Abengoa announces admission to trading of notes issued in the framework of the restructuring.

11.- Subsequent events

Since March 31, 2017, 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.