Business evolution report as of March 31, 2016

ABENGOA

Innovative technology solutions for sustainability

Business evolution report as of March 31, 2016

1.- General information

Abengoa, S.A. is the parent company of the Abengoa Group, which at the end of March 31, 2016, was made up of 681 companies: the parent company itself, 573 subsidiaries, 77 associates and 30 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.

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. Additionally, Class B shares are also listed on the NASDAQ Global Select Market in the form of American Depositary Shares from October 29, 2013 following the capital increase carried out on October 17, 2013. The Company presents mandatory financial information quarterly and semiannually.

On April 6, 2016 the Company has announced that it would apply for voluntary delisting of Class B shares negotiation and of an American Depositary Shares (ADSs), as well as terminating its American Depositary Receipts (ADR) facility with Citibank, N.A.

Additionally, on May 4, 2016, the Company has announced that the voluntary delisting of its Class B shares and ADSs from the NASDAQ Stock Market became effective on April 28, 2016 and that it 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 today to deregister from Sections 12(b) and 12(g) of the Exchange Act.

Once the deregistration becomes effective, which is expected to occur during the third quarter of 2016, the Company's duty to file reports under Section 13(a) or 15(d) of the Exchange Act will terminate. Abengoa, S.A. also has taken steps to terminate its ADR facility with Citibank, N.A., effective May 12, 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 our associate Abengoa Yield (with brand-name Atlantica Yield, which will be used along the current notes) are also listed in the NASDAQ Global Select Market since June 13, 2014. As of March 31, 2015, the Abengoa´s investment on Atlantica Yield amounts to 41.48%. 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 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, 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 generate low demand risk and the Company focuses on operating them as efficiently as possible.
- 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.

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

The amounts included within the present business evolution report at March 31, 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

2.1. Financial position

a) Going concern

In relation to the facts and circumstances occurred during the second half of the year 2015, which deteriorated significantly 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 quarter of the year 2016 until the publication of the present business evolution report:

- Relating to the aforementioned refinancing process, on January 25, 2016, the Company announced that the independent and specialized on refinancing process consulting firm 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 Viability Plan, that confirms the industrial viability of Abengoa, the Company has begun 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 believes that such agreement contains the essential elements to achieve a future restructuring agreement that, in any event, will be subject to reaching the percentage of accessions required by law. Additionally, 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 on the terms and conditions to restructure the financial indebtedness and recapitalize the Group.

- With respect to the foregoing, as of March 28, 2016, it had filed with the Mercantile Court of Seville nº 2 an application for the judicial approval of the standstill agreement (the "Standstill Agreement") which obtained the support of 75.04% of the financial creditors to which it was addressed, being therefore over the legally required majority (60%). Additionally, on March 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.

- On the other hand, on March 28 and 29, 2016, and in accordance with the clause 5.2 of the Standstill agreement, the Company and certain of its Spanish subsidiaries (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. Additionally, on March 29, 2016 Abeinsa Holding Inc. and twelve affiliated debtors,(collectively, the initial "Chapter 11 Debtors"), each filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code in the Delaware Bankruptcy Court.

  In the initial hearings held on March 31, 2016, the Delaware Bankruptcy Court granted the Chapter 11 Debtors' requested first- day 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. The next hearing in the Chapter 15 Proceedings and the cases commenced by the Initial Chapter 11 Debtors scheduled for April 27, 2016.

  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 Chapter 15 Proceedings and the Chapter 11 Proceedings have been commenced in furtherance of the global implementation of the Abengoa group's financial restructuring and recapitalization. The terms of this agreement are currently being negotiated with its financial creditors based on the viability plan and financial restructuring proposal.

At a hearing held on April 27, 2016 the Delaware Bankruptcy Court granted Abengoa's requested recognition of its Spanish homologation proceedings as a foreign main proceeding under the U.S. Bankruptcy Code, overruling several objections from creditors.

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, 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 consummate this transaction.

- On May 11, 2016, Rotterdam Court declared the bankruptcy of Abengoa Bioenergy Netherlands, B.V. appointing both an insolvency administrator and the supervising judges.

Abengoa´s Directors, as an estimation of reaching an agreement with financial creditors of the Company to ensure the financial stability and obtaining the ability to generate cash from operations in accordance to the viability plan developed by Alvarez&Marsal have deemed it appropriate to prepare the consolidated financial information Included in this report of the business evolution report as of March 31, 2016 on a going concern.

Abengoa´s consolidated net equity as of March 31, 2016 continue s to be mainly affected by the current situation of the Group, derived from a strong limitation of financial resources in which is subjected and which has significantly affected the evolution of the business after the general deceleration of all activities of Abengoa.

Abengoa´s Directors are confident on reaching a final agreement with creditors and, once signed, the achievement of the Viability Plan associated with the Groups ability to generate cash from operations will allow the Company to restore the confidence of stakeholders, the steadiness of its liquidity position and its ability to keep improving in the future.

b) Changes in the composition of the Group

During the first quarter of the year 2016 a total of 1 subsidiary was added to the consolidation perimeter of the group.

In addition, 5 companies were no longer classified as subsidiaries, 1 company were no longer classified as associates and 1 joint venture are not included in the consolidation group.

Within the exits of the consolidation perimeter there are divestments made during the period over the interest of the companies Shams (owner company of a 100MW thermo-solar plant developed by Abengoa in Abu Dhabi) and Nicefield (owner company of a 70MW wind farm developed by Abengoa in Uruguay) for an amount of $30 million and $0.4 million respectively, the latter releasing the company´s obligations of $37.5 Million of debt and its related guarantees. The above transactions have a positive impact on the Consolidated Income Statement of €1 and €3 million respectively.

During the first quarter of the year 2016, there have not been changes in companies classified as asset and liabilities held for sale.

c) Main figures

Financial data

- Revenues of €719 million, a 54% lower to the same period of 2015.
- EBITDA of €48 million, a decrease of 85% compared to the same period of 2015.

Item	For the three months ended 03.31.16	For the three months ended 03.31.15	Var (%)
Income Statement			
Revenue	719	1,559	-54%
EBITDA	48	321	-85%
EBITDA Margin	7%	21%	-68%
Net Income	(340)	31	-1,193%
Balance Sheet			
Total Assets	15,836	28,109	-44%
Equity	214	2,875	-93%
Corporate Net Debt	5,148	2,556	101%
Share Information			
Last price (€ per B share)	0.26	3.38	-92%
Capitalization (A+B share) (€ million)	282	2,860	-90%
Daily trading volume (€ million)	9	46	-80%

- Corporate debt amounts to €6,980 million in comparison to €6,568 million at December 31, 2015.
- Project finance amounts to €3,110 million in comparison to €3,070 million at December 31, 2015. Within project finance are included €2,091 million of bridge loan with corporate guaranty (€2,049 million at December 31, 2015). Such project finance, does not include bridge financing for an amount of €348 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 €230 million (€238 million at December 31,2015), given its integration by the equity method.

Operating figures

- The international activity represents 83% of the consolidated revenues.
- The main operating figures of March 31, 2016 and 2015 are the following:

Key operational	03.31.16	03.31.15
Transmission lines (km)	3,532	5,143
Water Desalination (Cap. ML/day)	475	775
Cogeneration (GWh)	393	793
Solar Power Assets (MW)	200	1,603
Biofuels Production (ML/year)	3,270	3,175

d) Consolidated income statement

The following summary shows the Consolidated Income Statement of Abengoa at March 31, 2016 and March 31, 2015, with an explanation of the main variations between both periods.

Item	For the three months ended 03.31.16	For the three months ended 03.31.15	Var (%)
Revenues	719	1,559	-54%
Operating income and expenses	(671)	(1,238)	46%
EBITDA	**48**	**321**	**-85%**
Depreciation and amortization	(42)	(123)	66%
I. Net Operating Profit	**6**	**198**	**-97%**
Financial profit (loss)	(158)	(185)	-7,513%
Net Exchange differences and other financial gain / losses	(181)	(2)	**-81%**
II. Finance Cost, net	**(339)**	**(187)**	14%
III. Share of (loss)/(profit) of associates	**3**	**1**	**215%**
IV. Profit Before Income Tax	**(330)**	**12**	**-2,776%**
V. Income tax expense	(8)	27	-131%
VI. Profit for the year from continuing operations	**(338)**	**39**	**-964%**
Profit (loss) from discontinued operations, net of tax	-	(11)	-100%
Profit for the year	**(338)**	**28**	**-1,307%**
VII. Non-controlling interests and non-controlling interests discontinued operations	(2)	3	-164%
Net income attributable to the parent company	(340)	31	-1,193%

Revenues

Revenues have decreased by 53.9% to €719 million; this means a decrease of €840 million in comparison to the €1,559 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. 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.

EBITDA

The EBITDA amount has been reduced by 85.1% to €48 million, which is a decrease of €273 million in comparison to the €321 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. 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.

Net operating profit

Net operating profit has decreased by 97.1% to €6 million, which is a decrease of €192 million, in comparison to the €198 million of the same period last year. This decrease in the net operating profit is mainly attributable to all mentioned above in the EBITDA section 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 €339 million, which is an increase of a 81.3% in comparison to the net loss of €187 million in the same period last year. This increase of losses is mainly attributable to the financial cost registered in the derivative liability on the convertible notes of Befesa, and financial costs derived from default interest costs given the current situation of the Company described before, all partially offset by 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.

Corporate income tax

Corporate income tax decreased from a profit of €27 million in the first quarter of the year 2015 up to a loss of €8 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 €39 million in the first quarter of the year 2015 up to a loss of €338 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 loss of €11 million in the first quarter of 2015 to a null profit in the same period in 2016. This decrease is fully attributable 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 €31 million in the first quarter of 2015 to a loss of €340 million for the same period in 2016 as a consequence of the changes described in previous sections.

e) Results by activities

The following table shows the distribution between business activities of the consolidate revenues and consolidated EBITDA at March 31, 2016 and March 31, 2015, with an explanation about the main variations between both periods

	Revenue			EBITDA			Margin	
	For the three months ended			For the three months ended			For the three months ended	
Item	03.31.16	03.31.15	Var (%)	03.31.16	03.31.15	Var (%)	03.31.16	03.31.15
Engineering and construction								
E&C	388	1,07	-64%	5	243	-98%	1%	23%
Total	388	1,07	-64%	5	243	-98%	1%	23%
Concession-type infrastructure								
Solar	9	58	-84%	6	39	-85%	67%	67%
Water	15	13	15%	11	12	-8%	73%	87%
Transmission lines	29	41	-27%	21	30	-30%	72%	74%
Cogeneration and others	9	10	-10%	4	4	-35%	44%	41%
Total	62	122	-49%	42	85	-51%	68%	70%
Industrial production								
Bioenergy	269	367	-27%	1	-7	-114%	1%	-2%
Total	269	367	-27%	1	-7	-114%	1%	-2%
Total	719	1,559	-54%	48	321	-85%	7%	21%

Engineering & Construction

Revenues in the Engineering & Construction segment has decreased by 63.7% to €388 million, which is a decrease of €682 million compared to the €1,070 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 is 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 plants and photovoltaic in Chile (Atacama solar plant) 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 97.9% to €5 million, which is a decrease of €238 million, compared to the €243 million in the same period in the last year. This decrease in EBITDA 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 48.8% to €62 million, which is a decrease of €60 million compared to the €122 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 50.6% to €42 million, which is a decrease of €43 million compared to the €85 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 26.7% to €269 million, which is a decrease of €98 million compared to €367 million of the same period last year. This decrease on 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 beginning of the current harvest.

Industrial production EBITDA has reached a positive outcome of €1 million, which is an increase of €8 million compared to the negative EBITDA of €7 million in the same period last year. This increase in EBITDA is mainly attributable to the positive impact 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. All this impact has been partially offset by the negative impacts in EBITDA 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, USA and Brazil.

f) Consolidated statement of financial position

Consolidated balance sheet

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

Item	Balance as of 03.31.16	Balance as of 12.31.15	Var (%)
Intangible assets & Tangible fixed assets	2,553	2,600	-2%
Fixed assets in projects	3,567	3,360	6%
Investments accounted for using the equity method	1,180	1,198	-2%
Financial investments	935	1,114	-16%
Deferred tax assets	1,473	1,585	-7%
Non-current assets	9,707	9,857	-2%
Inventories	329	311	6%
Clients and other receivables	1,894	2,004	-6%
Financial investments	257	519	-51%
Cash and cash equivalents	448	681	-34%
Assets held for sale	3,201	3,256	-2%
Current assets	6,128	6,771	-9%
Total Assets	15,835	16,628	-5%

- Non-current assets have decreased by 2% to €9,707 million, which is a decrease of €150 million compared to the 9,857 million at December 31, 2015. This decrease in non-current assets is mainly attributable to the negative impact of the derivative liability value on the convertible notes of Befesa. All the previous impact has been partially offset by a light increase of assets in projects under construction related to the transmission lines segment in Brazil, to cogeration segment in Mexico, and additionally, to the net positive impact due to the appreciation of the Brazilial real and the depreciation of the US dollar.

- Current assets have decreased by 9% to €6,128 million, which is a decrease in €643 million compared to the €6,771 million at December 31, 2015. This decrease in assets is mainly attributable to lower financial investments and cash and cash equivalents due to decreases because maturities of collateralized non-recourse confirming liabilities, netted by the cash obtained in the new liquidity lines in March, 2016.

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

Item	Balance as of 03.31.16	Balance as of 12.31.15	Var (%)
Capital and reserves	(232)	62	-472%
Non-controlling Interest	446	391	14%
Total Equity	214	453	-53%
Long-term non-recourse financing	518	504	3%
Corporate financing	358	372	-4%
Grants and other liabilities	253	234	8%
Provisions and Contingencies	49	63	-22%
Derivative financial instruments	16	38	-58%
Deferred tax liabilities and Personnel liabilities	283	322	-12%
Total non-current liabilities	1,477	1,532	-4%
Short-term non-recourse financing	2,592	2,567	1%
Corporate financing	6,622	6,197	7%
Trade payables and other current liabilities	3,504	4,379	-20%
Current tax liabilities	196	195	0%
Derivative financial instruments	99	108	-9%
Provisions for other liabilities and expenses	7	6	20%
Liabilities held for sale	1,125	1,191	-6%
Total current liabilities	14,145	14,643	-3%
Total liabilities	15,835	16,628	-5%

- Equity has decreased by 53% to €214 million, which is a decrease of €239 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 ofthe appreciation of the Brazilian real and the depreciation of the US Dollar.

- Non-current liabilities have decreased by 4% to €1,477 million, which is a decrease of €55 million compared to 1,532 million at December 31, 2015. This decrease in non-current liabilities is mainly attributable to the negative impact of the depreciation of the US dollar, partially offset by the appreciation of the Brazilian real.

- Current liabilities have decreased by 3% to €14,145 million, which is a decrease of €498 million compared to the €14,643 million at December 31, 2015. This decrease in current liabilities is mainly attributable to 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. This has been partially offset by the increase in corporate financing due to the new liquidity line provided at the end of March.

g) Consolidated cash flow statements

A summary of the consolidated cash flow statements of Abengoa for the periods ended March 31, 2016 and March 31, 2015 with an explanation of the main cash flows:

Item	For the three months ended 03.31.16	For the three months ended 03.31.15	Var (%)
Profit for the year from continuing operations	(338)	39	-967%
Non-monetary adjustments	320	242	45%
Variations in working capital and discontinued operations	(159)	84	-312%
Income tax paid & Interest received/paid	(62)	(190)	-61%
Eliminations of flows from discontinued operations	-	17	-100%
A. Net Cash Flows from operating activities	(239)	192	-224%
B. Net Cash Flows from investing activities	(126)	(819)	-85%
Secondary public share offering to sale affiliate´s interest	-	291	-100%
Other disposals and repayments	136	32	325%
C. Net Cash Flows from financing activities	136	323	-58%
Net increase/(decrease) of cash and equivalent	(229)	(304)	-25%
Cash at beginning of year	681	1.811	-62%
Translation differences cash or equivalent	(5)	42	-112%
Assets held for sale and discontinued operations	1	(139)	-101%
Cash and cash equivalent at end of period	448	1.410	-68%

- As of March 31, 2016, cash outflows from operating activities amounts to €239 million compared to the cash inflows amounted to €192 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 €126 million as of March 31, 2016, compared with net cash outflow of €819 million in the same period 2015. The lower cash outflows from investment activities is mainly caused by the current situation of the Group mentioned in the previous paragraph. 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.

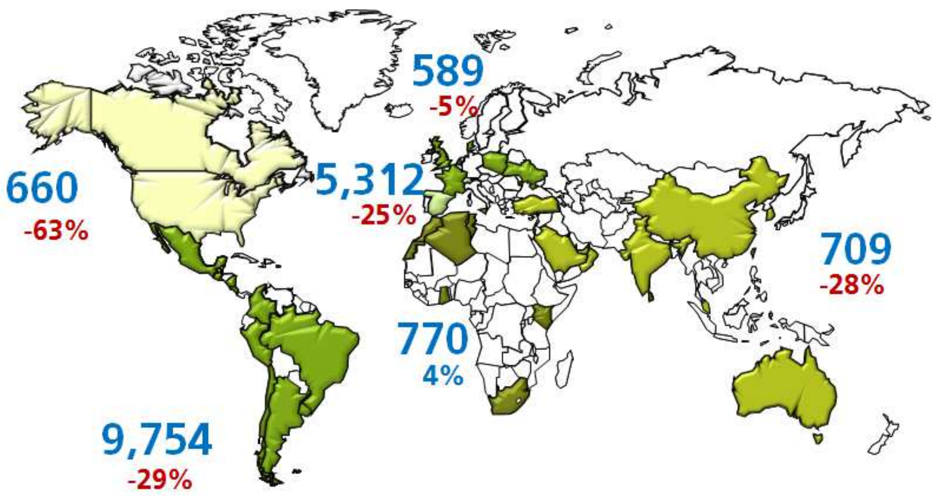
- Net cash flow from financing activities was €136 million as of March, 31 2016 compared to €323 million in the same period 2015. The lower cash inflows from financing activities is mainly caused by the current situation of the Group previously mentioned. Net cash generation mainly comes from a new liquidity line given at the end of March.

h) Human resources

Abengoa's workforce decreased by 29% to 17,794 people as of March 31, 2016, compared to March 31, 2015 (24,894 people).

Geographical distribution of the workforce

The distribution of the average number of employees was 30% in Spain and 70% abroad.



Distribution by professional groups

The average number of employees by categories as of March 31, 2016 and 2015 was:

	Average number of employees for the three months ended 03.31.16		%	Average number of employees for the three months ended 03.31.16		%
Categories	Female	Male	Total	Female	Male	Total
Directors	49	445	2.8	60	492	2.2
Management	353	1,282	9.1	431	1,569	8.1
Engineers	1,069	2,359	19.1	1,432	3,239	18.9
Assistants and professionals	875	1,602	13.8	1,132	1,596	11.0
Operators	645	9,075	54.1	888	13,331	57.4
Interns	85	115	1.1	238	363	2.4
Total	3,076	14,878	100	4,181	20,590	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.

The risk management model attempts 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. In addition, there are official written management regulations regarding key controls and control procedures for each company and the implementation of these controls is monitored through Internal Audit procedures.

To manage our working capital, Abengoa has "confirming without recourse" agreements with various financial institutions to outsource the payment of our trade payables. In addition, Abengoa has short term financing lines including commercial paper.

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, the Company, due to the circumstances explained above, 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 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.

Relating to the aforementioned refinancing process, on January 25, 2016, the Company announced that 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 Viability Plan, the Company has begun 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.

5.- Information on research and development activities

R&D investments during the first quarter of the year 2016 has been €4 million, lower than the amount invested at March 31, 2015 (€19 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 three months of 2016 a total of 96,585,252 Class A shares and 2,101,183,204 Class B shares in the Company were traded, equivalent to an average daily trading volume of 1,557,826 Class A shares and 33,890,051 Class B shares. The average daily traded cash volume was €1.0 million for Class A shares and €8.1 million for Class B shares.

	A-Shares		B-Shares	
Share Evolution	Total	Daily	Total	Daily
Volume (thousands of shares)	96,585	1,558	2,101,183	33,890
Volume (M€)	60.9	1.0	501.6	8.1

Quotes	A-Shares	Data	B-Shares	Data
Last	0.7000	31-mar	0.2610	31-mar
Maximun	1.0000	29-mar	0.4250	9-mar
Average	0.6307		0.2385	
Minimun	0.3380	19-jan	0.1300	11-feb

The last price of Abengoa's shares in the first three months of 2016 was 0.70 euros for Class A shares, 71% higher than at the end of 2015; and 0.26 euros per Class B share, 34% higher than the close of 2015.

Evolution of the Share Value of Abengoa
(compared with Ibex-35)

Since its IPO in the Spanish stock exchange in November 29, 1996, the value of the Company has risen by 37%. The selective IBEX-35 index has risen by 87% 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 March 31, 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

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

- Written Communication of 01/04/16.- 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 died.
- 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 05/04/2016. – Abengoa announces advances in the US proceedings

10.- Subsequent events

Since March 31, 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.