

# ABENGOA

Innovative technology solutions for **sustainability**

Third quarter results 2011

## **Profit after tax increase by 45 % to €211 in the first nine months of 2011**

- Sales grow by 42% to €4,784 million in the first nine months of 2011 while EBITDA rose by 41% to €744 million compared to the same period the previous year
- Total net debt was reduced by approximately €1.7 billion, while liquidity was improved by a €1.2 billion increase in cash thanks to three special transactions

November 15, 2011. Abengoa, the international company that applies innovative technology solutions for sustainable development in the energy and environment sectors, recorded sales of €4,784 million for the first nine months of 2011, an increase of 42% compared to the same period in the previous year. EBITDA rose by 41% to €744 million compared to the same period in 2010.

Profit after tax was €211 million, an increase of 45% over the previous year. Excluding the impact from Telvent and the mark to market of derivatives in both periods the increase would have been 105%. The generation of operational cash flow in the first nine months of the year totaled €938 million, while at the end of September 2011, consolidated net debt was €5,814 million.

Abengoa's dedicated and ongoing commitment to geographic diversification in new markets continues to be one of the key factors in its growth, in which international activities now account for 76% of total sales. It is worth noting the increase in the Americas, which now account for 52% of the company's sales, especially Brazil and the USA, which generated 24% and 18% of total sales respectively.

By segment, sales in the Engineering and Construction business grew strongly, increasing 32% to €2,156 million. EBITDA also increased strongly, rising by 54% to €264 million, with margins of 12.2% compared to 10.5% the previous year. These figures include €184 million and €18 million in sales and EBITDA due to the application of IFRIC 12 from September 1, 2011 to the Spanish solar-thermal plants. The order book was worth €7,529 million at September 30, 2011, equivalent to more than two and a half years of sales.

Sales by the Concession-type Infrastructures activity, which primarily includes electricity generation and transport, rose by 41% to €322 million, with an EBITDA margin of 72%.

# ABENGOA

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This increase was due to the start-up of 200 additional megawatts of power in the solar-thermal plants in Spain and Algeria. It should be noted that Abengoa obtained a second federal guarantee from the US Department of Energy worth \$1.2 billion. The guarantee will help the construction and start-up of the Mojave Solar Project, the second solar-thermal plant that Abengoa is constructing in the USA.

Lastly, the Industrial Production area, which includes the industrial recycling and bioenergy businesses, increased its sales by 54% to €2,306 million. This figure was driven by a rise in commodities prices in the three regions where the company operates and higher sales in the USA and Europe in the bioenergy division, as well as a rise in volumes and margins in the industrial recycling business. Furthermore, the third federal guarantee from the US Department of Energy was finalized during the third quarter, which will enable financing for the construction and start-up of a second generation bioethanol plant in Hugoton, Kansas, with a 90 million liter capacity.

In the third quarter of 2011, Abengoa gave entry as a shareholder to First Reserve Corporation, one of the largest private investment funds in the energy industry. This alliance represents a major strategic and financial endorsement for Abengoa, among other issues, because the agreement was reached after an exhaustive due diligence process by First Reserve, resulting in a final investment of €300 million in newly issued unlisted Class B shares. First Reserve's investment is a show of confidence in Abengoa's current and future value, although what is more important is that this perfect alliance will enable the company to carry on undertaking new projects that generate value for all the company's shareholders.

Abengoa has continued to promote its projects in R&D+i, with programs focused on demonstrating the feasibility of solar-thermal plant technology using superheated steam, designing and installing a pilot plant using molten salt technology and gas receivers, completing the tests to increase the storage capacity of the plants, while also reducing the cost of the components. In bioenergy, a new fermentation process has been validated at demonstration scale, which increases the margins of first generation bioethanol, while second generation bioethanol has been successfully produced from corn stalks and straw residues at the plant in Salamanca. Finally, improvements have been achieved in validating and designing a new and more efficient remineralization process in desalination plants.

Lastly, Abengoa decided to increase guidance for 2011. The new guidance for 2011 revenues is set in the new range of 6,800 M€ - 6,900 M€ and 1,040 M€ - 1,060 M€ for EBITDA.

Manuel Sánchez Ortega, CEO of Abengoa, said, "In such an extremely complicated environment, I am pleased to be able to share the excellent results that our company has been able to achieve once again. These results are the reflection of the effort and commitment of the people that make up Abengoa".

Note: All figures used as a comparison with 2010 do not include Telvent

# ABENGOA

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He added, "This quarter we have continued to grow our revenues, EBITDA and cash generation. We keep progressing in all of our projects and R&D efforts. We were able to welcome First Reserve into our capital structure and manage to close the sale of our participation in Telvent. Our liquidity position was increased and the net debt reduced. To sum up, we comply with our commitments with both our clients and shareholders".

## **Details from the Results Presentation Conference**

The CEO, Manuel Sánchez Ortega, and the head of investor relations and reporting, Bárbara Zubiría Furest, will hold a conference today to present the results, which will be simultaneously broadcast via the internet at 6.30 pm (Madrid time), 5.30 pm (London time) and 12.30 pm (New York time).

To access the conference please dial +34 91 788 9303. The conference can be followed live via Abengoa's website. We recommend accessing the website at least 15 minutes prior to the start of the conference to be able to register and download the audio software required to listen.

A recording of the conference will be available on Abengoa investors' webpage approximately two hours after the conference has finished.

## **About Abengoa**

Abengoa (MCE: ABG) is an international company that applies innovative technology solutions for sustainable development in the energy and environment sectors, generating electricity from the sun, producing biofuels, desalinating sea water and recycling industrial waste. ([www.abengoa.com](http://www.abengoa.com))

## **Communications Department contact**

Patricia Malo de Molina Meléndez  
Loreto González Goizueta  
Tel: +34 954 93 71 11  
E-mail: [communication@abengoa.com](mailto:communication@abengoa.com)

## **Investor Relations contact**

Bárbara Zubiría Furest  
Tel: +34 954 93 71 11  
E-mail: [ir@abengoa.com](mailto:ir@abengoa.com)

# ABENGOA

Innovative technology solutions for **sustainability**

## **Forward-looking statements**

This press release contains forward-looking statements, which may be preceded by words such as “believe”, “expect”, “possibility”, “anticipate”, “plan”, “intentions”, “assumption” or similar expressions, and includes statements relating to our forecasts for the 2011 tax year.

This declaration of intentions reflects current business expectations as at the date of this press release, and implies certain risks and uncertainties. Abengoa’s real results may differ significantly from those anticipated in these forward-looking statements due to numerous factors.

Abengoa does not intend, nor does it assume any obligation, to update or revise its forecasts in this press release following its publication date.

Due to the aforementioned risks and uncertainties, and the possibility that the real results may change due to variations in the assumptions on which certain forecasts are based, investors must bear in mind that the results, events or developments disclosed in any forecast in this press release, may not occur, and that the real results may significantly vary from those outlined in this document, including those described as “forecasted, expected, set, planned” or similar.

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## Supplementary information

M€	Revenues			EBITDA			Margin	
	9m 2011	9m 2010	Var (%)	9m 2011	9m 2010	Var (%)	9m 2011	9m 2010
<b>Engineering and Construction</b>								
E&C	2,156	1,639	32%	264	172	54%	12.2%	10.5%
<b>Total</b>	<b>2,156</b>	<b>1,639</b>	<b>32%</b>	<b>264</b>	<b>172</b>	<b>54%</b>	<b>12.2%</b>	<b>10.5%</b>
<b>Concession-type Infrastructure</b>								
Solar	99	44	122%	78	36	118%	78.8%	80.2%
Water	13	10	31%	7	5	44%	54.9%	50.0%
Transmission	184	152	21%	144	110	31%	78.0%	72.1%
Cogen. & other	25	22	17%	2	1	118%	8.3%	4.5%
<b>Total</b>	<b>322</b>	<b>229</b>	<b>41%</b>	<b>231</b>	<b>152</b>	<b>53%</b>	<b>71.7%</b>	<b>66.4%</b>
<b>Industrial Production</b>								
Bioenergy	1,629	991	64%	111	106	4%	6.8%	10.7%
Recycling	477	414	15%	85	74	15%	17.9%	17.9%
Other	200	90	124%	53	23	133%	26.5%	25.5%
<b>Total</b>	<b>2,306</b>	<b>1,495</b>	<b>54%</b>	<b>249</b>	<b>203</b>	<b>23%</b>	<b>10.8%</b>	<b>13.6%</b>
<b>Total</b>	<b>4,784</b>	<b>3,363</b>	<b>42%</b>	<b>744</b>	<b>527</b>	<b>41%</b>	<b>15.6%</b>	<b>15.7%</b>

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