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Abengoa reaches agreement with CEMIG to sell the remaining 50% of the transmission lines joint venture in Brazil for €586 million

- Through this transaction, Abengoa will increase its cash position by €376 million and will additionally reduce its gross debt by €210 million¹.

March 15, 2012. Abengoa (MCE: ABG), the international company that applies innovative technology solutions for sustainable development in the energy and environment sectors, has reached an agreement with Companhia Energética de Minas Gerais (CEMIG), one of the largest electricity companies in Brazil, through the company Companhia Transmissora Aliança de Energia Elétrica S.A. (TAESA), to sell the 50% stake that Abengoa owns in the joint venture, which holds four transmission concessions (STE, ATE, ATEII and ATE III).

This transaction, which forms part of the company's declared asset turnover strategy, will strengthen Abengoa's balance sheet, generating €376 million in cash, which represents a 25% reduction in net corporate borrowings at December 31, 2011, and will also reduce its gross debt by €210 million.

The transmission lines in the transaction cover 2,138 kilometers and have been in operation for an average of five years. The contracts to construct and operate these assets were awarded by Brazil's national electricity agency (ANEEL) to Abengoa, which put them into operation between 2004 and 2008.

This latest transaction together with the agreement announced on June 3, 2011, in which CEMIG acquired the first 50% of these four concessions, renders 100% control to CEMIG over these assets.

Manuel Sánchez Ortega, CEO of Abengoa said, "this transaction demonstrates the ongoing interest in the market for quality transmission assets in Brazil – a country that consolidated itself in 2011 as the second most important source of revenues for Abengoa and where we continue to invest as one of the three key markets for the company".

Abengoa has had a permanent presence in Brazil for more than 30 years and following this transaction the company will still hold a portfolio of transmission assets covering more than 4,400 kilometers. The company also has three bioethanol production plants and has developed a large number of projects for its Brazilian clients. Brazil currently accounts for 21% of Abengoa's revenues.

¹ Approximate figures. These may vary depending on the exchange rate, transaction costs and the definitive closing date.

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The agreement is subject to the previous approval of the Boards of Compañía Transmissora Aliança de Energía Eléctrica S.A. (TAESA) and also to approval from the lenders and the Agencia Nacional de Energía Eléctrica (ANEEL).

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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).

About CEMIG

CEMIG is one of the leading electricity companies in Brazil. It has more than 9,700 employees and is present in 19 states in Brazil and Chile. Its principal activities are electricity transmission and distribution. It also works in the natural gas, telecommunications and energy efficiency services sectors. It has 7,506 kilometres of transmission lines and a distribution network of 450,316 kilometres. (www.cemig.com.br).