

Abengoa enters the South Korean market with industrial waste recycling business

- The investment involves the acquisition of the South Korean firm Hankook R&M, which specializes in steel dusts waste recycling.
- The acquisition will be made through Abengoa's German industrial waste recycling division.

Seville, September 12, 2012.- Abengoa, the international company that applies innovative technology solutions for sustainable development in the energy and environment sectors, has reached an agreement through its industrial waste recycling division, Befesa, to acquire 55 % of the South Korean company Hankook R&M, valued at €60 million. The firm specializes in recycling steel dusts and is constructing a plant in the city of Gyeongju, in the south eastern part of the country, which will come into operation in the first quarter of 2013. Abengoa will be responsible for operating the plant.

Abengoa will hold an option to purchase an additional 25 % of the company after the first year and the remaining 20 % between the third and the fifth years once the agreement has been signed, which will be carried out by Abengoa's German industrial waste recycling division.

The new plant, which will serve the principal steelmakers in the region, will be capable of recycling 110,000 tons/year of steel dusts, which will bring Abengoa's capacity to 750,000 tons/year by 2013. The plant will use advanced SDHL technology, developed and patented by Abengoa, which is a safer and more sustainable technique for recycling steel dusts. The technology achieves higher levels of zinc recovery and is more energy efficient, minimizing waste and improving the recycling process among South Korea's steel manufacturers.

The South Korean market represents an excellent business opportunity for the company, as the world's fourth largest producer of steel dusts with an estimated volume of 500,000 tons/year.

Furthermore, Abengoa's arrival in South Korea will give rise to numerous environmental benefits for the country, servicing its powerful steel manufacturing industry and efficiently treating this type of waste, as well as reducing imports of Waelz Oxide, since the production of this material is expected to be supplied to Korean foundries.

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This new investment represents an important milestone in Abengoa's global development and a strategic step forward in its ambitious international expansion plan for its industrial waste division, which is consolidating its position as a leader in the sector in new countries. The company recently began to develop two new steel dust recycling projects in Turkey, where it will have three plants by 2014, in addition to those that are already operational in Germany, France, Sweden and Spain.

This agreement will add another country to Abengoa's geographical diversification, where it will contribute its technology to help solve the serious problem of managing waste while promoting sustainable development.

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 Hankook R&M

Hankook R&M Co., Ltd.(HRM) was founded in 2006 dedicated to develop steel dust recycling technology and acquired technical patents related in Waelz process as well as Calcining process to complete one-stop based ideal steel dust recycling plant in Korea.

Hankook group, major shareholder of HRM, consists of Hankook Steel & Mill Co., Ltd. (HKSM), Hankook Steel Co., Ltd.(HKS), and HNK fine machine & tools Co., Ltd. (HNK). Devoting themselves for more than 20 years in the steel industry, HKSM and HKS, as one of the major steel producers in Korea, have been concerned on how to treat industrial waste from steel plants eco-friendly and invested on steel dust recycling business through its subsidiary, HRM. HNK is also renowned as a big size machine tools manufacturer in the world.

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