ABENGOA

Innovative technology solutions for sustainability

Abengoa announces H1 2016 results

- On the date of formulating the present consolidated condensed interim financial statements at June 30, 2016, Abengoa ("the Company") is in the course of obtaining the necessary accessions to the Restructuring Agreement of its financial debt, which was reached with a group of financial creditors and investors on September 24, 2016. This accession period will conclude on October 25, 2016 and will subsequently be presented to the judge for homologation.

- During the first six months of 2016, the Company's activity has been strongly conditioned by the restrictions on liquidity and in this context the Company has recorded revenues of 1,215 M € and EBITDA of (51) M €.

- The net result amounts to (3,689) M €, mostly due to recognition of losses derived from the impairment of certain assets and the general slowdown in activity. The main negative impacts as of June 30, 2016, which amount to 3,253 M €, are mostly related to the impairment of certain assets in the Bioenergy business and transmission lines in Brazil, as a consequence of different ongoing insolvency proceedings, registration of cost provisions in projects under construction and other minor concepts.

- The Company expects to adopt the necessary measures to restore its equity balance in the second half of 2016, once the actions set out in the viability plan are implemented and once the positive impact derived from the debt write-offs and capital increases is registered, based on the terms of the Restructuring Agreement.

September 30, 2016 - Abengoa (MCE: ABG.B/P), the international company that applies innovative technology solutions for sustainability in the energy and environment sectors, announces the financial results for the first six months of 2016.

On the date of formulating the present consolidated condensed interim financial statements at June 30, 2016, Abengoa ("the Company") is in the course of obtaining the necessary accessions to the Restructuring Agreement of its financial debt, which was reached with a group of financial creditors and investors on

September 24, 2016. Obtaining the necessary percentage of accessions from the financial creditors as required by law will provide the Company with the financial resources needed to restart its ordinary business activities and operate in a competitive and sustainable manner. The accession period will conclude on October 25, 2016 and will subsequently be presented to the judge for homologation.

During the first half of 2016, the Company has recorded revenues of 1,215 M € and EBITDA of (51) M €.

Revenues in the engineering and construction activity reached 611 M€ and EBITDA amounted to (103) M € versus 2,160 M € and 451 M €, respectively in the first six months of 2015. This decrease is mainly due to the aforementioned effects of decrease in activity that has affected mostly the A3T and A4T plants in Mexico, the solar power plants in Chile and South Africa, and the transmission lines in Brazil. Said delays or stoppages in projects have led to certain construction cost provisions in the amount of 139 M € being recorded.

The Company's backlog in engineering and construction as of June 30, 2016 amounted to 4.5 B €, after adjustments for the sale of certain assets, the Brazilian transmission lines currently in the process of financial restructuring, and for canceled projects. Nevertheless, during the first six months of 2016, the Company has been awarded with new projects for a total approximate value of 800 M € in Saudi Arabia, Oman, and Peru, among others.

Revenues in the concession-type infrastructure activity reached 73 M € and EBITDA amounted to 46 M €, compared to 175 M € and 122 M €, respectively, during the first six months of 2015. These decreases are mainly due to the plants sold to Atlantica Yield during 2015 under the ROFO agreement (Right of First Offering) and to the sale of other assets included in the divestment plan.

In the industrial production activity, which includes the bioenergy business, revenues reached 532 M € and EBITDA amounted to 7 M € compared to 972 M € and 16 M € in the first six months of 2015, respectively. This decrease is mainly due to the continued effects of the aforementioned slowdown, and in some cases plant stoppages in the US and Europe. This impact has been partially offset by the positive impact in EBITDA in volume of ethanol and sugar sold in Brazil derived from higher raw material stocks from the previous harvest and the early beginning of the current harvest, as well higher prices in both products in relation with the same period of the previous year.

The net result represents a loss of 3,689 M €, mostly due to the negative impact from the impairment of certain assets, the negative impacts of the ongoing insolvency proceedings in the United States, Brazil and Europe, and the general decrease in activity. The main negative impacts as of June 30, 2016, which amount to 3,253 M €, correspond to the registration of impairments in assets and affiliates for a total of 3,079 M €, mostly due to the accounting losses for the lower valuation of certain Bioenergy assets in the United States and Europe and certain transmission lines in Brazil. In Bioenergy, the impairment totals 1,256 M € due to the lower value of the first and second generation ethanol plants, which are currently under various Chapter 11 insolvency proceedings in the United States and similar liquidation procedures in Europe for the plant in Rotterdam. Furthermore, the Company has had an impairment of 946 M € as a result of the loss of value of the transmission lines in Brazil pursuant to the sale process initiated in the "recuperação judicial" framework provided under Brazilian law. Finally, there have been additional negative impacts for a total amount of 877 M € mainly due to the sale, discontinuation, or hibernation of certain projects and the loss recognized in the sale of certain financial assets.

The viability plan used as a base for the Restructuring Agreement will entail the execution of certain measures such as the abandonment of certain activities and the liquidation or sale of certain assets, which could trigger further losses. In accordance with the relevant accounting principles, the impact of these additional losses will be recorded in the second half of the year together with the positive impact derived from the debt write-offs and capital increases as stipulated in the terms of the Restructuring Agreement, which is expected to compensate completely all accumulated losses and restore the equity balance as of December 31, 2016.

In order to keep all stakeholders up to date with regards to the financial restructuring process, Abengoa has dedicated a new section in the corporate website to this. We encourage all our stakeholders to visit: http://www.abengoa.com/web/en/accionistas_y_gobierno_corporativo/proceso-restructuracion/

About Abengoa

Abengoa (MCE: ABG.B/P SM) 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. www.abengoa.com

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