

ABENGOA



Evolution of Business **Third Quarter 2012** (January-September)

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1. Changes in consolidation and/or in accounting policies

Sale of transmission lines in Brazil

On November 30 2011, Abengoa finalised an agreement with Compañía Energética Minas Gerais (CEMIG), through the entity Transmissora Aliança de Energia Eléctrica, S.A. (TAESA), to sell its 50% stake in the companies STE, ATE, ATEII and ATEIII, as well as 100% of the company NTE. The sale of these interests resulted in a cash inflow of €479 M and a gain of €45 M, recorded in the fourth quarter of 2011.

On the other hand, on March 16, 2012, the Company reached an agreement with Compañía Energética Minas Gerais (CEMIG) to sell the 50% stake that Abengoa S.A. still owned in four transmission line concessions in Brazil (STE, ATE, ATE II and ATE III). On September 30, 2012, all the conditions necessary to close the transaction were fulfilled, and on July 2, we received €354 M of cash proceeds corresponding to the total price agreed for the shares. The gain from this sale has amounted to €4 M and is recorded in "Other operating income" in the Consolidated interim income statements for the nine months ended September 30, 2012.

2. Main Figures

Financial Data

- Revenues of €5,612.1 M, an increase of 17% compared to 9m 2011.
- Another successful quarter: 32nd in a row.
- Ebitda of €897.2 M, an increase of 21% compared to 9m 2011.

Consolidated P&L (€M)	9m 2012	Var (%)	9m 2011
Revenues	5,612.1	+17.3%	4,784.1
Ebitda	897.2	+20.6%	744.1
Operating Profit	16.0%		15.6%
Net Profit	117.1	(44.5%)	210.9

Statement of Financial Position (€M)	09/30/2012	Var (%)	12/31/2011
Total Assets	19,378	+3.1%	18,793.7
Total Equity	1,860.9	+7.8%	1,726.2
Net Total Debt	(8,142.1)	+48.9%	(5,467.6)

Share performance	9m 2012	Var (%)	9m 2011
Last quote (September' 30th)	13.63	(14.9%)	16.01
Capitalization (September' 30th)	1,466.8	+1.3%	1,448.4
Daily Effective Volume (M€)	8.1	(39.6%)	13.4

Operating Data

- 71% of our revenues from international markets outside of Spain.
- 48% of revenues coming from the Americas (Latin America and US).
- E&C backlog up to €6,639 M, as of September 30, 2012

Key Operational Metrics	9m 2012	Var (%)	9m 2011
Transmission Lines (km)	1,771	(55%)	3,903
Water Desalination (Cap. ML)	560	+56%	360
Cogeneration (GWh)	393	+0%	393
Solar Power Assets (MW)	743	+89%	393
Biofuels (Prod. ML)	1,801	(11%)	2,019
Industrial Waste Treated (Mt)	1.59	+1%	1.57

3. Consolidated income statement

M€	9m 2012	9m 2011	Var (%)
Revenues	5,612.1	4,784.1	+17.4%
Operating expenses	(4,714.9)	(4,040.0)	+16.7%
Depreciation and amortization	(285.0)	(188.6)	+51.1%
Net Operating Profit	612.2	555.5	+10.2%
Finance Cost, net	(505.0)	(482.6)	+4.7%
Share of (loss)/(profit) of associates	2.4	3.2	(25.8%)
Profit Before Income Tax	109.6	76.2	+43.9%
Income tax expense	42.7	57.7	(26.0%)
Profit for the year from continuing operations	152.3	133.9	+13.8%
Profit (loss) from discontinued operations, net of tax	0.0	91.5	n.a.
Profit for the year	152.3	225.3	(32.4%)
Non-controlling interests	(35.2)	(14.4)	+143.7%
Net income attributable to the parent company	117.1	210.9	(44.5%)

Revenues

Abengoa's consolidated revenues to September, 30 2012 reached €5,612.1 M, a 17% increase from the previous year, mainly due to:

- Revenues increase in Engineering and Construction due to the construction of thermosolar plants in Spain and US, the significant progress in the construction of the 640 MW electricity power plant in Mexico, as well as in the construction of transmission lines and current transmission substations in Madeira (Brazil).

Ebitda

Abengoa's EBITDA figure to September, 30 2012, reached €897.2 M, a 21% increase from the previous year, mainly due to:

- Contribution of new Solar Power plants in Spain (Helioenergy 1&2, Solacor 1&2, Helios 1&2 and Solaben 3), as well as the operation of SPP1, the hybrid solar/gas plant in Algeria and the desalination plant in Honaine (Algeria).

Finance cost, net

Net financial expenses increased from -€482.6 M in September, 30 2011 to -€505.0M in the same period of 2012, primarily due to new solar plants coming on line in this period with financial cost being taken to P&L.

Income Tax Expense

Corporate income tax benefit reached €42.7 M, from €57.7 M on first nine months of 2012. This figure was affected by various incentives for exporting goods and services from Spain, for investment and commitments to R&D+i activities, the contribution to Abengoa's profit from results from other countries, as well as prevailing tax legislation.

Profit for the year from continuing operations

Given the above, Abengoa's income from continuing operations increased by 14% from €133.9 M in the first nine months of 2011 to €152.3 M in the same period of 2012.

Profit from discontinued operations, net of tax

In September 2011 Telvent figures have been reclassified and are considered as discontinued operations for comparative purposes, as Telvent was effectively sold in 2011.

Profit for the year attributable to the parent company

The profit attributable to Abengoa's parent company decreased by 45% from €210.9 M achieved in September, 30 2010 to €117.1 M in 2012.

4. Results by activities

M€	Revenues			Ebitda			Margin	
	9m 2012	9m 2011	Var (%)	9m 2012	9m 2011	Var (%)	9m 2012	9m 2011
Engineering and Construction								
E&C	2,781	2,156	29%	359	264	36%	12.9%	12.2%
Total	2,781	2,156	29%	359	264	36%	12.9%	12.2%
Concession-type infrastructures								
Solar	259	99	162%	194	78	149%	74.9%	78.8%
Water	27	13	108%	19	7	171%	70.4%	53.8%
Transmission	72	184	(61%)	50	144	(65%)	69.4%	78.3%
Cogeneration & Others	31	26	19%	1	2	-50%	3.2%	7.7%
Total	389	322	21%	264	231	14%	67.8%	71.7%
Industrial Production								
Bioenergy	1,585	1,629	(3%)	26	111	(77%)	1.6%	6.8%
Recycling	503	477	5%	90	85	6%	17.9%	17.8%
Others	354	200	77%	158	53	198%	44.6%	26.5%
Total	2,442	2,306	6%	274	249	10%	11.2%	10.8%
Total	5,612	4,784	17%	897	744	21%	16.0%	15.6%

Engineering and Construction

- Revenues in Engineering and Construction increased by 29% compared to the previous year, to €2,781 M (€2,156 M in the first nine months of 2011), while EBITDA increased by 36% to €359 M compared to the figure recorded in the same period in 2011 (€264 M). This growth was mainly driven by:
 - Execution of the Solana solar plant in Arizona (USA) and the Mojave plant in California (USA).
 - Construction of thermosolar plants in Spain.
 - Higher volume of construction of transmission lines in Brazil and Peru.

Concession-type infrastructures

- Revenues in the Concession-type Infrastructures area increased by 21% compared to the same period the previous year, to €389 M (€322 M in 9m 2011), while EBITDA rose by 14% to €264 M compared to €231 M in the same period in 2011. These increases were mainly due to:
 - Contribution of the new solar plants in Spain (Helioenergy 1 and 2, Solacor 1 and 2, Helios 1&2 and Solaben 3), which came into operation at different times during the last quarter of 2011 and the first nine months of 2012, as well as the contribution from the solar hybrid/combined cycle SPP1 plant in Algeria, which came into operation at the end of the first half of 2011.
 - Start-up of the ATN line in Peru and the desalination plant in Honaine (Algeria) during 2011.
 - The decline in the results from transmission concessions was due to the sale of part of the Brazilian transmission lines to CEMIG in the last quarter of 2011.

Industrial Production

- Revenues by the Industrial Production activity rose by 6% compared to the same period of the previous year, to €2,442 M (€2,306 M in 9m 2011), while EBITDA increased by 10% to €274 M compared to €249 M in the same period in 2011.

5. Consolidated statement of financial position

Consolidated statement of financial position

Assets (€M)	09/30/2012	12/31/2011
Intangible assets	2,946	2,793
Fixed assets in projects	9,171	7,602
Financial investments	466	463
Deferred tax assets	1,083	992
Non-current assets	13,666	11,850
Inventories	506	385
Clients and other receivable accounts	1,999	1,806
Financial investments	714	1,014
Cash and cash equivalents	2,493	3,738
Current assets	5,712	6,943
Total Assets	19,378	18,794

Shareholders' Equity and Liabilities (€M)	09/30/2012	12/31/2011
Capital and reserves	1,125	1,318
Non-controlling interest	736	409
Total Equity	1,861	1,726
Long-term non-recourse financing	5,833	4,983
Corporate financing	4,556	4,150
Grants and other liabilities	274	224
Provisions and Contingencies	130	119
Derivative financial instruments	461	389
Deferred tax liabilities and Personnel liabilities	344	296
Total non-current liabilities	11,598	10,161
Short-term non-recourse financing	443	407
Corporate financing	735	919
Trade payables and other current liabilities	4,428	5,230
Current tax liabilities	235	256
Derivative financial instruments	63	79
Provisions for other liabilities and expenses	15	16
Total current liabilities	5,919	6,906
Total Shareholders' Equity and Liabilities	19,378	18,794

Net debt composition

M€	09/30/2012	12/31/2011	09/30/2011
Corporate Debt	5,073	4,830	4,778
Cash and corporate financial investments	(2,250)	(3,346)	(2,493)
Total net corporate debt	2,823	1,484	2,285
Non-recourse debt	6,277	5,390	4,910
Non-recourse cash and corporate financial investments	(957)	(1,406)	(1,381)
Total non-recourse debt	5,320	3,984	3,529
Total net debt	8,143	5,468	5,814
Pre-operational debt	3,919	3,181	2,195
LTM Ebitda	1,256	1,103	1,030
LTM Ebitda corporate entities	836	717	568
Total net corporate debt / Ebitda Corporate	3.4	2.1	4.0
(Excluding preoperational debt)	1.7	0.3	2.2
Non recourse net debt / non recourse Ebitda	12.1	8.7	7.7
(Excluding preoperational debt)	6.4	4.5	4.3
Total Net debt / Ebitda	6.5	5.0	5.6
(Excluding preoperational debt)	3.4	2.1	3.1

6. Consolidated cash flow statement

M€	9m 2012	9m 2011
Consolidated profit after tax from continuing operations	152.3	133.9
Non-monetary adjustments to the profit	398.1	578.4
Variations in working capital	(279.7)	614.4
Discontinued activities		(72.2)
Cash generated (used) by operations	270.7	1,254.5
Income tax paid	(33.8)	(59.8)
Interest received/paid	(344.1)	(288.2)
Discontinued operations		31.5
Net Cash Flows from operating activities	(107.2)	937.9
Capex	(2,555.5)	(1,902.3)
Other investments/disposals	443.0	(2.8)
Net Cash Flows from investing activities	(2,112.5)	(1,905.1)
Net Cash Flows from financing activities	1,012.3	1,025.7
Net increase/(decrease) of cash and equivalent	(1,207.4)	58.5
Cash at beginning of year	3,738.1	2,983.2
Translation differences cash or equivalent	(37.6)	(17.0)
Discontinued operations		(56.2)
Cash and cash equivalent at end of year	2,493.1	2,968.5

7. Capex plan

Main projects in execution

	Location	Capacity	Abengoa (Equity Ownership %)	2012	2013	2014	2015	Expected Start Up	Ann. EBITDAe (M€)	Fully Funded?
Solar	Solacor 1-2	Spain	50 MW x2	74%				Q1 12	46	✓
	Solaben 2-3	Spain	50 MW x2	70%				✓ Q3/Q2 12	41	✓
	Helios 1-2	Spain	50 MW x2	100%				✓ Q2/Q3 12	40	✓
	Solana	USA	280 MW	100%				Q3 13	65	✓
	Mojave	USA	280 MW	100%				Q2 14	55	✓
	South Africa Trough	South Africa	100 MW	51%				Q4 14	81	✓
Biofuels	South Africa Tower	South Africa	50 MW	51%				Q4 14	46	✓
	Solaben 1-6	Spain	50 MW x2	100%				Q3/Q4 13	46	✓
Water	Tenes	Algeria	200 ML/day	51%				Q3 14	17	✓
	Qingdao	China	100 ML/day	92%				Q1 13	11	✓
	Ghana	Ghana	60 ML/day	51%				Q1 15	10	✓
	Zapotillo	Mexico	3,8 m3/sec	100%				Q4 15	12	✓
Cogeneration	Cogen. Pemex	Mexico	300 MWe	60%				Q4 12	60	✓
	Uruguay Wind	Uruguay	50 MW	50%				Q4 13	11	✓
Other	Manaus	Brazil	586 km	51%				Q1 13	35	✓
	Norte Brasil	Brazil	2,375 km	51%				Q3 13	66	✓
	Linha Verde	Brazil	987 km	51%				Q3 13	15	✓
	ATS	Peru	900 km	100%				Q4 13	29	✓
	ATE VIII	Brazil	108 km	100%				Q4 12	2	✓
	Quadra I	Chile	79 km	100%				Q3 13	7	✓
	Quadra II	Chile	50 km	100%				Q3 13	4	✓
Total									699	

Capex committed by 09.30.12

Committed (M€)	Capacity	Abengoa (%)	Country	Entry in Operation	Investment	Total Pending Capex	Total		
							ABG Corporate	Partners	Debt
Solar					4,860	2,070	394	144	1,532
Solaben 2 and 3	100 MW	70%	Spain	Q3/Q3'12	580	12	4	1	7
Helios 1 and 2	100 MW	100%	Spain	Q3/Q3'12	555				
Solana	280 MW	100%	US	Q3'13	1,485	361	93		268
Mojave	280 MW	100%	US	Q3'14	1,211	674	153		521
South Africa Trough	100 MW	51%	S.Africa	Q4'14	681	680	85	84	511
South Africa Tower	50 MW	51%	S.Africa	Q4'14	348	343	59	59	225
Biofuels					504	227	104	40	83
Hugoton	95 ML	100%	US	Q1'14	504	227	104	40	83
Cogeneration					499	43	7	5	31
Cogen. Pemex	300 MW	60%	Mexico	Q4'12	499	43	7	5	31
Water					429	193	26	22	145
Tenes	200,000 m3/day	51%	Algeria	Q3'14	181	94	9	9	76

Committed (M€)	Q4 2012				2013				2014			
	Total Capex	ABG Corporate	Partners	Debt	Total Capex	ABG Corporate	Partners	Debt	Total Capex	ABG Corporate	Partners	Debt
Solar	461	93	66	302	1,199	236	47	916	410	65	31	314
Mojave	79	12	5	62	104	16	1	87	111	19	1	91
South Africa Trough	187	37	38	112	267	26	25	216	226	22	21	183
South Africa Tower	104	26	27	51	166	23	22	121	73	10	10	53
Biofuels	32	22	10		185	82	28	75	10		2	8
Hugoton	32	22	10		185	82	28	75	10		2	8
Cogeneration	43	7	5	31								
Cogen. Pemex	43	7	5	31								
Water	72	9	8	55	74	11	9	54	47	6	5	36
Tenes	48	5	5	38	22	2	2	18	24	2	2	20
Quingdao												
Ghana	24	4	3	17	52	9	7	36	23	4	3	16
Total	1,199	236	47	916	410	65	31	314				

8. Significant events reported to the CNMV

Details of the Relevant Event corresponding to the third quarter of 2012:

- Written Communication of 07/16/2012. Registration Document - Annexes I and II Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.
- Written Communication of 07/23/2012. Appointment of Prof José Borrell Fontelles as chairman of the Appoint & Ret Commission.
- Written Communication of 07/31/2012. Half year Financial Information regarding the first half year of 2012. File in CNMV format.
- Written Communication of 07/31/2012. Half year Financial Information regarding the first half year of 2012. Annex. Financial Statements.
- Written Communication of 07/31/2012. Half year Financial Information regarding the first half year of 2012. Annex. Evolution of Business.
- Written Communication of 08/21/2012. Detail of the operations made under the Liquidity Agreement (from 05/21/2012 to 08/20/2012).
- Written Communication of 08/27/12. Extraordinary Shareholder's Meeting Call.
- Written Communication of 08/27/12. Temporary suspension of the contract of liquidity with Santander Investment Bolsa.
- Written Communication of 08/27/12. Shareholders agreement between Abengoa S.A. and its shareholder Inversión Corporativa, I.C., S.A.
- Written Communication of 08/27/12. Amended to the shareholders agreement entered into with Abengoa's shareholder First Reserve Corporation.
- Written Communication of 09/12/12. Explanation to the call of the Shareholders' General Extraordinary Meeting.
- Written Communication of 09/14/12. Resumption of the contract of liquidity with Santander Investment.
- Written Communication of 09/27/12. Procedure for trading the Class B Shares and the Rights to allocation.

9. Evolution of the Stock price

As of September 30, 2012, the company believes the free float to be 43.96% if the shareholding of Inversión Corporativa I.C.S.A. and its subsidiary Finarpisa (56.04%) is deducted.

According to the data supplied to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Securities Recording, Clearing and Settlement Management Company) for the last Extraordinary General Meeting held on September 30, 2012, Abengoa, S.A. had 15,340 shareholders.

	Total	Daily
Volume (thousand of shares)	122,172	636
Effective (M€)	1,555	8

Quotes	Value	Date
Last	13.63	28 sep
Maximun	17.39	25 jan
Average	12.72	
Minimun	8.60	23 jul

As a historical reference, since Abengoa's Initial Public Offering on November 29, 1996, the company's shares have increased by 541% which is 6.4 times the initial price. During this same period, the select IBEX-35 has increased by 65%.

