02.6 Notes to the consolidated financial statements

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Notes to the Consolidated Financial Statements for the year ended December 31, 2015

Note 1.- General information

Abengoa, S.A. is the parent company of the Abengoa Group (referred to hereinafter as 'Abengoa', 'the Group' or 'the Company'), which at the end of 2015, was made up of 687 companies: the parent company itself, 577 subsidiaries, 78 associates, 31 joint ventures and 211 UTES (temporary joint operations). Additionally, the Group held a number of interests, of less than 20%, in other entities.

Abengoa, S.A. was incorporated in Seville, Spain on January 4, 1941 as a Limited Liability Company and was subsequently transformed into a Limited Liability Corporation ('S.A.' in Spain) on March 20, 1952. Its registered office is Campus Palmas Altas, C/ Energía Solar nº 1, 41014 Seville.

The Group's corporate purpose is set out in Article 3 of its Bylaws. It covers a wide range of activities, although Abengoa is principally an applied engineering and equipment manufacturer, providing integrated project solutions to customers in the following sectors: energy, telecommunications, transport, water utilities, environmental, industrial and services.

Abengoa's shares are represented by class A and B shares which are listed on the Madrid and Barcelona stock exchanges and on the Spanish Stock Exchange Electronic Trading System (Electronic Market). Class A shares have been listed since November 29, 1996 and class B shares since October 25, 2012. Additionally, Class B shares are also listed on the NASDAQ Global Select Market in the form of American Depositary Shares from October 29, 2013 following the capital increase carried out on October 17, 2013. The Company presents mandatory financial information quarterly and semiannually.

The shares of our associate Abengoa Yield Plc. (with brand-name Atlantica Yield, which will be used along the current Notes to the Consolidated Financial Statements) are also listed in the NASDAQ Global Select Market since June 13, 2014. As of December 2015, 31 the Abengoa´s investment on Atlantica Yield amounts to 41.86% (see Note 6.2). On January 7, 2016 the company announced to the Securities and Exchange Commission US (S.E.C) the corporate name change to Atlantica Yield. However, the ticker "ABY" remains the same.

As of December 31, 2015 Atlantica Yield and subsidiaries which were fully consolidated in 2014´s Consolidated Financial Statements (classified as assets and liabilities held for sale and discontinued operations) have been recorded in these Consolidated Financial Statements under the equity method after Abengoa no longer had a controlling interest over the Company (see Note 7.1.a).

Abengoa is an international company that 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. The Company supplies engineering projects under the 'turnkey' contract modality and operates assets that generate renewable energy, produce biofuel, manage water resources, desalinate sea water and treat sewage.

Abengoa`s business is organized under the following three activities:

› Engineering and construction: includes the traditional engineering activities in the energy and water sectors, with more than 70 years of experience in the market and the development of solar technology. Abengoa is specialized in carrying out complex turnkey projects for thermo-solar plants, solar-gas hybrid plants, conventional generation plants, biofuels plants and water infrastructures, as well as large-scale desalination plants and transmission lines, among others.

› Concession-type infrastructures: groups together the company's extensive portfolio of proprietary concession assets that generate revenues governed by long term sales agreements, such as take-or-pay contracts, tariff contracts or power purchase agreements. This activity includes the operation of electric energy generation plants (solar, cogeneration or wind), desalination plants and transmission lines. These assets have low demand risk and the Company focuses on operating them as efficiently as possible.

› Industrial production: covers Abengoa's businesses with a high technological component, such as development of biofuels technology. The Company holds an important leadership position in these activities in the geographical markets in which it operates.

As of March 30, 2016, the Company is negotiating the debt restructuring with its financial creditors under the framework provided by the article 5 bis of the Ley Concursal (Ley 22/2003, Ley Concursal). At March 28, 2016 the Company has filed an application for the judicial approval of the standstill agreement, which has obtained the support of 75.04 per cent of the financial creditors to which it was addressed (see Note 2.1.1).

These Consolidated Financial Statements were approved by the Board of Directors on March 30, 2016.

All public documents of Abengoa may be viewed at www.abengoa.com.

These Consolidated Financial Statements are a free translation of the Consolidated Financial Statements originally issued in Spanish and prepared in accordance with International Financial Reporting Standards adopted by the European Union. In the event of a discrepancy, the Spanish-language version prevails.

Note 2. - Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the accompanying Consolidated Financial Statements are set forth below.

2.1. Basis of presentation

The Consolidated Financial Statements as of December 31, 2015 have been prepared in accordance with International Financial Reporting Standards adopted by the European Union (IFRS-EU), so that they present the Group's equity and financial position as of December 31, 2015 and the consolidated results of its operations, the changes in the consolidated net equity and the consolidated cash flows for the financial year ending on that date.

Unless otherwise stated, the accounting policies set out below have been applied consistently throughout all periods presented within these Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets under IFRS 1 and those situations where IFRS-EU requires that certain assets are measured at fair value.

The preparation of the Consolidated Financial Statements has been done according to IFRS-EU regulations and the going concern Principle (see Note 2.1.1). This preparation requires the use of certain critical accounting estimates as well as Management judgment in applying Abengoa's accounting policies. Note 3 provides further information on those areas which involve a higher degree of judgment or areas of complexity for which the assumptions or estimates made are significant to the financial statements.

The amounts included within the documents comprising the Consolidated Financial Statements (Consolidated Financial Statements of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and notes herein) are, unless otherwise stated, all expressed in thousands of euros.

Any presented percentage of interest in subsidiaries, joint ventures (including temporary joint operations) and associates includes both direct and indirect ownership.

2.1.1. Going concern

According to International Accounting Standard 1, which states that an entity shall prepare its financial statements on a going concern basis unless management either intends to liquidate the entity or to cease the activity, or has no realistic alternative but to do so, these Consolidated Financial Statements have been prepared in accordance with this basis. However, during the second half of 2015 a series of events have occurred which have negatively impacted the liquidity and financial structure of the Company. The aforementioned events have been duly communicated to the market and are summarized below.

On July 31, 2015, during the first half earnings call with investors, Abengoa announced a downward adjustment to their FY2015 forecast regarding Free Corporate Cash Flow from operations from the €1,300 million target to €600 – 800 million. This adjustment to our forecast was mainly attributable to higher capital expenditures than expected in highly profitable but cash intensive projects in Brazil, Chile and Mexico.

Even though in accordance with the abovementioned forecasts the Company´s liquidity position was not going to be affected, the Board publicly announced on August 3, 2015 their intention to propose an Extraordinary General Shareholders´ Meeting to approve a capital increase of €650 million with preferential subscription rights for shareholders, an additional package of asset disposals and the implementation of a business model with lower investment requirements (capex), aimed at improving the liquidity position of Abengoa and reducing its dependence on leverage.

From August 3, 2015 onward, increasing market uncertainty caused a descent in the market value of Abengoa's listed equity and debt instruments, which both limited our access to debt and capital markets and, at the same time, contributed to a slowdown of the pace of approval or renewal, by financial institutions, of non-recourse factoring and confirming without recourse used by the Group for managing its working capital. All of this contributed to a descent in Abengoa's liquidity position. On that date, Abengoa started a negotiation period with a group of financial entities aimed at reaching an agreement in order to secure the abovementioned capital increase.

On September 24, 2015, Abengoa announced both the agreement reached with the financial institutions and the approval of its Board of Directors of a set of strategic measures, which would be adapted during its execution, aimed at reducing corporate leverage, improving the liquidity position of Abengoa and strengthening its corporate governance, as well as the underwriting by financial entities of the capital increase.

Regarding this agreement, a group of banks and two of the main shareholders committed to underwrite and/or subscribe the capital increase for an aggregate of €650 million, consisting of:

- These banks entered into an agreement with the Company pursuant to which they undertook to underwrite €465 million in Class B shares to be issued in the capital increase, subject to certain conditions being met, including, among others, obtainment of regulatory and shareholder approvals, completion of ongoing financial and other due diligence, entry into a definitive underwriting agreement and satisfaction of the shareholders' subscription commitments;

- Inversión Corporativa IC, S.A. (Controlling shareholder of Abengoa, S.A.), irrevocably committed itself to invest a minimum of €120 million of new money in new Class A and Class B shares to be issued under the rights issue;
- "Waddell & Reed Investment Management" committed themselves, on behalf of certain of its affiliated funds, to subscribe for €65 million of new Class B shares in the rights issue.

The rest of the measures approved by the Board of Directors included the following:

1. Debt reduction as a key objective of Abengoa focusing on maturities aimed to rebalance the maturity profile of its indebtedness;
2. The reinforcement of the current asset disposal program in order to be able to raise, at least, approximately €1.2 billion by the end of 2016;
3. Adoption of capex limitations ;
4. Amendment of the Company's dividend policy;
5. Reinforcement of corporate governance:
    - Inversión Corporativa IC, S.A. committed itself to limit its direct and indirect aggregate voting rights to 40% once the capital increase was completed, regardless of the voting rights it would otherwise be entitled to based on its shareholding.
    - The Board of Directors would reflect this new voting rights structure by way of reducing the number of directors to 13 and the number of directors appointed by Inversión Corporativa IC, S.A. to 5, while there will continue to be 6 independent directors.
    - Creation of an Investment Committee formed by a majority of independent Directors.
6. Several capital transactions were approved.

Additionally, the Extraordinary General Shareholders' meeting held on October 10, 2015, approved a set of measures including the aforementioned capital increase of €650 million aimed at improving the liquidity position of Abengoa and reducing corporate leverage.

On November 8, 2015, Abengoa publicly announced it entered into a framework agreement for the investment in Abengoa with Gonvarri Corporación Financiera, a company of the Gonvarri Steel Industries group. This agreement had the support of Inversión Corporativa IC, S.A., currently the main shareholder of Abengoa. The Investment Agreement set out the terms and conditions for the investment by Gonvarri Corporación Financiera within the framework of the share capital increase approved on October 10, 2015 by the Extraordinary General Shareholders' Meeting of the Company. The Investment Agreement provided that a portion of Gonvarri's investment, in an amount of €250 million, was going to be carried out through a share capital increase without preemptive subscription rights. The Company's capital increase with preemptive subscription rights approved at the abovementioned October 10, 2015 Extraordinary General Shareholders' Meeting was planned to be executed after the first capital increase mentioned above and for an effective amount currently expected to be €400 million, of which Gonvarri Corporación Financiera was expected to subscribe for its relevant portion of the shares.

On November 25, 2015, after the formulation of the Company´s Interim Consolidated Financial Statements as of September 30, 2015, the Company announced by filing a Material Fact that the framework agreement entered into with the potential investor was terminated. The Company also communicated that they will continue negotiations with its creditors with the objective of reaching an agreement that ensured the Company's financial viability in the short and medium term. After assessing the options provided by the situation described above and in order to ensure the most stable status as possible to negotiate with creditors, the Board of Directors considered the most appropriate option was to seek protection under article 5 bis of the Ley Concursal (Ley 22/2003, Ley Concursal). Thus, on December 15, 2015 the Mercantile Court of Seville nº 2 published the Decree by virtue of which it agreed to admit the filing of the communication set forth under the abovementioned article 5 bis of the Ley Concursal.

Included below there is a detailed description of all Spanish Group Companies which had sought judicial protection by means of filing the communication set forth under article 5 bis of the Ley Concursal, which included the Parent Company Abengoa, S.A. and another 48 Group Companies:

Abengoa, S.A.	Abengoa Greenfield, S.A.U.	Centro Tecnológico Palmas Altas, S.A.
Abeinsa Asset Management, S.L.	Abengoa Hidrógeno, S.A.	Ecoagrícola, S.A.
Abeinsa Business Development, S.A.	Abengoa Research, S.L.	Ecocarburantes Españoles, S.A.
Abeinsa Engineering, S.L.U.	Abengoa Solar España, S.A .	Europea de Construcciones Metálicas, S.A.
Abeinsa EPC, S.A.	Abengoa Solar NT, S.A.	Gestión Integral de Recursos Humanos, S.A.
Abeinsa, Ing. Y Constr. Ind., S.A.	Abengoa Solar, S.A.	Instalaciones Inabensa, S.A.
Abeinsa Infraestructuras y Medio Ambiente, S.A.	Abengoa Water, S.L.U.	Micronet Porous Fibers, S.L.
Abeinsa Inversiones Latam, S.L.	Abentel Telecomunicaciones, S.A.	Nicsa, Negocios Industr. y Comer., S.A.
Abencor Suministros, S.A.	Asa Desulfuracion, S.A.	Omega Sudamérica, S.L.
Abener Energía, S.A.	ASA Iberoamérica, S.L.	Siema Technologies, S.L.
Abengoa Bioenergia Inversiones, S.A.	Biocarburantes de Castilla y León, S.A.	Simosa IT
Abengoa Bioenergía Nuevas Tecnologías, S.A.	Bioetanol Galicia, S.A.	Simosa Servicios Integrales de Mant. Y Operación, S.A.
Abengoa Bioenergia, S.A.	Centro Industrial y Logístico, Torrecuellar, S.A.	Sociedad Inversora Línea de Brasil, S.L.
Abengoa Bioenergia San Roque, S.A.	Concesionaria Costa del Sol, S.A.	South Africa Solar Investments, S.L.
Abengoa Concessions, S.L.	Construcciones y Depuraciones, S.A.	Teyma Gestión de Contratos de Construccion e Ingeniería, S.A.
Abengoa Finance, S.A.	Covisa, Cogeneración Villaricos, S.A.	Zeroemissions Technologies, S.A.
Abengoa Greenbridge, S.A.U.		

Additionally, both Inversión Corporativa IC, S.A. and Finarpisa, S.A., currently the main shareholders of Abengoa (see Note 18) also filed the communication set forth under article 5 bis of the Ley Concursal.

Further, on January 29, 2016, Abengoa´s subsidiaries´ Abengoa Concessões Brasil Holding S.A, Abengoa Construção Brasil Ltda and Abengoa Greenfield Brasil Holding S.A filed requests for creditors protection (recuperação judicial), which were admitted on February 22, 2016. This protective measure was undertaken provided that the Company incurred in a "Crise econômico scenario", which is contemplated in Brazillian Law 11.101/05. "Recuperação judicial" consists in a proceeding envisaged in the Brazillian Law which allows corporations to restructure their debt in an orderly manner and continue as a going concern once the financial difficulties are overcome.

Further, on February 1, 2016 and February 10, 2016, certain creditors initiated involuntary bankruptcy petitions against both the Group affiliates Abengoa Bioenergy Nebraska, LLC and Abengoa Bioenergy Company, LLC. After responding to the petitions, on February 24, 2016, both companies mentioned above along with Abengoa Bioenergy Outsourcing, LLC, Abengoa Bioenergy Engineering and Construction, LLC, Abengoa Bioenergy Trading US, LLC, and Abengoa Bioenergy Holding US, LLC opted to file for voluntary creditors´ protection under Chapter 11 envisaged in the USA Law. These petitions have been filed in order to allow the Company to continue as a going concern and, consequently, they included an authorization request for the payment of taxes, salaries and insurance premiums and other first day motions. Additionally, a request for the approval of a debtor-in-possession financing arrangement amounting to USD 41 million was also filed. The hearing for these initial motions took place on March 2, 2016 and, during them, such companies were authorized to borrow an initial amount of USD 8 million (which were additionally complemented with USD 1.5 million authorized on March 29, 2016). The final hearing for the approval of the remaining amount is scheduled by April 6, 2016.

Moreover, on March 23, 2016, certain creditors filed an involuntary insolvency proceeding against Abengoa Bioenergy Biomass of Kansas, LLC at the Kansas court.

Also on March 29, the following American companies Abeinsa Holding Inc.; Abencor USA, LLC; Teyma Construction USA, LLC; Abeinsa EPC, LLC; Inabensa USA, LLC; Nicsa Industrial Supplies, LLC; Abener Construction Services, LLC; Abener North America Construction, LP; Abengoa Solar, LLC; Teyma USA & Abener Engineering and Construction Services General Partnership; Abeinsa Abener Teyma General Partnership; Abener Teyma Mojave General Partnership; and Abener Teyma Inabensa JV filed, under the "United States Bankruptcy Code" and the Delaware court, the named Chapter 11 in order to allow the companies to comply with their obligations and minimize the loss of value of their businesses. Such companies have requested authorization for the payment of taxes, salaries and insurances as well as other first day motions. The hearing to resolve these requests is scheduled by March 31, 2016.

On January 25, 2016, the Company announced that the independent consulting firm Alvarez&Marsal presented to the Board of Directors of Abengoa the Industrial Viability Plan that defined the structure of the future activity of Abengoa on an operating basis focusing on the Activity of Engineering and Construction either developing its own technology or using technology developed by others.

In accordance with this plan, which confirms the viability of Abengoa, the Company will negotiate with its creditors a debt restructuring as well as the necessary resources, and then, provided to Abengoa the optimal capital structure and the liquidity enough to continue its activity and operate in a competitive and sustainable manner in the future.

In this sense, and in relation to the negotiations between the Company and a group of its creditors comprised of banks and holders of bonds issued by the Group, as of March 10, 2016, the Company informed that it has agreed with the advisers of such creditors the grounds for an agreement to restructure the financial indebtedness and recapitalize the Group. The Company believes that such agreement contains the essential elements to achieve a future restructuring agreement that, in any event, will be subject to reaching the percentage of accessions required by law.

The fundamental principles of such agreement are the following:

(i) The new money that would be lent to the Company would range between 1,500 and €1,800 million for a maximum term of 5 years. Creditors would be entitled to 55% of the share capital. This financing would rank senior with respect to the old debt and would be guaranteed by certain assets, including free shares of Atlantica Yield.

(ii) The amount of the old debt that would be capitalized would correspond to 30% of its nominal value. Such capitalization grants the right to subscribe 35% of the new share capital

(iii) The financial indebtedness corresponding to the liquidity lines granted to the group on September 23 and December 24, 2015 (material fact number 233503) for a total amount of €231 million (plus accrued financial expenses) will be subject to refinancing by extending the term by two (2) years. This indebtedness would be secured by the shares of Atlantica Yield and would be prepaid in case of sale of the shares of Atlantica Yield or issuance of an exchangeable bond on such shares.

(iv) The amount of the share capital increase that would be reserved to those creditors, who provide €800 million of the bank guarantees requested, would be 5% of the new capital.

(v) At the end of the restructuring process, the current shareholders of the Company would hold around 5 % of the share capital. Eventually, they could increase such stake in a percentage to be agreed that will not exceed an additional 5%, if, within five (5) years, the group has paid in full all outstanding amounts under the new financing to be provided in the framework of the restructuring and under the existing indebtedness (as this indebtedness may have been restructured), including its financial costs. It is expected that the two types of shares now existing will be merged into one sole class of shares.

At the date of formulating the present Consolidated Financial Statements, Abengoa and a group of creditors comprised of banks and holders of bonds issued by Abengoa had reached a standstill agreement with the objective of providing the time necessary to keep working and reaching as soon as possible a full and complete agreement on the terms and conditions to restructure the financial indebtedness and recapitalize the Group.

With respect to the foregoing, as of March 28, 2016, it had filed with the Mercantile Court of Seville nº 2 an application for the judicial approval of the standstill agreement (the "Standstill Agreement") which has obtained the support of 75.04% of the financial creditors to which it was addressed, being therefore over the legally required majority (60%). However, according to the terms of the Standstill Agreement, new creditors can adhere to the Standstill Agreement until the date in which the Judge resolves, therefore, the percentage could be increased.

In addition, on March 28 was initiated, according to what is stated on clause 5.2 of the standstill agreement, the Chapter 15 of the United States Bankruptcy Code and at the Delaware court, which consist on the proceeding provided for the recognition in United States of the judicial approval of the standstill agreement initiated in Spain on March 28. In a hearing scheduled on March 31, 2016 it will be asked about a compliance to provisional approval awaiting for enforcement actions to be initiated by any creditor.

As stated at the beginning of this Note to the Consolidated Financial Statements, Abengoa´s Directors have deemed it appropriate to prepare these Consolidated Financial Statements as of December 31, 2015 on a going concern. Such determination was made based on management's assumption that an agreement with financial creditors of the Company will be attained so the Company´s financial stability can be secured, allowing Abengoa to be able to generate cash from operations in accordance with the Industrial Viability Plan developed by Alvarez&Marsal according to paragraphs 25 and 26 of IAS 1 "Presentation of Financial Statements".

Based on the application of the going concern basis, Abengoa´s Directors have prepared these Consolidated Financial Statements applying the International Accounting Standards consistently with Consolidated Interim Financial Statements and Consolidated Financial Statements filed in prior periods. For that purpose, and according to the aforementioned accounting framework, Abengoa´s Directors have made their best estimates and assumptions (see Note 3) in order to record the assets, liabilities, revenues and expenses as of December 31, 2015 in accordance with the existing information by the time of furnishing these Consolidated Financial Statements.

Abengoa´s consolidated net equity as of December 31, 2015 is mainly driven by the current situation in which the Group is involved, which has caused the recording of either provisions or impairment charges in some of the assets. These have been recorded as a result of the best estimates and assumptions made by Abengoa´s Directors according to the measures agreed upon in the abovementioned Industrial Viability Plan which, according to the applicable accounting and reporting framework, must be recorded as of that date.

Thus, the main impacts on the Company´s Profit and loss as of December 31, 2015, which amounts to approximately €878 million refers mainly to the estimation of costs in the last quarter related to the stoppage in the last quarter of the concessional projects under construction and subsequent restart, impairment of some assets pertaining to some projects affected by the company situation, default interests and other additional concepts. Additionally, given the current situation of the Company, determined by article 5 bis of the Ley Concursal and pending to have greater visibility about the realization of the Industrial Viability Plan, Abengoa´s Directors have decided not to recognize the deferred tax assets arising from capitalizing the fiscal effect from those adjustments that might be recovered in the future, according to the aforementioned Viability Plan.

The following table shows the breakdown of such impacts (in million of euros)

Item	Total
Project Construction costs (see Note 5.1 a)	(383)
Impairment of assets pertaining to projects (see Note 5.1 d)	(301)
Tax credits (see Note 31)	(234)
Remuneration plan payment Reversal (see Note 29)	43
Default interests and other	(3)
	(878)

In addition to the above mentioned impacts, Abengoa´s Consolidated Equity reflects the effects of the general slowdown, and stoppages in certain cases, of operations in the activities Abengoa is engaged in from the beginning of last August and, especially, in the last quarter of 2015. All this has been generated as a consequence of both its deteriorating liquidity position, from Abengoa´s difficulties in accessing the capital markets, and the cancelling or non - renewal, by financial institutions, of working capital credit lines (amounting to approximately €1,000 million since such date), and which eventually led to the Company´s filing of creditors protection under article 5 bis of the Ley Concursal.

Abengoa´s Directors are confident on reaching a final agreement with creditors and, once signed, the achievement of the Viability Plan associated with the Groups ability to generate cash from operations will allow the Company to restore the confidence of stakeholders, the steadiness of its liquidity position and its ability to keep improving in the future.

2.1.2. Application of new accounting standards

a) Standards, interpretations and amendments effective from January 1, 2015 under IFRS-EU, applied by the Group:

- Annual Improvements to IFRSs 2010-2012 and 2011-2013 cycles. These improvements are mandatory for periods beginning on or after July 1, 2014 and January 1, 2015 under IFRS-EU and IFRS-IASB.

Abengoa's Directors believe that the applications of these amendments have not had any material impact.

b) Standards, interpretations and amendments published that will be effective for periods after December 31, 2015:

- Annual Improvements to IFRSs 2012-2014 cycles. These improvements are mandatory for periods beginning on or after January 1, 2016 under IFRS-IASB and IFRS-EU.
- IAS 1 (Amendment) 'Presentation of Financial Statements'. This amendment is mandatory for periods beginning on or after January 1, 2016 under IFRS-IASB and IRFS-EU.
- IFRS 10 (Amendment)' Consolidated Financial Statements' and IAS 28 'Investments in Associates', regarding to sale or contribution of assets between an investor and its associate or joint venture. This amendment do not have a definite date of application.
- IFRS 9 'Financial Instruments'. This Standard will be effective from January 1, 2018 under IFRS-IASB and has not yet been adopted by the EU.
- IFRS 15 'Revenues from contracts with Customers'. IFRS 15 is applicable for periods beginning on or after January 1, 2018 under IFRS-IASB, earlier application is permitted, IFRS 15 has not yet been adopted by the EU.
- IAS 16 (Amendment) 'Property, Plant and Equipment' and IAS 38 'Intangible Assets', regarding to acceptable methods of amortization and depreciation. This amendment is mandatory for periods beginning on or after January 1, 2016 under IFRS-IASB, and IFRS-EU.
- IAS 27 (Amendment) 'Separate financial statements' regarding the reinstatement of the equity method as an accounting option in separate financial statements. This amendment is mandatory for periods beginning on or after January 1, 2016 under IFRS-IASB and IFRS-EU.
- IFRS 10 (Amendment) 'Consolidated financial statements' and IAS 28 'Investments in associates and joint ventures' regarding the exemption from consolidation for investment entities. These amendments are mandatory for periods beginning on or after January 1, 2016 under IFRS-IASB and have not yet been adopted by the EU.
- IFRS 11 (Amendment) 'Joint Arrangements' regarding acquisition of an interest in a joint operation. This amendment is mandatory for periods beginning on or after January 1, 2016 under IFRS-IASB and IFRS-EU.
- Introduction of IFRS 16 "Leases" which supersedes IAS 17. Lessees will recognize most leases in the balance sheet as financed purchases. This standard will apply to periods beginning after January 1, 2019 under IFRS-IASB and has not been adopted yet by the European Union.

The Group is currently in the process of evaluating the impact on the Consolidated Financial Statements derived from the application of the new standards and amendments that will be effective for periods beginning after December 31, 2015.

2.2. Principles of consolidation

In order to provide information on a consistent basis, the same principles and standards applied to the parent company have been applied to all other consolidated entities.

All subsidiaries, associates and joint ventures included in the consolidated group for the year 2015 (2014) that form the basis of these Consolidated Financial Statements are set out in Appendices I (XII), II (XIII) and III (XIV), respectively.

Note 6 to these Consolidated Financial Statements reflects the information on the changes in the composition of the Group.

a) Subsidiaries

Subsidiaries are those entities over which Abengoa has control.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company will reassess whether or not it controls an investee when facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

The value of non-controlling interest in equity and the consolidated results are shown, respectively, under non-controlling interests' in the Consolidated Statements of Financial Position and 'Profit attributable to non-controlling interests' in the Consolidated Income Statements.

Profit for the period and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results of the non-controlling interests has a total negative balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are fully eliminated on consolidation.

Abengoa develops a part of its activity by developing integrated products that consist of designing, constructing, financing, operating and maintaining a project (usually a large-scale asset such as a power transmission line, desalination plants, thermo-solar plants, etc.), usually owned under a B-O-T concession arrangement (Build – Operate – Transfer) for a specific period of time (usually 2-3 years) and then though a long term non-recourse financing scheme (project finance).

In order to evaluate the control of these projects, it is necessary to address the corporate purpose of these projects finance to assess the decision making process. In this sense, all relevant decisions are basically identified in the following two completely different phases each other. On the one hand the construction phase and, on the other, the operation phase. Each of the aforementioned phases has fully independent activities and decisions on which the compliance with the control requirements stated above should be assessed.

During the construction phase of the projects under review, the activity related to that phase is developed under general conditions of a framework agreement, where the relevant decisions are related to the approval of the structure and specific features of the project financing (in terms of disposition, guarantees, maturities, cost, etc.) and the approval of the execution/construction costs of the project and the existence of a third party related to the project (Grantor, regulator, partner, etc.) which participates actively in the relevant decision-making during the construction phase. In these cases, given the level of involvement of the third party in the construction project, several measures of participation, control and approval thereof are set in the case of carrying out actions that may influence the relevant aforementioned actions.

During the operation phase of the project under review, the activity related to that phase is developed under the normal industry conditions of the sector to which the project belongs, in which the relevant decisions are related to business management (in terms of production process, yields based on operating costs, financing costs, amortizations, investments, budget approval, etc.) and the corporate governance (in terms of sharing dividends, capital increases/reductions, business plan, etc.) In this phase, the third party that was related to project during the construction phase has ceased to exercise control after having accomplished their objectives in terms of construction and entry into production of the asset as agreed.

As stated in IFRS 10, paragraph B13, when two or more investors have the current ability to direct relevant activities and those activities occur at different times, the investors shall determine which investor is able to manage the activities that most significantly affect those returns consistently with the treatment of concurrent decision-making rights.

In this sense, an assessment, is periodically carried out to determine whether relevant activities related to the construction phase affect more significantly to the income of these projects and investments due to the effect of those decisions throughout the life of themselves and therefore to determine whether the projects are controlled.

For those cases where a lack of control in the construction phase is determined, the participation is registered under the equity method. Once the project enters in the operating phase, as Abengoa takes control, such participations are registered under the global integration method.

The Group uses the acquisition method to account for business combinations. According to this method, the remuneration transferred for the acquisition of a subsidiary corresponds to the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group and includes the fair value of any asset or liability resulting from a contingent remuneration agreement. Any transferred contingent remuneration is recognized at fair value at the acquisition date and subsequent changes in its fair value are recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Acquisition related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree either at the non-controlling interest's proportionate share of the acquirer's net assets on an acquisition basis.

To account the sale or loss of control of subsidiaries, the Group derecognizes the assets, liabilities and all non-controlling interests of the subsidiary at the date of loss of control by their carrying amounts. The fair value of the payment received is also recognized, if any, from the transaction, events or circumstances giving rise to the loss of control, including if any the distribution of shares of the subsidiary to owners as well as the retained investment in the former subsidiary at fair value on the date of loss of control. Amounts recognized in other comprehensive income in relation to the subsidiary are transferred to profit and loss and the difference is recognized as a profit or loss attributable to the parent. The loss of control of a subsidiary may occur in two or more agreements (transactions). In some cases, it may exists circumstances that justify that the multiple agreements should be accounted as a single transaction.

In compliance with Article 155 of Spanish Corporate Law (Ley de Sociedades de Capital), the parent company has notified all these companies that, either by itself or through another subsidiary, it owns more than 10% shares of their capital. Appendix VIII lists the Companies external to the Group which have a share equal to or greater than 10% of a subsidiary of the parent company under the consolidation scope.

b) Associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture, as opposed to a joint operation described in section c) below, is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these Consolidated Financial Statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognized in the Consolidated Statement of Financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or implicit obligations or payments made on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted using the equity method since the date on which the investee becomes an associate or a joint venture.

Profits and losses resulting from the transactions of the Company with the associate or joint venture are recognized in the Group's Consolidated Financial Statements only to the extent of interests in the associate or joint venture that are not related to the Group.

In compliance with Article 155 of Spanish Corporate Law (Ley de Sociedades de Capital), the parent company has notified to all these companies that, either by itself or through another subsidiary, it owns more than 10% shares of their capital.

As of December 31, 2015 and 2014 there are no significant contingent liabilities in the Group's interests in associates and joint ventures, additional to those described in Note 22.2.

c) Interest in joint operations and temporary joint operations (UTE)

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group, as a joint operator, recognizes in relation to its interest in a joint operation:

› Its assets, including its share of any assets held jointly.

› Its liabilities, including its share of any liabilities incurred jointly.

› Its share of the revenue from the sale of the output by the joint operation.

› Its expenses, including its share of any expenses incurred jointly.

When a Group's entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognize its share of the gains and losses until it resells those assets to a third party.

'Unión Temporal de Empresas' (UTE) are temporary joint operations generally formed to execute specific commercial and/or industrial projects in a wide variety of areas and particularly in the fields of engineering and construction and infrastructure projects. They are normally used to combine the characteristics and qualifications of the UTE's partners into a single proposal in order to obtain the most favorable technical assessment possible. UTE are normally limited as standalone entities with limited action, since, although they may enter into commitments in their own name, such commitments are generally undertaken by their partners, in proportion to each investor's share in the UTE.

The partners' shares in the UTE normally depend on their contributions (quantitative or qualitative) to the project, are limited to their own tasks and are intended solely to generate their own specific results. Each partner is responsible for executing its own tasks and does so in its own interests.

The fact that one of the UTE's partners acts as project manager does not affect its position or share in the UTE. The UTE's partners are collectively responsible for technical issues, although there are strict pari passu clauses that assign the specific consequences of each investor's correct or incorrect actions.

They normally do not have assets and liabilities on a stand alone basis. Their activity is conducted for a specific period of time that is normally limited to the execution of the project. The UTE may own certain fixed assets used in carrying out its activity, although in this case they are generally acquired and used jointly by all the UTE's investors, for a period similar to the project's duration, or prior agreements are signed by the partners on the assignment or disposal of the UTE's assets upon completion of the project.

UTE in which the Company participates are operated through a management committee comprised of equal representation from each of the temporary joint operation partners, and such committee makes all the decisions about the temporary joint operation's activities that have a significant effect on its success. All the decisions require consent of each of the parties sharing power, so that all the parties together have the power to direct the activities of the UTE. Each partner has rights to the assets and obligations relating to the arrangement. As a result, these temporary joint operations are consolidated proportionally.

The proportional part of the UTE's Consolidated Statement of Financial Position and Consolidated Income Statement is integrated into the Consolidated Statement of Financial Position and the Consolidated Income Statement of the Company in proportion to its interest in the UTE on a line by line basis.

As of December 31, 2015 and 2014 there are no significant material contingent liabilities in relation to the Group's shareholdings in the UTE, additional to those described in Note 22.2.

d) Transactions with non-controlling interests

Transactions with non-controlling interests are accounted for as transactions with equity owners of the group. When the Group acquires non-controlling interests, the difference between any consideration paid and the carrying value of the proportionate share of net assets acquired is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, and any difference between fair value and its carrying amount is recognized in profit or loss. In addition, any amount previously recognized in other comprehensive income in respect of that entity is accounted for as if the group had directly disposed of the related assets or liabilities.

Companies and entities which are third parties the Group and which hold a share equal to or larger than 10% in the share capital of any company included in the consolidation group are disclosed in Appendix VIII.

2.3. Intangible assets

a) Goodwill

Goodwill is recognized as the excess between (A) and (B), where (A) is the sum of the considerations transferred, the amount of any non-controlling interest in the acquiree and in the case of a business combination achieved in stages, the fair value on the acquisition date of the previously held interest in the acquiree and (B) the net value, at the acquisition date, of the identifiable assets acquired, the liabilities and contingent liabilities assumed, measured at fair value. If the resulting amount is negative, in the case of a bargain purchase, the difference is recognized as income directly in the Consolidated Income Statement.

Goodwill relating to the acquisition of subsidiaries is included in intangible assets, while goodwill relating to associates is included in investments in associates.

Goodwill is carried at initial value less accumulated impairment losses (see Note 2.8). Goodwill is allocated to Cash Generating Units (CGU) for the purposes of impairment testing, these CGU's being the units which are expected to benefit from the business combination that generated the goodwill.

b) Computer programs

Costs paid for licenses for computer programs are capitalized, including preparation and installation costs directly associated with the software. Such costs are amortized over their estimated useful life. Maintenance costs are expensed in the period in which they are incurred.

Costs directly related with the production of identifiable computer programs are recognized as intangible assets when they are likely to generate future economic benefit for a period of one or more years and they fulfill the following conditions:

- it is technically possible to complete the production of the intangible asset;
- management intends to complete the intangible asset;
- the Company is able to use or sell the intangible asset;
- there are technical, financial and other resources available to complete the development of the intangible asset; and
- disbursements attributed to the intangible asset during its development may be reliably measured.

Costs directly related to the production of computer programs recognized as intangible assets are amortized over their estimated useful lives which do not exceed 10 years.

Costs that do not meet the criteria above are recognized as expenses in the Consolidated Income Statement when incurred.

c) Research and development cost

Research costs are recognized as an expense when they are incurred.

Development costs (relating to the design and testing of new and improved products) are recognized as an intangible asset when all the following criteria are met:

- it is probable that the project will be successful, taking into account its technical and commercial feasibility, so that the project will be available for its use or sale;
- it is probable that the project generates future economic benefits;
- management intends to complete the project;
- the Company is able to use or sell the intangible asset;
- there are appropriate technical, financial or other resources available to complete the development and to use or sell the intangible asset; and
- the costs of the project/product can be measured reliably.

Once the product is in the market, capitalized costs are amortized on a straight-line basis over the period for which the product is expected to generate economic benefits, which is normally 5 years, except for development assets related to the second-generation biofuels plant, which are amortized according to its useful life (a 5% of annual amortization percentage).

Development costs that do not meet the criteria above are recognized as expenses in the Consolidated Income Statement when incurred.

Grants or subsidized loans obtained to finance research and development projects are recognized as income in the Consolidated Income Statement consistently with the expenses they are financing, following the rules described above.

2.4. Property, plant and equipment

Property, plant and equipment includes property, plant and equipment of companies or project companies which have been self-financed or financed through external financing with recourse facilities or through non-recourse project financing.

In general, property, plant and equipment is measured at historical cost, including all expenses directly attributable to the acquisition, less depreciation and impairment losses, with the exception of land, which is presented net of any impairment losses.

Subsequent costs are capitalized when it is probable that future economic benefits associated with that asset can be separately and reliably identified.

Work carried out by a company on its own property, plant and equipment is valued at production cost. In construction projects of the Company's owned assets carried out by its Engineering and Construction segment which are not under the scope of IFRIC 12 on Service Concession Arrangements (see Note 2.5), internal margins are eliminated. The corresponding costs are recognized in the individual expense line item in the accompanying income statements. The recognition of an income for the sum of such costs through the line item 'Other income- Work performed by the entity and capitalized and other' results in these costs having no impact in net operating profit. The corresponding assets are capitalized and included in property, plant and equipment in the accompanying balance sheets.

All other repair and maintenance costs are charged to the Consolidated Income Statement in the period in which they are incurred.

Costs incurred during the construction period may also include gains or losses from foreign-currency cash-flow hedging instruments for the acquisition of property, plant and equipment in foreign currency, transferred from equity.

With regard to investments in property, plant and equipment located on land belonging to third parties, an initial estimate of the costs of dismantling the asset and restoring the site to its original condition is also included in the carrying amount of the asset. Such costs are recorded at their net present value in accordance with IAS 37.

The annual depreciation rates of property, plant and equipment (including property, plant and equipment in projects) are as follows:

Items	% of depreciation
Lands and buildings	
Buildings	2% - 3%
Technical installations and machinery	
Installations	3% - 4% - 12% - 20%
Machinery	12%
Other fixed assets	
Data processing equipment	25%
Tools and equipment	15% - 30%
Furniture	10% - 15%
Works equipment	30%
Transport elements	8% - 20%

The assets' residual values and useful economic lives are reviewed, and adjusted if necessary, at the end of the accounting period of the company which owns the asset.

When the carrying amount of an asset is higher than its recoverable amount, the carrying amount is reduced immediately to reflect the lower recoverable amount.

2.5. Fixed assets in projects

This category includes property, plant and equipment, intangible assets and financial assets of consolidated companies which are financed through project debt (see Note 19), that are raised specifically and solely to finance individual projects as detailed in the terms of the loan agreement.

These assets financed through project debt are generally the result of projects which consist of the design, construction, financing, application and maintenance of large-scale complex operational assets or infrastructures, which are owned by the company or are held under a concession agreement for a period of time. The projects are initially financed through medium-term bridge loans (non-recourse project financing in process), generally 2 to 3 years and later by a long-term project (non-recourse project finance).

In this respect, the basis of the financing agreement between the Company and the bank lies in the allocation of the cash flows generated by the project to the repayment of the principal amount and interest expenses, excluding or limiting the amount secured by other assets, in such a way that the bank recovers the investment solely through the cash flows generated by the project financed, any other debt being subordinated to the debt arising from the non-recourse financing applied to projects until the project debt has been fully repaid. For this reason, fixed assets in projects are separately reported on the face of the Consolidated Statement of Financial Position, as is the related project debt (project finance and bridge loan) in the liability section of the same statement.

Non-recourse project financing (project finance) typically includes the following guarantees:

- Shares of the project developers are pledged.
- Assignment of collection rights.
- Limitations on the availability of assets relating to the project.
- Compliance with debt coverage ratios.
- Subordination of the payment of interest and dividends to meet loan financial ratios.

Once the project finance has been repaid and the project debt and related guarantees fully extinguished, any remaining net book value reported under this category is reclassified to the Property, Plant and Equipment or Intangible Assets line items, as applicable, in the Consolidated Statement of Financial Position.

Assets in the 'fixed assets in projects' line item of the Consolidated Statement of Financial Position are sub-classified under the following two headings, depending upon their nature and their accounting treatment:

2.5.1. Concession assets in projects

This heading includes fixed assets financed through project debt related to Service Concession Arrangements recorded in accordance with IFRIC 12. IFRIC 12 states that service concession arrangements are public-to-private arrangements in which the public sector controls or regulates the services to be provided using the infrastructure and their prices, and is contractually guaranteed to gain, at a future time, ownership of the infrastructure through which the service is provided. The infrastructures accounted for by the Group as concessions are mainly related to the activities concerning power transmission lines, desalination plants and generation plants (both renewable as conventional). The infrastructure used in a concession can be classified as an intangible asset or a financial asset, depending on the nature of the payment entitlements established in the agreement.

a) Intangible assets

The Group recognizes an intangible asset when the demand risk is assumed by the operator to the extent that it has a right to charge final customers for the use of the infrastructure. This intangible asset is subject to the provisions of IAS 38 and is amortized linearly, taking into account the estimated period of commercial operation of infrastructure which generally coincides with the concession period.

The Group recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with IAS 11 'Construction Contracts'. As indicated in Note 2.7, the interest costs derived from financing the project incurred during construction are capitalized during the period of time required to complete and prepare the asset for its predetermined used.

Once the infrastructure is in operation, the treatment of income and expenses is as follows:

› Revenues from the updated annual royalty for the concession, as well as operations and maintenance services are recognized in each period according to IAS 18 'Revenue' in Revenue.

› Operating and maintenance costs and general overheads and administrative costs are charged to the Consolidated Income Statement in accordance with the nature of the cost incurred (amount due) in each period.

› Financing costs are classified within heading finance expenses in the Consolidated Income Statement.

b) Financial assets

The Group recognizes a financial asset when there is demand risk is assumed by the grantor to the extent that the concession holder has an unconditional right to receive payments for construction or improvement services. This asset is recognized at the fair value of the construction or improvement services provided.

The Group recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with IAS 11 'Construction contracts'.

The financial asset is subsequently recorded at amortized cost method calculated according to the effective interest method, the corresponding income from updating the flows of collections is recognized as revenue in the Consolidated Income Statement according to the effective interest rate.

The finance expenses of financing these assets are classified under the financial expenses heading of the Consolidated Income Statement.

As indicated above for intangible assets, income from operations and maintenance services is recognized in each period as Revenue according to IAS 18 'Revenue'.

2.5.2. Other assets in projects

This heading includes tangible fixed and intangible assets which are financed through a project debt and are not subject to a concession agreement. Their accounting treatment is described in Notes 2.3 and 2.4.

2.6. Current and non-current classification

Assets are classified as current assets if they are expected to be realized in less than 12 months after the date of the Consolidated Statements of Financial Position. Otherwise, they are classified as non-current assets.

Liabilities are classified as current liabilities unless an unconditional right exists to defer their repayment by at least 12 months following the date of the Consolidated Statement of Financial Position.

2.7. Borrowing costs

Interest costs incurred in the construction of any qualifying asset are capitalized over the period required to complete and prepare the asset for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its internal use or sale, which in Abengoa is considered to be more than one year.

Costs incurred relating to non-recourse factoring are expensed when the factoring transaction is completed with the financial institution.

Remaining borrowing costs are expensed in the period in which they are incurred.

2.8. Impairment of non-financial assets

Annually, Abengoa performs an analysis of impairment losses of goodwill to determine the recoverable amount.

In addition, Abengoa reviews its property, plant and equipment, fixed assets in projects and intangible assets with finite and indefinite useful life to identify any indicators of impairment. The periodicity of this review is annually or when an event involving an indication of impairment is detected.

If indications of impairment exit, Abengoa calculates the recoverable amount of the asset as the higher of its fair value less costs to sell and its value in use, defined as the present value of the estimated future cash flows to be generated by the asset. In the event that the asset does not generate cash flows independently of other assets, Abengoa calculates the recoverable amount of the Cash-Generating Unit to which the asset belongs.

When the carrying amount of the Cash Generating Unit to which these assets belong is lower than its recoverable amount, assets are impaired.

Assumptions used to calculate value in use include a discount rate, growth rates and projected changes in both selling prices and costs. The discount rate is estimated by Management, to reflect both changes in the value of money over time and the risks associated with the specific Cash-Generating Unit. Growth rates and changes in prices and costs are projected based upon internal and industry projections and management experience respectively. Financial projections range between 5 and 10 years depending on the growth potential of each Cash Generating Unit.

The main assumptions used in calculating the value in use are:

- 10-year financial projections were used for those Cash-Generating Units (CGUs) that have high growth potential based on cash flows taken into account in the strategic plans for each business unit, considering a residual value based on the cash flow in the final year of the projection.

  The cash generating units (CGUs) that have a high growth potential are mainly related to intangible assets (goodwill) arisen on the acquisitions of subsidiaries belonging to operating segment of Engineering and Construction and Industrial Production (see Note 8.4) and fixed assets and Bioenergy projects identified in the Bioenergy operating segment (see Note 5.1.b).

  The use of these 10-year financial projections was based on the assumption that it is the minimum period necessary for the discounted cash flow model to reflect all potential growth in the CGUs in each business segment showing significant investments. The aforementioned estimated cash flows were considered to be reliable due to their capacity to adapt to the real market and/or business situation faced by the CGU in accordance with the business's margin and cash-flow experience and future expectations (these businesses are very recurrent with predictable activities based on a controlled portfolio, hiring expectations, regulations, etc.).

  These cash flows are reviewed and approved every six months by Senior Management so that the estimates are continually updated to ensure consistency with the actual results obtained and the discount rates are calculated biannually by an independent expert.

  In these cases, given that the period used is reasonably long, the Group then applies a zero growth rate for the cash flows subsequent to the period covered by the strategic plan.

  Accordingly, the following table provides a summary of the discount rates used (WACC) and growth rates used to calculate the recoverable amount for Cash-Generating Units with a high growth potential by the operating segment to which they pertain:

Operating segment	Discount rate	Growth rate
Engineering and construction		
Engineering and construction	7% - 9%	0%
Industrial production		
Biofuels	5% - 10%	0%

- For concession assets with a defined useful life and with a project debt, cash flow projections until the end of the project are considered and no terminal value is assumed.

  The main cash generating units (CGUs) related to concessional activities mainly relate to thermo-solar power generation plants, desalination plants, power transmission lines and cogeneration plants (see Note 5.1.b).

  The use of such financial projections is justified by these concessional assets which are characteristics of based on a contractual structure (framework agreement) that permit the Company to estimate quite accurately the costs of the project (both in the construction and in the operations periods) and revenue during the life of the project, given that they are regulated by long term sales agreements, such as take-or-pay or power purchase agreements.

  Projections take into account real data based on the contract terms and fundamental assumptions based on specific reports prepared by experts, assumptions on demand and assumptions on production. Additionally, assumptions on macro-economic conditions are taken into account, such as inflation rates, future interest rates, etc. and interest rates are calculated seminually by and independent expert.

Accordingly, the following table provides a summary of the discount rates used (WACC) and growth rates to calculate the recoverable amount for Cash-Generating Units with the operating segment to which it pertains:

Operating segment	Discount rate	Growth rate
Concession-type infrastructure		
Solar	4% - 6%	0%
Water	5% - 7%	0%
Transmission lines	8% - 12%	0%
Cogeneration and other	8% - 10%	0%

- 5-year cash flow projections are used for all other CGUs, considering the residual value to be the cash flow in the final year projected.
- Cash flow projections of CGUs located in other countries are calculated in the functional currency of those CGUs and are discounted using rates that take into consideration the risk corresponding to each specific country and currency. Present values obtained with this method are then converted to euros at the year-end exchange rate of each currency.
- Taking into account that in most CGUs the specific financial structure is linked to the financial structure of the projects that are part of those CGUs, the discount rate used to calculate the present value of cash-flow projections is based on the weighted average cost of capital (WACC) for the type of asset, adjusted, if necessary, in accordance with the business of the specific activity and with the risk associated with the country where the project is located.
- In any case, sensitivity analyses are performed, especially in relation with the discount rate used, residual value and fair value changes in the main business variables, in order to ensure that possible changes in the estimates of these items do not impact the possible recovery of recognized assets.

In the event that the recoverable amount of an asset is lower than its carrying amount, an impairment charge for the difference is recorded in the Consolidated Income Statement under the item 'Depreciation, amortization and impairment charges'. With the exception of goodwill, impairment losses recognized in prior periods which are later deemed to have been recovered are credited to the same income statement heading.

2.9. Financial Investments (current and non-current)

Financial investments are classified into the following categories, based primarily on the purpose for which they were acquired:

a) financial assets at fair value through profit and loss;

b) loans and accounts receivable; and

c) available for sale financial assets.

Classification of each financial asset is determinated by management upon initial recognition, and is reviewed at each year end.

a) Financial assets at fair value through profit and loss

This category includes the financial assets acquired for trading and those initially designated at fair value through profit and loss. A financial asset is classified in this category if it is acquired mainly for the purpose of sale in the short term or if it is so designated by Management. Financial derivatives are also classified at fair value through profit and loss when they do not meet the accounting requirements to be designated as hedging instruments.

These financial assets are recognized initially at fair value, without including transaction costs. Subsequent changes in fair value are recognized under 'Gains or losses from financial assets at fair value' within the 'Finance income or expense' line of the Consolidated Income Statement for the period.

b) Loans and accounts receivable

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments, not listed on an active market.

In accordance with IFRIC 12, certain assets under concessions qualify as financial receivables (see Note 2.5.1.b).

Loans and accounts receivable are initially recognized at fair value plus transaction costs and are subsequently measured at amortized cost in accordance with the effective interest rate method. Interest calculated using the effective interest rate method is recognized under 'Interest income from loans and credits' within the 'Finance income' line of the Consolidated Income Statement.

c) Available for sale financial assets

This category includes non-derivative financial assets which do not fall within any of the previously mentioned categories. For Abengoa, they primarily comprise shares in companies that, pursuant to the regulations in force, have not been included in the scope of consolidation for the years ended December 31, 2015 and 2014 and in which the Company's stake is greater than 5% and lower than 20%.

Financial assets available for sale are initially recognized at fair value plus transaction costs and subsequently measured at fair value, with changes in fair value recognized directly in equity, with the exception of translation differences of monetary assets, which are charged to the Consolidated Income Statement. Dividends from available-for-sale financial assets are recognized under 'Other finance income' within the 'Other net finance income/expense' line of the Consolidated Income Statement when the right to receive the dividend is established.

When available for sale financial assets are sold or impaired, the accumulated amount recorded in equity is transferred to the Consolidated Income Statement. To establish whether the assets have been impaired, it is necessary to consider whether the reduction in their fair value is significantly below cost and whether it will be for a prolonged period of time. The cumulative gain or loss reclassified from equity to profit or loss when the financial assets are impaired is the difference between their acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss. Impairment losses recognized in the Consolidated Income Statement are not subsequently reversed through the Consolidated Income Statement.

Acquisitions and disposals of financial assets are recognized on the trading date, i.e. the date upon which there is a commitment to purchase or sell the asset. Available for sale financial assets are derecognized when the right to receive cash flows from the investment has expired or has been transferred and all the risks and rewards derived from owning the asset have likewise been substantially transferred.

At the date of each Consolidated Statement of Financial Position, the Group evaluates if there is any objective evidence that the value of any financial asset or any group of financial assets has been impaired. This process requires significant judgment. To make this judgment, the Group assesses, among other factors, for how long and to what extent the fair value of an investment will be below its cost, considering the financial health and short-term prospects of the company issuing the securities, including factors such as the industry and sector return, changes in the technology and cash flows from operating and financing activities.

2.10. Derivative financial instruments and hedging activities

Derivatives are recorded at fair value. The Company applies hedge accounting to all hedging derivatives that qualify to be accounted for as hedges under IFRS.

When hedge accounting is applied, hedging strategy and risk management objectives are documented at inception, as well as the relationship between hedging instruments and hedged items. Effectiveness of the hedging relationship needs to be assessed on an ongoing basis. Effectiveness tests are performed prospectively and retrospectively at inception and at each reporting date, following the dollar offset method or the regression method, depending on the type of derivatives.

The Company has three types of hedges:

a) Fair value hedge for recognized assets and liabilities

Changes in fair value of the derivatives are recorded in the Consolidated Income Statement, together with any changes in the fair value of the asset or liability that is being hedged.

b) Cash flow hedge for forecasted transactions

The effective portion of changes in fair value of derivatives designated as cash flow hedges are recorded temporarily in equity and are subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Any ineffective portion of the hedged transaction is recorded in the Consolidated Income Statement as it occurs.

When options are designated as hedging instruments (such as interest rate options described in Note 14), the intrinsic value and time value of the financial hedge instrument are separated. Changes in intrinsic value which are highly effective are recorded in equity and subsequently reclassified from equity to profit or loss in the same period or periods during which the hedged item affects profit or loss. Changes in time value are recorded in the Consolidated Income Statement, together with any ineffectiveness.

When the hedged forecasted transaction results in the recognition of a non-financial asset or liability, gains and losses previously recorded in equity are included in the initial cost of the asset or liability.

When the hedging instrument matures or is sold, or when it no longer meets the requirements to apply hedge accounting, accumulated gains and losses recorded in equity remain as such until the forecast transaction is ultimately recognized in the Consolidated Income Statement. However, if it becomes unlikely that the forecasted transaction will actually take place, the accumulated gains and losses in equity are recognized immediately in the Consolidated Income Statement.

c) Net investment hedges in foreign operation

Hedges of a net investment in a foreign operation, including the hedging of a monetary item considered part of a net investment, are recognized in a similar way to cash flow hedges.

› The gain or loss of the hedge which is determined as effective will be directly recognized as equity though the Consolidated Statements of Changes in Equity; and

› The ineffective portion will be recognized in the Consolidated Income Statement.

The gain or loss of the hedge related to the portion which have been recognized directly as equity will be reclassified to the Consolidated Income Statement when the foreign operation is sold or otherwise disposed of.

Contracts held for the purposes of receiving or making payment of non-financial elements in accordance with expected purchases, sales or use of goods (‘own-use contracts’) of the Group are not recognized as derivative instruments, but as executory contracts. In the event that such contracts include embedded derivatives, they are recognized separately from the host contract, if the economic characteristics of the embedded derivative are not closely related to the economic characteristics of the host contract. The options contracted for the purchase or sale of non-financial elements which may be cancelled through cash outflows are not considered to be own-use contracts.

Changes in fair value of derivative instruments which do not qualify for hedge accounting are recognized immediately in the Consolidated Income Statement. Trading derivatives are classified as a current assets or liabilities.

2.11. Fair value estimates

Financial instruments measured at fair value are presented in accordance with the following level classification based on the nature of the inputs used for the calculation of fair value:

› Level 1: Imputs are quoted prices in active markets for identical assets or habilities.

› Level 2: Fair value is measured based on inputs other than quoted prices included withing Level 1 that are observable for the asset or liability, either directly (i.e.as prices) or indirectly (derived from prices).

› Level 3: Fair value is measured based on unobservable inputs for the asset or liability.

In the event that prices cannot be observed, the management shall make its best estimate of the price that the market would otherwise establish based on proprietary internal models which, in the majority of cases, use data based on observable market parameters as significant inputs (Level 2) but occasionally use market data that is not observed as significant inputs (Level 3). Different techniques can be used to make this estimate, including extrapolation of observable market data. The best indication of the initial fair value of a financial instrument is the price of the transaction, except when the value of the instrument can be obtained from other transactions carried out in the market with the same or similar instruments, or valued using a valuation technique in which the variables used only include observable market data, mainly interest rates. According to current legislation (IFRS-EU), differences between the transaction price and the fair value based on valuation techniques that use data that is not observed in the market, are not initially recognized in the income statement.

a) Level 2 valuation

The majority of Abengoa's portfolio comprises financial derivatives designated as cash flow hedges, is classified as level 2 and mainly corresponds to the interest rate swaps (see Note 14).

Credit risk effect on the valuation of derivatives is calculated for each of the instruments in the portfolio of derivatives classified within level 2, using the own risk of the Abengoa companies and financial counterparty risk.

Description of the valuation method

› Interest rate swaps

Interest rate swap valuations are made by valuing the swap component of the contract and valuing the credit risk.

The most common methodology used by the market and applied by Abengoa to value interest rate swaps is to discount the expected future cash flows according to the parameters of the contract. Variable interest rates, which are needed to estimate future cash flows, are calculated using the curve for the corresponding currency and extracting the implicit rates for each of the reference dates in the contract. These estimated flows are discounted with the swap zero curve for the reference period of the contract, 1, 3 or 6 months.

The effect of the credit risk on the valuation of the interest rate swaps depends on its settlement. If the settlement is favorable for the Company, the counterparty credit spread will be incorporated to quantify the probability of default at maturity. If the expected settlement is negative for the company, its own credit risk will be applied to the final settlement.

Classic models for valuing interest rate swaps use deterministic valuation of variable rates, based on future outlooks. When quantifying credit risk, this model is limited by considering only the risk for the current paying party, ignoring the fact that the derivative could change sign at maturity. A payer and receiver swaption model is used for these cases. This enables the associated risk in each swap position to be reflected. Thus, the model shows each agent's exposure, on each payment date, as the value of entering into the 'tail' of the swap, i.e. the live part of the swap.

› Interest rate Caps and Floors

Interest rate caps and floors are valued by separating the derivative in the successive caplets/floorlets that comprise the transaction. Each caplet or floorlet is valued as a call or put option, respectively, on the reference interest rate, for which the Black-Scholes approach is used for European-type options (exercise at maturity) with minor adaptations and following the Black-76 model.

› Forward foreign exchange transactions

Forward contracts are valued by comparing the contracted forward rate and the rate in the valuation scenario at the maturity date. The contract is valued by calculating the cash flow that would be obtained or paid from theoretically closing out the position and then discounting that amount.

› Commodity swaps

Commodity swaps are valued in the same way as forward foreign exchange contracts, calculating the cash flow that would be obtained or paid from theoretically closing out the position.

› Equity options

Equity options are valued using the Black-Scholes model for American-type options on equities.

› Embedded derivatives in convertible bonds

The embedded derivatives in convertible bonds consist of an option to convert the bond into shares in favor of the bondholder; call options for the issuer to repurchase the bonds at a specific price on specific dates; and put options for the bondholder to redeem the bonds at a specific price and on specific dates. Since these are Bermuda-type options (multiple exercise dates), they are valued using the Longstaff-Schwartz model and the Monte Carlo method.

Variables (Inputs)

Interest rate derivative valuation models use the corresponding interest rate curves for the relevant currency and underlying reference in order to estimate the future cash flows and to discount them. Market prices for deposits, futures contracts and interest rate swaps are used to construct these curves. Interest rate options (caps and floors) also use the volatility of the reference interest rate curve.

Exchange rate derivatives are valued using the interest rate curves of the underlying currencies in the derivative, as well as the corresponding spot exchange rates.

The inputs in equity models include the interest rate curves of the corresponding currency, the price of the underlying asset, as well as the implicit volatility and any expected future dividends.

To estimate the credit risk of the counterparty, the credit default swap (CDS) spreads curve is obtained in the market for important individual issuers. For less liquid issuers, the spreads curve is estimated using comparable CDSs or based on the country curve. To estimate proprietary credit risk, prices of debt issues in the market and CDSs for the sector and geographic location are used.

The fair value of the financial instruments that results from the aforementioned internal models, takes into account, among other factors, the terms and conditions of the contracts and observable market data, such as interest rates, credit risk, exchange rates, commodities and share prices, and volatility. The valuation models do not include significant levels of subjectivity, since these methodologies can be adjusted and calibrated, as appropriate, using the internal calculation of fair value and subsequently compared to the corresponding actively traded price. However, valuation adjustments may be necessary when the listed market prices are not available for comparison purposes.

b) Level 3 valuation

Level 3 includes available for sale financial assets, as well as derivative financial instruments whose fair value is calculated based on models that use non observable or illiquid market data as inputs.

Fair value within these elements was calculated by taking as the main reference the value of the investment - the company's cash flow generation based on its current business plan, discounted at a rate appropriate for the sector in which each of the companies is operating. Valuations were obtained from internal models. These valuations could vary where other models and assumptions made on the principle variables had been used, however the fair value of the assets and liabilities, as well as the results generated by these financial instruments are considered reasonable.

Detailed information on fair values is included in Note 12.

2.12. Inventories

Inventories are valued at the lower of cost or net realizable value. In general, cost is determined by using the first-in-first-out (FIFO) method. The cost of finished goods and work in progress includes design costs, raw materials, direct labor, other direct costs and general manufacturing costs (assuming normal operating capacity). Borrowing costs are not included. The net realizable value is the estimated sales value in the normal course of business, less applicable variable selling costs.

Cost of inventories includes the transfer from equity of gains and losses on qualifying cash-flow hedging instruments related with the purchase of raw materials or with foreign exchange contracts.

2.13. Biological assets

Abengoa recognizes sugar cane in production as biological assets. The production period of sugar cane covers the period from preparation of the land and sowing the seedlings until the plant is ready for first production and harvesting. Biological assets are classified as property, plant and equipment in the Consolidated Statement of Financial Position. Biological assets are recognized at fair value, calculated as the market value less estimated harvesting and transport costs.

Agricultural products harvested from biological assets, which in the case of Abengoa are cut sugar cane, are classified as inventories and measured at fair value less estimated sale costs at the point of sale or harvesting.

Fair value of biological assets is calculated using as a reference the forecasted market price of sugarcane, which is estimated using public information and estimates on future prices of sugar and ethanol. Fair value of agricultural products is calculated using as a reference the price of sugar cane made public on a monthly basis by the Cane, Sugar and Alcohol Producers Board (Consecana).

Gains or losses arising as a result of changes in the fair value of such assets are recorded within 'Operating profit' in the Consolidated Income Statement.

To obtain the fair value of the sugar cane while growing, a number of assumptions and estimates have been made in relation to the area of land sown, the estimated TRS (Total Recoverable Sugar contained within the cane) per ton to be harvested and the average degree of growth of the agricultural product in the different areas sown.

2.14. Clients and other receivables

Clients and other receivables relate to amounts due from customers for sales of goods and services rendered in the normal course of operation.

Clients and other receivables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment. Trade receivables due in less than one year are carried at their face value at both initial recognition and subsequent measurement, provided that the effect of not discounting flows is not significant.

A provision for impairment of trade receivables is recorded when there is objective evidence that the Group will not be able to recover all amounts due as per the original terms of the receivables. The existence of significant financial difficulties, the probability that the debtor is in bankruptcy or financial reorganization and the lack or delay in payments are considered evidence that the receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate. When a trade receivable is uncollectable, it is written off against the bad debt provision.

Clients and other receivables which have been factored with financial entities are derecognized and hence removed from assets on the Consolidated Statement of Financial Position only if all risks and rewards of ownership of the related financial assets have been transferred, comparing the Company's exposure, before and after the transfer, to the variability in the amounts and the calendar of net cash flows from the transferred asset. Once the Company's exposure to this variability has been eliminated or substantially reduced, the financial asset has been transferred, and is derecognized from the Consolidated Statement of Financial Position (See Note 4.b).

2.15. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank and other highly-liquid current investments with an original maturity of three months or less which are held for the purpose of meeting short-term cash commitments.

In the Consolidated Statement of Financial Position, bank overdrafts are classified as borrowings within current liabilities.

2.16. Share capital

Parent company shares are classified as equity. Transaction costs directly attributable to new shares are presented in equity as a reduction, net of taxes, to the consideration received from the issue.

Treasury shares are classified in Equity-Parent company reserves. Any amounts received from the sale of treasury shares, net of transaction costs, are classified as equity.

2.17. Government grants

Non-refundable capital grants are recognized at fair value when it is considered that there is a reasonable assurance that the grant will be received and that the necessary qualifying conditions, as agreed with the entity assigning the grant, will be adequately met.

Grants related to income are recorded as liabilities in the Consolidated Statement of Financial Position and are recognized in 'Other operating income' in the Consolidated Income Statement based on the period necessary to match them with the costs they intend to compensate.

Grants related to fixed assets are recorded as non-current liabilities in the Consolidated Statement of Financial Position and are recognized in 'Other operating income' in the Consolidated Income Statement on a straight-line basis over the estimated useful economic life of the assets.

2.18. Loans and borrowings

External resources are classified in the following categories:

a) project debt (see Note 19);

b) corporate financing (see Note 20).

Loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost and any difference between the proceeds initially received (net of transaction costs incurred in obtaining such proceeds) and the repayment value is recognized in the Consolidated Income Statement over the duration of the borrowing using the effective interest rate method.

Interest free loans and loans with interest rates below market rates, mainly granted for research and development projects, are initially recognized at fair value in liabilities in the Consolidated Statement of Financial Position. The difference between proceeds received from the loan and its fair value is initially recorded within 'Grants and Other liabilities' in the Consolidated Statement of Financial Position, and subsequently recorded in 'Other operating income- Grants' in the Consolidated income statement when the costs financed with the loan are expensed. In the case of interest free loans received for development projects where the Company record an intangible asset, income from the grant will be recognized according to the useful life of the asset, at the same rate as we record its amortization.

Commissions paid for obtaining credit lines are recognized as transaction costs if it is probable that part or all of the credit line will be drawn down. If this is the case, commissions are deferred until the credit line is drawn down. If it is not probable that all or part of the credit line will be drawn down, commission costs are expensed in the period.

2.18.1. Convertible notes

Pursuant to the Terms and Conditions of each of the convertible notes issued issued by Abengoa in the last years except for the 2019 notes and the bonds exchangeable into Atlantica Yield shares maturing in 2017, when investors exercise their conversion right, the Company may decide whether to deliver shares of the company, cash, or a combination of cash and shares (see Note 20.3 for further information).

In accordance with IAS 32 and 39, since Abengoa has a contractual right to choose the type of payment and one of these possibilities is paying through a variable number of shares and cash, the conversion option qualifies as an embedded derivative. Thus, the convertible bond is considered a hybrid instrument, which includes a component of debt and an embedded derivative for the conversion option held by the bondholder.

The Company initially measures the embedded derivative at fair value and classifies it under the derivative financial instruments liability heading. At the end of each period, the embedded derivative is re-measured and changes in fair value are recognized under 'Other net finance income or expense' within the 'Finance expense net' line of the Consolidated Income Statement. The debt component of the bond is initially recorded as the difference between the proceeds received for the notes and the fair value of the aforementioned embedded derivative. Subsequently, the debt component is measured at amortized cost until it is settled upon conversion or maturity. Debt issuance costs are recognized as a deduction in the value of the debt in the Consolidated Statement of Financial Position and included as part of its amortized cost.

In relation to the convertible bonds maturing in 2019, at the beginning of 2014, the Board of Directors expressly and irrevocably stated, with binding effect, that in relation to the right conferred on Abengoa to choose the type of payment, the Company shall not exercise the cash settlement option in the event that bondholders decide to exercise their conversion right early during the period granted for that effect and Abengoa, S.A. shall therefore only settle this conversion right in a fixed number of shares. Accordingly, the fair value at the beginning of the year of the derivative liability embedded in the convertible bond was reclassified as equity since after that date the conversion option meets the definition of an equity instrument.

In relation to the convertible bonds maturing in 2017, in accordance with IAS 32 and IFRIC 19, a profit or loss is recognized for the difference between the equity instrument converted and the cancelled debt book value as a consequence of the reclassification from debt to convertible equity instruments, when they contain an embedded derivative and the initial terms of the instrument remain unchanged.

2.18.2. Ordinary notes

The company initially recognizes ordinary notes at fair value, net of issuance costs incurred. Subsequently, notes are measured at amortized cost until settlement upon maturity. Any other difference between the proceeds obtained (net of transaction costs) and the redemption value is recognized in the Consolidated Income Statement over the term of the debt using the effective interest rate method.

2.19. Current and deferred income taxes

Income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the Consolidated Income Statement, except to the extent that it relates to items recognized directly in equity. In these cases, income tax is also recognized directly in equity.

Current income tax expense is calculated on the basis of the tax laws in force or about to enter into force as of the date of the Consolidated Statement of Financial Position in the countries in which the subsidiaries and associates operate and generate taxable income.

Deferred income tax is calculated in accordance with the Consolidated Statement of Financial Position liability method, based upon the temporary differences arising between the carrying amount of assets and liabilities and their tax base. However, deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined using tax rates and regulations which are enacted or substantially enacted at the date of the Consolidated Statement of Financial Position and are expected to apply and/or be in force at the time when the deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only when it is probable that sufficient future taxable profit will be available to use deferred tax assets.

Deferred taxes are recognized on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is not probable that temporary differences will reverse in the foreseeable future.

2.20. Employee benefits

Bonus schemes

The Group records the amount annually accrued in accordance with the percentage of compliance with the plan's established objectives as personnel expense in the Consolidated Income Statement

Expenses incurred from employee benefits are disclosed in Note 29

2.21. Provisions and contingencies

Provisions are recognized when:

- there is a present obligation, either legal or constructive, as a result of past events;
- it is more likely than not that there will be a future outflow of resources to settle the obligation; and
- the amount has been reliably estimated.

Provisions are initially measured at the present value of the expected outflows required to settle the obligation and subsequently valued at amortized cost following the effective interest method.

Contingent liabilities are possible obligations, existing obligations with low probability of a future outflow of economic resources and existing obligations where the future outflow cannot be reliably estimated. Contingences are not recognized in the Consolidated Statements of Financial Position unless they have been acquired in a business combination.

2.22. Trade payables and other liabilities

Trade payables and other liabilities are obligations arising from the purchase of goods or services in the ordinary course of business and are recognized initially at fair value and are subsequently measured at their amortized cost using the effective interest method.

Other liabilities are obligations not arising from the purchase of goods or services in the normal course of business and which are not treated as financing transactions.

Advances received from customers are recognized as 'Trade payables and other current liabilities'.

Non-recourse confirming

Abengoa's payment management policy requires all group companies to pay their suppliers and vendors using non-recourse bank confirming payments (also called non-recourse confirming) as a general rule, without differentiating between those group suppliers that, for various reasons, may be part of each company's supply chain. Regardless of whether the invoice originates from an external or a Group supplier, the underlying document of the non-recourse confirming will always be a commercial invoice, in other words an invoice derived from the operational activities of a specific company.

The International Financial Reporting Standards ('IFRS') do not explicitly state the accounting treatment applicable to the aforementioned transactions. Nevertheless, the European Securities and Markets Authority (ESMA) issued a public statement on October 27, 2015 which defines their priorities when preparing the financial statements for the year 2015, in order to promote consistent application of the IFRS among issuers. The aforementioned statement state that these types of transactions (also called "reverse factoring") should be analyzed depending on the economic substance of the agreements, so that issuers can conclude whether the trade debt should be classified as financial debt within the Statements of financial position, or payments made should be classified as financial or operational within the Cash flow statements. In either case, ESMA recommends that the issuer provides clear details of the accounting classification policy that it has applied, indicating the assumptions that have been made and the corresponding quantitative impacts.

Consequently, provided that there are no material changes to the conditions of the trade debt (for example, to the due date, the amount or the interest rates, if applicable), the fact that due to the use of confirming, the new legal creditor is a financial institution instead of the supplier, does not change the economic character of the debt that arose from the operational activities of the Group company, regardless of whether it originated from an external or a group supplier.

Consequently, the accounting policy consistently chosen by Abengoa over the last few years regarding its supplier balances associated with non-recourse confirming has been to record them until their due date under the "Suppliers and other accounts payable" heading in the statements of financial position regardless of whether the collection rights have been assigned by the creditor to a financial institution and whether it originates from an external or a group supplier. Although in case of group suppliers, there could be characteristics that might lead to different interpretations.

Notwithstanding the foregoing, as of December 31, 2015, there has been a new interpretation the relevant regulatory agencies. Based on the new interpretation, amounts corresponding to supplier balances associated to non-recourse confirming which has been originated from a group supplier were reclassified as "Corporate Financing" under current liabilities the statement of financial position as of December 31, 2015, despite their original commercial economic substance.

2.23. Foreign currency transactions

a) Functional currency

Financial statements of each subsidiary within the Group are measured and reported in the currency of the principal economic environment in which the subsidiary operates (subsidiary's functional currency). The Consolidated Financial Statements are presented in euro, which is Abengoa's functional and reporting currency.

b) Transactions and balances

Transactions denominated in a currency different from the subsidiary's functional currency are translated into the subsidiary's functional currency applying the exchange rates in force at the time of the transactions. Foreign currency gains and losses that result from the settlement of these transactions and the translation of monetary assets and liabilities denominated in foreign currency at the year-end rates are recognized in the Consolidated Income Statement, unless they are deferred in equity, as occurs with cash-flow hedges and net investment in foreign operations hedges.

c) Translation of the financial statements of foreign companies within the Group

Income Statements and Statements of Financial Position of all Group companies with a functional currency different from the group's reporting currency (euro) are translated to eurosas follows:

1) All assets and liabilities are translated to euros using the exchange rate in force at the closing date of the Consolidated Financial Statements.

2) Items in the Income Statement are translated into eurosusing the average annual exchange rate, calculated as the arithmetical average of the average exchange rates for each of the twelve months of the year, which does not differ significantly from using the exchange rates of the dates of each transaction.

3) The difference between equity, including profit or loss calculated as described in (2) above, translated at the historical exchange rate, and the net financial position that results from translating the assets, and liabilities in accordance with (1) above, is recorded in equity in the Consolidated Statement of Financial Position under the heading 'Accumulated currency translation differences'.

Results of companies carried under the equity method are translated at the average annual exchange rate calculated described in (2.c.) above.

Goodwill arising on the acquisition of a foreign company is treated as an asset of the foreign company and is translated at the year-end exchange rate.

2.24. Revenue recognition

a) Ordinary income

Ordinary income comprises the fair value of sales of goods or services, excluding VAT or similar taxes, any discounts or returns and excluding sales between Group entities.

Ordinary income is recognized as follows:

- Income from the sale of goods is recognized when the Group delivers the goods to the client, the client accepts them and it is reasonably certain that the related receivables will be collectible.
- Income from the sale of services is recognized in the period in which the service is provided.
- Interest income is recognized using the effective interest rate method. When a receivable is considered impaired, the carrying amount is reduced to its recoverable amount, discounting the estimated future cash flows at the original effective interest rate of the instrument and recording the discount as a reduction in interest income. Income from interest on loans that have been impaired is recognized when the cash is collected or on the basis of the recovery of the cost when the conditions are guaranteed.
- Dividend income is recognized when the right to receive payment is established.

b) Construction contracts

Costs incurred in relation to construction contracts are recognized when incurred. When the outcome of a construction contract cannot be reliably estimated, revenues are only recognized up to the amount of the costs incurred to date that are likely to be recovered.

When the outcome of a construction contract can be reliably estimated and it is probable that it will be profitable, revenue from the contract is recognized over the term of the contract. When it is probable that the costs of the project will be greater than its revenue, expected loss is recognized immediately as an expense. To determine the appropriate amount of revenue to be recognized in any period, the percentage of completion method is applied. The percentage of completion method considers, at the date of the Statement of Financial Position, the actual costs incurred as a percentage of total estimated costs for the entire contract.

Partial billing that has not yet been settled by the clients and withholdings are included under the Trade and other receivables heading.

Gross amounts owed by clients for ongoing works in which the costs incurred plus recognized profits (minus recognized losses) exceed partial billing are presented as assets under the heading of 'Unbilled Revenue' within 'Clients and other receivables' heading of the Statement of Financial Position.

On the other hand, amounts outstanding from customers for work in progress for which the billing to date is greater than the costs incurred plus recognized profits (less recognized losses) are shown as liabilities within the line item 'Advance payments from clients' in the Trade payables and other current liabilities caption of the Consolidated Statement of Financial Position.

Lastly, as stated in point 2.4 on the measurement of property, plant and equipment in internal asset construction projects outside the scope of IFRIC 12 on Service Concession Arrangements (see Note 2.5), revenues and profits between group companies are eliminated, meaning that such assets are shown at their acquisition cost.

c) Concession contracts

Concession contracts are public services agreements for periods usually between 20 and 30 years including both the construction of infrastructure and future services associated with the operation and maintenance of assets in the concession period which are under the scope of IFRIC 12. Revenue recognition, as well as, the main characteristics of these contracts are detailed in Note 2.5.

2.25. Leases

Lease contracts of fixed assets in which a Group company is the lessee and substantially retains all the risks and rewards associated with the ownership of the assets are classified as finance leases.

Finance leases are recognized at inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments over the contract term. Each lease payment is distributed between debt and financing costs, in a way which establishes a constant interest rate on the outstanding debt. The amounts to be paid over the lease term, net of financing costs, are recognized as non-current and current payables, as appropriate. The interest portion of the financing costs is charged to the Consolidated Income Statement over the period of the lease agreement, in order to obtain a constant periodic interest rate on the balance of the outstanding debt in each period. Assets acquired under finance lease agreements are depreciated over the shorter of the useful life of the asset and the lease term.

Lease agreements undertaken by the Group in which the entity entering into the agreement does not substantially retain all the risks and rewards associated with the ownership of the asset are classified as operating leases. Payments made under operating leases are charged to the Consolidated Income Statement (net of any incentives received from the lessor) on a straight-line basis over the lease term.

2.26. Segment reporting

Information on the Group's operating segments is presented in accordance with internal information provided to the Group's Chief Operating Decision Maker (CODM). The CODM, responsible for assigning resources and evaluating the performance of the operating segments, has been identified as the Chairman.

The President evaluates business from an activity and geographic perspective. As described in Note 5, the CODM reviews the business by 6 operating segments which are in turn grouped, for business purposes, into three activities: Engineering & Construction, Concession-type Infrastructures and Industrial Production.

Geographically, the Group reports financial information by 6 regions which are Spain (home market), North America, South America (except Brazil), Brazil, Europe (except Spain) and other (the remaining overseas markets).

For detailed information on segment reporting, see Note 5.

2.27. Environmental assets

Equipment, installations and systems used to eliminate, reduce or control possible environmental impacts are recognized applying the same criteria used for other similar assets.

Provisions made for the environmental restoration, the costs of restructuring and the litigations are recognized when the company has a legal or constructive obligation as a result of past events, it becomes probable that an outflow of resources will be necessary to settle the obligation and the outflow can be reliably estimated.

Note 33.6 gives additional information on the Group's environmental policies.

2.28. Severance payments

Severance payments are made to employees in the event that the company terminates their employment contract prior to the normal retirement age or when the employee voluntarily accepts redundancy in the terms offered by the employer. The Group recognizes severance payments when it is demonstrably committed to third parties to provide indemnities for leaving the company or to dismiss the current workers in accordance with a detailed formal plan, with no possibility of retracting.

2.29. Assets held for sale and discontinued operations

The Group classifies property, plant and equipment, intangible assets and disposal groups (groups of assets that are to be sold together with their directly associated liabilities) as non-current assets held for sale when, at the date of the Consolidated Statement of Financial Position, an active program to sell them has been initiated by Management and the sale is foreseen to take place within the following twelve months.

The Group includes in discontinued operations those business lines which have been sold or otherwise disposed of or those that meet the conditions to be classified as held-for-sale. Discontinued operations also include those assets which are included in the same sale program together with the business line. Entities which are acquired exclusively with a view for resale are also classified as discontinued operations.

Assets held for sale or disposal groups are measured at the lower of their carrying value or fair value less estimated costs necessary to sell them. They are no longer amortized or depreciated from the moment they are classified as non-current assets held for sale.

Assets held for sale and the components of disposal groups are presented in the Consolidated Statement of Financial Position grouped under a single heading as 'Assets held for sale'. Liabilities are also grouped under a single heading as 'Liabilities held for sale'.

The after-tax profit or loss on discontinued operations is presented in a single line within the Consolidated Income Statement under the heading 'Profit (loss) from discontinued operations, net of tax'.

As indicated in IFRS 5, the elimination of intragroup transactions with companies classified as discontinued operations are performed in continuing operations or in the line of discontinued operations, depending on how they reflect more appropriately the business' continuity or not in each case.

Further information is provided on Non-current assets held for sale and discontinued operations in Note 7.

2.30. Third-Party Guarantees and Commitments

The types of guarantees given to third parties in the normal course of activities in Abengoa:

a) Bank guarantees and surety insurances: Correspond to guarantees provided by financial entities to Group companies to comply with any commitment made to a third party (Bid bonds, performance and others)

In case of breach of the undertaken commitment, and therefore, a possible obligation with the financial entity, the Company proceeds to recognize a liability in the Consolidated Statement of Financial Position sheet only when outflows of resources are probable.

b) Guarantees: Correspond to commitments documented by a Group company to a third party (Bid Bonds, performance, financing and others)

In case of breach of the undertaken commitment, and therefore, a possible obligation with the third party, the Company proceeds to recognize a liability in the Consolidated Statement of Financial Position sheet only when outflows of resources are probable, provided that such obligation was not previously recognized in the balance sheet.

Further information provided in Note 23.

Note 3.- Critical accounting estimates and judgements

In Abengoa's Consolidated Financial Statements under IFRS-EU requires assumptions and estimates to be made which have an impact on assets, liabilities, income, expenses and disclosures related. Actual results could be different from estimated. The most critical accounting policies, which have been taken into account in these Consolidated Financial Statements, are:

- Impairment of intangible assets and goodwill.
- Revenue and expense from construction contracts.
- Service concession agreements.
- Income taxes and recoverable amount of deferred tax assets.
- Derivatives and hedging.
- Guarantees provided to third parties.

Some of these critical accounting policies require the deployment of significant judgement by The Board of Directors in order to determine appropriate assumptions and estimates to determine these critical accounting policies. These estimates and assumptions are not only based on historical experience of the Company, but also, on the advice of experts and consultants, other circumstances and expectations and forecasts as of the end of the reporting period. Directors´ assessment has to be considered given the business environment of the industries and geographies in which the Group operates, taking into account the future development of the business. Provided its nature, these judgments and assumptions are subject to an inherent degree of uncertainty and, thus, the real results may materially differ from assumptions and estimates used. Upon the occurrence of such event, assets and liabilities will be adjusted.

Based in what has been exposed in Note 2.1 regarding the application of the going concern basis of accounting Abengoa's Consolidated Financial Statements corresponding as of December 31, 2015, estimates and assumptions have been made by the Board of Directors in order to determine the impacts of that situation over the assets, liabilities, income, expenses and commitments recorded therein.

Upon the occurrence of a significant change in the facts and circumstances upon which estimates and assumptions have been made, management might be required to amend such estimates and assumptions in future periods. Changes in accounting estimates are recognized prospectively, in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Impairment of intangible assets and goodwill

Goodwill and Intangible assets which have not yet come into operation or that have an indefinite useful life are not amortized and are tested for impairment on an annual basis or whenever there an impairment indicator exists. Goodwill is tested for impairment within the Cash-Generating Unit to which it belongs. Other intangible assets are tested individually, unless they do not generate cash flows independently from other assets, in which case they are tested within the Cash-Generating Unit to which they belong.

For those cash generating units with high growth potential, the Group uses cash flow projections for a period of 10 years based on the cash flows identified in the Group's strategic plans, which are reviewed and approved every six months by the Management of the Group. The residual value is calculated based on the cash flows of the latest year projected using a steady or nil growth rate. The use of a 10 year period is based on the consideration that this is the minimum period needed to be used in order to appropriately reflect all the potential growth of these cash generating units. In addition, 10 year projections are prepared based on the historical experience within the Group in preparing long-term strategic plans, which are considered reliable and are prepared on the basis of the Group's internal control system. These cash flows are considered reliable since they can easily adapt to the changes of the market and of the business segment to which cash generating units belong, based on the Group's past experience on cash flows and margins and on future expectations.

For other cash generating units the Group uses cash flows projections based on a 5 years period, calculating the residual value based on the cash flows of the latest year projected, 'using a zero growth rate'.

Projected cash flows are discounted using the Weighted Average Cost of Capital (see Note 2.8), adjusted for the specific risks associated to the business unit to which the cash generating unit belongs.

Based on values in use calculated in accordance with the assumptions and hypotheses described above and in Note 8 for the years 2015 and 2014, the recoverable amount of the cash generating units to which goodwill was assigned is higher than their carrying amount. Detailed sensitivity analysis has been carried out and the Management is confident that the carrying amount of the cash generating units will be recovered in full. Main variables considered in sensitivity analysis are growth rates, discount rates based in weighted average cost of capital (WACC) and the main variables of each business.

During the years 2015 and 2014 there were no intangible assets with indefinite useful life and there were no significant intangible assets not yet in use that were impaired except those indicated in Note 8.1

Revenue from construction contracts

Revenue from construction contracts is recognized using the percentage-of-completion method for contracts whose outcome can be reliably estimated and it is probable that they will be profitable. When the outcome of a construction contract cannot be reliably estimated, revenue is recognized only to the extent it is probable that contract costs incurred will be recoverable.

As described in Note 2.24.b), the percentage of completion is determined at the date of Consolidated Statement of Financial Position based on the actual costs incurred as a percentage of total estimated costs for the entire contract.

Revenue recognition using the percentage-of-completion method involves the use of estimates of certain key elements of the construction contracts, such as total estimated contract costs, allowances or provisions related to the contract, period of execution of the contract and recoverability of the claims. The Company has established, over the years, a robust project management and control system, with periodic monitoring of each project. This system is based on the long-track record of the Group in constructing complex infrastructures and installations. As far as practicable, the Group applies past experience in estimating the main elements of construction contracts and relies on objective data such as physical inspections or third parties confirmations. Nevertheless, given the highly tailored characteristics of the construction contracts, most of the estimates are unique to the specific facts and circumstances of each contract.

Although estimates on construction contracts are periodically reviewed on an individual basis, we exercise significant judgments and not all possible risks can be specifically quantified.

It is important to point out that, as stated in Note 2.4 about Property plant and equipment, in the internal asset construction projects outside the scope of IFRIC 12 of Service Concession Arrangements (see Note 2.5), the totality of the revenues and profits between group companies is eliminated, meaning that said assets are shown at their acquisition cost.

Concession Agreements

The analysis on whether the IFRIC 12 applies to certain contracts and activities involves various complex factors and it is significantly affected by legal interpretation of certain contractual agreements or other terms and conditions with public sector entities.

Therefore, the application of IFRIC 12 requires extensive judgment in relation with, amongst other factors, (i) the identification of certain infrastructures (and not contractual agreements) in the scope of IFRIC 12, (ii) the understanding of the nature of the payments in order to determine the classification of the infrastructure as a financial asset or as an intangible asset and (iii) the recognition of the revenue from construction and concessionary activity.

Changes in one or more of the factors described above may significantly affect the conclusions as to the appropriateness of the application of IFRIC 12 and, therefore, the results of operations or our financial position (see Note 10.1).

Income taxes and recoverable amount of deferred tax assets

Determining income tax expense requires judgment in assessing the timing and the amount of deductible and taxable items, as well as the interpretation and application of tax laws in different jurisdictions. Due to this fact, contingencies or additional tax expenses could arise as a result of tax inspections or different interpretations of certain tax laws by the corresponding tax authorities.

Group Management assesses the recoverability of deferred tax assets on the basis of estimates of the future taxable profit. In making this assessment, Management considers the foreseen reversal of deferred tax liabilities, projected taxable profit and tax planning strategies. This assessment is carried out on the basis of internal projections, which are updated to reflect the Group's most recent operating trends.

The Group's current and deferred income taxes may be impacted by events and transactions arising in the normal course of business as well as by special non-recurring circumstances. The assessment of the appropriate amount and classification of income taxes is dependent on several factors, including estimates of the timing and realization of deferred tax assets and the timing of income tax payments.

Actual collections and payments may materially differ from these estimates as a result of changes in tax laws as well as unforeseen future transactions impacting the income tax balances.

Derivatives financial instruments and hedging

The Group uses derivatives in order to mitigate risks arising from foreign exchange, interest rates and changes in the prices of assets and commodities purchased (principally aluminum, grain, ethanol, sugar and gas). Derivatives are initially recognized at fair value on the date that the derivative contract is entered into for, and are subsequently re-measured at fair value at each reporting date (see Notes 2.10 and 2.11 for a full description of the accounting policy for derivatives).

Contracts held for the purposes of receiving or making payment of non-financial elements in accordance with expected purchases, sales or use of goods (own-use contracts) of the Group are not recognized as financial derivative instruments, but as executory contracts. In the event that such contracts include embedded derivatives, those derivatives are recorded separately from the original contract, if the economic characteristics of the embedded derivative are not closely related to the economic characteristics of the original host contract. Options contracted for the purchase or sale of non-financial elements which may be cancelled through cash outflows are not considered to be 'own-use contracts'.

The inputs used to calculate fair value of our derivatives are based on observable prices on not quoted markets, through the application of valuation models (Level 2). The valuation techniques used to calculate fair value of our derivatives include discounting estimated future cash flows, using assumptions based on market conditions at the date of valuation or using market prices of similar comparable instruments, amongst others. The derivatives valuation and the identification and valuation of embedded derivatives and own-use contracts require the use of considerable professional judgment. These determinations were based on available market information and appropriate valuation methodologies. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Third-party guarantees

The analysis of the guarantees committed to third parties, given the exceptional nature and uncertainty of the current situation of the company provided by the Article 5 bis of Ley Concursal, requires a complex judgment to estimate the contractual breaches that may exits and as a consequence of possible breaches, the outflow of resources probability (see Note 23).

Such situation could affect the facts and circumstances in which these estimations are based and that could arise significant changes on them.

Note 4.- Financial risk management

Abengoa's activities are undertaken through its operating segments and are exposed to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk.

The risk management model attempts to minimize the potential adverse impact of such risks upon the Group's financial performance. Risk is managed by the Group's Corporate Finance Department, which is responsible for identifying and evaluating financial risks in conjunction with the Group's operating segments, quantifying them by project, region and company, and diversifying the sources of finance in an attempt to prevent concentrations.

Written internal risk management policies exist for global risk management, as well as for specific areas of risk, such as foreign exchange risk, credit risk, interest rate risk, liquidity risk, the use of hedging instruments and derivatives and the investment of cash surpluses.

In addition there are official written management regulations regarding key controls and control procedures for each company and the implementation of these controls is monitored through Internal Audit procedures.

The Group is affected by the following financial risks:

a) Market risk

Market risk arises when group activities are exposed fundamentally to financial risk derived from changes in foreign exchange rates, interest rates and changes in the fair values of certain raw materials.

To hedge such exposure, Abengoa uses currency forward contracts, options and interest rate swaps as well as future contracts for commodities. The Group does not generally use derivatives for speculative purposes.

- Foreign exchange rate risk: the international activity of the Group generates exposure to foreign exchange rate risk. Foreign exchange rate risk arises when future commercial transactions and assets and liabilities recognized are not denominated in the functional currency of the group company that undertakes the transaction or records the asset or liability. The main exchange rate exposure for the Group relates to the US Dollar against the Euro.

  To control foreign exchange risk, the Group purchases forward exchange contracts. Such contracts are designated as fair-value or cash-flow hedges, as appropriate.

In the event that the exchange rate of the US Dollar had risen by 10% against the euroas of December 31, 2015, with the rest of the variables remaining constant, the effect in the Consolidated Income Statement would have been a loss of €27,185 thousand (loss of €1,103 thousand on 2014) mainly due to the US Dollar net asset position of the Group in companies with eurofunctional currency and a decrease of €1,649 thousand (increase of € 36,615 thousand in 2014) in other reserves as a result of the cash flow hedging effects on highly probable future transactions.

Details of the financial hedging instruments and foreign currency payments as of December 31, 2015 and 2014 are included in Note 14 to these Consolidated Financial Statements.

› Interest rate risk: arises mainly from financial liabilities at variable interest rates.

Abengoa actively manages its risks exposure to variations in interest rates associated with its variable interest debt.

In project debt (see Note 19), as a general rule, the Company enters into hedging arrangements for at least 80% of the amount and the timeframe of the relevant financing.

In corporate financing (see Note 20), as a general rule, 80% of the debt is covered throughout the term of the debt; in addition, in 2009, 2010, 2013, 2014 and 2015, Abengoa issued notes at a fixed interest rate.

The main interest rate exposure for the Group relates to the variable interest rate with reference to the Euribor.

To control the interest rate risk, the Group primarily uses interest rate swaps and interest rate options (caps and collars), which, in exchange for a fee, offer protection against an increase in interest rates.

In the event that Euribor had risen by 25 basic points as of December 31, 2015, with the rest of the variables remaining constant, the effect in the Consolidated Income Statement would have been a profit of €7,316 thousand (€9,182 thousand in 2014) mainly due to the increase in time value of hedge interest rate options (caps and collars) and an increase of €28,379 (€35,591 thousand in 2014) in other reserves mainly due to the increase in value of hedging interest derivatives (swaps, caps and collars).

A breakdown of the interest rate derivatives as of December 31, 2015 and 2014 is provided in Note 14 of these Notes to the Consolidated Financial Statements.

› Risk of change in commodities prices: arises both through the sale of the Group's products and the purchase of commodities for production processes. The main risk of change in commodities prices for the Group is related to the price of grain, ethanol, sugar, gas, and steel.

In general, the Group uses futures and options listed on organized markets, as well as OTC (over-the-counter) contracts with financial institutions, to mitigate the risk of market price fluctuations.

In the event that the grain price had risen by 10% as of December 31, 2015, with the rest of the variables remaining constant, the effect in the Consolidated Income Statement would have been null (null in 2014 and a decrease of €1,349 thousand (increase of € 49,086 thousand in 2014) in other reserves as a result of the cash flow hedging effects on highly probable future transactions.

In the event that the ethanol price had risen by 10% as of December 31, 2015, with the rest of the variables remaining constant, the effect in the Consolidated Income Statement would have been null in 2015 (null in 2014) and an increase of €8,673 thousand in 2014 in other reserves

A breakdown of the commodity derivative instruments as of December 31, 2015 ad 2014 is included in Note 14 to these Consolidated Financial Statements.

In addition, certain Bioenergy Business Group companies engage in purchase and sale transactions in the grain and ethanol markets, in accordance with a management policy for trading transactions.

Management has approved and supplemented trading strategies to control the purchase and sale of forward and swap contracts, mainly for sugar, grain and ethanol, which are reported on a daily basis, following the internal procedures established in the Transactions Policy. As a risk-mitigation element, the company sets daily limits or 'stop losses' for each strategy, depending on the markets in which it operates, the financial instruments purchased and the risks defined in the transaction.

These transactions are measured monthly at fair value through the Consolidated Income Statement. In 2015 no transactions of this nature have been made, whereas in 2014, Abengoa recorded a profit of €3,992 thousand corresponding to settled transactions in both years.

b) Credit risk

The main financial assets exposed to credit risk derived from the failure of the counterparty to meet its obligations are trade and other receivables, current financial investments and cash.

a) Clients and other receivables (see Note 15).

b) Current financial investments and cash (see Notes 13, 14, 15 and 17).

› Clients and other receivables: Most receivables relate to clients operating in a range of industries and countries with contracts that require ongoing payments as the project advances; the service is rendered or upon delivery of the product. It is a common practice for the company to reserve the right to cancel the work in the event of a material breach, especially non-payment.

In general, and to mitigate the credit risk, prior to any commercial contract or business agreement, the company generally holds a firm commitment from a leading financial institution to purchase the receivables through a non-recourse factoring arrangement. Under these agreements, the company pays the bank for assuming the credit risk and also pays interest for the discounted amounts. The company always assumes the responsibility that the receivables are valid.

Abengoa derecognizes the factored receivables from the Consolidated Statement of Financial Position when all the conditions of IAS 39 for derecognition of assets are met. In other words, an analysis is made to determine whether all risks and rewards of the financial assets have been transferred, comparing the company's exposure, before and after the transfer, to the variability in the amounts and the calendar of net cash flows from the transferred asset. Once the company's exposure to this variability has been eliminated or substantially reduced, the financial asset is transferred.

In general, Abengoa considers that the most significant risk related to Clients and other receivables is the risk of non-collection, since: a) trade receivables may be quantitatively significant during the progress of work performed for a project or service rendered; b) it is not under the company's control. However, the risk of delays in payment typically relates to technical problems, i.e., associated with the technical risk of the service provided and, therefore, within the company's control.

If the company concludes that the risk associated to the contract has been transferred to the financial institution, the receivable is derecognized in the Consolidated Statement of Financial Position at the time it is transferred, in accordance with IAS 39.20.

An aging of trade receivables as of December 31, 2015 and 2014 is included in Note 15 'Clients and other receivable accounts'. The same note also discloses the credit quality of the clients as well as the movement on provisions for receivables for the years ended December 31, 2015 and 2014.

› Financial investments: to control credit risk in financial investments, the Group has established corporate criteria which require that counterparties are always highly rated financial entities and government debt, as well as establishing investing limits with periodic reviews.

Given the above and considering the aging of the main financial assets with exposure to such risk, it is considered that, at the end of the year 2015, no significant amounts in arrears are susceptible to be disclosed in addition to the information required by IFRS 7.

c) Liquidity risk

During the last year Abengoa's liquidity and financing policy during the last years has had intended to ensure that the company could have sufficient funds available to meet its financial obligations as they fall due. Abengoa has been using two main sources of financing:

› Project debt (Non-recourse project financing), which is typically used to aimed to finance any investment on project asset (see Notes 2.5 and 19).

› Corporate Financing, used to finance the activities of the remaining companies which are not financed under the aforementioned financing model. This means of financing is managed through Abengoa S.A., which pools cash held by the rest of the companies so as to be able to re-distribute funds in accordance with the needs of the Group (see Notes 2.18 and 20) and has carried out the obtention of the resources needed from the bank and capital markets.

To ensure an adequate capacity to repay its debt in relation with the cash flow generation capacity, the Group Financial Management has been elaborating an annual Financial Plan, which is approved by the Board of Directors and includes all financial needs and the manner they will be covered.

To manage the working capital, Abengoa usually uses non-recourse confirming with various financial entities to outsource the trade payables payments, and non-recourse factoring. In addition, Abengoa has short term financing lines including commercial paper.

Due to the facts and circumstances occurred after the formulation of the interim Consolidated Financial Statements of June 30, 2015, mentioned in note 2.1.1, Abengoa had at the end of November 2015 substantial liquidity needs mainly to attend capital expenditure in assets, short and medium term debt maturities related to operations and managing negative working capital. The Company, on November 25, 2015, due to the circumstances explained above, decided to initiate a refinancing process to try to reach an agreement with its main financial creditors that would ensure a suitable framework in which to undertake the mentioned negotiations and the financial stability of the Group in the short and medium term.

In relation to the process, after carefully evaluating the situation described above and in order to ensure the stability necessary to conduct these negotiations with the creditors, the Board of Directors of the Company deemed that the most appropriate approach was to submit the communication provided by the Article 5 bis of Act 22/2003 of July 9, on insolvencies (Ley Concursal). In this regard, on December 15, 2015, Mercantile Court No. 2 of Seville issued a Decree agreeing that the communication provided by the Article 5 bis of the Ley Concursal had been filed.

Additionally, mentioned, on January 25, 2016 the Company reported that on that day, Alvarez&Marsal had submitted to the Board of Directors of Abengoa an industrial Viability Plan which defined the structure of the future activity of Abengoa at operational level, focusing on the engineering and construction business with own or third-party technology. Where additional measures have been determined (among others, the rotation of non-strategic assets, the adjustment of overhead costs to new activity levels, completion of most of projects in the pipeline focusing on those that maximize the liquidity of the Company and the balance in investments to be developed in the future in concessional assets depending on the availability of financial resources and the previous identification of partners).

Based on this Viability Plan, that confirms the industrial viability of Abengoa, the Company has begun negotiations with its creditors to restructure the debt and the necessary resources and thus provide Abengoa sufficient liquidity to continue operating competitively and sustainably in the future (see Note 2.1.1). The approval of the above-mentioned restructuring plan will set the guidelines for the new liquidity and financing policy of Abengoa in the future, giving priority to treasury optimization and cost of capital.

An analysis of the Group's financial liabilities classified into relevant maturity groupings based on the remaining period is included in the following Notes to these Consolidated Financial Statements:

Current and non-current	Notes to the Consolidated Financial Statements
Financial debt	Note 19 Project debt and Note 20 Corporate financing
Lease-back	Note 20 Corporate financing
Finance lease	Note 20 Corporate financing
Borrowings and other loans	Note 20 Corporate financing
Trade and other accounts payable	Note 25 Trade payables and other current liabilities
Derivatives and hedging instruments	Note 14 Derivative financial instruments
Other liabilities	Note 21 Grants and other liabilites

d) Capital risk

During the last year the Group has managed capital risk aimed to be able to ensure the continuity of the activities of its subsidiaries from an equity standpoint by maximizing the return for the shareholders and optimizing the structure of equity and debt in the respective companies or projects.

Since the admission of its shares to trade on the stock market, the company has grown in the following ways:

› cash flows generated by conventional businesses;

› financing of new investments through project debt (project finance and bridge loan), which also generates business for conventional businesses;

› corporate financing, either through banks or capital markets;

› issuance of new shares of subsidiaries through organized markets;

› asset rotation;

The leverage objective of the activities of the company has not generally measured based on the level of debt on its own resources, but on the nature of the activities:

› for activities financed through project debt, each project is assigned a leverage objective based on the cash and cash flow generating capacity, generally, of contracts that provide these projects with highly recurrent and predictable levels of cash flow generation;

› for activities financed with Corporate Financing, the objective is to maintain reasonable leverage, depending on their optimal capital structure.

As mentioned in Note 4 c), liquidity needs due to the facts and circumstances occurred following the formulation of the Interim Consolidated Financial Statements of June 30, 2015, mentioned in note 2.1.1, led the Company to start, within the legal frame provided by the article 5 bis of Ley Concursal, a refinancing process with the objective of reaching an agreement with the main creditors to ensure the proper frame to develop the negotiations and the financial stability of the Group in the short and medium term. Additionally, on January 25, 2016 the Company reported that on that day, Alvarez&Marsal had submitted to the Board of Directors of Abengoa an industrial Viability Plan which defined the structure of the future activity of Abengoa at operational level, focusing on the engineering and construction business with own or third-party´s technology.

Based on this Viability Plan, the Company has begun negotiations with its creditors to restructure the debt and the necessary resources and thus provide Abengoa with the optimal capital structure to continue operating competitively and sustainably in the future (see Note 2.1.1).

Note 5.- Segment information

5.1. Information by business segment

As indicated in Note 1, Abengoa's activity is grouped under the following three activities which are in turn composed of six operating segments:

- Engineering and construction; includes the traditional engineering business in the energy and water sectors, with more than 70 years of experience in the market. This activity comprises one operating segment Engineering and Construction.

  Abengoa specializes in carrying out complex "turnkey projects" for thermo-solar plants, solar-gas hybrid plants, conventional generation plants, biofuels plants and water infrastructures, as well as large-scale desalination plants and transmission lines, among others. In addition, this segment includes activities related to the development of thermo-solar technology, water management technology and innovative technology businesses such as hydrogen energy or the management of energy crops.

- Concession-type infrastructures; groups together the company's proprietary concession assets that generate revenues governed by long term sales agreements, such as take-or-pay contracts or power purchase agreements. This activity includes the operation of electric energy generation plants (solar, cogeneration or wind), desalination plants and transmission lines. These assets generate low demand risk and the Company focuses on operating them as efficiently as possible.

  The Concession-type infrastructures activity comprises four operating segments:

  - Solar – Operation and maintenance of solar energy plants, mainly using thermo-solar technology.
  - Water – Operation and maintenance of facilities aimed at generating, transporting, treating and managing water, including desalination and water treatment and purification plants.
  - Transmission – Operation and maintenance of high-voltage transmission power line infrastructures.
  - Cogeneration and other – Operation and maintenance of conventional cogeneration electricity plants.

- Industrial production; covers Abengoa's businesses with a high technological component, such biofuel and development of solar technology. The company holds an important leadership position in these activities in the geographical markets in which it operates.

  This activity is comprised of one operating segment:

  - Biofuels – Production and development of biofuels, mainly bioethanol for transport, which uses cellulosic plant fiber, cereals, sugar cane and oil seeds (soy, rape and palm) as raw materials.

Abengoa's Chief Operating Decision Maker ('CODM') assesses the performance and assignment of resources according to the above identified segments. The CODM in Abengoa considers the revenues as a measure of the activity and the EBITDA (Earnings before interest, tax, depreciation and amortization) as measure of the performance of each segment. In order to assess the performance of the business, the CODM receives reports of each reportable segment using revenues and EBITDA. Net interest expense evolution is assessed on a consolidated basis given that the majority of the corporate financing is incurred at the holding level and that most investments in assets are held at project companies which are financed through project debt. Amortization and impairment charges are assessed on a consolidated basis in order to analyze the evolution of net income and to determine the dividend pay-out ratio. These charges are not taken into consideration by CODM for the allocation of resources because they are non-cash charges.

The process to allocate resources by the CODM takes place prior to the award of a new project. Prior to presenting a bid, the company must ensure that the project debt for the new project has been obtained. These efforts are taken on a project by project basis. Once the project has been awarded, its evolution is monitored at a lower level and the CODM receives periodic information (revenues and EBITDA) on each operating segment's performance.

a) The following table shows the Segment Revenues and EBITDA for the years 2015 and 2014:

	Revenue		Ebitda		
Item	2015	2014	2015		2014
Engineering and construction					
Engineering and construction	3,330,182	4,514,496	193,054	(*)	805,951
Total	**3,330,182**	**4,514,496**	**193,054**		**805,951**
Concession-type infraestructure					
Solar	166,534	335,188	115,001		235,939
Water	52,978	40,840	42,291		26,463
Transmission lines	143,473	91,347	107,337		64,289
Cogeneration and other	43,832	32,036	17,874		3,941
Total	**406,817**	**499,411**	**282,503**		**330,632**
Industrial production					
Biofuels	2,018,483	2,136,660	39,903		271,439
Total	**2,018,483**	**2,136,660**	**39,903**		**271,439**
Total	**5,755,482**	**7,150,567**	**515,460**		**1,408,022**

(*) lIncludes the loss recorded for the estimated costs related to the standstill in the last quarter of the work in progress and its subsequent restart given the situation provided by the Article 5 bis of Ley Concursal for an amount of €383 million (See Note 2.1.1)

The reconciliation of segment EBITDA with the profit attributable to owners of the parent is as follows:

Line	2015	2014
Total segment EBITDA	515,460	1,408,022
Amortization and depreciation	(814,326)	(474,864)
Financial expenses net	(868,589)	(854,742)
Share in profits/ (losses) of associates	(8,093)	7,018
Income tax expense	(22,888)	58,646
Profit (loss) from discontinued operations, net of tax	(144,254)	(22,203)
Profit attributable to non-controlling interests	129,212	3,415
Profit attributable to the parent company	**(1,213,478)**	**125,292**

b) The assets and liabilities by segment as of December 31, 2015 and December 31, 2014 are as follows:

	Engineering and construction	Concession-type infrastructure				Industrial prod.	
Item	Eng. and const.	Solar	Water	Trans.	Cog. and other	Biofuels	Balance as of 12.31.15
Assets allocated							
Intangible assets	245,242	355	6,775	-	318	1,193,287	1,445,977
Property plant and equipment	173,235	19,822	-	-	-	961,017	1,154,074
Fixed assets in projects	-	-	244,742	2,178,107	161,190	775,624	3,359,663
Current financial investments	344,600	26,912	4,471	14,954	5,834	122,050	518,821
Cash and cash equivalents	338,479	52,899	8,788	29,394	11,468	239,910	680,938
Subtotal allocated	**1,101,556**	**99,988**	**264,776**	**2,222,455**	**178,810**	**3,291,888**	**7,159,473**
Unallocated assets							
Non-current and associated financ. invest.	-	-	-	-	-	-	2,311,418
Deferred tax assets	-	-	-	-	-	-	1,584,751
Other current assets	-	-	-	-	-	-	2,315,698
Assets held for sale	-	-	-	-	-	-	3,255,859
Subtotal unallocated	-	-	-	-	-	-	**9,467,726**
Total Assets	-	-	-	-	-	-	**16,627,199**

	Engineering and construction	Concession-type infrastructure				Industrial prod.	
Item	Eng. and const.	Solar	Water	Trans.	Cog. and other	Biofuels	Balance as of 12.31.15
Liabilities allocated							
L-T and S-T corpor. financing	1,602,848	619,930	102,988	357,352	134,390	2,811,537	5,629,045
L-T and S-T project debt	136,985	337,109	78,376	1,712,168	453,945	351,523	3,070,106
L-T and S-T lease liabilities	21,827	-	-	-	-	14,715	36,542
Subtotal allocated	**1,761,660**	**957,039**	**181,364**	**2,069,520**	**588,335**	**3,177,775**	**8,735,693**
Unallocated liabilities							
L-T Other loans and borrowings	-	-	-	-	-	-	902,484
L-T grants and other liabilities	-	-	-	-	-	-	234,193
L-T and S-T provisions and contingencies	-	-	-	-	-	-	68,554
L-T derivative financial instruments	-	-	-	-	-	-	38,002
Deferred tax liabilities	-	-	-	-	-	-	317,689
L-T personnel liabilities	-	-	-	-	-	-	3,631
Other current liabilities	-	-	-	-	-	-	4,682,615
Liabilities held for sale	-	-	-	-	-	-	1,191,423
Subtotal unallocated	-	-	-	-	-	-	**7,438,591**
Total liabilities	-	-	-	-	-	-	**16,174,284**
Equity unallocated	-	-	-	-	-	-	**452,915**
Total liabilities and equity unallocated	-	-	-	-	-	-	**7,891,506**
Total liabilities and equity	-	-	-	-	-	-	**16,627,199**

	Engineering and construction	Concession-type infrastructure				Industrial prod.	
Item	Eng. and const.	Solar	Water	Trans.	Cog. and other	Biofuels	Balance as of 12.31.14
Assets allocated							
Intangible assets	396,309	276	6,775	-	915	1,164,099	1,568,374
Property plant and equipment	275,952	23,113	4,761	-	-	983,487	1,287,313
Fixed assets in projects		2,111,631	484,317	2,273,131	321,102	998,184	6,188,365
Current financial investments	711,312	87,237	9,403	30,694	8,775	201,132	1,048,553
Cash and cash equivalents	498,629	339,434	36,585	119,428	34,143	782,594	1,810,813
Subtotal allocated	**1,882,202**	**2,561,691**	**541,841**	**2,423,253**	**364,935**	**4,129,496**	**11,903,418**
Unallocated assets							
Non-current and associated financ. invest.	-	-	-	-	-	-	997,748
Deferred tax assets	-	-	-	-	-	-	1,503,609
Other current assets	-	-	-	-	-	-	2,451,705
Assets held for sale	-	-	-	-	-	-	8,390,115
Subtotal unallocated	-	-	-	-	-	-	**13,343,177**
Total Assets	-	-	-	-	-	-	**25,246,595**

	Engineering and construction	Concession-type infrastructure				Industrial prod.	
Item	Eng. and const.	Solar	Water	Trans.	Cog. and other	Biofuels	Balance as of 12.31.14
Liabilities allocated							
L-T and S-T corpor. financing	1,351,648	983,267	105,978	362,154	98,904	2,267,006	5,168,957
L-T and S-T project debt	6,082	1,722,176	517,975	1,770,138	465,041	476,702	4,958,114
L-T and S-T lease liabilities	14,494	-	-	-	-	20,497	34,991
Subtotal allocated	**1,372,224**	**2,705,443**	**623,953**	**2,132,292**	**563,945**	**2,764,205**	**10,162,062**
Unallocated liabilities							
L-T Other loans and borrowings	-	-	-	-	-	-	121,402
L-T grants and other liabilities	-	-	-	-	-	-	212,606
L-T and S-T provisions and contingencies	-	-	-	-	-	-	87,879
L-T derivative financial instruments	-	-	-	-	-	-	225,298
Deferred tax liabilities	-	-	-	-	-	-	281,797
L-T personnel liabilities	-	-	-	-	-	-	56,659
Other current liabilities	-	-	-	-	-	-	5,972,202
Liabilities held for sale	-	-	-	-	-	-	5,480,518
Subtotal unallocated	-	-	-	-	-	-	**12,438,361**
Total liabilities	-	-	-	-	-	-	**22,600,423**
Equity unallocated	-	-	-	-	-	-	**2,646,172**
Total liabilities and equity unallocated	-	-	-	-	-	-	**15,084,533**
Total liabilities and equity	-	-	-	-	-	-	**25,246,595**

The criteria used to obtain the assets and liabilities per segment, are described as follows:

› With the only objective of presenting liabilities by segment, Net Corporate Debt has been allocated by segments, since its main purpose is to finance investments in projects and in companies needed to expand businesses and lines of activity of the Group (see Note 19). Additionally, bridge loans issued at the corporate level has been allocated between different operating segments depending on the projects where funds have been destinated.

c) The investments in intangible assets, property, plant and equipment and fixed assets in projects for the years, 2015 and 2014 is as follows:

Item	2015	2014
Engineering and construction		
Engineering and construction	103,364	133,630
Total	103,364	133,630
Concession-type infraestructure		
Solar	674,126	811,637
Water	664,771	99,356
Transmission lines	120,799	487,887
Cogeneration and other	460,052	612,726
Total	1,919,748	2,011,606
Industrial production		
Biofuels	134,433	127,228
Total	134,433	127,228
Total investments by segment	2,157,545	2,272,464
Discontinued operations	23,860	307,093
Total	2,181,405	2,579,557

d) The distribution of depreciation, amortization and impairment charges by segments for the years 2015 and 2014 is as follows:

Item	2015	2014
Engineering and construction		
Engineering and construction	163,981	138,145
Total	163,981	138,145
Concession-type infraestructure		
Solar	155,605	90,230
Water	38,609	3,996
Transmission lines	234,871	34,838
Cogeneration and other	997	10,906
Total	430,082	139,970
Industrial production		
Biofuels	220,263	196,749
Total	220,263	196,749
Total	814,326	474,864

(*) Includes a loss for the impairment on certain asset affected by current situation of the company that led to submission of the communition underr y article 5 bis of the Ley Concursal for an amount of €301 million (see Note 2.1.1).

5.2. Information by geographic areas

a) The revenue distribution by geographical region for the years, 2015 and 2014 is as follows:

Geographical region	2015	%	2014	%
- North America	1,520,781	26%	2,253,624	32%
- South America (except Brazil)	1,296,814	23%	1,301,816	18%
- Brazil	843,109	15%	874,687	12%
- Europe (except Spain)	643,036	11%	892,872	13%
- Other regions	645,055	11%	938,517	13%
- Spain	806,687	14%	889,051	12%
Consolidated Total	5,755,482	100%	7,150,567	100%
Outside Spain amount	4,948,795	86%	6,261,516	88%
Spain amount	806,687	14%	889,051	12%

b) The net book value of Intangible assets and Property, plant and equipment by geographical region as of December 31, 2015 and 2014 is as follows:

Geographic region	Balance as of 12.31.15	Balance as of 12.31.14
Spain	684,669	825,364
- North America	1,085,114	1,076,259
- South America (except Brazil)	35,862	34,243
- Brazil	280,394	380,905
- Europe (except Spain)	497,240	508,712
- Other regions	16,772	30,204
Foreign market	1,915,382	2,030,323
Total	2,600,051	2,855,687

c) The net book value of fixed assets in projects by geographic region as of December 31, 2015 and 2014 is as follows:

Geographic region	Balance as of 12.31.15	Balance as of 12.31.14
Spain	253,643	1,643,547
- North America	541,607	578,763
- South America (except Brazil)	145,264	2,350
- Brazil	2,141,947	3,289,310
- Europe (except Spain)	126,803	145,633
- Other regions	150,399	528,762
Foreign market	3,106,020	4,544,818
Total	3,359,663	6,188,365

Note 6.- Changes in the composition of the Group

6.1. Changes in the consolidation group

a) In 2015 a total of 44 subsidiaries (84 in 2014), 4 associates (3 in 2014) and 5 joint ventures (5 in 2014), were included in the consolidation group, which are identified in Appendices I, II, III, XII, XIII and XIV to these Consolidated Financial Statements.

These changes did not have a significant impact on the overall consolidated amounts in 2015 and 2014.

In addition, during 2015, 5 joint ventures were included in the Consolidation perimeter (UTE), (19 in 2014), 3 of them with partners which do not being to the Group, have commenced their activity or have started to undertake a significant level of activity.

The amounts set out below represent the Group's proportional interest in the assets, liabilities, revenues and profits of the UTE with non Group partners, which have been included in the Consolidated Financial Statements in 2015 and 2014:

Item	2015	2014
Non-current assets	6,828	8,354
Current assets	115,138	124,096
Non-current assets liabilities	18,477	7,421
Current liabilities	103,488	119,248

Item	2015	2014
Revenue	57,682	40,510
Expenses	(47,566)	(36,148)
Profit (loss) after taxes	10,116	4,362

b) During the year ended December 31, 2015 a total of 17 subsidiaries were no longer included in the consolidation perimeter (14 in 2014), no associates (2 in 2014) and two joint ventures (1 in 2014), which are identified in Appendix IV, V and VI and which did not have any material impact in the Consolidated Income Statement, except for disposals mentioned in Note 6.3b).

During 2015, 38 UTE, (2 in 2014), which do not belong to the Group, were excluded from the consolidated group because they had ceased their activities or had become insignificant in relation to overall group activity levels. The proportional consolidated revenues of these UTE in 2015 (were null in 2014).

c) During the year 2015, Kaxu Solar One, Ltd. and Helioenergy 1 and 2, which were recorded under the equity method in the Consolidated Financial Statements as of December 31, 2014, started to be consolidated after we gained control over them (see Note 6.4). Both Kaxu Solar One, Ltd, Helioenergy 1 and 2 have been incorporated to Atlantica Yield´s consolidation perimeter at the end of 2015 which is recorded under the equity method (see Note 7.1.a and Note 11).

d) As a result of the sale of the Atacama I Project to APW-1 (see Note 7.1), this project which was fully consolidated, has begun to be consolidated by the equity method once post control

e) At year-end 2015, Atlantica Yield and its subsidiaries, which were consolidated into the Consolidated Financial Statements (classified as assets and liabilities held for sale and discontinued operations), started to be recorded by the equity method after we lost control over those companies (see Note 7.1.a).

f) At year-end 2015, Rioglass Solar and its subsidiaries, which were consolidated into the Consolidated Financial Statements for the year 2014, started to be recorded by the equity method after we lost control over those companies (see Note 6.3.b).

g) In December 2014, full consolidation of Abengoa Bioenergy Biomass of Kansas, LLC and Mojave Solar, LLC (this last included in the Atlantica Yield´s consolidation perimeter and classified at the end of 2014 as a discontinued operation(See Note 7)), previously accounted for under the equity method, began after we gained control of these entities (see Note 6.4).

6.2. Initial public offering of Atlantica Yield.

The divestment of a 13% stake ended on January 22, 2015, decreasing in this way the Abengoa´s interest over Atlantica Yield via the sale in an underwritten public offering of 10,580,000 ordinary shares in Atlantica Yield (including 1,380,000 shares sold pursuant to the exercise in full of the underwriters' over-allotment option) at a price of USD 31 per share, bringing the holding in Atlantica Yield to 51%. This sale generated USD 328 million (€291 million) before underwritten public offering expenses and fees, USD 312 million (€277 million) after discounting expenses and fees, for Abengoa. As a result of the underwritten public offering, Abengoa registered a positive impact on equity for an amount of €60 million accounted as retained earnings, for the difference between the net proceeds and the book value of the net assets transferred.

On July 14, 2015, Abengoa sold 2,000,000 shares at a price of USD 31 per share of Atlantica Yield for USD 62 million (€55 million), before expenses and fees, and USD 61 million (€54 million) after discounting expenses and fees, reducing its stake in Atlantica Yield to 49.05%. As a result of the transaction, Abengoa recorded a positive impact on equity amounting to €11 million, recognized as retained earnings reserve, for the difference between the net proceeds and the book value of the net assets transferred.

As a result of the conversion of the Exchangeable Notes (see Note 20.3), Abengoa's stake in Atlantica Yield is 41.86% as of December 31, 2015.

Regarding the bonds exchangeable into Atlantica Yield shares (see Note 20.3), from January 1, 2016 to March 30, 2016, a nominal amount of USD 13 million in Exchangeable Notes were converted, which represents 381,918 shares of Atlantica Yield (see Note 20.3). As a result, Abengoa's stake in Atlantica Yield has decreased to 41.48%.

December 31, 2015, has been considered following the Company's plan to reduce the participation and modification of the Corporate Governance structure of Atlantica Yield during the year, as the effective date on which control over subsidiaries was lost, and therefore, all its subsidiaries, which were fully Consolidated in the financial statements of Abengoa in 2014 (classified as assets and liabilities held for sale and discontinued operations), have begun to be integrated by the equity method (see Note 7.1.a), accordance with IFRS 10 "Consolidated financial statement".

6.3. Main acquisitions and disposals

a) Acquisitions

- There were no significant acquisitions during the years, 2015 and 2014, in addition to the Helioenergy 1 and 2 solar assets described in Note 6.4.

b) Disposals

- During 2015 financial year, Abengoa has closed the sale of certain assets to Atlantica Yield, pursuant to the plan to accelerate the sale of assets approved at the end of 2014 and the beginning of 2015 (see Note 7.1), which was made in compliance with the Right of First Offer agree the details of asset transferred to Atlantica Yield are described below:

  - On December, 2014, Atlantica Yield closed the acquisition of Solacor 1 and Solacor 2 and PS10 and PS 20 (thermo-solar assets with a combined capacity of 131 MW located in Spain) and Cadonal (wind farm of 50 MW, located in Uruguay). The first acquisition of assets has been completed for a total amount of USD 312 million and it was made pursuant to the Right of First Offer agreement signed between the two companies.

  - During February 2015, full stake held in Skikda and Honnaine (two desalination plants in Algeria), as well as 29.6% of the stake held in Helioenergy 1 and 2 (thermo-solar assets in Spain) was sold. The sale of assets has been completed for a total amount of €79.5 million. Related to the aforementioned desalination plants in Algeria, we also entered into a two year call and put option agreement with Atlantica Yield under which Atlantica Yield has a put option right to require Abengoa to purchase back these assets at the same price paid by them and Abengoa has call option right to require them to sell back these assets if certain indemnities and guarantees provided by Abengoa related to past circumstances reach a certain threshold.

    Furthermore, on June 25, 2015, the sale of the full stake held in transmission lines in Peru (ATN2) (40% stake) has been closed. The sale of assets has been completed for a total amount of €30.1 million.

    As a result of this transaction, Abengoa registered a negative impact of €6 million, recognized in retained earnings reserves, related to the difference between the amount received from the sale, net of expenses, and the net book value of the transferred assets without impact on the consolidated equity.

  - On the other hand, as of May 11, 2015, Abengoa reached an agreement with Atlantica Yield to sell a third asset package for total cash proceeds of approximately €610 million (ROFO 3). The transaction was approved by both Atlantica Yield and Abengoa's Board of Directors. Abengoa subscribed a 51 % of the capital increase that Atlantica Yield has placed to finance this acquisition, resulting in a net cash outflow for Abengoa of USD341.7 million (€311 million).

    Regarding this third package, full stake held in Helios 1 and 2 (100 MW solar complex), Solnova 1, 3 and 4 (150 MW solar complex) and the remaining 70.4% stake in Helioenergy 1 and 2, all in Spain, have been sold at the end of May. The sale of assets was completed for a total amount of €503.6 million. In relation to Helioenergy 1 and 2, as mentioned before, 29.6% of the stake held by Abengoa had been sold to Atlantica Yield during February 2015 (Abengoa held a 50% stake at the end of 2014) and the acquisition of the 50% stake held by external partners was closed prior to the sale of the remaining stake held by Abengoa (see Note 6.4).

    As a result of this transaction, Abengoa registered a negative impact of €61 million, recognized in retained earnings reserves, related to the difference between the amount received from the sale, net of expenses and the net book value of the transferred assets without impact on the consolidated equity.

- Additionally, the third asset package included the sale of 51% stake in Kaxu (100 MW solar complex) in South Africa, which was closed on July 30, 2015, for a total amount of USD 120 million (€109.2 million).

  As a result of this transaction, Abengoa registered a negative impact €19 million, recognized in retained earnings reserves, related to the difference between the amount received from the sale net of expenses and the net book value of the transferred assets without impact on the consolidated equity.

- As of July 27, 2015 Abengoa has reached an agreement with Atlantica Yield to sell a fourth asset package (ROFO 4) comprised of two renewable assets. The sale of those assets to Atlantica Yield has been closed for €277 million. The payment of €19 million is outstanding as of December 31, 2015. In opinion of the Directors it is expected to be collected in the short term. The assets consist of Solaben 1 and 6 (100MW solar complex), located in Spain and in operation since 2013, which has recently been rated by S&P as BBB. On September 30, 2015, the assets closed their refinancing in the capital markets and the sale to Atlantica Yield was completed. As a result of the aforementioned refinancing, Abengoa had an additional net cash inflow of €71 million (€25 million on September 30, 2015 and €46 million on October 1, 2015).

  As a result of this transaction, Abengoa registered a negative impact of €7 million, recognized in retained earnings reserves, related to the difference between the amount received from the sale net of expenses and the net book value of the transferred assets without impact on the consolidated equity.

The following table summarizes the assets transferred to Atlantica Yield under the ROFO agreements:

ROFO	Proyecto
ROFO 1	Solacor 1 and 2
ROFO 1	PS10 and PS20
ROFO 1	Cadonal
ROFO 2	Skikda
ROFO 2	Honnaine
ROFO 2 y 3	Helioenergy 1 and 2
ROFO 2	ATN2
ROFO 3	Helios 1 and 2
ROFO 3	Solnova 1, 3 and 4
ROFO 3	Kaxu Solar One
ROFO 4	Solaben 1 and 6

- During December 2015, and as a consequence of the agreement reached with the holder non-controlling shareholder of Rioglass Solar, control over the company was transferred. Accordingly, as established by NIIF 10, Consolidated Financial Statements, the loss of control over the company and its subsidiaries led to the recognition from the financial statements of all the assets and liabilities related to those companies at their book values at the date when control was lost as well as all non-controlling interest on those companies. Additionally, the investment retained was recognized at its fair value at the date when control was lost. This operation had no significant impact in the Consolidated financial statement at the end of 2015

- During May 2015, the Company has concluded the sale of the stake of 51% in Linha Verde Transmissora de Energia S.A. ("Linha Verde"). This operation is detailed in Note 7.2 on discontinued operations and assets held for sale.

6.4. Business combinations

- Consolidation of Kaxu Solar One, Ltd., the company that owns the thermo-solar plant in Kaxu, in South Africa, previously accounted through the equity method, began during February 2015, once control over this company was obtained as it entered a stage in which relevant decisions were no longer subject to the control and approval of the Public Administration. This change of control of the company and its consolidation means that its assets and liabilities have been integrated according to IFRS 3 ('Business combinations') with no significant differences arising between the book value in Abengoa's consolidation and its fair value.

  The assets and liabilities related to Kaxu Solar One, Ltd. consolidated at the date of control acquisition are shown in the following table:

	Amount at the date of taking control
Non-current assets	502,807
Current assets	16,002
Non-current and current liabilities	(480,084)
Equity	(38,725)

Furthermore, there were no significant contingent liabilities in the above project. Lastly, revenue and profit or loss of Kaxu Solar One, Ltd since the taking of control through December 31, 2015 are €44,968 thousand and a loss of €19,815 thousand, respectively. The aforementioned amounts of revenue and profit or loss for the current reporting period, as though the taking control date would have occurred on January 1, 2015, do not differ significantly from those recorded since the date when control was obtained outlined above.

The sale of Kaxu Solar One to Atlantica Yield was closed on July 30, 2015, in compliance with the Right of First Offer agreement signed between Abengoa and Atlantica Yield (see Note 6.3).

At the end of the year ended December 31, 2015, as Kaxu Solar One, Ltd became an Atlantica Yield´s subsidiary and has been integrated by the equity method within the Consolidated statements of financial position (see Note 7.1.a and Note 11).

- Consolidation of project companies Helioenergy 1 and 2 (thermo-solar assets with a capacity of 100MW in Spain), previously accounted through the equity method, began on April 29, 2015, once control over these companies was obtained as result of the acquisition of the 50% stake hold from external partners, bringing the holding in Helioenergy 1 and 2 to 100%.This acquisition brought Abengoa a cash outflow of €38.8 million. This change of control of the companies and consequently their consolidation means that their assets and liabilities have been integrated according to IFRS 3 ('Business combinations') with no significant differences arising between the book value in Abengoa's consolidation and their fair value.

The amount of assets and liabilities related to Helioenergy 1 & 2 consolidated at the date of taking control is shown in the following table:

	Amount at the date of taking control
Non-current assets	508,378
Current assets	46,766
Non-current and current liabilities	(368,203)
Equity	(186,941)

Furthermore, there were no significant contingent liabilities in the above projects. Lastly, revenue and profit or loss of Helioenergy 1 & 2 since the taking of control was €44,805 thousand and an income of €4,856 thousand, respectively. The aforementioned amounts of revenue and profit or loss for the current reporting period, as though the taking control date had occurred on January 1, 2015, were €57,690 thousand and an income of €5,088 thousand, respectively.

In addition, during 2015 the sale of Helioenergy 1 & 2 to Atlantica Yield has been closed, in compliance with the Right of First Offer agreement signed between Abengoa and Atlantica Yield (see Note 6.3).

Therefore, at the end of year 2015, as Helioenergy 1 & 2 became an Atlantica Yield's subsidiaries and have been integrated by equity method within the Consolidated statements of financial position (see Note 7.1.a and Note 11).

- Full consolidation of Abengoa Bioenergy Biomass of Kansas, LLC, the company that owns the assets and liabilities of the second-generation biofuels plant in Hugoton, USA, previously accounted through the equity method began in December 2014 once control over this company was obtained as it entered a stage in which relevant decisions are no longer subject to the control and approval of the Administration. This change of control of the company and consequently its full consolidation means that all its assets and liabilities have been integrated according to IFRS 3 ('Business combinations') with no significant differences arising between the book value in Abengoa's consolidation and its fair value.

The amount of assets and liabilities related to Abengoa Bioenergy Biomass of Kansas, LLC consolidated as of December 31, 2014 is shown in the following table:

Item	As of December 31, 2014
Non-current assets	686,253
Current assets	16,229
Non-current and current liabilities	(151,446)
Equity	(551,036)

Furthermore, there were no significant contingent liabilities in the above project. Lastly, revenue and profit or loss of Abengoa Bioenergy Biomass of Kansas, LLC since the taking of control was zero. The aforementioned amounts of revenue and profit or loss for the current reporting period, as though the taking control date had occurred on January 1, 2014, were €246 thousand and a loss of €632 thousand, respectively.

- Additionally, full consolidation of Mojave Solar, LLC, the company that owns the assets and liabilities of the thermo-solar plant in Mojave, USA, previously accounted through the equity method, began in December 2014 once control over this company was obtained as it entered a stage in which relevant decisions are no longer subject to the control and approval of the Administration. This change of control of the company and consequently its full consolidation means that all its assets and liabilities have been integrated according to IFRS 3 ('Business combinations') with no significant differences arising between the book value in Abengoa's consolidation and its fair value.

The amount of assets and liabilities related to Mojave Solar, LLC, consolidated as of December 31, 2014 is shown in the following table:

Item	As of December 31, 2014
Non-current assets	1,308,901
Current assets	7,829
Non-current and current liabilities	970,172
Equity	(364,558)

At the end of 2014, Mojave Solar, LLC is included in the Atlantica Yield consolidation group and classified as discontinued operation in accordance with the requirements of IFRS 5 (see Note 7). Therefore, Abengoa's Consolidated Financial Statements as of December 31 2014 include Mojave Solar, LLC's assets and liabilities under a single heading in Assets held for sale and liabilities held for sale within the Consolidated statements of financial position and the results generated (since it was incorporated to Atlantica Yield´s consolidation perimeter) under a single heading "Profit (loss) from discontinued operations, net of tax" within the Consolidated income statement of 2014.

At the end of the year 2015, the company, was an Atlantica Yield´s subsidiary and has begun to be accounted by the equity method (See Note 7.1 and Note 11).

Note 7.- Non-current assets held for sale and discontinued operations

7.1. Plan to further optimize Abengoa financial structure

On December 15, 2014, Abengoa´s Board of Directors approved a plan to further improve its financial structure through three main initiatives:

› Reduce its stake in Atlantica Yield.

› Accelerate the sale of assets to Atlantica Yield.

› The creation of a joint venture with external equity partners that will invest in a portfolio of contracted assets under construction as well as in new contracted assets under development.

Following the plan to optimize Abengoa Financial Structure, on September 23, 2015, Abengoa's Board of Directors approved a package of strategic measures that will be adapted following the execution of the plan, aimed at reducing corporate leverage, improving the liquidity position of Abengoa and strengthening its corporate governance. The main elements to be implemented under this plan include the reinforcement of the current asset disposal program to raise at least approximately €1,200 million by the end of 2016 including the following divestment options:

› Atlantica Yield: continuance of the plan launched at the end of 2014 through the reduction of its stake and loss of control, as well as the sale of assets to Atlantica Yield. The new strategic measure aimed to either the monetization of some or all of Abengoa's economic rights or the sale through a private process of some or all of Abengoa's interest in Atlantica Yield, while keeping the existing ROFO ("Right of First Offer") agreement in place.

› Asset rotation: continuance of the plan initiated at the end of 2014 by means of the creation of a joint venture with external equity partners to divest in assets. The new strategic measure consists of the sale or partial divestment in case of external equity partners, which includes the sale of a diverse list of assets including combined-cycle plants, cogeneration, solar plants and other concessional assets.

These initiatives and their main effects in relation to the reclassification of the 'Assets and liabilities held for sale and discontinued operations' in the Consolidated statements of financial position and the Consolidated Income Statement as of December 31, 2015 and December 31, 2014 are described below.

a) Atlantica Yield

Reduction of stake

The plan to reduce the stake in Atlantica Yield was initiated at year end 2014 with the approval of the Abengoas' Board of Directors, has been carried out during 2015, by the following steps:

› An initial stage to divest a 13% stake ended on January 22, 2015, via the sale in an underwritten public offering of 10,580,000 ordinary shares in Atlantica Yield, bringing the holding in Atlantica Yield to 51% (see Note 6.2).

› On July 14, 2015, Abengoa sold 2,000,000 shares in Atlantica Yield at a price of USD 31.00 per share for a total price of USD 62 million, bringing the holding in Atlantica Yield to 49.05% (see Note 6.2).

› On the other hand, as a consequence of the exchange notices received from holders and exchanged by the Company as of December 31, 2015 regarding Abengoa´s Exchangeable Bond, Abengoa´s shareholding in Atlantica Yield reached 41.86%. This reduction in Abengoa´s shareholding motivated the decrease of Abengoa´s representation in Atlantica´s Board of Directors by one Director according to the Company´s Articles of Association (see Note 6.2).

- Finally, without being a decrease of Abengoa's interest as of even though it did not constitute a reduction of stake, on December 24, 2015, the Company entered into a loan agreement for an amount of €106 million and with a final maturity date of March 17, 2016 with a group of financial entities (See Note 20). The loan has been used for general corporate purposes. As security for the loan, 17,334,598 shares in Atlantica Yield held by the Group have been pledged. Additionally, in compliance with the obligations assumed by the Company under the loan agreement entered into September 23, 2015 drawn down for an amount of €125 million (see Note 20), certain other shares of Atlantica Yield held by the Group have been pledged as security for such financing (8,196,245 shares). As of December 31, 2015, the amount of Atlantica Yield shares granted as security of the aforementioned financing arrangements and the Secured Term Facility Agreement entered into by Abengoa Concessions Investments Limited in October 2015 amounts 39,530,843 shares which represents, approximately, a 39.5% of Atlantica Yield shares in issue.

Loss of control

The Board of Directors approved at the end of 2014 a plan to lose control over Atlantica Yield mainly through the modification of its Corporate Governance structure, aimed to limit Abengoa control in the Shareholders General Meeting and the Board of Directors by means of the limitation on its voting rights and reinforcement of the role of independent directors, in addition to the plan to reduce the stake in Atlantica Yield pointed out above.

December 31, 2015, as a consequence of the important modifications in the Corporate Governance structure, and the significant reduction of shares to 41.86% (during December 2015, they were reduced by 5.5% as a consequence of conversion of convertible notes maturing on 2017) which have motivated the loss of the majority of the Abengoa´s representation in Atlantica Yield´s Board of Directors, has been considered as effective date of loss of control over this subsidiary, and it has been consolidated by the equity method. Atlantica Yield was presented as an operating segment within the Concession-Type Infrastructures activity during 2014 until the date of the loss of control since December 31, 2014 and until December 31, 2015 it was classified as discontinued operation. Due to the significance that the activities carried out by Atlantica Yield had for Abengoa, the loss of control of this shareholding is considered as a discontinued operation in accordance with the stipulations and requirements of IFRS 5, 'Non-Current Assets Held for Sale and Discontinued Operations'.

Thus, in accordance with IFRS 10 "Consolidated Financial Statements", the Company has recorded the loss of control, derecognizing the assets and liabilities of this shareholding at their book values as well as non-controlling interest.

Additionally, assets and liabilities resulting from the loss of control as well as the stake retained by Abengoa in Atlantica Yield have been valued at their fair values as of the date of the loss of control.

Hence, and provided that Atlantica Yield shares are quoted, since June 2014, in the NASDAQ Global Select Market according to IFRS 13 "Fair value measurement" since a quoted price in an active market is available (level 1), fair value was calculated taking in consideration Atlantica Yield quoted prices as of the date of the loss of control which was USD19.29.

The impact of all what has been mentioned above amounts to €18 million recognized a loss in the profit/loss for the year attributable to the parent Company. The breakdown of that impact is the following:

Item	2015
Profit and loss attributable to Atlantica Yield	(178,765)
Addition/disposal of assets/liabilities and retained participation fair value	34,511
Profit and loss attributable to non controlling interest	126,191
Profit and loss attributable to parent company for discontinued operations	(18,063)

Even though as of December 31, 2015 Atlantica Yield has been consolidated under the equity method, and as a consequence, is not appropriate to give information under this section, all income generated during 2015 has been reclassified to the above-mentioned caption, because it has been considered to be a discontinued operation during the whole fiscal year in accordance with IFRS 5

As of December 31, 2015 and 2014 the breakdown of assets and liabilities of the consolidated financial position of Atlantica Yield, integrated by the equity method is as follows:

Item	2015	2014
Fixed assets in projects	8,554,873	5,574,324
Investments in associates	49,880	4,136
Financial investments	92,152	43,623
Deferred tax assets	173,118	58,465
Current assets	873,135	580,441
Project debt	(5,648,284)	(3,457,156)
Other non-current liabilities	(2,059,018)	(1,263,060)
Other current liabilities	(178,444)	(102,539)
Total net assets and liabilities held for sale	1,857,412	1,438,234

Additionally, below is the breakdown of the income statement of Atlantica Yield for the years 2015 and 2014 which has been classified in "Profit/loss from discontinued operations, net of tax"

	2015	2014
Revenue	712,876	273,679
Other operating income	62,355	59,328
Operating expenses	(464,646)	(202,284)
I. Operating profit	310,585	130,723
II. Financial expense, net	(474,990)	(148,935)
III. Share of profit/(loss) of associates carried under the equity method	7,240	(580)
IV. Profit before income tax	(157,165)	(18,792)
V. Income tax benefit	(21,600)	(3,411)
VI. Profit for the period from continuing operations	(178,765)	(22,203)
VII. Profit attributable to minority interests	(9,923)	(1,762)
VIII. Profit for the period attributable to the Parent Company	(188,688)	(23,965)

Adictionally, for the years ended December 31, 2015 and 2014, the cash flow statement related to Atlantica Yield is as follows:

Item	2015	2014
Profit for the year from continuing operations	(178,765)	(22,203)
I. Profit for the year from continuing operations adjusted by non monetary items	483,718	197.145
II. Variations in working capital	65,854	(51.301)
III. Interest and income tax received / paid	(279,631)	(112.941)
A. Net cash provided by operating activities	269,941	32.903
B. Net cash used in investing activities	(838,122)	(260.438)
C. Net cash provided by financing activities	730,934	229.708
Net increase/(decrease) in cash and cash equivalents	162,753	2.173
Cash, cash equivalents and bank overdrafts at beginning of the year	291,413	259,855
Translation differences cash or cash equivalent	19,699	29.385
Cash and cash equivalents at end of the year	473,865	291,413

b) Asset rotation

Initial plan of asset rotation

At the end of 2014 Abengoa´s Board of Directors approved, within the plan to optimize its financial structure, a plan to rotate assets through the creation of a joint venture with external equity partners that would invest in a portfolio of contracted assets under construction and development. Related to this plan, on December 11, 2014, the company reached a non-binding agreement with the infrastructure fund EIG Global Energy Partners ('EIG') to jointly invest in a new company to which Abengoa would contribute its shareholdings in a series of holding companies of concessional projects.

Based on this agreement, the new company would be jointly managed, although EIG would hold a majority stake in the new company. Once the agreement was completed and the projects transferred to the Newco, Abengoa would no longer have a controlling interest in the assets. Given that as of December 31, 2014, the companies associated with previous projects were available for immediate sale and the sale was highly probable, the Company classified the associated assets and liabilities as held for sale in the Consolidated Statement of Financial Position as of December 31, 2014. Those assets relate to renewable and conventional power generation (Atacama I project in Chile, Abent 3T & ACC4T projects in Mexico) and power transmission assets in Brazil.

Following the agreement reached with EIG, on April 7, 2015 the company Abengoa Projects Warehouse I, LLP (APW-1) was incorporated under the English and Wales law, reaching therefore the final agreement to establish a Joint Venture (JV) to finance the construction of the aforementioned projects.

APW-1 capital structure consists of 55% invested by EIG and a remaining non-controlling interest of 45% by Abengoa. This company is jointly managed, so once the aforementioned projects are acquired by the JV, Abengoa would no longer have a controlling interest in these assets

In connection with the acquisition of asset by JV APW-1, It is considered relevant that on April 2015, the first of the committed contribution by the agreement has been achieved, which specifically corresponds to the 100% interest on CSP Atacama 1 and PV Atacama 1 (solar plant project companies located in the Atacama Desert, Chile, which combine tower technology based on molten salts (110 MW) and photovoltaic (100 MW)). The aforementioned projects, which until then were consolidated in the Consolidated Financial Statements, started to be recorded under the equity method after Abengoa no longer had a controlling interest in such projects, and Abengoa and EIG started to control them jointly. The first acquisition of assets has been completed for a net cash inflow for Abengoa of €194.9 million.

The loss of control of the above companies and consequently their recognition under the equity method, was accounted for through the derecognition of all its assets and liabilities from the Consolidated Financial Statements, as well as the recognition of the fair value of both the consideration received as a percentage of the investment retained, according to IFRS 10 'Consolidated Financial Statements'; with no significant differences arising from this loss of control in the Consolidated Income Statement.

Furthermore, in relation to the sale to APW-1 of a minority interest contribution of the power transmission line assets in Brazil currently under construction, at the end of June 2015, the sale of shares representing a 44.54% stake in the holding company of the aforementioned assets has been closed (the percentage will be diluted to reach the 32.9% though future capital contribution to be made by Abengoa). According to the stake sale contract, and, since Abengoa has full filled the conditions to which the operation was subject to, it has generated a receivable credit amounting to €243.1 million (related to the percentage invested by EIG percentage of invest) whose collection will be performed along the full filment of the preceding conditions established in the contract, among which, the closing of the long-term finance is with the long-term project finance closing of each project included in the agreement (see Note 12). As a result, Abengoa will keep retaining the control over the holding company of the projects (74.54% stake), which are being consolidated in the Consolidated Financial Statements. At the end of the year 2015, as a consequence of both the current situation of the Company´s operations in Brazil and a contingent obligation, which arose in December 2015, giving rise to potential buyback of the shares of the transmission line assets sold, Abengoa has recorded a financial liability amounting to €243.1 million (see Note 20.6).

After the end of the year, and taking into account the current situation of the company which has resulted in the filing of the communication provided by the article 5 bis of the Ley Concursal, the Company is in process of reaching an understanding with EIG which regulates the relationship between both parties about the contribution transferred to date considering the global agreement initially signed which resulted to the establishment of APW-1.

Lastly, and in relation to Abent 3T & ACC4T projects companies' contribution to the JV APW-1, while we had agreed to a transaction price with EIG of approximately €308.6 million, as of July 31, 2015, the exclusivity period with EIG expired, without any concrete agreement. This fact allows us to start negotiations to sale these assets with third parties. Thus, these projects have been included in the divestment plan described below, and we are actively exploring the sale of this asset to other potential buyers.

New plan of asset rotation

The new plan of asset rotation is a continuation of the plan started at the end of 2014, which has been reinforced by Abengoa, as approved by Abengoa's Board of Directors on September 23, 2015. Further implementation of the plan will be carried out through the sale or partial divestment, in case of external equity partners, of certain assets. This plan includes the sale of a diverse list of assets including combined-cycle plants, cogeneration, solar plants and other concessional assets. Those assets include the projects included in the initial plan and whose divestment has not been completed on September 23, 2015, and additional projects included in the new plan.

The table below provides a breakdown of identified assets included in the plan. The companies associated with the projects are available for immediate sale and the sale is highly probable. Therefore, until the closing of the sale transaction, the assets are reported as held for sale in accordance with the stipulations and requirements of IFRS 5, 'Non-Current Assets Held for Sale and Discontinued Operations'.

Asset	Details	Capacity
Cogeneration	2 cogeneration plants in Brazil	140 MW
Solar Power Plant One (SPP1)	Combine cycle in Algeria	150 MW
Manaus Hospital / Concecutex	Concessions in Brazil and Mexico	300 beds / 10,000 people
Khi Solar One	Solar plant in South Africa	50 MW
Tenés / Ghana	Desalination plants	260,000m3/day
Abent 3T & ACC4T (**)	Cogeneration plant in Mexico	840 MW
Shams (*) (**)	Solar plant in Abu Dhabi	100 MW
Atacama 2 (**)	Solar platform in Chile	280 MW
San Antonio Water (**)	Water treatment and delivery plant in United States	175,000 m3/day
Ashalim	Solar plant in Algeria	110 MW
Norte III	Combine cycle in Mexico	924 MW
Nicefield S.A (**)	Wind farm in Uruguay	70 MW
ATN 3, S.A. (**)	Transmission lines in Peru	355 km
Photovoltaic (PV) plants	Solar plants in Spain	11.7 MW

(*) Sold during February 2016 (see Note 33.7)
(**)Companies related to assets held for sale at December 31, 2014. The circumstances and events happened out of the control of these companies since last August (see Note 2.1.1.) have delayed the rotation process. However, the intention of the Management remains in alienating of such companies.

The above-mentioned net assets and liabilities are accounted for at the carrying amount they had prior to being classified as held for sale, except for PV assets which are recorded at fair value after an impairment amounting to €13 million.

As of December 31, 2015 and 2014, the breakdown of the assets and liabilities included in the Consolidated Statements of Financial Position related to the assets rotation plan, reclassified to assets and liabilities held for sale, is as follows:

Item	Balance as of 12.31.15	Balance as of 12.31.14
Fixed assets in projects	3,021,586	1,710,429
Investments in associates	163,667	-
Financial investments	3,306	44
Deferred tax assets	11,298	47
Current assets	31,589	33,348
Project debt	(923,497)	(252,784)
Other non-current liabilities	(168,537)	(13,646)
Other current liabilities	(74,976)	(115,346)
Total net assets and liabilities held for sale	2,064,436	1,362,092

7.2. Assets held for sale shares in Linha Verde Transmissora de Energía, S.A.

During 2014 financial year, the Company signed with Centrais Elétricas do Norte do Brasil S.A (Eletronorte) a share purchase agreement to sell its 51% stake in Linha Verde Transmissora de Energía S.A. ('Linha Verde'), a company with a concession of an electric transmission line in Brazil which was in pre-operational stage. As of December 31, 2014, the sale was subject to the closing conditions customary for the sale of these types of assets.

Given that as of that date the subsidiary was available for immediate sale and the sale was highly probable, the Company classified the assets and liabilities of Linha Verde as held for sale in the Consolidated Statement of Financial Position as of December 31, 2014. Until closing of the sale transaction, the assets were classified as held for sale in accordance with the stipulations and requirements of IFRS 5, 'Non-Current Assets Held for Sale and Discontinued Operations'.

As of December 31, 2014, the breakdown of the assets and liabilities included in the Consolidated Statements of Financial Position related to Linha Verde and reclassified to assets and liabilities held for sale, are as follows:

Item	Balance as of 12.31.14
Fixed assets in projects	163,529
Deferred tax assets	834
Current assets	5,022
Project debt	(116,398)
Other current liabilities	(30,719)
Total net assets and liabilities held for sale	22,268

During May 2015, Abengoa closed the sale of the aforementioned stake for a total amount of 45.8 million Brazilian Real (approximately €13 million), which did not have any material impact in the Consolidated income statement.

Note 8.- Intangible assets

8.1. The detail of variations in 2015 of the main categories included in intangible assets divided into internally generated and other intangible assets is show as follows:

Cost	Goodwill	Development assets	Other	Total
Total cost as of December 31, 2014	487,645	1,063,405	295,478	1,846,528
Additions	-	125,764	27,026	152,790
Disposals and decreases	-	-	(41,527)	(41,527)
Translation differences	(80,645)	83,227	5,315	7,897
Change in consolidation	(38,909)	(1,064)	(101,388)	(141,361)
Reclassifications		(30,300)	593	(29,707)
Transfer to assets held for sale	(3,662)	-	-	(3,662)
Total cost as of December 31, 2015	364,429	1,241,032	185,497	1,790,958

Accumulated Amortization and Impairment	Goodwill	Development assets	Other	Total
Total amort. as of December 31, 2014	-	(192,587)	(85,567)	(278,154)
Additions	-	(62,534)	(29,783)	(92,317)
Disposals	-	-	1,024	1,024
Translation differences	-	(2,567)	(477)	(3,044)
Change in consolidation	-	919	26,741	27,660
Reclassifications	-	-	(150)	(150)
Total accum Amort. and Impairment as of December 31, 2015	-	(256,769)	(88,212)	(344,981)
Net balance at December 31, 2015	364,429	984,263	97,285	1,445,977

The decrease in the cost of goodwill is due to the conversion differences caused by the appreciation of the US dollar and the depreciation of the Brazilian real against the Euro, as well as the decrease of goodwill related to Rioglass Solar once lost its control and integrated by the equity method (see Note 6.3 and Note 11).

The increase in the cost of development assets is mainly due to the investment effort in research and development (see Note 8.3).

According to the information available to the Directors, and based on the best estimates, during the year 2015, an impairment charge of approximately €20 million related to Engineering and Construction segment, has been recognized in intangible assets mainly related to R&D investments amounting to €13 million due to its doubtful recovery given the current problems and the situation of the Company which has resulted in the filing of the communication provided by the article 5 bis of Ley Concursal (see Note 2.1.1 Basis of Presentation). The methodology used for the valuation of the impairment losses and discount rates are described in Note 2.8.

8.2. The detail of variations in 2014 of the main categories included in intangible assets divided into internally generated and other intangible assets is show as follows:

Cost	Goodwill	Development assets	Other	Total
Total cost as of December 31, 2013	476,059	311,444	273,285	1,060,788
Additions	-	91,020	36,236	127,256
Disposals and decreases	-	(1,886)	(3,254)	(5,140)
Translation differences	11,586	5,463	4,444	21,493
Change in consolidation	-	676,846	-	676,846
Reclassifications	-	(19,482)	647	(18,835)
Transferred to assets held for sale	-	-	(15,880)	(15,880)
Total cost as of December 31, 2014	487,645	1,063,405	295,478	1,846,528

Accumulated Amortization and Impairment	Goodwill	Development assets	Other	Total
Total amort. as of December 31, 2013	-	(146,651)	(72,026)	(218,677)
Additions	-	(42,985)	(34,492)	(77,477)
Disposals and decreases	-	-	21,059	21,059
Translation differences	-	(2,322)	(796)	(3,118)
Reclassifications	-	(629)	688	59
Total accum Amort. and Impairment as of December 31, 2014	-	(192,587)	(85,567)	(278,154)
Net balance at December 31, 2014	487,645	870,818	209,911	1,568,374

The increase in goodwill is due to the translation differences caused by the appreciation of the US Dollar and the Brazilian real against the Euro.

The increased cost of intangible assets is primarily due to investment in research and development projects (see Note 8.3) and to the change in the consolidation scope following the start-up and control of the Hugoton second generation biofuels plant in the United States, which is owned by Abengoa Bioenergy Biomass of Kansas, LLC (See Note 6.4) and it has been classified as development assets (see Note 8.3).

According to the available information by the Directors, during 2014 no significant losses for impairment of intangible assets were recorded.

8.3. Development assets

During 2015, Abengoa made significant Research and Development investment efforts, investing a total of €345,188 thousand (€597,784 thousand in 2014) through the development of new technologies in different areas of business (solar technology, biotechnology, desalination, water treatment and reuse, hydrogen, energy storage and new renewable energies).

The following table summarizes the total investments made in R&D in 2015 and 2014:

Item	Assets as of 12.31.14	Investment during the fiscal year	Other movements	Transfer to assets held for sale	Assets as of 12.31.15
Development assets (Note 8.1)	1,063,405	125,764	51,863	-	1,241,032
Development assets in projects (Note 10.1)	-	190,029	(190,029)	-	-
Development assets in investments in associates (Note 11.2)	118,804	21,505	190,029	-	330,338
Technological development research 2015	-	7,890	(7,890)	-	-
Total in the 2015 fiscal year	1,182,209	345,188	43,973	-	1,571,370

Item	Assets as of 12.31.13	Investment during the fiscal year	Other movements	Transfer to assets held for sale	Assets as of 12.31.14
Development assets (Note 8.2)	311,444	91,020	660,941	-	1,063,405
Development assets in projects (Note 10.1)	71,204	304,392	-	(375,596)	-
Development assets in investments in associates (Note 11.2)	474,239	193,658	(549,093)	-	118,804
Technological development research 2014	-	8,714	(8,714)	-	-
Total in the 2014 fiscal year	856,887	597,784	103,134	(375,596)	1,182,209

During 2015, Abengoa has worked in the development on assets that are based on technologies that enable Abengoa's strategic the R&D areas to continue progressing, such as technologies aimed to improve the efficiency of solar plants (thermo-solar and photovoltaic), both thermo-solar and electric energy storage systems, power control, the development of 2G bio-refining to produce biofuels and other value added products such as treating municipal solid waste for energy production, and plants for treating and reusing water.

At the beginning of 2015, a parabolic trough thermo-solar plant started its operations in South Africa, as a result of the developments reached on the R&D of the Company and there are two additional solar plants under construction, one of them, Khi Solar One is the first commercial plant with tower technology and superheated steam.

The construction of the solar plant project in the Atacama Desert I (Chile), which combines photovoltaic plant, thermo-solar plant and both thermal and electric energy storage systems for the production of renewable energy 24 hours a day, supplying demand from the network at any given time is ongoing.

Abengoa works as well on bioproducts through the conversion of non-food organic material (grain, sugar cane, biomass, oleaginous) into 1G and 2G biofuels and high value added bioproducts. During 2015 we have developed a process aimed to adapt the operating 1G assets production to market demand and further R&D and innovation carried out by Abengoa also resulted in the efficiency improvement of the enzymatic cocktail that converts non-food organic material into biofuels in the plant located in Hugoton.

In water management, Abengoa is working in Saudi Arabia in the first desalination plant powered by solar energy. It will have a capacity of 60,000 m3 of seawater per day and will supply 200,000 people. This is a pioneering project in the world in which a photovoltaic solar plant will produce the energy needed to run the reverse osmosis desalination.

As a technology company, Abengoa is committed in using R&D to develop new businesses that enable it to grow. In this way, in 2015 the main focus has been to develop the company's emerging businesses related to hydrogen and energy, it has finished the second hydrogen service station for transport, from water and electricity located in Seville (Spain) and linked to the production of energy crops, in a first phase for temperate climate.

8.4. Goodwill

The table below shows the breakdown of Goodwill as of December 31, 2015 and 2014:

Goodwill / Operating segment	Balance as of 12.31.15	Balance as of 12.31.14
Abener Eng. and Const. Services, LLC (Engineering and construction)	32,519	26,658
Abengoa Bioenergía Brasil (Biofuels)	261,420	354,437
Abengoa Bioenergy USA (Biofuels)	40,973	36,621
Rioglass Solar (Enginneering and construction)	-	38,914
Other	29,517	31,015
Total	364,429	487,645

Based on the values in use, calculated in accordance with the assumptions and hypothesis described in Notes 2.8 and 3, in 2015 and 2014 the recoverable amount of the cash generating units to which goodwill was assigned is higher than their carrying amount.

For each goodwill, sensitivity analysis have been performed, especially in relation to discount rates, terminal values and changes in the main business key variables, to ensure that potential changes in valuation do not make cash generating units fair value lower than its book value.

8.5. There are no intangible assets with indefinite useful life other than goodwill. There are no intangible assets with restricted ownerships or that may be under pledge as liabilities guarantee.

Note 9.- Property, plant and equipment

9.1. The table below shows the detail and movement on the different categories of Property, plant and equipment (PP&E) for 2015:

Cost	Lands and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other fixed assets	Total
Total balance as of December 31, 2014	513,103	1,303,197	59,441	103,392	1,979,133
Additions	13,974	8,089	8,365	9,136	39,564
Disposals and decreases	(9,968)	(11,100)	-	(5,222)	(26,290)
Translation differences	(4,121)	27,864	1,932	(917)	24,758
Change in consolidation	(30,845)	(108,412)	(3,148)	(1,437)	(143,842)
Reclassifications	3,578	225	(10,001)	40	(6,158)
Total Balance as of December 31, 2015	485,721	1,219,863	56,589	104,992	1,867,165

Accumulated Amortization and Impairment	Buildings	Technical installations and machinery	Advances and fixed assets in progress	Other fixed assets	Total
Total accum. deprec. as of December 31, 2014	(117,892)	(515,207)	-	(58,721)	(691,820)
Additions	(13,158)	(61,290)	-	(20,810)	(95,258)
Disposals and decreases	499	5,729	-	3,205	9,433
Translation differences	190	(14,962)	-	563	(14,209)
Change in consolidation	4,670	73,478	-	854	79,002
Reclassifications	(185)	(48)	-	(6)	(239)
Total accum. Amort. and Impairment as of December 31, 2015	(125,876)	(512,300)	-	(74,915)	(713,091)
Net balance at December 31, 2015	359,845	707,563	56,589	30,077	1,154,074

During 2015, the decrease of Property, plant and equipment (PP&E) cost is mainly due to the disposal of all the assets related to Rioglass Solar once lost its control and, therefore, consolidated by the equity method (see Note 6.3 and Note 11).

According to the information available to the Directors, and based on the best estimates, during the year 2015, there is an impairment charge of approximately €57 million, of which €47 million are contributed by thermo-solar investments projects impairment located in US due to its doubtful recovery given the current problems and the situation of the Company which has resulted in the filing of the communication provided by the article 5 bis of Ley Concursal (see Note 2.1.1 Basis of Presentation). The aforementioned impairment losses correspond to assets related to Engineering and construction segment (€40 million) and Bioenergy segment (€17 million). The methodology used for the valuation of the impairment losses and discount rates are described in Note 2.8.

9.2. The detail and the movement of the main categories included in the assets in projects as of December 31, 2015 and December 31, 2014 is as follows:

Cost	Lands and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other fixed assets	Total
Total balance as of December 31, 2013	494,174	1,240,458	49,601	87,841	1,872,074
Additions	8,873	43,221	24,596	15,919	92,609
Disposals and decreases	(2,132)	(5,886)	(1,008)	(2,625)	(11,651)
Translation differences	6,781	36,832	2,536	1,403	47,552
Change in consolidation	-	-	-	-	-
Reclassifications	5,407	(11,428)	(16,284)	854	(21,451)
Total Balance as of December 31, 2014	513,103	1,303,197	59,441	103,392	1,979,133

Accumulated Amortization and Impairment	Buildings	Technical installations and machinery	Advances and fixed assets in progress	Other fixed assets	Total
Total accum. deprec. as of December 31, 2013	(109,286)	(418,111)	-	(71,088)	(598,485)
Additions	(17,326)	(63,328)	-	(12,980)	(93,634)
Disposals and decreases	1,054	2,053	-	2,611	5,718
Translation differences	(1,901)	(17,047)	-	(756)	(19,704)
Change in consolidation	-	-	-	-	-
Reclassifications	9,567	(18,774)	-	23,492	14,285
Total accum. Amort. and Impairment as of December 31, 2014	(117,892)	(515,207)	-	(58,721)	(691,820)
Net balance at December 31, 2014	395,211	787,990	59,441	44,671	1,287,313

In 2014, the increase in Property, plant and equipment was mainly due to improvements in the technical facilities of the Rotterdam plant, fitting out a research laboratory in Spain and a new warehouse in Spain, construction equipment purchases for projects in Peru, Uruguay and Chile, and the new offices in India.

According to the information available to the Directors, during 2014 it was not needed to register an impairment loss in property, plant and equipment.

9.3. Property, plant and equipment not assigned to operating activities at the year-end is not significant.

9.4. The companies' policy is to contract all insurance policies deemed necessary to ensure that all Property, plant and equipment is covered against possible risks that might affect it.

9.5. The amount of interest costs capitalized included in PP&E at December 31, 2015 was €5,341 thousand (€1,447 thousand in 2014).

9.6. At the end of 2015 and 2014, Property, Plant and Equipment include the following amounts where the group is a lessee under a finance lease:

Item	Balance as of 12.31.15	Balance as of 12.31.14
Capitalized finance-lease cost	16,575	22,336
Accumulated depreciation	(3,167)	(2,785)
Net carrying amount	13,408	19,551

9.7. The cost of land included in the land and buildings subcategory amounted to €73,661 thousand at December 31, 2015 (€85,063 thousand in 2014).

9.8. The table below sets out the information related to those assets constructed by the Group during 2015 and 2014 classified under the heading Property, plant and equipment of the Consolidated Statement of Financial Position:

Item	12.31.15	12.31.14
Property, plant and equipment constructed by the Group (accumulated)	945,665	941,652
Revenue generated by property, plant and equipment constructed by the Group	699,883	742,520
Operating result of property, plant and equipment constructed by the Group	202,406	(10,831)

9.9. The book value of Propety, plant and equipment which is in any way restricted or pledged to guarantee liabilities amounts to € 103,539 thousand (see Note 23.3).

Note 10.- Fixed assets in projects

As indicated in Note 2.5, included in the consolidation perimeter, there are several interest in companies which company purpose is the development of projects including the design, construction, financing, operation and maintenance of owned assets or assets under concession-type agreements which are financed through project debt.

This note provides a breakdown of fixed assets in projects as well as relevant information related to said assets (excluding the detail of project debt which is disclosed in Note 19 to the Consolidated Financial Statements).

10.1. Concession assets in projects

a) The following table shows the changes of 'Concession assets in projects' for 2015:

Cost	Intangible assets	Financial assets	Development assets (*)	Total
Total as of December 31, 2014	4,940,972	284,201	-	5,225,173
Additions	1,171,510	563,409	190,029	1,924,948
Disposals and decreases	-	-		-
Translation differences	(685,479)	(29,324)		(714,802)
Change in consolidation	(1,839,600)	(28,698)	(190,029)	(2,058,328)
Transfer to assets held for sale	(1,101,914)	(509,422)		(1,611,336)
Total as of December 31, 2015	2,485,489	280,166	-	2,765,655

(*) Corresponds to the investment in the Atacama I thermo-solar project in Chile until its sale to the APW-1 joint venture (see Note 7.1.b).

Accumulated Amortization and Impairment	Intangible assets	Financial assets	Development assets	Total
Total accum. amort. as of December 31, 2014	(282,984)	-	-	(282,984)
Additions	(347,754)	-	-	(347,754)
Disposals and decreases	-	-	-	-
Translation differences	23,196	-	-	23,196
Change in consolidation	168,138	-	-	168,138
Reclassifications	2,188	-	-	2,188
Transfer to assets held for sale	82,852	-	-	82,852
Total accum Amort. and Impairment as of December 31, 2015	(354,364)	-	-	(354,364)
Net balance at December 31, 2015	2,131,125	280,166	-	2,411,291

During the year 2015, the decrease in concession assets in projects is mainly due to the classification as assets held for sale of those related to the companies detailed in Note 7.1, included in the sale of assets during the year to Atlantica Yield, and its consolidation by the equity method (see Note 6.3.b and Note 7.1) and the depreciation of the Brazilian real against the Euro. Such decrease has been partially offset by the work in progress of various transmission lines in Brazil and Peru (€665 million), thermo-solar plant in Chile (€653 million), water project in México (€389 million), desalination plants and water projects in Ghana, Algeria, Morocco and US (€98 million), the construction of an Hospital in Brazil (€40 million) and wind farms and a prison in Uruguay (€17 and €11 million respectively).

According to the information available to the Directors, and based on the best estimates, during the year 2015, there is an impairment charge of €241 million related certain concessional assets under construction given the current problems and the situation of the Company which has resulted in the filing of the communication provided by the article 5 bis of Ley Concursal (see Note 2.1). The aforementioned impairment losses correspond to concessional assets of electric transmissions segment (€185 million), Water segment (€21 million), Solar segment (€23 million) and Cogeneration and other segment (€12 million). All these assets are concessional assets in progress that, according to IFRIC12, revenues, costs and margin of services delivered during the period of construction are recorded in accordance to IAS 11 "construction contracts" (see Note 2.5). The methodology used for the valuation of the impairment losses and discount rates are described in Note 2.8.

b) The following table shows the movements of 'Concession assets in projects' for 2014:

Cost	Intangible assets	Financial assets	Development assets (*)	Total
Total as of December 31, 2013	8,089,750	729,611	71,204	8,890,565
Additions	1,227,201	778,443	304,392	2,310,036
Disposals and decreases	(5,412)	-	-	(5,412)
Translation differences	340,161	147,198	-	487,359
Change in consolidation	1,255,988	-	-	1,255,988
Reclassifications	(161,506)	161,506	-	-
Transfer to assets held for sale	(5,805,210)	(1,532,557)	(375,596)	(7,713,363)
Total as of December 31, 2014	4,940,972	284,201	-	5,225,173

Accumulated Amortization and Impairment	Intangible assets	Financial assets	Development assets	Total
Total accum. amort. as of December 31, 2013	(299,488)	-	(17,834)	(317,322)
Additions	(210,440)	-	(3,060)	(213,500)
Disposals and decreases	9	-	-	9
Translation differences	(10,846)	-	-	(10,846)
Reclassifications	10,632	-	-	10,632
Transfer to assets held for sale	227,149	-	20,894	248,043
Total accum Amort. and Impairment as of December 31, 2014	(282,984)	-	-	(282,984)
Net balance at December 31, 2014	4,657,988	284,201	-	4,942,189

The increase in concession assets during 2014 was primarily due to progress in constructing various transmission lines in Brazil and Peru (€487 million), water and generation projects in Mexico (€556 million), the thermo-solar plants in Chile (€796 million), the construction project of a hospital in Brazil (€103 million), the Palmatir and Cadonal wind farms in Uruguay (€55 million) and the desalination plants and water projects in Ghana, Algeria and USA (€57 million). Similarly, the change in the scope of consolidation also caused a significant increase following the start-up and control of the company Mojave Solar, LLC (see Note 6.4) and the appreciation of the US Dollar and the Brazilian Real against the euro.

The increase in 2014 was offset by the classification of various assets as held for sale, for a total net amount of €7,465 million (see Note 7.1). These included the Atlantica Yield assets, the concession assets of the desalination plants in Algeria (Skikda and Honnaine), transmission lines in Peru (ATN2) and a thermo-solar plant in Abu Dhabi (Shams), and the assets relating to the non-binding agreement with the EIG Global Energy Partners (EIG) infrastructures fund that will form part of a joint venture (according to the information available to the Directors).

No significant losses from impairment of 'Concession assets in projects' were recorded during 2014.

c) Capitalized interest cost for the year ended December 31, 2015 amounts to €87,159 thousand (€88,665 thousand in 2014).

d) Appendix VII to these Consolidated Financial Statements includes certain information on project companies included within the scope of IFRIC 12.

10.2. Other assets in projects

a) The table below shows the detail and movement in 'Other assets in projects' for 2015:

Cost	Land and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other PP&E	Software and other intangibles	Total
Total as of December 31, 2014	305,587	997,274	22,391	372,170	78,987	1,776,409
Additions	4,125	5,352	11,639	39,925	3,062	64,103
Disposals and decreases	-	-	-	-	-	-
Translation differences	(3,122)	(38,219)	(3,659)	(95,103)	(17,700)	(157,803)
Change in consolidation	(8,356)	(4,683)	-	(46)	-	(13,085)
Reclassifications	44,694	(31,372)	(20,520)	(22,033)	-	(29,231)
Transfer to assets held for sale	(62,423)	(175,802)	(290)	(322)	(10,612)	(249,449)
Total as of December 31, 2015	280,505	752,550	9,561	294,591	53,737	1,390,944

Accumulated depreciation and and Impairment	Buildings	Technical installations and machinery	Advances and fixed assets in progress	Other PP&E	Software and other intangibles	Total
Total accum. deprec. as of December 31, 2014	(67,591)	(304,027)	-	(131,902)	(26,713)	(530,233)
Additions	(7,811)	(50,400)	-	(13,649)	(2,657)	(74,517)
Disposals and decreases	163	951	-	-	1,318	2,432
Translation differences	1,370	24,227	-	31,237	1,448	58,282
Change in consolidation	-	-	-	-	-	-
Reclassifications	(2,336)	306	-	22,033	-	20,003
Transfer to assets held for sale	27,633	52,998	-	226	604	81,461
Total accum. deprec. and Impairment as of December 31, 2015	(48,572)	(275,945)	-	(92,055)	(26,000)	(442,572)
Net balance at December 31, 2015	231,933	476,605	9,561	202,536	27,737	948,372

During the year 2015, the decrease in other assets in project is mainly due to the classification as assets held for sale of those related to the companies detailed in Note 7.1.b, and the depreciation of the Brazilian real against the euro.

According to the information available to the Directors, no significant losses from impairment of 'Other assets in projects' were recorded during 2015.

b) The table below shows the detail and movement in 'Other assets in projects' for 2014:

Cost	Land and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other PP&E	Software and other intangibles	Total
Total as of December 31, 2013	284,552	1,058,459	24,187	376,450	73,861	1,817,509
Additions	13,829	11,322	1,299	19,287	3,919	49,656
Disposals and decreases	-	(1,404)	(229)	(513)	(345)	(2,491)
Translation differences	10,605	52,197	(422)	4,103	601	67,084
Reclassifications	4,550	3,605	(2,444)	(24,360)	951	(17,698)
Transfer to assets held for sale	(7,949)	(126,905)	-	(2,797)	-	(137,651)
Total as of December 31, 2014	305,587	997,274	22,391	372,170	78,987	1,776,409

Accumulated depreciation and Impairment	Buildings	Technical installations and machinery	Advances and fixed assets in progress	Other PP&E	Software and other intangibles	Total
Total accum. deprec. as of December 31, 2013	(84,166)	(231,517)	-	(139,101)	(21,695)	(476,479)
Additions	(11,437)	(52,800)	-	(16,528)	(4,778)	(85,543)
Disposals and decreases	9	676	-	223	4	912
Translation differences	(1,828)	(12,237)	-	(1,677)	(244)	(15,986)
Reclassifications	4,585	(10,744)	-	24,667	-	18,508
Transfer to assets held for sale	25,246	2,595	-	514	-	28,355
Total accum. deprec. and Impairment as of December 31, 2014	(67,591)	(304,027)	-	(131,902)	(26,713)	(530,233)
Net balance at December 31, 2014	237,996	693,247	22,391	240,268	52,274	1,246,176

The net increase in Other assets in projects was mainly due to investments to improve other production assets of the bioenergy business in Brazil (€20 million), the acquisition of a plot of land adjoining Campus Palmas Altas (€5 million) as well as other plot of land for generation projects in Mexico (€4 million) and the appreciation of the US Dollar and the Brazilian real against the euro. This increase in 2014 was partially offset by the classification of Atlantica Yield's assets as assets held for sale totaling €109 million (see Note 7.1).

According to the information available to the Directors, during 2014, no significant losses from impairment of 'Other assets in projects' were recorded.

c) During the years 2014 and 2015 no financial costs were capitalized.

d) Fixed assets in projects whose ownership are restricted or are pledged as collateral for liabilities (as described in Note 19 for project finance) amount to a book value of €4,004,016 thousand in 2015 (see Note 23.3).

e) It is the policy of the Group to enter into a number of insurance policies to cover risks relating to property, plant and equipment.

f) For property, plant and equipment located over third party land, the company has estimated the dismantling costs of affected items, as well as the rehabilitation costs of the place where they are settled (see Note 22.1).

g) At the end of the year 2015, biological assets amount to €196 million.

10.3. Assets constructed by the group

The table below sets out the information related to those assets constructed by the Group during 2015 and 2014 classified under the fixed assets in projects heading of the Consolidated Statement of Financial Position (concessions and other assets in projects):

Item	12.31.15	12.31.14
Fixed assets in projects constructed by the Group (accumulated)	3,067,370	5,899,869
Revenue generated by fixed assets in project constructed by the Group	1,401,404	1,167,402
Operating result of fixed assets in project constructed by the Group	340,864	289,675

Note 11.- Investments in associates

11.1. The detail of the main categories included in financial investment as of December 31, 2015 and 2014 is as follows:

Item	Balance as of 12.31.15	Balance as of 12.31.14
Associates	918,136	33,425
Joint Ventures	279,555	277,836
Total Investments accounted for using the equity method	1,197,691	311,261

The movement in investment accounted by the equity method during 2015 and 2014:

Investments accounted by the equity method	Balance as of 12.31.15	Balance as of 12.31.14
Initial balance	311,261	835,682
Translation differences	(5,068)	2,047
Equity contributions	28,558	303,744
Changes in consolidation	1,024,853	(787,236)
Reclassification to assets held for sale	(153,590)	(42,037)
Distribution of dividends	(230)	(7,957)
Share of (loss)/profit	(8,093)	7,018
Final balance	1,197,691	311,261

The main impact regarding investments in associates and joint ventures in 2015 mainly corresponds to the loss of control over Atlantica Yield and its affiliates, which have begun to be consolidated through the equity method; to the rotation of renewable generating assets (solar power plants in Atacama´s desert in Chile) to APW-1 and the equity contributions to the thermo-solar project of Xina in South Africa and the impact of Rioglass and its affiliates once the loss of control materialized, as described in Note 6.3.b.

On the other hand, such increase has been partially offset by the investment integrated in the Concecutex S.A. and Khi Solar One projects, which have been recorded as held for sale and reclassified in the Consolidated Statements of Financial Position to assets held for sale and liabilities held for sale respectively (see Note 7.1).

As of December 31, 2015, Atacama 1 (sociedad dependiente de APW-1) project is financed with a bridge loan amounting to €237,140 thousand (see Note 11.4 and 19).

11.2. The tables below show a breakdown of assets, revenue and operating profit as well as other information of interest for the years 2015 and 2014 of the companies accounted by the equity method

Company	% shares	Assets	Revenues	Operating profit 2015
Abeinsa Energy and Water Contracting LLC	49.00	-	-	-
Agua y Gestión de Servicios Ambientales, S.A.	41.54	72,977	12,337	(434)
Al Osais-Inabensa Co. Ltd	50.00	8,200	-	29
APW-1 and subsidiaries	45.00	1,405,311	2,623	(33,855)
Ashalim Thermo Solar Management, Ltd.	50.00	181,265	-	1,139
ATE VIII Transmissora de Energía, S.A.	50.00	21,642	1,990	391
Atlantica Yield and subsidiaries	41.86	9,743,158	712,876	(188,688)
Basor México, S.A.P.I. de C.V.	50.00	1,020	1,312	(103)
Chennai O&M, JV Private Limited	50.00	-	-	-
Chennai Water Desalination Limited	25.00	96,674	25,058	(2,095)
Coaben, S.A. de C.V.	50.00	9,410	-	3
Cogeneración Motril, S.A.	19.00	-	-	-
Concecutex, S.A. de C.V. (2)	50.00	73,370	6,044	3,679
Concesionaria Costa del Sol S.A.	50.00	4,593	726	(22,736)
Concesionaria Hospital del Tajo, S.A.	20.00	60,267	8,061	2,411
Consorcio Teyma M y C, Ltda.	49.90	57	-	-
Dalian Xizhong Island Energy Co., Ltd.	4.68	-	-	-
Evacuación Villanueva del Rey, S.L.	45.13	3,343	-	-
Explotaciones Varias, S.L.	50.00	43,923	175	(316)
Explotadora Hospital del Tajo, S.L.	20.00	823	3,518	3
Ghenova Ingeniería S.L.	20.00	4,476	-	-
Green Visión Holding BV	24.00	10,906	6,107	120
Greentech Water Engineering Company	25.00	27,430	17,154	1,019
HZN Manutenção Hospitalar Ltda.	33.00	892	-	-
Inapreu, S.A.	50.00	11,757	1,335	57
Khi Solar One (Pty) Ltd (2)	51.00	240,841	-	162
Ledincor S.A.	49.00	7,664	4,271	600
Lidelir S.A.	49.00	12,831	6,784	337
Micronet Porous Fibers, S.L.	50.00	8,199	81	181
Negev Energy - Ashalim Thermo-Solar Ltd. (2)	50.00	247,989	120,518	544
Negev Energy Ashalim Operation and Mantainance, Ltd.	50.00	1,142	-	120
Negev Energy Finance, Ltd.	50.00	176,718	-	(1,120)
Rio Huan Solar Co., Ltd	55.00	5,078	-	(457)
Rioglass Solar Holding and subsidiaries	49.99	154,626	70,448	(8,572)
Servicios Culturales Mexiquenses, S.A. de C.V.	50.00	813	4,230	157
Shams Power Company PJSC	40.00	48,760	82,043	7,652
SolelAben EPC Ashalim, L.P.	50.00	134,028	127,530	1,343
SRC Nanomaterials, S.A	50.00	355	-	7
Total Abengoa Solar Emirates Investment Company, B.V. (2)	50.00	50,627	-	8,078
Total Abengoa Solar Emirates O&M Company, B.V.	50.00	6,283	7,944	3,110
TSMC Ingeniería y Contrucción, Ltda.	33.30	57	-	-
Xina Solar One (Rf) (Pty), Ltd.	40.00	421,154	-	(482)
Total 2015		13,298,659	1,223,165	(227,716)

(1) Within the asset amount are included the certified assets as developement assets related to the thermo-solar tower technology plant with radiation concentration in South Africa amounted to €114,905 thousand, and the thermo-solar and photovoltaic Smart Solar plant in Chile amounted to €238,848 thousand, applying the contribution percentage owned in the company. Further detaing of development asset are described in Note 8.3.

(2) Companies classified as assets held for sale (see Note 7)

Company	% shares	Assets	Revenues	Operating profit 2014
Agroenergía de Campillos, S.L.	25.00	-	-	-
Agua y Gestión de Servicios Ambientales, S.A.	41.54	89,586	25,002	(510)
Al Osais-Inabensa Co., Ltd	50.00	4,584	(1,503)	(6,687)
Ashalim Thermo Solar Management, Ltd.	50.00	-	-	-
ATE VIII Transmissora de Energía, S.A.	50.00	30,018	2,014	658
Basor México, S.A.P.I. de C.V.	50.00	755	391	(162)
Chennai O&M, JV Private Limited	50.00	-	-	-
Chennai Water Desalination Limited	25.00	88,139	23,379	514
Coaben, S.A. de C.V.	50.00	9,330	496	(407)
Cogeneración Motril, S.A.	19.00	15,952	(1,725)	(1,725)
Concecutex, S.A. de C.V.	50.00	71,135	4,928	2,347
Concesionaria Costa del Sol S.A.	50.00	26,730	350	(3,549)
Concesionaria Hospital del Tajo, S.A.	20.00	62,519	8,061	2,074
Consorcio Teyma M y C, Ltda.	50.00	59	-	-
Evacuación Valdecaballeros, S.L.	57.14	21,768	-	(744)
Evacuación Villanueva del Rey, S.L.	45.13	3,485	-	(17)
Explotaciones Varias, S.L.	50.00	44,296	634	205
Explotadora Hospital del Tajo, S.L.	20.00	1,197	3,557	7
Geida Tlemcen, S.L.	50.00	21,770	-	4,344
Ghenova Ingeniería S.L.	20.00	3,353	255	255
Green Visión Holding, BV	24.00	18,004	3,055	277
Greentech Water Engineering Company	25.00	26,160	13,137	1,196
Helioenergy Electricidad Dos, S.A.	50.00	278,319	28,813	537
Helioenergy Electricidad Uno, S.A.	50.00	277,328	28,800	795
HZN Manutenção Hospitalar Ltda.	33.00	1,192	1,232	195
Inabensa Green Energy Co., Ltd.	50.00	1,227	2,440	(76)
Inapreu, S.A.	50.00	11,204	1,308	1
Kaxu Solar One (Pty) Ltd.	51.00	505,111	-	(306)
Khi Solar One (Pty) Ltd. (1)	51.00	268,159	-	(89)
Ledincor, S.A.	49.00	7,341	3,265	338
Lidelir, S.A.	49.00	12,069	5,401	1,882
Micronet Porous Fibers, S.L.	50.00	7,125	-	76
Myah Bahr Honaine, S.P.A. (2)	25.50	202,192	46,847	20,382
Negev Energy - Ashalim Thermo-Solar, Ltd. (2)	50.00	149	-	-
Negev Energy Ashalim Operation and Mantainance, Ltd.	50.00	-	-	-
Negev Energy Finance, Ltd.	50.00	-	-	-
Residuos Sólidos Urbanos de Ceuta, S.L.	50.00	5,168	-	210
Servicios Culturales Mexiquenses, S.A. de C.V.	50.00	1,495	4,107	186
Shams Power Company PJSC	40.00	635,290	70,516	10,895
SolelAben EPC Ashalim, L.P.	50.20	-	-	-
SRC Nanomaterials, S.A	50.00	331	-	125
Total Abengoa Solar Emirates Investment Company, B.V. (2)	50.00	49,647	-	(104)
Total Abengoa Solar Emirates O&M Company, B.V.	50.00	348	1,345	165
TSMC Ingeniería y Contrucción, Ltda.	33.30	60	-	-
Xina Solar One (Rf) (Pty), Ltd.	80.00	33,160	-	337
Total 2014		2,835,755	276,105	33,625

(1) Within the asset amount are included the certified assets as developement assets related to the thermo-solar tower technology plant with radiation concentration in South Africa amounted to €118,804 thousand, applying the contribution percentage owned in the company. Further detaing of development asset are described in Note 8.3.

(2) Companies classified as assets held for sale in 2014

11.3. The shareholding percentages in associates do not differ from the voting rights percentage on them.

The accumulated other comprehensive income as of December 31, 2015 related to investments in associates amounts to €-18.624 thousand (€-47,510 thousand as of December 31, 2014).

11.4. At the end of 2015, the most significant contributions to disclose its assets, liabilities and profit and losses corresponding to Atlantica Yield and its subsidiaries, whose breakdown is included in Note 7.1.a and to APW-1 whose breakdown is the following

Item	Balance as of 12.31.15
Fixed assets in projects	666,378
Investments in associates	-
Financial investments	685,297
Deferred tax assets	840
Activos corrientes	52,796
Project debt	(237,140)
Other non-current liabilities	(151,797)
Other current liabilities	(249,588)
Total net assets and liabilities	766,786

Item	2015
Revenue	2,623
Other operating income	418
Operating expenses	(29,972)
I. Operating profit	(26,931)
II. Financial expense, net	(6,924)
III. Share of profit/(loss) of associates carried under the equity method	-
IV. Profit before income tax	(33,855)
V. Income tax benefit	-
VI. Profit for the period from continuing operations	(33,855)
VII. Profit attributable to minority interests	-
VIII. Profit for the period attributable to the Parent Company	(33,855)

Note 12.- Financial instruments by category

The Group's financial instruments are primarily deposits, clients and other receivables, derivatives and loans. Financial instruments by category (current and non-current), reconciled with the Consolidated Statement of Financial Position, are as follows:

Category	Notes	Loans and receivables / payables	Non-hedging derivatives	Hedging derivatives	Available for sale	Balance as of 12.31.15
Available-for-sale financial assets	13	-	-	-	46,399	46,399
Derivative financial instruments	14	-	4,320	24,435	-	28,755
Financial accounts receivables	15	1,557,394	-	-	-	1,557,394
Clients and other receivables	15	2,004,436	-	-	-	2,004,436
Cash and cash equivalents	17	680,938	-	-	-	680,938
Total Financial assets		4,242,768	4,320	24,435	46,399	4,317,922
Project debt	19	3,070,106	-	-	-	3,070,106
Corporate financing	20	6,325,001	-	-	-	6,325,001
Trade and other current liabilities	25	4,379,252	-	-	-	4,379,252
Derivative financial instruments	14	-	67,682	78,237	-	145,919
Total Financial liabilities		13,774,359	67,682	78,237	-	13,920,278

Category	Notes	Loans and receivables / payables	Non-hedging derivatives	Hedging derivatives	Available for sale	Balance as of 12.31.14
Available-for-sale financial assets	13	-	-	-	46,649	46,649
Derivative financial instruments	14	-	745	20,094	-	20,839
Financial accounts receivables	15	1,667,552	-	-	-	1,667,552
Clients and other receivables	15	2,156,916	-	-	-	2,156,916
Cash and cash equivalents	17	1,810,813	-	-	-	1,810,813
Total Financial assets		5,635,281	745	20,094	46,649	5,702,769
Project debt	19	4,958,114	-	-	-	4,958,114
Corporate financing	20	5,325,350	-	-	-	5,325,350
Trade and other current liabilities	25	5,555,168	-	-	-	5,555,168
Derivative financial instruments	14	-	45,682	259,353	-	305,035
Total Financial liabilities		15,838,632	45,682	259,353	-	16,143,667

The information on the financial instruments measured at fair value, is presented in accordance with the following:

- Level 1: assets or liabilities listed on active markets.
- Level 2: Measured on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Measured on inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following is a breakdown of the Group's assets and liabilities measured at fair value as of December 31, 2015 and December 31, 2014 (except assets and liabilities with a carrying amount close to their fair value, non-quoted equity instruments measured at cost and contracts with components that cannot be measured reliably):

Category	Level 1	Level 2	Level 3	Balance as of 12.31.15
Non-hedging derivatives	-	(37,493)	(25,869)	(63,362)
Hedging derivatives	-	(53,802)	-	(53,802)
Available-for-sale	29	-	46,370	46,399
Total	29	(91,295)	20,501	(70,765)

Category	Level 1	Level 2	Level 3	Balance as of 12.31.14
Non-hedging derivatives	-	(36,439)	(8,498)	(44,937)
Hedging derivatives	-	(239,259)	-	(239,259)
Available-for-sale	33	-	46,616	46,649
Total	33	(275,698)	38,118	(237,547)

Additionally, Note 20 shows the notes and bonds´ fair value. On the other hand, relating to corporate financing recognized at amortized cost, in the past, its amortized cost was similar to its fair value, however, since the circumstances mentioned in Note 2.1.1 its fair value has changed, and cannot be estimated at December 31, 2015 reliably.

The financial instruments at fair value, determined from prices published in active markets (Level 1), consist of shares.

The majority of Abengoa's portfolio comprises financial derivatives designated as cash flow hedges, is classified as level 2 and corresponds mainly to the interest rate swaps (see Note 14).

The caption Non-hedging derivatives includes the fair value of the embedded derivatives in the exchangeable and convertible notes (except for the 2019 convertible notes), the fair value of the call options over Abengoa's own shares, as well as those derivatives purchased with the purpose of hedging market risk (interest rate, foreign exchange or commodities) that do not fulfill all the requirements, according to IAS 39 to be recorded as hedges from an accounting point of view.

Level 3 mainly corresponds to the 3% interest held by Abengoa, S.A. in Yoigo, S.A., a Spanish telecom operator, recorded at fair value (see Note 13.8). The valuation method used to calculate the fair value was discounting cash flows based on the last business plan available from the previous year, using as discount rate the weighted average cost of capital (WACC) of 10%. A sensitivity analysis has also been made considering different discount rates and deviations of the business plan in order to ensure that potential valuation changes do not worsen in any case the fair value.

Additionally, the embedded derivative of the convertible loan received as part of the consideration for the sale of Befesa, is classified within Level 3. As of December 31, 2015, the embedded derivative has a negative fair value of €25,869 thousand.

If the equity value of Befesa had increased by 10%, assuming that the average horizon of permanence of the financial fund before the sale of Befesa did not change compared with respect to the hypotheses considered in assessing, the fair value of the embedded derivative would have increased €1,785 thousand, up to €24,085 thousand.

The following table shows the changes in the fair value of level 3 assets for the years 2015 and 2014:

Movements	Amount
Beginning balance as of December 31, 2013	45,758
Gains and losses recognized in Equity (see Note 13.1)	(1,414)
Assets/liabilities variations at Fair Value	-8498
Change in consolidation, reclassifications and translation differences	2,272
Total as of December 31, 2014	38,118
Gains and losses recognized in Equity (see Note 13.1)	1,240
Changes in Non-hedging derivatives	(17,371)
Change in consolidation, reclassifications and translation differences	(1,486)
Total as of December 31, 2015	20,501

During the years ended December 31, 2015 and December 31, 2014, there have not been any significant reclassifications amongst the three levels presented above.

As of December 31, 2015 the amount of interest rate derivatives due and not settled was €33,656 thousand. The amount of exchange rate derivates due and not settled was €2,886 thousand. The amount of commodity price derivates due and not settled was €28.083 thousand.

Note 13.- Available-for-sale financial assets

13.1. The following table shows the detail and the movement on available-for-sale financial assets during 2015 and 2014:

Available for sale financial assets	Balance
At December 31, 2013	50,207
Additions	1,626
Gain/Losses transferred to equity	(1,355)
Derecognitions	(3,829)
At December 31 , 2014	**46,649**
Additions	702
Gain/Losses transferred to equity	1,240
Derecognitions	(2,192)
At December 31 , 2015	**46,399**
Less: Non-current portion	41,057
Current portion	5,342

13.2. The following table shows entities which, in accordance with the current regulation, were not consolidated in the years 2015 and 2014 and in which the parent company's direct and indirect shareholding is higher than 5% and lower than 20%. The net carrying amount of these holdings is €7,810 thousand (€7,962 thousand in 2014).

Non-current financial assets	2015 % Holding	2014 % Holding
Dyadic Investment	7.00	7.00
Fundación Soland	16.67	16.67
Norpost	10.00	10.00
Proxima Ltd. (Nexttel)	10.00	10.00
Soc. Con. Canal Navarra	10.00	10.00
Sociedad Andaluza de Valoración Biomasa	6.00	6.00

Current financial assets	2015 % Holding	2014 % Holding
Comeesa	5.31	5.31
Chekin	14.28	14.28
Medgrid, SAS	5.45	5.45
Mediación Bursátil, S.V.B., S.A.	8.00	8.00
Operador Mercado Ibérico (OMIP)	5.00	5.00

13.3. All necessary notifications have been made to the companies in which the Group holds an interest of over 10%, as required under Article 155 of Spanish Corporate Law (Ley de Sociedades de Capital).

13.4. There are no circumstances which have a material impact on the financial assets on the Group's portfolio, such as litigations, pledges, etc.

13.5. There are no firm agreements in place regarding the sale or purchase of these investments which could be considered material in relation to the Group's Consolidated Financial Statements.

13.6. The amount of interest accrued but not yet collected is not material.

13.7. There are no fixed-yield securities in arrears. The average rate of return on fixed-yield securities is in line with the market.

13.8. As of December 31, 2015 and 2014, Abengoa, S.A. held a 3% interest in Yoigo, S.A, a Spanish telecom operator, recorded at fair value of €32,997 thousand and held in the Group through the ownership of Siema Investments, S.L. (a holding company owned 100% by Abengoa, S.A.). Additionally the shareholders of Yoigo have granted this company several 'participative' loans in accordance with a pre-established plan, which involved a total disbursement of €21,030 thousand (as of December 31, 2015 and 2014), equivalent to 3% of the total loan made to the company by its shareholders in said years.

As a result of the purchase of its holding in Yoigo, Siema Investment, S.L. became responsible, for furnishing guarantees to the Spanish Administration as security for compliance with the commitments relating to investment, commercialization, employment and network development acquired by Yoigo, together with other guarantees relating to the Radioelectronic Spectrum Rate, which the Group is required to counter-guarantee, for a total amount of €3,387 thousand as of December 31, 2015 and 2014.(Such guarantees are included in the breakdown of Note 23.1)

13.9. As a result of the analysis of impairment of available-for sale financial assets, no significant losses from impairment were recorded.

Note 14.- Derivative financial instruments

14.1. The fair value of derivative financial instruments (see Note 12) as of December 31, 2015 and 2014 is as follows:

		12.31.15		12.31.14	
Item	Note	Assets	Liabilities	Assets	Liabilities
Exchange rate derivatives – cash flow hedge	14.2.a	22,067	37,181	6,017	13,163
Exchange rate derivatives – non-hedge accounting	14.2.c	4,313	4,139	-	-
Interest rate derivatives – cash flow hedge	14.3.a	1,522	6,736	5,271	215,308
Interest rate derivatives – non-hedge accounting	14.3.c	-	32,998	-	33,163
Commodity derivatives – cash flow hedge	14.4.a	846	34,320	8,806	30,882
Embedded derivatives of convertible bonds, exchangables bond and shares options	20.3	7	30,545	745	12,519
Total		28,755	145,919	20,839	305,035
Non-current part		14,941	38,002	5,997	225,298
Current part		13,814	107,917	14,842	79,737

Information about the valuation techniques of derivative financial instruments is described in Notes 2.11 and 12.

Derivatives classified as non-hedge accounting are those derivative financial instruments which, although obtained for the purpose of hedging certain market risks (interest rates, exchange rates, commodity prices and fair value class B share Abengoa), do not meet the specific requirements established by IAS 39 to be designated as hedging instruments from an accounting point of view (since, at the inception of the hedge, there was no designation or formal documentation relating to the hedge or the risk management strategy that it was intended to implement) or, having complied with all of the requirements to be designated a hedging instrument, the underlying has been sold or the hedging designation has been interrupted.

The net increase in derivative financial assets in 2015 was mainly due to increased fair value of exchange rate derivatives as a consequence of the depreciation between the Brazilian real against euro and the changes in the valuation of the exchange rate derivative entered into, during 2015, between Abengoa and Atlantica Yield.

The fair value of derivative liabilities decreased in 2015 mainly due to the derivatives belonging to companies sold to Atlantica Yield accounted under the equity method and to a decrease by a favorable evolution of hedging interest rate derivatives due to a decrease of the interest rate in euro. Additionally, there has been an increase in the fair value of the embedded derivative liability in the Exchangeable Notes (exchangeable in ordinary shares of Atlantica Yield) maturing on 2017 (see Note 20.3), and an increase in the fair value of the embedded derivative liability in the convertible notes of Befesa, as well as to an increase of the notional amounts of exchange rate hedges on increase due to the evolution of commodities price related mainly to aluminum.

The fair value amount transferred to the Consolidated income statement in 2015 for the financial instruments derivatives designated as hedging instruments was a loss of €251,259 thousand (loss of €29,720 thousand in 2014). (see Note 18.3).

Fair value of each of the categories of financial instruments presented in the table above is disclosed as the following sections. The net position of assets and liabilities for each line item of the summary table above is reconciled with the net amount of the fair values of collections and payments for exchange rate derivatives, the net amount of the fair values of caps and swaps for interest rates hedges and the net amount of the fair values of commodity price derivatives, respectively.

14.2. Exchange rate hedges

The terms 'Collection hedges' and 'Payment hedges' refer to foreign currency derivatives designated as hedging instruments of future cash inflows and outflows associated to highly probable forecasted sales and purchase, respectively, denominated in a foreign currency.

The following table shows a breakdown of the notional amounts of the financial instruments relating to amounts receivable and payable in foreign currencies as of December 31, 2015 and 2014:

	12.31.15		12.31.14	
Exchange Rates	Collections	Payments	Collections	Payments
Kenyan Shilling (Kenya)	1,267	119	5,944	1,963
Krona (Sweden)	-	-	-	3,737
Dínar Kuwaití (Kuwait)	15,340	7,149	-	-
Dirhams (UAE)	-	-	8,754	8,161
Dollar (Australia)	-	-	-	194
Dollar (USA)	869,524	241,020	105,804	473,218
Euro	124,935	90,401	-	-
Franc (Switzerland)	-	-	-	2,495
Pound Sterling (UK)	522	13	-	24
Peso (Mexico)	-	-	7	15
Peso (Uruguay)	-	-	244	-
Real (Brazil)	22,005	-	-	-
Real (Brazil)	-	-	-	5,330
Yen (Japan)	-	-	12	31
Zloty (Poland)	-	-	83,308	27,594
Total	1,033,593	338,702	204,073	522,762

The following table shows a breakdown of the fair values of exchange rate derivatives relating to amounts receivable and payable in foreign currencies as of December 31, 2015 and 2014:

	12.31.15		12.31.14	
Exchange Rates	Collections	Payments	Collections	Payments
Kenyan Shilling (Kenya)	(128)	7	(88)	(2)
Danish Krone (Denmark)	73	(131)	-	-
Swedish Krona (Sweden)	-	-	-	(254)
Dínar Kuwaití (Kuwait)	(674)	179	-	-
Dirhams (UAE)	(233)	193	(677)	639
Dollar (Australia)	-	-	-	1
Dollar (USA)	(18,995)	3,524	(3,746)	2,915
Euro	(1,200)	775	-	-
Franc (Switzerland)	-	-		27
Pound Sterling (UK)	-	1	-	-
Peso (Mexico)	-	-	-	(1)
Peso (Uruguay)	-	-	(13)	-
Real (Brazil)	8,178	-	-	-
Israeli Shekel (Israel)	-	251	-	105
Yen (Japan)	-	-	1	(2)
Zloty (Poland)	(9,235)	2,475	(7,176)	1,125
Total	(22,214)	7,274	(11,699)	4,553

a) Cash flow hedges

The table below shows a breakdown of the notional amount maturities of exchange rate derivatives designated as cash flow hedges at the end of 2015 and 2014:

	12.31.15		12.31.14	
Notionals	Collections	Payments	Collections	Payments
Up to 1 year	424,046	235,013	162,595	516,763
Between 1 and 2 years	124,834	90,705	41,477	5,999
Between 2 and 3 years	92,085	12,984	-	-
Subsequent years	143,938	-	-	-
Total	784,903	338,702	204,072	522,762

The table below shows a breakdown of the fair value amount maturities of exchange rate derivatives designated as cash flow hedges at the end of 2015 and 2014 year end:

	12.31.15		12.31.14	
Fair value	Collections	Payments	Collections	Payments
Up to 1 year	(25,907)	5,688	(9,151)	4,602
Between 1 and 2 years	(2,372)	1,411	(2,548)	(49)
Between 2 and 3 years	2,021	175	-	-
Subsequent years	3,870	-	-	-
Total	(22,388)	7,274	(11,699)	4,553

The net amount of the fair value of exchange rate derivatives designated as cash flow hedges transferred to the Consolidated Income Statement in 2015 and 2014 has been of €-2,430 thousand and €10,443 thousand, respectively (see Note 18.3).

The ineffective amount recognized in the Consolidated Income Statement for the years 2015 and 2014 with respect to exchange rate derivatives designated as cash flow hedges amounts to €-24,614 thousand and €801 thousand, respectively.

The after-tax gains/losses accumulated in equity in connection with exchange rate derivatives designated as cash flow hedges at December 31, 2015 amounted to €-35,763thousand (€-14,317 thousand in 2014), (see Note 18.3).

b) Fair value hedges

The group does not have any exchange rate derivatives designated as fair value hedges at the end of 2015 and 2014.

c) Non-hedge accounting derivatives

The detail of the notional amount maturities at the end of 2015 and 2014 is the following.

	12.31.15		12.31.14	
Notionals	Collections	Payments	Collections	Payments
Up to 1 year	145,874	-	-	-
Between 1 and 2 years	78,120	-	-	-
Between 2 and 3 years	24,697	-	-	-
Subsequent years	-	-	-	-
Total	248,691	-	-	-

The breakdown at the end of 2015 and 2014 of the fair value maturities of the derivative financial instruments that not meet the requirements to be designed as cash flow hedges is the following:

	12.31.15		12.31.14	
Fair value	Collections	Payments	Collections	Payments
Up to 1 year	219	-	-	-
Between 1 and 2 years	(35)	-	-	-
Between 2 and 3 years	(10)	-	-	-
Subsequent years	-	-	-	-
Total	174	-	-	-

The net amount of the fair value of exchange rate derivatives charged directly to the Consolidated Income Statement as a result of not meeting all the requirements of IAS 39 to be designated as hedges represented a null impact (€266 thousand in 2014) (see Note 30.2).

14.3. Interest rate hedges

As stated in Note 4 to these Consolidated Financial Statements, the general hedging policy for interest rates is to purchase call options in exchange of a premium to fix the maximum interest rate cost. Additionally, under certain circumstances, the company also uses floating to fixed interest rate swaps.

As a result, the notional amounts hedged, strikes contracted and maturities, depending on the characteristics of the debt on which the interest rate risk is being hedged, can be diverse:

› Corporate Financing: we hedge between 75% and 100% of the notional amount, with maturities up to 2022 and average guaranteed interest rates of between 0.10% and 4.75% for loans referenced to the 1-month, 3 months and 6 months Euribor rates.

› Project debt:

  › Project debt in euros: we hedge between 80% and 100% of the notional amount, maturities until 2032 and average guaranteed interest rates of between 0.31% and 5.00%.

  › Project debt in US Dollars: we hedge between 75% and 100% of the notional amount, including maturities until 2032 and average guaranteed interest rates of between 1.09% and 5.21%.

a) Cash flow hedges

The table below shows a breakdown of the maturities of notional amounts of interest rate derivatives designated as cash flow hedges at the 2015 and 2014 year end:

	12.31.15		12.31.14	
Notionals	Cap / Collar	Swap	Cap / Collar	Swap
Up to 1 year	178,668	223	3,028,195	15,699
Between 1 and 2 years	136,397	238	2,734,645	17,120
Between 2 and 3 years	2,702,777	254	2,842,634	18,164
Subsequent years	216,936	10,910	3,236,461	321,656
Total	3,234,778	11,625	11,841,935	372,639

The table below shows a breakdown of the maturity of the fair values of interest rate derivatives designated as cash flow hedges at the 2015 and 2014 year end:

	12.31.15		12.31.14	
Fair value	Cap / Collar	Swap	Cap / Collar	Swap
Up to 1 year	304	-	(24,762)	(5,407)
Between 1 and 2 years	(15,494)	(61)	(11,841)	(5,880)
Between 2 and 3 years	(4,592)	(65)	(3,568)	(6,295)
Subsequent years	(674)	15,368	2,734	(155,018)
Total	(20,456)	15,242	(37,437)	(172,600)

The net amount of the fair value of interest rate derivatives designated as cash flow hedges transferred to the Consolidated Income Statement in 2015 and 2014 has been of €-237,147 thousand and €-84.567 thousand, respectively (see Note 18.3).

The after-tax gains/losses accumulated in equity in connection with derivatives designated as cash flow hedges at the end of 2015 and 2014 amount to €11,532 thousand and €-253,783 thousand, respectively (see Note 18.3).

The net amount of the time value component of the cash flow derivatives fair value recognized in the Consolidated Income Statement for the years 2015 and 2014 has been €16,289 thousand and €-17,559 thousand, respectively.

b) Fair value hedges

The Group does not have any interest rate derivatives designated as fair value hedges at the end of 2015 and 2014.

c) Non-hedges accounting derivatives

The table below shows a detail of the maturities of notional amounts of interest rate derivatives that not meet the requirements to be designed as hedging instruments at the end of 2015 and 2014:

	12.31.15	12.31.14
Notionals	Floor	Floor
Up to 1 year	930,000	630,000
Between 1 and 2 years	1,500,000	300,000
Between 2 and 3 years	315,000	1,500,000
Subsequent years	-	315,000
Total	2,745,000	2,745,000

The table below shows a detail of the maturities of fair values of non-hedge accounting interest rate derivatives at the end of 2015 and 2014:

	12.31.15	12.31.14
Fair value	Floor	Floor
Up to 1 year	(7,567)	(9,082)
Between 1 and 2 years	(20,301)	(4,358)
Between 2 and 3 years	(5,130)	(15,484)
Subsequent years	-	(4,239)
Total	(32,998)	(33,163)

At the end of 2015 and 2014, the net amount of the fair value of interest rate derivatives charged directly to the Consolidated Income Statement as a result of not meeting all the requirements of IAS 39 to be designated as hedges represented an impact of €-8,094 thousand and €-18,401 thousand, respectively (see Note 30.1).

14.4. Commodity price hedges

In relation to hedges of commodity prices, as stated in Note 2.10 to these Consolidated Financial Statements of Abengoa for the year ended on December 31, 2015, the different activities carried on by Abengoa through its different segments (Biofuels and Engineering and construction) expose the group to risks derived from the fair value of certain commodity prices (aluminum, grain, fuel).

To hedge these risks, Abengoa uses derivative contracts and OTC derivatives for commodity prices.

a) Cash flow hedges

The table below shows a breakdown of the notional amount maturities for the commodity price derivatives designated as cash flow hedges at the 2015 and 2014 year end:

2015	Fuel (ML)	Ethanol (Gallons)	Gas (MMbtu)	Grain (Bushels)	Aluminum (Tons)
Up to 1 year	4,662	-	-	16,095,000	48,443
Total	4,662	-	-	16,095,000	48,443

2014	Fuel (ML)	Ethanol (Gallons)	Gas (MMbtu)	Grain (Bushels)	Aluminum (Tons)
Up to 1 year	-	50,610,000	2,015,989	104,750,000	115,522
Total	-	50,610,000	2,015,989	104,750,000	115,522

The table below shows a breakdown of the fair value maturities of commodity price derivatives designated as cash flow hedges at the 2015 and 2014 year end:

2015	Fuel	Ethanol	Gas (€ thousands)	Grain	Aluminum
Up to 1 year	(637)	-	-	836	(33,673)
Total	(637)	-	-	836	(33,673)

2014	Fuel	Ethanol	Gas (€ thousands)	Grain	Aluminum
Up to 1 year	-	(2,733)	(1,386)	10,364	(29,418)
Total	-	(2,733)	(1,386)	10,364	(29,418)

The net amount of the fair value of commodity price derivatives designated as cash flow hedges transferred to the Income statement in 2015 and 2014 has been of €-11,684 thousand and €44,404 thousand, respectively (see Note 18.3).

The non-effective portion recognized on the Consolidated Income Statement in 2015 and 2014 related to derivative financial instrument cash flow hedges amounted to €6,413 thousand and zero respectively.

The after-tax gains/losses accumulated in equity in connection with derivatives designated as cash flow hedges at December 31, 2015 amounted to €-33,600 thousand (€-21,288 thousand in 2014), (see Note 18.3).

b) Non-hedge accounting derivatives

At the end of 2015 and 2014, the Group does not hold non-hedge accounting derivative financial instruments of commodity prices.

The amount of the fair value of commodity price derivatives charged directly to the operating Profit in the Consolidated Income Statement as a result of not meeting all the requirements of IAS 39 to be designed as hedges represented losses of €5,383 thousand (losses of €4,808 thousand in 2014) (see Note 30.3).

Note 15.- Clients and other receivable accounts

15.1. The breakdown of Clients and Other Receivable Accounts as of December 31, 2015 and 2014 is as follows:

Item	Balance as of 12.31.15	Balance as of 12.31.14
Customer receivables	515,088	592,628
Unbilled revenues	787,535	913,122
Bad debt provisions	(63,707)	(82,209)
Tax receivables	552,958	595,784
Other debtors	212,562	137,591
Total	2,004,436	2,156,916

As a general rule, 'Unbilled revenues' are billed within the three months following completion of the work being performed on the project. Nevertheless, given the highly-tailored characteristics of some construction contracts, some projects may take longer to be billed due to specific billing milestones in the contracts. The total outstanding balances as of December 31, 2015 and 2014 are supported by contracts signed with such customers and do not include any receivables relating to customer claims.

The balances with related parties at the end of 2015 (no significant amounts at the end of 2014) are detailed in Note 33.2.

15.2. The fair value of Clients and Other Financial Receivable accounts does not differ significantly from its carrying value.

15.3. The list of Clients and Other Accounts Receivable according to foreign currency as at December 31, 2015 and 2014 are as follows:

Currency	Balance as of 12.31.15	Balance as of 12.31.14
Algerian dinar	3,142	5,842
Dirhams (Morocco)	18,749	23,267
American dollar	259,878	343,173
New peruvian sol	46,513	61,476
Argentinian peso	13,000	36,632
Chilean peso	46,777	20,419
Mexican peso	18,116	52,174
Uruguayan peso	8,452	27,085
South African rand	5,043	21,881
Brazilian real	42,728	57,460
Indian rupee	29,629	34,669
Saudi Riyal	35.813	62.404
Chinese yuan	4,243	2,898
Polish zloty	15,780	56,815
Others	53,774	10,723
Total	601,637	816,918

15.4. The following table shows the maturity detail of trade receivables as of December 31, 2015 and 2014:

Maturity	Balance as of 12.31.15	Balance as of 12.31.14
Up to 3 months	344,132	405,137
Between 3 and 6 months	26,045	50,928
Over 6 months	144,911	136,563
Total	515,088	592,628

15.5. The credit quality of outstanding Trade receivables, that are neither past due nor impaired, may be assessed under the following categories

Categories	Balance as of 12.31.15	Balance as of 12.31.14
Trade receivables subjet to non-recourse factoring by the bank	141,296	154,425
Trade receivables subject to recourse factoring by the bank	46	9,349
Trade receivables covered by credit insurance	8,966	1,940
Trade receivables in cash or by transfer	218,692	289,891
Trade receivables UTE/Public Entities/Other accounts	146,088	137,023
Total trade receivables	515,088	592,628

15.6. The movement in the bad debt provision for 2015 and 2014 is the following:

Item	Balance as of 12.31.15	Balance as of 12.31.14
Initial Balance	(82,209)	(64,047)
Provision for receivables impairment	(13,011)	(13,511)
Receivables written off during the year as uncollectible	19,998	506
Reversal of unused amounts	1,522	4,067
Change in consolidation	4,750	-
Translation differences and other movements	5,243	(9,224)
Total	(63,707)	(82,209)

15.7. The Company maintains a number of non-recourse factoring lines of credit. The Company enters into these factoring agreements with certain financial institution by selling the Company's credit rights in certain commercial contracts. The factoring agreements are entered into on a non-recourse basis, meaning that the financial institutions undertake the credit risk associated with the Company's customers. The Company is responsible for the existence and legitimacy of the credit rights being sold to the financial institutions. Credit rights from recurring customers or with terms of up to one year are supported by annual revolving factoring lines of credit. Credit rights from non-recurring customers or with terms longer than a year are supported with global transfer agreements commencing on the date when the underlying commercial contract comes into force and expiring when the contracted works are completed

At the end of the 2015 financial year, approximately €92 million (€205 million in 2014) were factored.

The finance cost in the 2015 fiscal year derived from factoring operations amounted to €14 million (€16 million in 2014).

15.8. Furthermore, as of December 31, 2015 collections amounted to €400 million (€351 million in 2014), related to a construction contract for a combined cycle plant in Mexico with a transfer agreement of the non-recourse collection rights signed with a financial institution under the 'Pidiregas' deferred financing scheme, in which a financial institution provides the funds required to construct the project until the provisional handover of the plant, when the amount of the contract is paid directly by the client to the financial institution. Consequently, Abengoa is being paid as the construction milestones are completed. The financial expense associated with this scheme in 2015 amounted to €15 million (€11 million in 2014).

15.9. The breakdown of Tax receivables as of December 31, 2014 and 2013 is as follows:

Item	Balance as of 12.31.15	Balance as of 12.31.14
Income and other taxes receivable	332,241	333,492
Social Security debtors	764	365
VAT charged	153,795	187,170
Witholdings tax and income tax advance	66,158	74,757
Total tax receivables	552,958	595,784

15.10. The following table shows a breakdown of financial accounts receivable as of December 31, 2015 and 2014:

Description	Balance as of 12.31.15	Balance as of 12.31.14
Loans	1,021,038	601,875
Fixed-term deposits and down payments and lease deposits	36,689	28,580
Other financial assets	2	10,569
Total non-current portion	1,057,729	641,024
Loans	22,988	118,308
Fixed-term deposits and down payments and lease deposits	468,095	908,220
Other financial assets	8,582	0
Total current portion	499,665	1,026,528

This heading includes the loans, deposits and other accounts receivable considered as non-derivative financial assets not listed in an active market, with a maturity period of less than twelve months (current assets) or exceeding that period (non-current assets).

The market value of these assets does not differ significantly from their carrying amount. Current and non-current loans for an amount of €1,044 million (€720 million in 2014), mainly includes the convertible loan received in the sale of Befesa of €176 million (€225 million of nominal amount), an account receivable of €138.5 million resulting from a favorable resolution from the Court of Arbitration of the International Chamber of Commerce in relation with the arbitration against Adriano Gianetti Dedini Ometto and Adriano Ometto Agrícola Ltda. (see Note 15.11), an account receivable of €243.1 million resulting from the transaction with APW-1 described in Note 7.1.b and loans with associates amounting to €332 million (mainly with APW-1 and with Ashalim Thermo Solar Management, Ltd).

Current and non-current fixed-term deposits for an amount of €505 million (€937 million in 2014) includes primarily restricted investments in fixed-income securities and bank deposits. In which an amount of €231 million (€630 million in 2014) are pledged as collateral for non-recourse confirming (see Note 25.3) and €207 million (€156 million in 2014) are pledged for various concepts.

Other financial assets include other receivable amounts considered as non-derivative financial assets not listed in an active market, which are not classified in any of the other categories.

The balances with related parties at the end of 2015 (no significant amounts at the end of 2014) are detailed in Note 33.2.

15.11. In November 2011, the Arbitral Tribunal appointed by the International Court of Arbitration of the International Chamber of Commerce with seat in New York, United States, issued two arbitral awards in favor of our subsidiary ASA Bioenergy Holding A.G. ('ASA'), in relation to several claims for certain contract breaches by Adriano Gianetti Dedini Ometto and Adriano Ometto Agrícola Ltda. (the 'Adriano' Defendants). In each of the proceedings, Adriano Defendants filed various counterclaims. Both arbitration proceedings were decided in ASA's favor, in the approximate total amount of USD 118.3 million plus accrued interest. In October 2012 Adriano Defendants presented motions to vacate such arbitral awards in the ordinary courts of New York City, which were in turn decided in our favor in first instance and in the Court of Appeals of the Second Circuit. In March 2014, Adriano Defendants filed a petition for a writ of Certiorari with the Supreme Court of the United States. In June 2014 the Supreme Court denied the petition for Certiorari. The awards are final and not subject to further appeal in United States. In addition, the Company has started the actions for the recognition of the awards in Brazil at the date, the approval process is on the Supreme Court of Brazil (STJ), where the judge has shown the argument and has voted in favor of the approval of the awards, as previously included in the General Attorney report which was in favor as well. These days the case is debated in the STJ, and the resolution is expected soon. Based on the foregoing, the company continues to provide evidence of the existence of a collection right and as a result an account receivable is still recorded for an amount of €138.5 million as of December 31, 2015.

Note 16.- Inventories

16.1. Inventories as of December 31, 2015 and 2014 were as follows::

Item	Balance as of 12.31.15	Balance as of 12.31.14
Goods for sale	5,766	8,992
Raw materials and other supplies	114,424	116,714
Work in progress and semi-finished products	139	1,135
Projects in progress	33,368	40,712
Finished products	55,350	73,101
Advance Payments to suppliers	102,215	54,135
Total	311,262	294,789

Inventories for entities located outside Spain were €217,492 thousand (€196,570 thousand in 2014).

16.2. There are no restrictions on the availability of inventories, with the exception of guarantees provided for construction projects in the normal course of business, which are released as the contractual milestones of the project are achieved.

Note 17.- Cash and cash equivalents

The following table sets out the detail of Cash and cash equivalents at December 31, 2015 and 2014:

Item	Balance as of 12.31.15	Balance as of 12.31.14
Cash at bank and on hand	507,882	980,990
Bank deposit	173,056	829,823
Total	680,938	1,810,813

Within cash and cash equivalents is included at the end of the year 2015 an amount of €232 million (€596 million at the end of 2014) pledged as collateral for non-recourse confirming submissions. Additionally, at the end of 2015 it is included cash and cash equivalents pledged for various concepts for an amount of €78 million (€139 million in 2014).

The following breakdown shows the main currencies in which cash and cash equivalent balances are denominated:

	12.31.15		12.31.14	
Currency	Domestic companies	Non-domestic companies	Domestic companies	Non-domestic companies
Euro	158,905	52,375	464,635	71,117
US dollar	67,255	156,283	172,073	425,777
Swiss franc	2,713	86	755	57
Peso (Chile)	85	3,016	-	18,031
Dirhams (UAE)	-	-	4,058	-
Rupee (Indian)	3,562	1,951	5,973	1,007
Argentinian peso	-	1,139	-	4,104
Mexican Peso	-	98,076	77	1,779
Peruvian sol	3	1,408	753	7,686
Algerian dinar	5,931	-	1,778	31,607
Brazilian real	-	46,983	-	554,599
South african rand	2,047	19,085	1	24,807
Shekel	-	36,372	5,502	14,637
Pound Sterling	5,634	16	-	-
Others	8,734	9,279	-	-
Total	254,869	426,069	655,605	1,155,208

Note 18.- Shareholders´ equity

18.1. Share capital

As of December 31, 2015 the share capital amounts to € 1,840,954.98 corresponding to 941,533,858 shares completely subscribed and disbursed, divided into two distinct classes, as follows:

› 83,467,081 class A shares with a nominal value of €0.02 each, all in the same class and series, each of which grants the holder a total of 100 voting rights (‘Class A Shares’).

› 858,066,777 class B shares with a nominal value of €0.0002 each, all in the same class and series, each of which grants One (1) voting right and which affords its holder economic rights identical to the economic rights of Class A shares as stated in article 8 of the Company’s bylaws (‘Class B Shares’ and, together with class A shares, ‘Shares with Voting Rights’).

Abengoa’s shares are represented by class A and B shares which are listed on the Madrid and Barcelona stock exchanges and on the Spanish Stock Exchange Electronic Trading System (Electronic Market).

Class A shares have been listed since November 29, 1996 and class B shares since October 25, 2012. Additionally, Class B shares are also listed on the NASDAQ Global Select Market in the form of American Depositary Shares following the capital increase carried out on October 17, 2013. The Company presents mandatory financial information quarterly and semiannually.

In accordance with notifications received by the company and in compliance with reporting requirements to communicate shareholding percentages (voting rights) and the information received from relevant parties, shareholders with a significant holding as of December 31, 2015 are as follows:

Shareholders	Share %
Inversión Corporativa IC, S.A. (*)	45.602
Finarpisa, S.A. (*)	6.175

(*) Inversión Corporativa Group.

On September 30, 2015 the General Shareholders' Meeting approved a capital increase of 430,450,152 Class B shares with a nominal value of €0.01 each reducing its unrestricted reserves, which would be delivered to all shareholders on a proportion of four Class B shares by each owned Class A or B share. Such General Shareholders' Meeting approved a voluntary conversion right to change Class A shares of one euro nominal value (€0.002 nominal value as of December 31, 2015) to Class B shares of €0.01 nominal value (€0.0002 nominal value as of December 31, 2015) during certain pre-established periods until December 31, 2017. After exercising this right, a capital will be reduced by means of the nominal value of the converted shares at the value of the present day of €0.0198 per share, with unrestricted reserves credit.

During, 2015 four capital reductions have taken place by reducing 776,559 Class A shares into Class B shares, which led to a capital reduction of €639,149.47 thousand.

As of May 4, 2015, under delegation of the General Shareholders' Meeting held on September 30, 2012, the Company carried out a capital increase without subscription rights for a total amount of €810,544.08 par value through the issuance of 81,054,408 new Class B shares in order to meet the requests of conversion received in relation with the convertible bonds for an amount of €400,000,000 at an interest rate of 6.25% issued on January 2013 and maturing in 2019 conversion.

Consequently, on October 1, 2015 the share capital has been subscribed with exclusion of the shareholders right to preferential share subscription for a total amount of €207,097 with the issue of 20,709,730 new Class B shares, duly subscribed and fully paid-up by the holder of the warrants, First Reserve Corporation.

Finally, on October 10, 2015 the company carried out a reduction of its share capital by the amount of €90,336,437.74, by means of a reduction in the par value of each Class A share of the Company of €0.98 per share, and a reduction in the par value of each Class B share of the Company of €0.0098 per share.

After the end of the period ended December 31, 2015, on January 4, 2016 a capital increase has taken place, without preferential subscription right, with the issue of 34,013 Class B shares with a nominal value of €6.80 for the purpose of meeting the conversion requests related to the Convertible Bond €400,000,000 at an interest rate of 6.25% maturing in 2019, issued on January 2013.

On the other hand, after closing the 16th liquidity window dated January 15, 2016, the Company carried out on January 22, 2016, a reduction of capital share by the amount of €898.74 by means of the conversion of 45,391 Class A shares into new Class b shares.

Consequently, as of January 22, 2016 the share capital amounts to € 1,840,063.04 corresponding to 941,567,871 shares completely subscribed and disbursed, divided into 83,421,690 Class A shares and 858,146,181 Class B shares.

The General Shareholders' Meeting approved on March 29, 2015 the distribution of 2014 profits sharing out of a dividend of € 0.113 per share, which represents a total dividend of €94,894 thousands (€91,637 thousands in 2014). On April 17, 2015 the payment of the dividend was done.

18.2. Parent company reserves

The following table shows the amounts and movements of the Parent Company Reserves in 2015 and 2014:

Item	Balance as of 12.31.14	Distribution of 2014 profits	Capital increase/decrease	Other movements	Balance as of 12.31.15
Share premium	903,377	-	212,563	-	1,115,940
Revaluation reserve	3,679	-	-	-	3,679
Other reserves of the parent company:			-		
- Unrestricted reserves	338,914	104,705	65,072	104,246	612,937
- Legal reserves	88,316	-	(36,830)	-	51,486
Total	1,334,286	104,705	240,805	104,246	1,784,042

	Balance as of 12.31.13	Distribution of 2013 profits	Capital increase/decrease	Other movements	Balance as of 12.31.14
Share premium	903,377	-	-	-	903,377
Revaluation reserve	3,679	-	-	-	3,679
Other reserves of the parent company:					
- Unrestricted reserves	188,778	153,675	(1,322)	(2,217)	338,914
- Legal reserves	24,076	343	1,003	62,894	88,316
Total	1,119,910	154,018	(319)	60,677	1,334,286

The amount corresponding to 'Other movements' for 2015 and 2014 is mainly part of operations carried out with treasury shares. The change in non-distributable "Other reserves of the parent company" corresponds to the reclassification to equity of the fair value of the embedded derivative of the convertible note due in 2019 because in 2015, the conversion option meets the definition of equity instruments (see Note 20.3).

The Legal Reserve is created in accordance with Article 274 the Spanish Corporate Law (Ley de Sociedades de Capital), which states that in all cases an amount of at least 10% of the earnings for the period will be allocated to this reserve until at least 20% of the share capital is achieved and maintained. The Legal Reserve may not be distributed and, if used to compensate losses in the event that there are no other reserves available to do so, it should be replenished from future profits.

On November 19, 2007, the company entered into a liquidity agreement on class A shares with Santander Investment Bolsa, S.V. Replacing this liquidity agreement, on January 8, 2013, the company entered into a liquidity agreement on class A shares with Santander Investment Bolsa, S.V. in compliance with the conditions set forth in CNMV Circular 3/2007 of December 19. Such agreement temporarily suspended with effect from September 28, 2015.

On November 8, 2012, the company entered into a liquidity agreement on class B shares with Santander Investment Bolsa, S.V. in compliance with the conditions set forth in CNMV Circular 3/2007 of December 19. The Company cancelled this agreement on April 21, 2015.

As of December 31, 2015 treasury stock amounted to 5,662,480 shares (41,624,265 in 2014), 5,662,480 class A shares and 0 class B shares.

Regarding the operations carried out during the period, treasury stock purchased amounted to 9,997,508 class A shares and 76,673,931 class B shares and treasury stock transferred amounted to 9,885,560 class A shares and 112,747,664 class B shares, with a net impact recognized on the parent company´s equity of €6,362 thousand of increase (decrease of €2,217 thousand in 2014).

As of July 17, 2015, Abengoa S.A. has completed the placement among qualified investors of a total of 34,869,183 class B shares, representing 4.17% of all class B shares of Abengoa, S.A., consequently from this date; the company does not hold any class B share as treasury share. The value of the transaction has amounted to a total of €97,634 thousand in cash, equivalent to a sale price of €2.80 per class B share, being committed to a lock-up over its shares until 60 days after the date of settlement of the Placement, with certain exceptions. In addition, Abengoa S.A. has signed a derivatives transaction "call spread" on the same number of shares, which allows Abengoa to benefit from certain market value increases of class B share over the following twelve months.

The proposed distribution of 2015 and other reserves of the Parent Company to propose to the General Shareholder´s Meeting will be charged to retained earnings.

Abengoa's Board of Directors held on September 23, 2015 approved the suspension of our dividend until Abengoa achieve a credit rating of "BB-"from Standard & Poors or "Ba3" from Moody's or our leverage ratio of Gross Corporate Debt (including bridge loan), as of the most recent balance sheet date which is approved, to Corporate EBITDA for the twelve months immediately preceding such balance sheet date, falls below 3.5x. As long as Abengoa do not reach the aforementioned credit rating or leverage ratio, Abengoa will not distribute dividends to their shareholders (see note 4).

18.3. Other reserves

Other reserves include the impact of the valuation of derivative instruments and available for sale investments at the end of the year.

The following table shows the balances and movements of other reserves by item for 2015 and 2014:

Item	Hedging reserves	Available-for-sale financial assets reserves	Total
Balance as of December 31, 2014	(289.388)	(195)	(289.583)
- Gains/ (losses) on fair value for the year	43.614	1.240	44.854
- Transfer to the Consolidated Income Statement	251.261	-	251.261
- Tax effect	(86.381)	378	(86.003)
Balance as of December 31, 2015	(80.894)	1.423	(79.471)

Item	Hedging reserves	Available-for-sale financial assets reserves	Total
Balance as of December 31, 2013	(163.769)	3.313	(160.456)
- Gains/ (losses) on fair value for the year	(197.605)	(1.440)	(199.045)
- Transfer to the Consolidated Income Statement	29.720	-	29.720
- Tax effect	42.266	(2.068)	40.198
Balance as of December 31, 2014	(289.388)	(195)	(289.583)

For further information on hedging activities, see Note 14.

18.4. Accumulated currency translation differences

The amount of accumulated currency translation differences for fully and proportionally consolidated companies and associates at the end of 2015 and 2014 is as follows:

Item	Balance as of 12.31.15	Balance as of 12.31.14
Currency translation differences:		
- Fully and proportionally consolidated companies	(1,022,854)	(523,465)
- Associates	(7,559)	(5,866)
Total	(1,030,413)	(529,331)

The increase in the accumulated currency translation differences during 2015 is mainly due to the appreciation of the US Dollar with respect to the euro and to the depreciation of the Brazilian Real with respect to the euro.

18.5. Retained earnings

The breakdown and movement of Retained earnings during the 2015 and 2014 fiscal years are as follows:

Item	Balance as of 12.31.14	Dist. of 2014 profit	2015 profit	Other movements	Balance as of 12.31.15
Reserves in full & proportionate consolidated entities	708,966	(81,325)	-	(236,401)	391,240
Reserves in equity method investments	3,841	7,018	-	197,662	208,521
Parent company dividends and reserves	-	199,599	-	(199,599)	-
Total reserves	712,807	125,292	-	(238,338)	599,761
Consolidated profits for the year	121,877	(121,877)	(1,342,690)	-	(1,342,690)
Profit attributable to non-controlling interest	3,415	(3,415)	129,212	-	129,212
Profit attributable to the parent company	125,292	(125,292)	(1,213,478)	-	(1,213,478)
Total retained earnings	838,099	-	(1,213,478)	(238,338)	(613,717)

Item	Balance as of 12.31.13	Dist. of 2013 profit	2014 profit	Other movements	Balance as of 12.31.14
Reserves in full & proportionate consolidated entities	735,425	(87,410)	-	60,951	708,966
Reserves in equity method investments	15,508	(5,165)	-	(6,502)	3,841
Parent company dividends and reserves	-	194,020	-	(194,020)	-
Total reserves	750,933	101,445	-	(139,571)	712,807
Consolidated profits for the year	110,324	(110,324)	121,877	-	121,877
Profit attributable to non-controlling interest	(8,879)	8,879	3,415	-	3,415
Profit attributable to the parent company	101,445	(101,445)	125,292	-	125,292
Total retained earnings	852,378	-	125,292	(139,571)	838,099

Amounts included under ‘Other movements’ mainly refer to the reclassification of Atlantica Yield and Rioglass interests, which have begun to be consolidated by the equity method.

The Reserves in full and proportionate consolidated entities and equity method investments are as follows:

	Balance as of 12.31.15		Balance as of 12.31.14	
Business unit	F.C/P.C	E.M.	F.C/P.C	E.M.
Engineering and construction	743,054	109,932	852,870	2,412
Concession-type infraestructure	245,439	98,589	161,039	1,429
Industrial production	(597,253)	-	(304,943)	-
Total	391,240	208,521	708,966	3,841

18.6. Non-controlling interest

This section contains the proportional portion of the Group companies´ equity consolidated by the global integration method and the portion in which other shareholders are participating.

The balances and movements for 2015 of Non-controlling interest are set out in the table below:

Company	Balance as of 12.31.14	Change in consolidation	Variations	Profit and loss in 2015	Balance as of 12.31.15
Atlantica Yield y affiliates	595,323	(1,830,388)	1,144,349	90,716	-
LAT Brasil in operation	436,502	-	(108,186)	(38)	328,278
Riogalss Solar Holding and affiliates	68,585	(71,950)	-	3,365	-
Skikda	17,963	-	(17,314)	(649)	-
Solar Powe Plant One	26,539	-	(1,932)	(2,056)	22,551
Abengoa Bionenergy France	25,296	-	2,089	(831)	26,554
Other	30,694	(27,470)	(28,679)	38,705	13,250
Total	1,200,902	(1,929,808)	990,327	129,212	390,633

At the year-end 2015, the decrease of non-controlling interest mainly relates to the consolidation by the equity method of Atlantica Yield and Rioglass after the loss of control.

The balances and movements for 2014 of Non-controlling interest are set out in the table below:

Company	Balance as of 12.31.13	Change in consolidation	Variations	Profit and loss in 2014	Balance as of 12.31.14
Atlantica Yield y filiales	-	-	594,359	964	595,323
LAT Brasil en operación	305,487	-	127,421	3,594	436,502
Riogalss Solar Holding y filiales	67,220	-	1,104	261	68,585
Skikda	22,151	-	49	(4,237)	17,963
Solar Powe Plant One	22,851	-	7,067	(3,379)	26,539
Abengoa Bionenergy France	26,243	-	(2,141)	1,194	25,296
Solaben 2 y 3	48,199	-	(48,199)	-	-
Solacor 1 y 2	31,351	-	(30,167)	(1,184)	-
Otros menores	48,647	-	(24,155)	6,202	30,694
Total	572,149	-	625,338	3,415	1,200,902

Non-controlling interest increased during 2014, mainly due to the initial public offering Atlantica Yield's ordinary shares, which was closed on June 18, 2014 (see Note 6.2), as well as capital increases carried out in certain Brazilian subsidiaries with non-controlling interest.

The list of non-Group Companies / Entities that hold an interest of 10% or more in any company consolidated by the global integration method in the consolidation perimeter for 2015 and 2014 it is shown in annex VIII.

The most significant affiliates with a non-controlling interest contribution correspond to transmission lines in Brazil which are operating (ATE XI, Manaus Transmissora de Energía, S.A. and ATE XIII, Norte Brasil Transmissora de Energía, S.A.) for an amount of €328 million (€437million in 2014).

In relation to the affiliates ATE XI, Manaus Transmissora de Energía, S.A. and ATE XIII Norte Brasil Transmissora de Energía, S.A. the detail of the assets and liabilities at year ended 2015 and 2014 are the following:

Item	ATE XI, Manaus Transmissora de Energía, S.A. Balance as of 12.31.15	ATE XIII, Norte Brasil Transmissora de Energía, S.A Balance as of 12.31.15
Non-current assets	502,003	712,103
Current assets	26,447	32,500
Non-current assets liabilities	190,483	272,467
Current liabilities	61,337	81,634
Equity	276,630	390,502

Item	ATE XI, Manaus Transmissora de Energía, S.A. Balance as of 12.31.14	ATE XIII, Norte Brasil Transmissora de Energía, S.A Balance as of 12.31.14
Non-current assets	696,500	994,391
Current assets	31,053	20,079
Non-current assets liabilities	255,559	369,632
Current liabilities	100,430	125,944
Equity	371,564	518,894

At the end of the year ended on December 31, 2015 and 2014, the income statement of the affiliates ATE XI, Manaus Transmissora de Energía, S.A. and ATE XIII Norte Brasil Transmissora de Energía, S.A. are the following

Item	ATE XI, Manaus Transmissora de Energía, S.A. 2015	ATE XIII, Norte Brasil Transmissora de Energía, S.A 2015
Revenue	45,026	79,055
Operating expenses	(24,908)	(40,024)
I. Operating profit	20,118	39,031
II. Financial expense, net	(24,080)	(34,326)
IV. Profit before income tax	(3,962)	4,705
V. Income tax benefit	1,142	(1,781)
VI. Profit for the period from continuing operations	(2,820)	2,924
VIII. Profit for the period attributable to the Parent Company	(2,820)	2,924

Item	ATE XI, Manaus Transmissora de Energía, S.A. 2014	ATE XIII, Norte Brasil Transmissora de Energía, S.A 2014
Revenue	49,669	15,731
Operating expenses	(29,724)	(10,935)
I. Operating profit	19,945	4,796
II. Financial expense, net	(24,371)	(10,252)
IV. Profit before income tax	(4,426)	(5,456)
V. Income tax benefit	1,128	1,453
VI. Profit for the period from continuing operations	(3,298)	(4,003)
VIII. Profit for the period attributable to the Parent Company	(3,298)	(4,003)

On the basis of the above, during the year 2015 the profit and loss attributable to the non-controlling interest of the companies ATE XI, Manaus Transmissora de Energía, S.A. and ATE XIII Norte Brasil Transmissora de Energía, S.A. amounted to €1.4 and €-1.4 million respectively and during the year 2014 amounted to €1.6 and €2.0 million respectively.

On the other hand, at the end of the year ended on December 31, 2015 and 2014, the detail of the cash flow statement of the companies ATE XI, Manaus Transmissora de Energía, S.A. and ATE XIII Norte Brasil Transmissora de Energía, S.A are the following:

Item	ATE XI, Manaus Transmissora de Energía, S.A. 2015	ATE XIII, Norte Brasil Transmissora de Energía, S.A 2015
Profit for the year from continuing operations	(2,820)	2,924
I. Profit for the year from continuing operations adjusted by non monetary items	14,187	27,885
II. Variations in working capital	80	(24,186)
III. Interest and income tax received / paid	(633)	1,365
A. Net cash provided by operating activities	13,634	5,064
I. Investments/Disposals	-	8,861
B. Net cash used in investing activities	-	8,861
I. Proceeds from loans and borrowings	20,026	32,590
II. Repayment of loans and borrowings	(25,908)	(36,249)
III. Other finance activities	-	-
C. Net cash provided by financing activities	(5,882)	(3,659)
Net increase/(decrease) in cash and cash equivalents	7,752	10,266
Cash, cash equivalents and bank overdrafts at beginning of the year	2,004	4,527
Translation differences cash or cash equivalent	(1,695)	(2,716)
Cash and cash equivalents at end of the year	8,061	12,077

Item	ATE XI, Manaus Transmissora de Energía, S.A. 2014	ATE XIII, Norte Brasil Transmissora de Energía, S.A 2014
Profit for the year from continuing operations	(3,298)	(4,003)
I. Profit for the year from continuing operations adjusted by non monetary items	37,297	11,242
II. Variations in working capital	(6,822)	(19,970)
III. Interest and income tax received / paid	(10,888)	(27,550)
A. Net cash provided by operating activities	19,587	(36,278)
I. Investments/Disposals	(8,307)	(231,719)
B. Net cash used in investing activities	(8,307)	(231,719)
I. Proceeds from loans and borrowings	161	27,398
II. Repayment of loans and borrowings	(13,179)	(22,234)
III. Other finance activities	1,607	253,176
C. Net cash provided by financing activities	(11,411)	258,340
Net increase/(decrease) in cash and cash equivalents	(131)	(9,657)
Cash, cash equivalents and bank overdrafts at beginning of the year	2,110	13,747
Translation differences cash or cash equivalent	25	437
Cash and cash equivalents at end of the year	2,004	4,527

Also, during the year 2015 and 2014 the affiliate companies ATE XI, Manaus Transmissora de Energía, S.A. and ATE XIII Norte Brasil Transmissora de Energía, S.A, do not distributed any amount for dividends to non-controlling interest.

Note 19.- Project debt

The Consolidation perimeter includes interests in various companies that, in general, have been created to develop an integrated product that consists of designing, constructing, financing, operating and maintaining a specific infrastructure (usually a large-scale asset such as a power transmission line). These may be owned outright or under a concession arrangement for a specific period of time and whose financing sources are various non-recourse project financing schemes (project finance).

Project finance (non-recourse financing) is generally used as a means of constructing an asset, using the assets and cash flows of the company or group of companies that will perform the activity associated with the project being financed as collateral. In most cases the assets and/or contracts are used as a guarantee for the repayment of the financing.

Compared to corporate financing, the project finance has certain key benefits, which include a longer borrowing period due to the profile of the cash flows generated by the project and a clearly defined risk profile.

Despite having a commitment from a financial institution during the awarding phase of the project and since the financing is usually completed in the latter stages of a construction project –mainly because these projects require a significant amount of technical and legal documentation to be prepared and delivered that is specific to the project (licenses, authorizations, etc.) –bridge loan (formerly named Non-recourse project financing in process) needs to be available at the start of the construction period in order to begin construction activities as soon as possible and to be able to meet the deadlines specified in the concession agreements.

Obtaining this financing is considered as a temporary funding transaction and is equivalent to the advances that clients traditionally make during the different execution phases of a construction project or works.

Bridge loan has specific characteristics compared to traditional advances from clients. For example the funds are usually advanced by a financial institution (usually for terms of less than 2-3 years), although there are similarities in the implicit risk that mainly relates to the capacity of the company that is going to own the project to construct it correctly in time and form.

The specific funding requirements that usually accompany bridge financing agreements normally include the following:

› The funds that are drawn down as the project is executed can only be used for developing the project to construct the asset, and

› The obligation to use the project finance to repay the bridge loan.

This means that conversion of the bridge loan in a long-term project finance arrangement has a very high degree of security from the start of the project (which generally has a comfort letter or support from the institutions that are going to participate in the long-term financing).

In terms of guarantees, both the bridge loan and the project finance have the same technical guarantees from the contractor in relation to price, deadlines and performance.

The difference is that the bridge loan in most cases also has corporate guarantee from the project's sponsor in order to cover the possibility of a delay in the financial closing of project finance.

Both guarantees (contractor and sponsor) are intended to underwrite the future cash flows from the project in the event that technical risks give rise to variations in them (failure to comply with the construction schedule or with the deadlines for finalizing the project finance).

Therefore the bridge loan and the project finance are –from a contractual perspective– independent loan transactions, although they are linked in terms of their overall aim (for example, with the exception of the aforementioned guarantees, both share the same risks; their sole purpose is for financing projects; they are generally repaid with funds from the project itself; and they are separate from the company's other cash sources) and commercially (the financial institution itself has an interest in favorably resolving the continuity of both transactions). These two types of financing are therefore considered to be similar in terms of managing the company's business.

Consequently, the internal criteria for classifying a financial liability in the Consolidated Statement of Financial Position as project debt is based on the characteristics and use of that financing and not on the guarantees provided, since the security and predictability of the substitution process (based on past guarantees) means that this guarantee is more theoretical or hypothetical with regards to its use (such a guarantee has never been used by the nominal beneficiaries).

In relation to the return on the project, usually it has been more beneficial to obtain bridge loan via the special purpose entity responsible for operating and maintaining the asset to be constructed. However, the cheaper cost of financing obtained at a corporate level has enabled projects to be financed centrally, generating important competitive advantages as well as reducing start times for project construction. Consequently, during 2014 and 2015 bridge loans with a corporate guarantee were issued, structured in a similar way to the bridge loans used previously in terms of their purpose (project financing) and repayment (from project cash flows). This financing is therefore also considered to be similar to the project finance in terms of managing the business and the company's risk and it is therefore classified under the same heading.

The details of project debt applied to projects, for both non-current and current liabilities, as at December 31, 2015 and December 31, 2014 is as follows:

Project debt	Balance as of 12.31.15	Balance as of 12.31.14
Project finance	1,021,047	3,011,702
Project bridge loan	2,049,059	1,946,412
Total project debt	3,070,106	4,958,114
Non current	503,509	4,158,904
Current	2,566,597	799,210

At the year-end 2015, the total amount of non-recourse projects overdue and unpaid amounts to €24 million, which are included in the short term. The corresponding interest associated have been recognized.

19.1. The balances and movements for 2015 of project debt are set out in the table below:

Item	Project debt - long term	Project debt - short term	Total
Balance as of 12.31.14	4,158,904	799,210	4,958,114
Increases	626,954	419,488	1,046,442
Decreases (reimbursement)	(190,886)	(614,679)	(805,565)
Currency translation differences	(167,963)	4,221	(163,742)
Changes in consolidation and reclassifications	(1,441,737)	315,573	(1,126,164)
Transfer to liabilites held for sale	(618,617)	(220,362)	(838,979)
Reclassification for enforceable financing (*)	(1,863,146)	1,863,146	-
Balance as of 12.31.15	503,509	2,566,597	3,070,106

(*) As a consequence of certain breaches of covenants resulting in either default or cross default induced by the facts and circumstances which occurred from August 2015 onwards described within these Consolidated Financial Statements (see Note 2.1.1) and which has caused the Company requesting the protection of article 5 bis of the Spanish Insolvency Law, some financing arrangements have been reclassified from non-current liabilities to current liabilities in an amount of €1,863 million due to considering that the financing arrangements are due in the short term (see Note 19.5).

As of December 31, 2015 project debt decreased due to the classification as liabilities held for sale of project finance or bridge loans corresponding to companies classified as held for sale (€-839 million) and the derecognition of project debt of Atlantica Yield and its affiliates (which is accounted for under the equity method, see Note 7.1 and Note 11) (€-1,117million) the repayment of the bridge loan of the Zapotillo aqueduct project in Mexico (€-261 million), the repayment of the loan related to energy transmission line projects in Brazil (€-60 million) and to the translation differences caused by the depreciation of the Brazilian real against the euro. The most significant increases are due to Abengoa Greenbridge, S.A bridge loan for an amount of to €221 million, the new bridge loan obtained by Abengoa Concessions Investments Limited of which €123 million are drawn down to the new bridge loan obtained for the project Norte III for an amount of €183 million and the new loan obtained for the energy transmission line projects in Brazil (€74 million).

Additionally, the movement of the project finance is affected by the new bridge loan obtained by Abengoa Concessions Investments Ltd, for the promotion, develop and construction of concessional assets for an amount of $200 million and subsequent repayment.

With respect to aforementioned project bridge loan of Abengoa Greenbridge, S.A., it relates to a senior unsecured notes private program guaranteed by Abengoa, S.A. for an initial available amount of €125 million, which may be increased up to €425 million, which was signed on October 1, 2014. The proceeds will be used to finance, in whole or in part, the development of renewable projects until the moment when long term third party project financing is obtained.

In relation to Abengoa Concessions Investments Limited new project bridge loan, on June 29, 2015 the company entered into a margin loan facility agreement for the financing of the promotion, development and construction of concessional project, pursuant to which the company is entitled to borrow up to USD 200 million, maturing in 24 months following the utilization date and an interest at Libor + 290 basis points. Under the terms of the loan, initially the company has pledged and granted a security interest in 14,000,000 ordinary shares of Atlantica Yield, in favor of the financial institution. Upon the exercise of certain events, the financial institution could exercise its right to require the pre-payment of the Margin Loan, post additional collateral or foreclose on, and dispose of, the pledged shares. Based on these terms, the financial institution requested an increase of the pledged ordinary shares of Atlantica Yield and a cash collateral of approximately USD 70 million and afterwards its pre-payment, consequently USD 20 million and the remaining balance have been reimbursed on September 30, 2015 and October 1, 2015 respectively, a total of 16,561,817 pledged shares of Atlantica Yield, which (both pledged shares and cash collateral) have been released on October 1, 2015 once the loan was fully repaid.

Additionally, at the end of October, Abengoa Concessions Investments Limited entered into a Secured Term Facility Agreement in order to finance the construction and development of concessional assets which entitled the Company to borrow up to €123 million with an interest rate of 15%. The loan will mature in 24 months following the date of the agreement. Under the terms of the Loan Documents, Abengoa Concessions Investments Limited, has pledged and granted a security interest in 14,000,000 Ordinary Shares of Atlantica Yield in favor of the financial institution as security for the loan amount. Upon the occurrence of certain events that are customary for this type of loan, the financial institution may exercise its right to require the Company to repay all or part of the financial institution Loan Amount, post additional collateral or foreclose on, and dispose of, the financial institution Pledged Shares in accordance with the terms of the loan.

The balances and movements for 2014 of project debt are set out in the table below:

	Project debt - long term	Project debt - short term	Total
Balance as of 12.31.13	5,736,151	584,799	6,320,950
Increases	1,871,770	860,813	2,732,583
Decreases (reimbursement)	(185,809)	(921,401)	(1,107,210)
Currency translation differences	60,198	15,430	75,628
Changes in consolidation and reclassifications	(286,272)	324,780	38,508
Transfer to liabilities held for sale	(3,037,134)	(65,211)	(3,102,345)
Balance as of 12.31.14	4,158,904	799,210	4,958,114

During 2014 project debt increased due to the bridge loan issued (€500 million), the new bridge loan obtained by Abengoa Greenbridge through the Tranche B of the syndicated refinancing amounting to €700 million (see Note 20), to the ordinary notes issuance and the credit facility signed by Atlantica Yield (€285 million), the new bridge loan obtained for the Zapotillo aqueduct project in Mexico (€262 million), the new bridge loan obtained for the Solar project in Chile (€238 million), the new bridge loan obtained for the cogeneration project in Mexico (€137 million), the new project finance for the Bioethanol project in Brazil (€129 million), the new project finance for smaller amounts for desalination, solar, bioenergy and transmission line projects (€482 million), and to a lesser extend to the incorporation of the Hugoton project debt (€39 million) and due to the exchange differences mainly as a result of the US dollar and Brazilian real appreciation against the euro (€76 million). Most significant decreases are the classification as liabilities held for sale of project finance or bridge loans corresponding to companies classified as held for sale (€-3,102 million). the repayment of the Solana project finance (€-324 million), the repayment of the bridge loan of the Bioethanol project in Brazil (€-167 million), the repayment of bridge loan of certain transmission line projects in Brazil (€-316 million), the repayment of the bridge loan of the cogeneration project in Mexico (€-137 million) and the repayment of project finance for smaller amounts for various projects (€-163 million).

Project finance entered into in 2015 (in million of Euros) is as follows:

Project	Year	Country	Amount committed	Amount drawn
Unidad Punta de Rieles, S.A.	2015	Uruguay	89	20
Zona Norte Engenharia, Manutenção e Gestão De Serviços, S.A. Spe.	2015	Brasil	68	48
Total year 2015			157	68

Ordinary notes Greenfield, S.A.

On September 30, 2014 Abengoa Greenfield, S.A., subsidiary of Abengoa, S.A., completed the placement to qualified institutional investors of an ordinary note ('Green Bonds') for a nominal value equivalent to €500 million and with the following terms and conditions:

a) The placement was for a nominal amount equivalent to €500 million, split into two tranches, one for €265 million and a second tranche for USD 300 million, and maturing in five (5) years.

b) The Notes accrue a fixed interest, payable every six months, with a rate of 5.5% for the euro tranche and 6.5% for the U.S. dollar tranche.

c) The Notes are jointly guaranteed by certain group subsidiaries and have the same guarantees than ordinary notes issued by Abengoa Finance S.A.U. and described in Note 20.3.

d) The proceeds will be used to finance in whole or in part the development of renewable projects until the moment when long term third party project financing is obtained.

e) The proceeds not used to finance projects as mentioned in the previous point should be maintained in cash or other liquid financial instruments.

19.2. The table below lists projects with bridge loan in progress (bridge loan) as of December 31, 2015 (amount in thousands of euros):

	LAT Brasil (1)	Abent 3T	ACC4T	Atacama Solar Platform (1)	San Antonio Water	Total
Construction start date	mar-13 / aug-14	Sep-13	Sep-14	apr-14/may-15	dec-14	-
Estimated end date	jul-16/jul-18	jan-17	dec-17	jul-16/feb-19	Oct-19	-
Estimated amount of the contract (EPC)	1,787,627	1,047,750	605,988	2,462,568	592.546	6,496,479
Bridge financing start date	mar-13/sep-14	Sep-14	dec-14	aug-14/may-15	dec-14	-
Bridge financing maturity date	feb-16/sep-19 (2)	sep-19 (2)	dec-19	oct-17/jul-19 (2)	jul-19 (2)	-
Anticipated LT financing start date	jan-16/jun-17	Mar-16	Jul-16	jul-16/may-17	May-16	-
LT financing duration	Up to 15.5 years	Up to 18 years	Up to 21 years	Up to 18 years	Up to 30 years	-
LT financing expected amount	833.837	708,500	525,904	2,000,047	701,595	4,769,883
Bridge financing amount drawn (3)	1,184,410	258,548	90,509	465,965	49,627	2,049,059
Guarantee type (4)	Contractor and Sponsor / Corporate	Corporate	Corporate	Contractor and Sponsor / Corporate	Corporate	-

(1) Includes the transmission line projects in Brazil relating to ATE XVI Transmissora de Energía, S.A. (Miracema), ATE XVII Transmissora de Energía, S.A. (Milagres), ATE XVIII Transmissora de Energía, S.A. (Estreito), ATE XIX Transmissora de Energía, S.A. (Luiz Gonzaga), ATE XX Transmissora de Energía, S.A. (Teresina), ATE XXI Transmissora de Energía, S.A. (Parauapebas), ATE XXII Transmissora de Energía, S.A., ATE XXIII Transmissora de Energía, S.A. and ATE XXIV Transmissora de Energía, S.A. and to solar plant project in the Atacama Desert, Chile, which combines tower technology based on molten salts and photovoltaic.

(2) Once the long-term funding associated with the projects has been obtained, the issuer will use the funds from the Green Bond to finance other Green Projects, selected according to the "Use of Funds" requirements specified in the Offering Memorandum. Additionally, for funds from tranche B (see Note 18), after long-term funds obtained can be allocated to developing new projects after fulfilling the requirements specified in the financing agreement.

(3) Excludes amounts withdrawn from the project bridge loans, which have been issued by the projects with Contractor and Sponsor guarantee by Abengoa and/or some of corporate subsidiaries (which are not project companies), amounting to €635,880 thousands and which have been classified within assets and liabilities held for sale (see Note 7) and for Atacama I project in Chile specifically, included in the consolidated statement of financial position of Abengoa Project Warehouse (APW-1), joint venture accounted for using the equity method (see Note 10).

(4) The guarantee references "Contractor and sponsor" refer to corporate guarantees mainly related to the bridge financing of the projects. The references to "Corporate" guarantees refer to guarantees related to the Green Bonds. These guarantees cover all of the indicated bridge financing.

19.3. Within the assets on the Consolidated Statement of Financial Position and under the Cash and Cash equivalent and Financial Receivables headings, there are debt service reserve accounts in the amount of €27 million relating to project finance in 2015 (€94 million in 2014).

19.4. Appendix IX of this consolidated report details the Project companies as of the end of 2015 which are financed by project debt.

19.5. Project finance maturities, as reflected in the original contracts and in the Statement of Financial Position, after the reclassification made to short term of debt payable on demand as a consequence of certain contractual breaches due to the fact and circumstances since the beginning of August 2015 (see Note 2.1.1) that have led to the filing of the communication set forth under the article 5 bis of Ley Concursal is shown bellow.

	2016	2017	2018	2019	2020	Subsequent years	Total
Total as contract	703,451	225,827	765,344	649,952	264,043	461,489	3,070,106
Reclassification for enforceable financing	1,863,146	(186,431)	(726,215)	(610,549)	(222,967)	(116,984)	-
Total as balance	2,566,597	39,396	39,129	39,403	41,076	344,505	3,070,106

19.6. Current and non-current loans with credit entities include amounts in foreign currencies for the total of €1,494,099 thousand (€2,436,633 thousand in 2014).

The equivalent in eurosof the most significant foreign-currency-denominated debts held by the Group is as follows:

	12.31.15		12.31.14	
Currency	Non-domestic companies	Domestic companies	Non-domestic companies	Domestic companies
Dinar (Algeria)	17,170	-	345,351	-
Dollar (USA)	432,536	273,992	664,707	356,738
Peso (Mexico)	8,643	-	-	-
Peso (Uruguay)	20,076	-	-	-
Real (Brazil)	741,682	-	1,069,837	-
Total	1,220,107	273,992	2,079,895	356,738

19.7. The balance of interest payable is €9,268 thousand as of December 31, 2015 (€15,518 thousand as of December 31, 2014) and is included under current 'Project debt'.

Note 20.- Corporate financing

As indicated in Note 4, corporate financing is used to finance the activities of the remaining companies which are not financed under project debt and is guaranteed by Abengoa, S.A. and, in some cases, jointly guaranteed by certain group subsidiaries.

20.1. The breakdown of the corporate financing as of December 31, 2015 and 2014 is as follows:

Non-current	Balance as of 12.31.15	Balance as of 12.31.14
Credit facilities with financial entities	6,566	871,613
Notes and bonds	-	2,755,993
Finance lease liabilities	19,522	24,064
Other loans and borrowings	345,437	97,029
Total non-current	371,525	3,748,699

Current	Balance as of 12.31.15	Balance as of 12.31.14
Credit facilities with financial entities	2,321,654	444,386
Notes and bonds	3,300,825	1,096,965
Finance lease liabilities	17,020	10,927
Other loans and borrowings	557,047	24,373
Total current	6,196,546	1,576,651
Total corporate financing	6,568,071	5,325,350

At the year-end 2015, the total amount of the overdue and unpaid corporate-financing (principal and interest) amounts to €486 million, and is classified as current. The corresponding default interest expenses have been recognized.

As a consequence of certain contractual breaches given the events since the beginning of the month of August 2015 (see Note 2.1.1) which have led to the current situation of the Company provided by the article 5 bis of Ley Concursal, €4,134 million have been reclassified to current liabilities because its being considered as payable on demand corporate-financing.

The increase during the year 2015 in corporate financing was mainly due to the withdrawn of the year-end outstanding €500 million tranche A syndicated loan, as well as the issuance of €375 million in ordinary notes due 2020, €74 million of a loan granted by European Investment Bank (EIB), new long term loans with certain financial entities supported by Export Credit Agencies, the financial liability amounted to €243.1 million arisen after the agreement reached with EIG for the financing of a project company´s minority interest under construction of energy transmission lines in Brazil (see Note 7.1), new liquidity line issued during the month of December 2015 amounted to €106 million and a maturity in March 17, 2016 by the consideration as corporate-financing both suppliers overdue and unpaid debt through non-recourse confirming instrument amounted to €304 million (see Note 25.3) and those amounts owed to suppliers related to a non-recourse confirming originated by a Group supplier amounted to €202 million (see Note 25.3), and the revolving credit agreement of up to €165 million signed at the end of September 2015, of which €125 million are drawn down because of the disposal of the remaining €40 million was subject to the compliance of certain conditions unaccomplished. Regarding the aforementioned revolving credit, in addition to personal guarantees provided by certain group companies, certain subsidiaries have assigned certain trade receivables.

Additionally, there has been an increase due to the recognition as a liability of the preferred shares of Abengoa Concessoes Brasil Holding (ACBH) which were sold to Atlantica Yield on June, 2014 which have been recognized at their fair value representing an amount of €48 million as of December 31, 2015, due to the loss of control of Atlantica Yield and its consolidation under the equity method. These preferred shares grant the right to receive an annual perpetual dividend of USD18.4 million and the option of converting in the fifth year the aforementioned dividend in ordinary shares of ACBH subsidiaries representing an equivalent return for Atlantica Yield. Such plan has been calculated taking as a base the instrument´s cash flow and a discount rate of 35% based on comparable companies´ notes issued in Brazil

All the increase described above has been partially offset by the early conversion of €238.3 million nominal amount of the convertible bonds maturing in 2019 (see Note 20.3), the conversion option exercised related to the 2017 convertible notes by an amount of €244 million on February 3, 2015 (see Note 20.3), as well as the cancellation of the 2015 ordinary bonds by €300 million and to the decrease of the outstanding balance of the Euro-Commercial Paper Programme (ECP) amounting to €407 million (see Note 20.3).

20.2. Credit facilities with financial entities

a) The amount of current and non-current credit facilities with financial entities as of December 31, 2015 includes debts denominated in foreign currencies in the amount of €575,174 thousand (€356,324 thousand in 2014).

The most significant amounts of debt in foreign currencies with financial entities are as follows:

	12.31.15		12.31.14	
Currency	Non-domestic companies	Domestic companies	Non-domestic companies	Domestic companies
Dollar (USA)	278,375	253,161	173,796	145,537
Peso (Argentina)	395	-	3	-
Peso (Chile)	-	-	978	-
Peso (Colombia)	194	-	2,537	-
Peso (Mexico)	14,094	-	12,964	-
Real (Brazil)	19,616	-	6,356	-
Rupee (Indian)	7,291	640	13,859	-
Yuan (China)	1,408	-	294	-
Total	321,373	253,801	210,787	145,537

b) The following table shows a list of credit facilities with financial entities:

Loan details	Year granted	Granted amount	Outstanding (*)	Expiry as contract (*)
Syndicated loan	2014	700,000	690,640	2018-2019
ICO financing	2015	30,000	30,082	2018-2022
Instalaciones Inabensa SA financing	2010-2014	430,349	280,930	2016-2024
Abener Energia SA financing	2010-2015	612,481	381,893	2016-2024
Euopean Investment Bank loan	2015	125,000	75,694	2018-2022
Revolving credit agreement	2015	165,000	126,150	2016
Liquidity line	2015	106,000	100,116	2016
Other loans	Various	663,237	642,715	Various
Total		2,832,067	2,328,220	

(*) The company is negotiating the notional and the maturity of the loan based on the restructuring Agreement of the financial debt (see Note 2.1.1)

With the aim of minimizing the volatility in interest rates of financial operations, specific contracts are signed to hedge the possible variations that may occur (See Note 14).

The long-term syndicated financing loan was signed for the purposes of financing investments and general financing requirements of Abengoa, S.A. and all the companies of the group without project financing.

On September 30, 2014 Abengoa, S.A. closed the previous syndicated loan upon a long term revolving financing signed for an amount of approximately €1,400 million and maturing in the end of 2019 split in two tranches:

› Tranch A, of corporate financing for an amount of €700 million, to extend the maturity of the existing syndicated loan, and

› Tranch B, of bridge loan (non-recourse financing in process) for an amount of €700 million to fund the promotion, development and construction of concession projects until obtaining long term financing related to these projects (see Note 19).

Both tranches are guaranteed jointly by Abengoa, S.A. and certain Group subsidiaries.

The new financing extends the maturity of the existing debt to more than four years and reduces the financial cost (with the possibility of further improvements in case of a company rating increase by the agencies). The average interest rate of the syndicated loan during 2015 has been 2.97% (3.99% in 2014).

As of July 13, 2015 Abengoa closed a loan with the European Investment Bank (EIB) for the total amount of €125 million, with a final maturity on 2022 in which Abengoa has signed the first tranche amounting to €75 million to finance working capital.

On July 30, 2015 Abengoa signed a loan with the ICO for an amount of €30 million maturing on 2022, in which Abengoa has committed the totality, for Abengoa´s R&D financing during the period 2015 to 2018.

As of September 23, 2015, Abengoa signed a syndicated loan, under the revolving credit model amounting to €165 million maturing in 2016 aimed to finance corporate needs in case of the proposed capital increase. However, the initial drawn down amount was €125 million until the compliance of certain covenants to release the additional €40 million that didn't ocurred. The interest rate applicable until the end of 2015 has been 5.019%. The average interest rate of de syndicated loan during 2015 has been 5.013%.

On December 24, 2015, Abengoa Concessions Investment Limited, as accredited, and certain group companies as guarantors signed with a group of financial entities a loan agreement amounted to €106 million with an interest rate of 5% + Euribor maturing on March 17, 2016. As guarantee of this loan, 17,334,598 Atlantica Yield shares were pledged. On December 24, and in relation to the loan previously signed by Abengoa on September 23, 2015 with a group of financial entities and, in compliance of the assumed obligations by the Company in such agreement, 8,196,245 shares were pledged in favor of Atlantica Yield. On March 22, 2016, due to the new liquidity loan (see Note 33.7), a novation of the loan signed on December was made and the pledge over the 8,196,245 shares was cancelled as collateral for the loan signed on September 2015. Additionally the pledge given to the loan of 6,130,879 shares of ABY were partially released. Thus, pledged shares in this second lean become to 11,203,719 shares of ABY. Shares pledged was determined by the 60% of the nominal value given at March 22, 2016. Shares released (14,327,124) have been allocated to secure the liquidity loan of March 2016, which nominal value was determined by the coverage ratio of 60% as collateral for the nominal value. Additionally, the interest rate applicable to the loan signed on December become to 14.5% + Euribor and the maturity date, formerly on March 17, 2016, was extended to September 23, 2016 and consequently, the characteristics became equal to the loan obtained on March. Furthermore, there is a temporary waiver of any breaches related to this contract until March 28, 2016, date in which the restructuring agreement was submitted to court for its approval in compliance with the terms described in Note 2.1.1.

Furthermore, some subsidiaries of Abengoa S.A. undersigned long-term loans with various entities with the support of various Export Credit Agencies, including two financing agreements signed with a group of financing entities backed by an EKN (Swedish Export Credit Agency) guarantee to finance industrial machinery in various projects:

To ensure that the Company has sufficient funds to repay the debt with respect to its capacity to generate cash flow, Abengoa has to comply with a Corporate Net Debt / Corporate EBITDA financial ratio with the financial institutions. The maximum limit of this ratio is 2.5 starting December 31, 2014. As of December 31, 2015, Corporate Net Debt/EBITDA financial ratio is higher than the maximum set indicated above, while as of December 31, 2014 was 2.11.

As a consequence of the new ICO and BEI R&D&I project financing frame, during 2015 Abengoa is obliged to meet a new financial covenant different to Corporate Net Debt/Corporate Ebitda detailed before. In this sense, Abengoa has to hold a ratio which numerator is the net corporate debt plus bridge loans minus treasury shares and the denominator is Group Ebitda, capped by 5.0. On December 31, 2015 this ratio is higher than 5.0.

c) The following table shows the maturity of the bank loans and borrowings as they are in the original contracts and reflected in the statement of financial position after the reclassification resulting from the presentation of the communication provided by article 5 bis of the Ley Concursal:

	2016	2017	2018	2019	2020	Subsequent years	Total
Syndicated loan	-	-	414,384	276,256	-	-	690,640
ICO financing	283	-	4,756	4,756	5,956	14,331	30,082
Instalaciones Inabensa SA financing	85,954	60,395	43,261	43,261	41,989	6,070	280,930
Abener Energia SA financing	95,789	93,419	101,491	41,150	28,283	21,761	381,893
Euopean Investment Bank loan	883	-	11,958	11,958	14,958	35,937	75,694
Revolving credit agreement	126,150	-	-	-	-	-	126,150
Liquidity line	100,116	-	-	-	-	-	100,116
Other loans	339,181	78,034	81,109	62,569	19,792	62,030	642,715
Total according to Contract	748,356	231,848	656,959	439,950	110,978	140,129	2,328,220
Reclassification to enforceable financing	1,573,298	(228,645)	(654,494)	(439,363)	(110,692)	(140,104)	-
Total balance (*)	2,321,654	3,203	2,465	587	286	25	2,328,220

(*) The company is negotiating the notional and the maturity of the loan based on the restructuring Agreement of the financial debt (see Note 2.1.1)

The exposure of the Group to variations interest rates and the dates at which prices are revised is specified in Note 4 on the management of financial risks. Corporate financing is mainly based in variable interest rates, as such its fair value is close to its book value. The fair value is based on discounted cash flows, applying a discount rate being that of the third-party loan.

d) Interest expenses with financial credit entities accrued and not due reach to €18,804 thousand as of December 31, 2015 (€8,833 thousand in 2014) and is included under 'Short-term borrowings'.

e) Real estate pledged against mortgages corporate financing as of December 31, 2015 is not significant.

f) The average interest rates associated with the debt facilities reflect normal levels in each of the regions and areas in which the facility was agreed upon.

g) The average cost of total financing during 2015 was 7.0%.

20.3. Notes and bonds

The table below shows the maturities of the existing notes and bonds as of December 31, 2015:

According to the original contracts and as reflected in the Statements of financial position, due to reclassifications related to the presentations of the communication provided by Article 5 bis of the Ley Concursal:

Item	2016	2017	2018	2019	2020	2021
Convertible notes Atlántica Yield	-	12,889	-	-	-	-
Convertible notes Abengoa	-	5,600	-	161,700	-	-
Ordinary notes Abengoa	500,000	598,416	550,000	-	789,288	500,000
Commercial paper Abengoa Mexico	111,428	-	-	-	-	-
Euro-Commercial Paper Programme (ECP)	56,727	-	-	-	-	-
Total notionals according to Contract	668,155	616,905	550,000	161,700	789,288	500,000
Reclassification to enforceable financing	2,617,893	(616,905)	(550,000)	(161,700)	(789,288)	(500,000)
Total notional due (*)	3,286,048	-	-	-	-	-

(*) The company is negotiating the notional and the maturity of the loan based on the restructuring Agreement of the financial debt (see Note 2.1.1)

On September 29, 2015, Abengoa announced the call for the general assembly of noteholders of the convertible notes 2017, convertible notes 2019 and exchangeable notes Atlantica Yield 2017, which have taken place on October 29, 2015 (except for exchangeable notes Atlantica Yield 2017, that given the legally required quorum was not attained, it has been called a second call which will take place on November 30, 2015). The aforementioned calls have approved the amendment to certain terms and conditions and the approval of the entering into of the deeds of guarantee, among others.

Convertible notes 2017

On February 3, 2010, Abengoa, S.A. issued Convertible Notes, convertible into ordinary shares, to qualified investors and institutions for the amount of €250 million. The terms and conditions of the issuance are currently as follows:

a) The Notes were issued for two hundred million euros (€250 million) with maturity set at 7 years.

b) The Notes accrue a fixed annual interest of 4.5% payable semiannually.

c) The 2017 Convertible Notes are convertible into fully paid class A shares or class B shares of Abengoa, subject to certain liquidity conditions, credited in the number determined by dividing the aggregate nominal amount of the Notes by the applicable conversion price. The conversion price was initially set at €30.27 per ordinary share of Abengoa and was adjusted to €29.87 per share in July 2012 following a dividend payment (€0.35 per share) in excess of the dividend threshold permitted without adjustment in the conversion price (€0.21 per share). In October 2012, the conversion price was adjusted to €5.97 per share of Abengoa due to the distribution of class B shares as approved by the Extraordinary General Shareholders' Meeting held on September 30, 2012. Additionally, the conversion price was adjusted to €5.45 per share of Abengoa as a result of the Capital Increase completed on October 29, 2013 and in April 2014, the conversion price was again adjusted to €5.35 per share of Abengoa following a dividend payment in excess or the dividend threshold permitted without adjustment in the conversion price On 2015 the conversion price was adjusted to €5.24 per share following a dividend payment in excess of the dividend threshold permitted without adjustment in the conversion price.

d) On February 3, 2015, holders of the 2017 Convertible Notes had the right to require Abengoa to redeem the 2017 Convertible Notes at the principal amount together with accrued and unpaid interest to such date.

   On February 3, 2015, certain bondholders exercised the conversion option amounting to €244,400 thousand, corresponding to principal plus interest accrued and unpaid to date. The remaining bondholders, amounting to €5,600 thousand, preferred not to exercise its option and wait until the maturity in 2017.

e) Pursuant to the Terms and Conditions, in the event that investors decide to exercise their right of conversion, the Company may decide to settle the issuance entirely in shares, in cash or in a combination of shares and cash.

f) The notes are jointly guaranteed by certain Group subsidiaries.

The carrying value amount of the liability component of this bond at December 31, 2015 amounted to €5,211 thousand (€216,768 thousand at December 31, 2014).

Additionally, at December 31, 2015, the fair value of the derivative liability embedded in the convertible bond calculated using the Black Scholes model, is €531. The variation in fair value has been recorded as an income amounting to € 4,020 thousand in 'Other net finance income/expense' in the Consolidated Income Statement for the year ended December 31, 2015 (an income of €1,134 thousand in 2014) due to the difference between its value at the end of the year 2015 and year 2014 (€4,021 thousand).

The key data for the valuation model included the share price, the estimated profitability of the dividend, an envisaged option maturity life, an interest rate and underlying volatility as set forth in the table below:

	12.31.15	12.31.14
'Spot Abengoa ' Price (euros)	0.20	1.83
'Strike ' Price (euros)	5.24	5.35
Maturity	02/03/2017	02/03/2017
Volatility	93%	56%
Number of shares	1,068,702	46,728,972

Furthermore, in order to partially hedge the derivatives embedded in the notes convertible, during the years 2011 and 2010 the Company purchased two call options over 7,100,000 Abengoa's own shares with a strike price of €30.27 per share, maturing on February 3, 2017 (over 35,500,000 Abengoa's own shares with a strike price of €6.05 after the distribution of class B shares approved by the Extraordinary General Meeting held on September 30, 2012).

These options hedge around 100% of the notes in the event of conversion.

The fair value of the options at December 31, 2014, calculated using the Black-Scholes model, was €750 thousand, while the fair value was €0 thousand at December 31, 2015. The decrease in fair value has been recorded as a finance expense amounting to €750 thousand recorded in 'Other net finance income/expense' in the Consolidated Income Statement (an expense of €1,572 thousand in 2014). As of December 31, 2015 the listed price of these bonds was 7.75% (99.38% in 2014).

The key data for the valuation model included the share price, the estimated profitability of the dividend, an envisaged option maturity life, an interest rate and underlying volatility as set forth in the table below:

	12.31.15	12.31.14
'Spot Abengoa ' Price (euros)	0.20	1.83
'Strike ' Price (euros)	6,05	6.05
Maturity	02/03/2017	02/03/2017
Volatility	73%	43%
Number of shares	26,750,000	35,500,000

Exchangeable notes Atlantica Yield 2017

On March 5, 2015, Abengoa S.A. issued a senior unsecured exchangeable notes into existing ordinary shares of Atlantica Yield, a subsidiary of Abengoa S.A. whose shares are listed on the NASDAQ Global Select Market, for USD 279 million.

The principal terms and conditions that have been determined are the following:

a) The size of the Offering is USD 279 million. The Notes will mature on March 5, 2017.

b) The Notes will accrue a fixed annual coupon of 5.125% payable semi-annually in arrear, beginning on September 5, 2015.

c) The Notes will be initially exchangeable into 7,202,602.23 shares of Atlantica Yield (exchange property) at an exchange price of USD 38.736 per share. The Notes will be voluntarily exchangeable into shares of Atlantica Yield since September 1, 2015 as set out in the Terms and Conditions, subject to cash payment in certain circumstances. On December 31, 2015 the exchanged price was adjusted to 36.417 dollars per share of Atlantica Yield after the last dividend distribution of December 15, 2015.

d) As of December 31, 2015 certain noteholders have exchanged a total amount of 265,000 thousand dollars. The rest of noteholders amounted to 14,000 thousand dollars remain unexchanged.

e) Notes will be jointly guaranteed by certain affiliates.

In connection with the dividend per Atlantica Yield received until September 30, 2015 the exchange property has been adjusted as follows:

- Dividend of USD 0.2592 per Atlantica Yield received on 16 March 2015, the exchange price has been adjusted to USD 38.439 and the exchange property comprises 7,258,169.53 Atlantica Yield Shares, with effect from March 25, 2015.
- Dividend of USD 0.34 per Atlantica Yield received on June 15, 2015, the exchange price has been adjusted to USD 38.083 and the exchange property comprises 7,326,189.56 Atlantica Yield shares, with effect from June 24, 2015.
- Dividend of USD 0.40 per Atlantica Yield received on September 15, 2015; the exchange price has been adjusted to USD 37.286, with effect from September 24, 2015.
- Dividend of USD 0.43 per Atlantica Yield received on December 15, 2015; the exchange price has been adjusted to USD 36.417, with effect from December 24, 2015

The value of the liability component of the exchangeable bonds on December 31, 2015 amounts to €12,169 thousand.

Since the commencement of the exchange period for the Exchangeable Notes Atlantica Yield 2017 on September 1, 2015 (as set out the Terms and Conditions) through December 31, 2015, exchange notices for a total nominal amount of USD 265 million, equivalent to 7,202,738 shares of Atlantica Yield, have been received and exchanged (see Note 6.2). The income recognized due to the exchange in the Consolidated Income Statement for the ended December 31, 2015 amounts to €90,274 thousand according to IAS 32 and IFRIC 19 (see Note 30.3).

In addition, at the end of the year 2015, the valuation of the embedded derivative liability component generated at the issuance of the convertible note calculated by the Black Scholes method was €4,676 thousand with an impact on the income statement of €25,680 thousand (€26,136 thousand in 2014) as a consequence of the conversion and a financial expense of €455 thousands due to valuation differences). The value of the derivative at the end of the year 2015 was €30,356 thousand.

The key data for the valuation model included the share price, the estimated profitability of the dividend, an envisaged option maturity life, an interest rate and underlying volatility as set forth in the table below:

	12.31.2015	12.31.2014
'Spot Abengoa ' Price (euros)	19.29	33.41
'Strike ' Price (euros)	36.42	38.74
Maturity	03/05/2017	03/05/2017
Volatility	76%	31%
Number of shares	384,404	7,202,602

Convertible notes 2019

On January 17, 2013, Abengoa, S.A. issued €400 million aggregate principal amount among qualified and institutional investors of convertible notes due 2019 (the ‘2019 Convertible Notes’). The notes are convertible into class B shares. In summary, the final terms and conditions of the issuance are as follows:

a) The Notes were issued for four hundred million euros (€400 million) with maturity set at 6 years.

b) The Notes accrue a fixed annual interest of 6.25% payable semiannually.

c) Notes are convertible, at the option of noteholders into fully paid class B shares.

d) In the event that investors decide to exercise their right of conversion, the Company may decide to repay the notes in shares, cash or a combination of cash and shares.

e) The 2019 Convertible Notes are convertible into class B shares of the Parent Guarantor credited in the number determined by dividing the aggregate nominal amount of the Notes by the applicable conversion price. The initial conversion price is €3.27 for each class B share of the Company. The conversion price has been adjusted to €3.04 per share of Abengoa as a result of the Capital Increase completed on October 29, 2013 and in April, 2014, the conversion price was again adjusted to €2.98 per share of Abengoa following a dividend payment in excess of the dividend threshold permitted without adjustment in the conversion price. Finally, on April, 2015 the conversion price was adjusted to 2.94€/share after the dividends distribution in the excess over the maximum distribution allowed by law without adjustments for price conversion.

f) The notes are jointly guaranteed by certain group subsidiaries.

During April 2015, Company launched an offer with the aim of converting up to €200 million Bonds into fully paid class B shares of Abengoa and a cash amount in accordance with the terms and conditions of the notes, inviting the bond holders to exercise their conversion right in their corresponding class B shares and a cash amount based on the terms and conditions of the bond.

Subsequently, the Company, in accordance with the terms and conditions of the Auction contained in the Invitation Memorandum dated April 7, 2015, decided to accept applications for conversion from Noteholders corresponding to a total principal amount of €238.3 million (representing 59.6% of the total principal amount of Notes outstanding), above the initial amount addressed. On April 9, 2015, once the accelerated bookbuilding process of class B was completed, the cash amount that the company has to pay to the accepting noteholders has been set at €25,366.81 per €100,000 principal amount of Notes, amounting to €60,449 thousand the total cash amount to be paid to noteholders. The expense recognized at ended year 31, 2015 amounts to €15,141 thousand due to the conversion.

At the beginning of 2014, the Board of Directors expressly and irrevocably stated, with binding effect, that in relation to the right conferred by Clause 6 (j) (Settlement in cash) of the Terms and Conditions of this convertible bond, which grants Abengoa the right to choose the type of payment, the Company shall not exercise the cash settlement option in the event that bondholders decide to exercise their conversion right early during the period granted for that effect and Abengoa, S.A. shall therefore only settle this conversion right in shares. Accordingly, the fair value at the beginning of the year 2014 of the derivative liability embedded in the convertible bond, which totaled €62,894 thousand, was reclassified as equity since after that date the conversion option meets the definition of an equity instrument. As a consequence of the conversion, on April 2015 the amount of the instrument has been reduced to €25,425 thousand.

The carrying value of the liability component of the notes at December 31, 2015 amounts to €137,900 thousand (€323,209 thousand in 2014).

Ordinary notes Abengoa 2015

At December 1, 2009, Abengoa, S.A. closed its process of issuance of Ordinary notes for €300 million. In summary, the terms and conditions of the issuance are as follows:

(a) The Notes were issued for three hundred million euros (€300 million) maturing on five (5) years

(b) The Notes accrue a fixed annual interest of 9.625% payable semiannually.

(c) The Notes are jointly guaranteed by Abengoa, S.A. and certain subsidiaries of the Group.

On februrary 25, 2015 the Note has been matured, proceeding its settlement under the terms and conditions of the note, all by cash.

Ordinary notes Abengoa 2016

On March 31, 2010, Abengoa S.A. issued ordinary Notes to qualified investors and institutions in Europe for the amount of €500 million. In summary, the final terms and conditions of the issuance are as follows:

a) The Notes were issued for five hundred million euros (€500 million) with maturity set at 6 years.

b) . The fixed annual payable twice-yearly interest on the Notes is 8.50% annually.

c) The Notes are guaranteed jointly by certain subsidiaries of the group.

As of December 31, 2015 the listed price of these bonds was 14.97%.

On March 28, a Noteholders General assembly was called but finally couldn´t take place on first call. The Company has not considered appropriate to make a second call given that, since the standstill agreement was signed, the right associated to the ordinary notes maturing on 2016 have been suspended for a period of 7 months from the date of signing of the standstill agreement.

Ordinary notes Abengoa 2017

On October 19, 2010, Abengoa Finance, S.A.U., a subsidiary of Abengoa, S.A., issued an ordinary bonds for USD 650 million among qualified and institutional investors in accordance with Rule 144A of the Securities Act of 1933 and subsequent amendments thereto. In summary, the terms and conditions of the issue that were established definitively are:

a) The Notes issue is for an amount of six hundred and fifty million United States dollars (USD 650 million) and matures at seven (7) years.

b) The Notes will accrue fixed annual interest of 8.875%, payable every six months.

c) The Notes are jointly and severally guaranteed by Abengoa, S.A. and certain Group subsidiaries.

As of December 31, 2015 the listed price of these bonds was 15.00%.

Ordinary notes Abengoa 2018

On February 5, 2013, Abengoa Finance, S.A.U., a subsidiary of Abengoa, S.A., issued Ordinary Notes to qualified and institutional investors for €250 million. On October 3, 2013, Abengoa Finance, S.A.U. issued €250 million of additional and fungible notes, at a price of 100.25%, which is equivalent to a yield of 8.799%. Furthermore, on November 5, 2013, Abengoa Finance, S.A.U. issued €50 million of additional and fungible notes, at a price of 105.25%, which is equivalent to a yield of 7.408%. The terms and conditions of the issuance are as follows:

a) The aggregate nominal amount of the Notes is five hundred and fifty million euros (€550 million) with maturity set at five (5) years.

b) The Notes accrue a fixed annual interest of 8.875% payable semiannually.

c) The Notes are jointly guaranteed by Abengoa, S.A. and certain subsidiaries of the group.

As of December 31, 2015 the listed price of these bonds was 16.00%.

Ordinary notes Abengoa 2020

On December 13, 2013, Abengoa Finance, S.A. Unipersonal, a subsidiary of Abengoa, S.A., issued an ordinary bond for USD 450 million among qualified and institutional investors. In summary, the terms and conditions of the issuance are:

a) The Notes was issued for an amount of USD 450 million and matures in six (6) years.

b) The Notes accrue fixed annual interest of 7.75%, payable every six months.

c) The Notes are jointly guaranteed by Abengoa, S.A. and certain group subsidiaries.

As of December 31, 2015 the listed price of these bonds was 14.99%.

On April 16, 2015, Abengoa Finance, S.A.U., a subsidiary of Abengoa S.A., issue an ordinary bond for €375 million among institutional and qualified investors. In summary, the terms and conditions of the issuance are as follows:

a) The Notes were issued for €375 million and Notes will mature on April 2020.

b) The Notes accrue a fixed annual interest of 7.00% payable semiannually.

c) The Notes are jointly guaranteed by Abengoa, S.A. and certain subsidiaries of the Group.

As of December 31, 2015 the listed price of these bonds was 13.000%

Ordinary notes Abengoa 2021

On March 27, 2014, Abengoa Finance, S.A.U., a subsidiary of Abengoa, S.A., issued an ordinary bond for €500 million among qualified and institutional investors. In summary, the terms and conditions of the issue that were established definitively are:

a) The Notes was issued for an amount of €500 million and matures in seven (7) years.

b) The Notes will accrue fixed annual interest of 6.00%, payable every six months, on March 15 and September 15.

c) The Notes are jointly and severally guaranteed by Abengoa, S.A. and certain group subsidiaries.

As of December 31, 2015 the listed price of these bonds was 12.00%.

Euro-Commercial Paper Programme

On January 29, 2013, Abengoa, S.A. carried out a euroCommercial Paper (ECP) program for a maximum of €500 million with one-year maturity. Through this program, the company was able to issue notes between one and twelve months maturity, diversifying its financing options in the capital markets.

On June 10, 2014, the maximum amount of the program was increased to €750 million.

On December 22, 2014, the program was renewed for one more year and for the same amount. As of December 21, 2015 the program has finished.

At the end of the year 2015 the balance of the program amounts to €56,727 thousand (€464,141 thousand in 2014) in which € 20,454 thousand are due and not attended.

Commercial Paper Abengoa México

On June 30, 2014 Abengoa Mexico S.A.de C.V. signed the short-term revolving exchange traded certificate program for an amount up to 3,000 million Mexican pesos as of December 31, 2014. As of December 31, 2015 these amount reach 2,080 million Mexican pesos equivalent to €111,428 million. (€43,502 million as of December 31, 2014).

The certificates will accrue a variable interest rate calculated based in the `Tasa de interés interbancaria de equilibrio` ('TIIE') plus a margin to be determined in the moment of each use.

20.4. The balance of interest payable related to notes and bonds is €72,809 thousand as of December 31, 2015 (€77,628 thousand as of December 31, 2014) and is included under current 'Bonds and Notes'.

20.5. Finance lease liabilities

Finance lease creditors as of the end of 2015 and 2014 were:

Finance lease	Balance as of 12.31.15	Balance as of 12.31.14
Present values of future payments for finance lease	36,542	34,991
Liabilities: minimum payments for finance lease:		
Less than 1 year	18,001	11,879
From 1 to 5 years	15,219	19,439
More than 5 years	6,252	7,108
Net book value:		
Technical installations and machinery	30,342	27,865
Information processing equipment	3,093	3,045
Other tangible assets	23,618	17,705

20.6. Other loans and borrowings

The following table sets out the movement of other loans and borrowings at the 2015 and 2014 year end:

	Balance as of 12.31.15	Balance as of 12.31.14
Sale and lease back	35,410	12,211
Derivative premiums payable	35,051	65,010
Low interest loans	9,362	6,775
Preferred shares of ACBH (Note 20.1)	48,426	-
Non-recourse confirming due and unpaid	304,204	-
Non-recourse confirming non due group suppliers	202,316	-
Holding LAT Brasil´s preferential shares (Note 7.1)	243,070	-
Loans with public institutions and others	24,645	37,406
Total	902,484	121,402

Note 21.- Grants and other liabilities

Grants and Other Liabilities as of December 31, 2015 and 2014 are shown in the following table:

	Balance as of 12.31.15	Balance as of 12.31.14
Grants	145,799	146,684
Suppliers of non-current assets	1,975	2,488
Long-term trade payables	86,419	63,434
Grants and other non-current liabilities	234,193	212,606

The increase in grants and other non-current liabilities are mainly due to the increase in other non-current liabilities for the dividend payable to Atlantica Yield because of the preferred shares of Abengoa Concessoes Brasil Holding (ACBH) for the loss of control of Atlantica Yield and its subsequent consolidation by the equity method.

Note 22.- Provisions and contingences

22.1. Provisions for other liabilities and charge

The following table shows the movement of the non-current heading of 'Provisions for other liabilities and charges' for the years 2015 and 2014:

Item	Taxes	Liabilities	Dismantling	Total
Balance as of 12.31.13	15,215	29,651	33,178	78,044
Net increase/ (decrease) with impact in profit and loss	389	2,611	1,469	4,469
Translation differences	17	763	1,173	1,953
Reclassifications and other movements	-	-	-	-
Transfer to liabilities held for sale	-	(19)	(9,330)	(9,349)
Balance as of 12.31.14	15,621	33,006	26,490	75,117
Net increase/ (decrease) with impact in profit and loss	623	11,749	2,914	15,286
Translation differences	11	1,080	(669)	422
Reclassifications and other movements	-	-	-	-
Transfer to liabilities held for sale	-	(104)	(27,956)	(28,060)
Balance as of 12.31.15	16,255	45,731	779	62,765

The decrease of total provisions in 2015 is mainly due to the decrease of dismantling provisions recognized in companies sold to Atlantica Yield and therefore, have begun to be consolidated by the equity method.

The decrease of total provisions in 2014 was mainly due to the classification of dismantling provisions of Atlantica Yield as liabilities held for sale.

Provision for tax and legal contingencies

This provision represents the Group's best estimates in connection with risks relating to tax contingencies arising during the normal course of the Group's business, fundamentally in Latin America, when it is considered probable that there will be an outflow of resources in the medium or long term, which has been estimated being comprised in a period between 2 to 5 years, although the development of the contingencies and the new facts and circumstances that may arise overtime could change such estimated settlement period.

There are also provisions recorded by Group companies in relation with court rulings and unfavorable tax inspections that are under appeal but have not been resolved yet. For these tax disputes the Group considers that it is probable that there will be an outflow of resources in the medium term (between 2 and 5 years).

Provision for liabilities

This provision includes the Group's best estimates of probable cash outflows in connection with litigation, arbitration and claims in progress in which the various group companies are defendants as a result of the activities they carry out. Management considers that these liabilities will likely be settled in the medium or long term, which has been estimated being comprised in a period between 2 to 5 years.

Dismantling provision

This provision is intended to cover future expenditures related to the dismantlement of the solar plants and it will be likely to be settled with an outflow of resources in the long term (over 5 years).

22.2. Contingent liabilities

As of December 31, 2015 Abengoa and its Group of companies are involved in certain claims and litigations both against and in their favor. Such matters arise during the Group's normal course of business and represent the technical and economic claims that the contractual parties typically invoke.

We have briefly summarized below the most significant proceedings, which in the Management's opinion are not expected to have a material adverse effect in the Consolidated Financial Statements, individually or as a whole, or for which the future outcome cannot be reliably estimated.

- In May 2000, Abengoa Puerto Rico S.E., a subsidiary of Abengoa S.A, brought a lawsuit against the Electricity Power Authority (Autoridad de Energía Eléctrica, 'AEE') of Puerto Rico and terminated the agreement that both parties had entered into in relation to an EPC project for the construction of an electricity power station in Puerto Rico, in which the AEE was the Principal Contractor. The referred lawsuit contained different claims such as, inter alia, withholding payments, defaulted invoices, loss of future profits damages and several other costs, which tentatively amounted to USD 40 million.

  In response to the lawsuit brought by Abengoa Puerto Rico, S.E., the AEE brought a counterclaim premised upon unlawful termination and consequential damages relating to the agreement with Abengoa Puerto Rico, S.E. and, at the same time, brought an additional lawsuit for the same amount against Abengoa and its insurer, American International Insurance Co. of Puerto Rico. The amount claimed by the AEE is approximately USD 450 million. Currently the lawsuit is under hearing phase.

- In relation to the contingent liabilities described in Note 22.2 to the 2014 Consolidated Financial Statements concerning the initiation in 2013 of an inspection by the European Commission of Abengoa and the companies that are directly or indirectly under its control, including Abengoa Bioenergy Trading Europe B.V., with regard to their possible participation in anti-competitive agreements or actions allegedly aimed at manipulating the results of the valuation of the Platts daily closing price (CDD), and to deny access to one or more companies wishing to participate in the valuation process of the CDD price, we point out that on December 7, 2015, the European Commission notified and made public the initiation of a formal investigation procedure in relation to the said inspection (case "AT-40054 Oil and Biofuel Markets" concerning the alleged manipulation of the Platts index in relation to, among other companies, Abengoa, S.A. and its subsidiaries Abengoa Bioenergía, S.A. and Abengoa Bioenergy Trading Europe B.V). We point out that until that date what had taken place were preliminary investigations, and we had not be notified of the statement of charges.

- On February 11, 2010, the temporary joint venture (Unión Temporal de Empresas) formed by Befesa Construcción y Tecnología Ambiental, S.L. and Construcciones Alpi, S.A. (the 'UTE') took legal action against the Comunidad de Regantes de las Marismas del Guadalquivir (CRMG) regarding the project for the modernization of the Guadalquivir Marshes irrigation área (Proyecto de Modernización de la Zona Regable de las Marismas del Guadalquivir). The UTE asked for the following main claims: a) the declaration of the unlawful (i) termination of contract performed by the CRMG, (ii) application of penalties for delay; and (iii) other damages requested; and b) the termination of the agreement due to CRMG's breaches of contract, requesting a liquidation balance amounting to €32,454 thousand and additional €1,096 thousand based on different grounds. The CRMG answered the claim on November 4, 2010, requesting generically the dismissal of the UTE's claim.

  On December 12, 2014, Abeinsa Infraestructuras Medio Ambiente, S.A. (Abeima, formerly Befesa Construcción y Tecnología Ambiental, S.L.) has been served with the claim brought by the CRMG against the UTE and its members (Abeima and Construcciones Alpi, S.A.), on the basis of the same dispute, project and factual issues of the aforementioned proceedings. The CRMG claims €120,353 thousand (approximately broken down as follows: €14,896 thousand for damages –works poorly executed, extra costs, alleged damages, etc. €-20,718 thousand for loss of profit and €84,682 thousand for penalties for delay). As at the date o these Consolidated Financial Statements the claim has been answered by the members of UTE.

  Both civil proceedings are now suspended by the existence of criminal implications, particularly because they were pending of the preliminary investigation number 487/2013, by "Juzgado de Instrucción nº16 Sevilla". In this last proceeding is has not been asked the guarantee of any amount to Abeinsa nor any person who works or has worked for her nor for Befesa or any other entity related to Abengoa.

22.3. Claims

Regarding the legal claims or legal action initiated by creditors in connection with any past due and unpaid debts, we point out that the Company is not aware that any legal claim whatsoever has been initiated, nor any other significant legal measure by any other creditor in connection with past due and unpaid debts at year-end 2015, except for the following:

- Within the Bioenergy business, there are legal claims which are mostly due to commercial disputes filed in the United States for a total amount of approximately €11,235 thousand. These claims are generally in the response phase. On the other hand, there are applications to establish "liens" (preventive embargoes) in the United States for a total amount of approximately € 1,008 thousand. These applications require no response from the company subject to the claim.

- As regards the Industrial Engineering and Construction business, there are legal claims totaling approximately €75.5 thousand. These claims are in negotiation with the counterparties. Furthermore, there are claims in tort for a total aggregate amount of € 40 thousand, also in negotiation.

- In Mexico, there are claims in tort totaling around € 0.3 thousand that are in negotiation.

- In Brazil there are legal claims totaling approximately €20,115 thousand, all of which are ongoing.

- In Chile, claims in tort have been received for a total of approximately €389.8 thousand and an additional €30.5 thousand that are currently in negotiation with the counterparties.

After the end of the reporting period litigation claims regarding unattended accrued debts of different nature and amounts have been booked in these Consolidated Financial Statements amounting up to USD 550,823 thousand, €152,178 thousand, 31,443 thousand Mexican Pesos and 5,463,811 Chilean Pesos.

Also liens requirement have been registered in Bioenergy in the US for an amount of 42,580 thousand dollars.

22.4. Contingent assets

As of December 31, 2015 Abengoa and its Group of companies do not have significant contingent assets.

Note 23.- Third-party guarantees and commitments

23.1. Third-party guarantees

At the end of 2015, the Group deposited to third parties (clients, financial entities, Public Entities and other third parties), directly by the group or by the parent company to other Group companies, various Bank Bond and Surety Insurances as guarantee to certain commitments (Bid bonds, performance and others) amounted to €1,629,787 thousand (€1,672,837 thousand at December 31, 2014).

In addition, the Group deposited to third parties (clients, financial entities, Public Entities and other third parties), directly by the group or by the parent company to other Group companies, various guarantees through the declarations of intention and documented commitments undertaken as guarantee of certain commitments (Bid Bonds, performance, financing and others) amounted to €7,053,099 thousand (€5,789,243 thousand at December 31, 2014).

The following table details the guarantees undertaken by de Company classified by commitment type at December 31, 2015:

Typology	Guarantees/Surety Insurance	Guarantees	Total 31.12.2015
Bid Bond	118,467	1,043,025	1,161,492
Performance:			
Materials supply	2,136	1,141,954	1,144,090
Advance payments	86,718	199,278	285,996
Execution (construction/collection/payments)	1,284,264	4,368,819	5,653,083
Quality	35,488	36,773	72,261
Operation and maintance	72,121	263,250	335,371
Dismantilling	3,726	-	3,726
Other	26,867	-	26,867
Subtotal	1,629,787	7,053,099	8,682,886
Group Company financing guarantees	-	1,561,591	1,561,591
Total	1,629,787	8,614,690	10,244,477

The most significant variations of the undertaken guarantees with third parties, regarding the information presented in the 2014 Consolidated Financial Statements, mainly relate to various guarantees (declarations of intention and documented commitments) deposited by the Parent Company to other Group Company for the submission of bids amounted to €917,171 thousand (mainly related to the execution of certain concessional projects of water desalination in Oman), as well as, the performance guarantees amounting to €823,382 thousand (mainly related to the material supplies and the construction of concessional projects of thermo-solar power generation in Chile and Israel and water desalination in San Antonio (united States) which is partially offset by the guarantees cancelation related to confirmings and the invoices paid for the execution of projects.

› In addition, regarding to the collateral granted to third parties (guarantees, etc.), there have been no significant breaches since the date of the communication provided by the Article 5 bis of the Ley Concursal, at year end 2015, which could lead to an outflow of resources and, therefore, to the recognition of a liability, with the following exceptions:

- In this sense, the most important issue relates to the recent execution of the performance bond by the client Portland General Electric Company after rescinding the EPC of Project Carty for electricity generation in the United States, currently in the testing phase, due to breach of contract by the EPC contractor, for a maximum guaranteed amount of USD 145.6 million, in which the company has proceeded to begin negotiations with all the parties involved to reach an agreement, as announced recently by the client. At year-end 2015, the company proceeded to recognize a related liability for this project amounting to €94 million

› The Board of Directors believe that no significant additional liabilities, other than those described and recorded in the Consolidated Statement of Financial Positions as of December 31, 2015, may arise from the facts described herein.

23.2. Contractual obligations

The following table shows the breakdown of the third-party commitments and contractual obligations as of December 31, 2015 and 2014 (in thousands of euros):

2015	Total	Up to one year	Between one and three years	Between three and five years	Subsequent
Loans with credit institutions	5,398,326	4,888,251	84,193	81,352	344,530
Notes and bonds	3,300,825	3,300,825	-	-	-
Liabilities due to financial leases	36,542	17,020	6,874	1,629	11,019
Other loans and borrowings	659,414	557,047	42,393	54,181	5,793
Obligations under operating Leases	10,450	2,487	2,814	2,457	2,692
Purchase commitments	2,836,092	2,498,391	318,156	2,815	16,730
Accrued interest estimate during the useful life of loans	1,644,957	491,474	646,296	271,111	236,076

2014	Total	Up to one year	Between one and three years	Between three and five years	Subsequent
Loans with credit institutions	6,274,113	1,243,596	1,208,884	2,000,368	1,821,265
Notes and bonds	3,852,958	1,096,965	1,029,873	867,288	858,832
Liabilities due to financial leases	34,991	10,927	12,796	3,668	7,600
Other loans and borrowings	121,402	24,373	71,327	21,206	4,496
Obligations under operating Leases	13,826	3,867	5,537	3,035	1,387
Purchase commitments	1,072,848	933,071	123,123	5,517	11,137
Accrued interest estimate during the useful life of loans	2,599,142	589,443	908,675	500,009	601,015

Amounts disclosed as Loans with credit institutions correspond to the notional amounts and not to the amortized costs as they has been recorded in the consolidated statement of financial position following the accounting policy and the basis of presentation (see Note 2.18).

23.3. Pledged Assets

› Related to pledged assets book value at December 31, 2015, as guarantee of the total debt, the following table shows the breakdown:

Book value	Balance of 12.31.15 (*)
Property, plants and equipment	103,539
Fixed assets in projects	4,004,016
Investments accounted for using the equity method	838,314
Clients and other receivable accounts, financial investments and cash and cash equivalents	1,119,797
Total	6,065,666

(*) Includes the pledged assets related to assets held for sale and discontinued operations disclosed in Note 7 to these Consolidated Financial Statements as of December 31, 2015 and amounting to a sum of 1,336,430 thousand euros.

It should be noted, for the avoidance of doubt, that when determining the book value of the pledged assets, it has been taken into account the concept of "garantía real" provided by the Spanish law (applying by analogy to those assets that are pledged under other legislation).

› On the other hand, regarding the pledged assets deposited by the Group since the date of application by Abengoa S.A. of Article 5 bis of Ley Concursal, at year ended 2015, the Group has not been forced to give any asset as guarantee of debt, with the following exceptions:

- An amount of €9,726.6 thousand deposited in a pledged bank account of Abengoa Bioenergy Netherlands, B.V. which was executed by the beneficiary as a consequence of the maturity of the secured obligation.

- An amount of €3,542.3 thousand deposited in a bank account pledged on behalf of Abener Energía, S.A., whose pledge collateral was executed by the beneficiary thereof as a result of the maturity of the secured obligation.

Note 24.- Tax situation

24.1. Application of rules and tax groups in 2015

Abengoa, S.A. and other 214 and 220 consolidated subsidiaries (see Appendixes XI and XVI to these Consolidated Financial Statements) in 2015 and 2014, respectively, have filed its 2015 income taxes following the rules for tax consolidation in Spain under the 'Special Regime for Tax Consolidation' Number 2/97.

All the other Spanish and foreign companies included in the Consolidation group file income taxes according to the tax regulations in force in each country on an individual basis or under consolidation tax regulations. The fiscal policy of the company is based on compliance with the regulations in force in the countries where it operates.

In order to calculate the taxable income of the consolidated tax Group and the consolidated entities individually, the accounting profit is adjusted for temporary and permanent differences, recording the corresponding deferred tax assets and liabilities. At each Consolidated Income Statement date, a current tax asset or liability is recorded, representing income taxes currently refundable or payable. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, as determined under enacted tax laws and rates.

Income tax payable is the result of applying the applicable tax rate in force to each tax-paying entity, in accordance with the tax laws in force in the territory and/or country in which the entity is registered. Additionally, tax deductions and credits are available to certain entities, primarily relating to inter-company trades and tax treaties between various countries to prevent double taxation.

Abengoa, S.A., as the dominant company of the tax group regarding Corporate income tax with registered number 02/97, and Value Added Tax number 284/08 has been inspected by the Spanish Tax authorities regarding the following concepts and periods

Corporate income tax	2009 - 2011
Value added tax	03/2010 – 12/2011
Withholdings and on-account payments for personal income tax for residents and non-residents	03/2010 – 12/2011

After the end of the reporting period 2015 the Company has signed the inspection reports in conformity which brought to an end the abovementioned inspection proceedings. Besides, Abengoa´s Management has regularized Corporate Income Tax statements for fiscal years 2012 to 2014 by applying the same criteria determined by the inspection body for the years under inspection (2009 to 2011). The Company has registered in the Consolidated Financial Statements as of December 31, 2015 all accounting impacts arising from the regularizations described above (FY 2009 to 2014), and the regularization of the tax rate of Deferred Tax Assets affected by them, registering an expense amounting approximately €123 million due to interests on arrears regarding VAT and Corporate Income Tax. No sanction whatsoever has been imposed to Abengoa by the inspecting authorities. Amounts corresponding to VAT have been already transferred to the Spanish Tax Authorities (Agencia Tributaria). Amounts corresponding to Corporate Income Tax have been compensated in its entirety against Deferred Tax Assets of the tax group and, thus, have not affected the Company´s cash and cash equivalents.

24.2. Deferred tax assets and liabilities

At the end of 2015 and 2014 the analysis of deferred tax assets and deferred tax liabilities is as follows:

Item	Balance as of 12.31.15	Balance as of 12.31.14
Tax credits for tax loss carryforwards	476,166	487,278
Tax credits for deductions pending application		
Tax credits for export activities	210,216	242,872
Tax credits for R+D+i	66,888	72,981
Other deductions	87,913	165,201
Temporary differences		
Provisions	148,446	128,951
Impairment	58,240	29,313
Remuneration plans	908	19,386
Derivatives financial instruments	70,493	104,936
Non-deductible expenses (Art. 20 y 22 LIS, Art. 14 TRLIS, Art. 7 Ley 16/2012)	295,158	191,295
Consolidation adjustments, homogenization adjustments and other	170,323	61,396
Total deferred tax assets	1,584,751	1,503,609

Item	Balance as of 12.31.15	Balance as of 12.31.14
Accelerated tax amortization	46,049	69,701
Business combination	21,372	44,971
Unrealized exchange differences	47,369	18,600
Derivatives financial instruments	17,851	2,988
Consolidation adjustments, homogenization adjustments and other	185,048	145,537
Total deferred tax liabilities	317,689	281,797

Article 29 and the Thirty-Fourth Transitional Provision of Law 27/2014 published in the official state gazette (BOE), on November 28, 2014, introduces changes of the Spanish tax system which include changing the general tax rate to 28% in 2015 and to 25% in 2016 (from 30% in 2014), The Impact derived to the reclassification of certain deferred tax assets and liabilities at the new tax rates has resulted in an income of €7 million in the income statement and €1.1 million under equity for the company.

Most of the tax credits for Tax loss carryforwards correspond the United States (€205 million), Brazil (€150 million), the Netherlands (€58 million) and Spain (€21 million).

Tax loss carryforwards in Brazil have been generated in years with poor meteorological conditions which have negatively affected sugarcane production. From 2011 a series of plans are carrying out to improve the quality of biological assets, to increase milling capacity and cogeneration plant capacity, with the ultimate purpose of increasing assets profitability. Tax loss carryforwards are expected to be offset with future profits in Brazil given the absence of temporary limits under the Brazilian tax regulations. Additionally, at the end of 2012 an internal restructuring was made to allow the obtaining of additional profits of certain intangible assets related to the Bioenergy business. During 2014, a program of tax reform was offered by the local government which has allowed the tax loss carryforward compensation with other tax obligations. Tax loss carryforwards in the United States correspond mainly to projects in an initial stage of development or operation, the application of tax incentives and to other non-recurring losses. Tax loss carryforwards in Spain correspond mainly to the application of tax incentives.

Tax credits for deductions have been generated mainly in Spain. Among these tax credits the larger amount corresponds to deduction on export activities (DAEX), which is calculated as a percentage over investments effectively, made for the acquisition of foreign companies or capital increases in foreign companies. This percentage, which was initially 25% was been gradually reduced since 2007 to reach 3% in 2010. The deduction disappeared in 2011. To benefit from this deduction, among other requirements, the acquisition or incorporation of companies should be directly related to the export of goods and services from Spain. From the year 2012, the Company has not recorded any income in relation to this deduction, as it had been recorded entirely as of December 31, 2011.

In addition, efforts in research, development and innovation activities (R&D&i) that Abengoa has been carrying out during the last years have resulted in the generation of important tax deductions, some of which are recorded as deferred tax assets for an amount of €67 million as of December 31, 2015.

‘Other deductions’, which have been generated mainly in Spain, correspond primarily to deductions for double taxation (€31 million), environmental deductions (€2 million), deduction for reinvestment of extraordinary benefits (€31 million) and deductions for donations to non-profit organizations (€10 million).

In relation to tax loss carryforwards and deductions pending of application recorded as deferred tax assets, the Company evaluates its recoverability projecting forecasted taxable income for the upcoming years and taking into account the Company tax planning strategy. Deferred tax liabilities reversals are also considered in these projections, as well as any limitation established by tax regulations in force in each tax jurisdiction.

As a consequence of the situation of the Company which has derived the submission of the communication provided by the article 5 bis of Ley Concursal, the Company has derecognized €42 millions of tax credit recognized on previous year. Additionally, it has not been recognized any further deferred tax assets due to the current situation of the Company pending to have greater visibility about the realization of the Industrial Viability Plan (see Note 2.1.1).

On the other hand, the Company has certain tax credits as of December 31, 2015 which it has not capitalized, as it determined that recoverability of such assets is not probable. These tax credits consist mainly of tax loss carryforwards related to our US subsidiaries amounting to €274 million (€35 million in 2014), with expiration dates in 2035; to our South African subsidiaries amounting to €124 million with expiration date in 2016, (€37 million in 2014), to our Mexican subsidiaries amounting to €145 million maturing in 2025,to our Spanish subsidiaries amounting to €524 million ((€89 million in 2014) and to our Brazilian subsidiaries amounting to €61 million (€8 million in 2014), without expiration date in the last two jurisdictions; and R&D&i and environmental tax credits in Spain amounting to €97 million (€89 million in 2014) with expiration dates between 2021 and 2033.

The movements in deferred tax assets and liabilities during 2015 and 2014 were as follows:

Deferred tax assets	Amount
As of December 31, 2013	1,281,092
Increase / Decrease through the consolidated income statement	217,693
Increase / Decrease through the consolidated income statement for change in tax rate	(83,683)
Increase / Decrease through other comprehensive income (equity)	52,651
Increase / Decrease through other comprehensive income (equity) for change in tax rate	(17,925)
Transfer to assets held for sale	(58,465)
Change in consolidation, various reclassifications and translation diff.	112,246
As of December 31, 2014	1,503,609
Increase / Decrease through the consolidated income statement	68,519
Increase / Decrease through the consolidated income statement for change in tax rate	2,547
Increase / Decrease through other comprehensive income (equity)	(44,023)
Increase / Decrease through other comprehensive income (equity) for change in tax rate	(1,384)
Transfer to assets held for sale	(3,465)
Change in consolidation, various reclassifications and translation diff.	58,948
As of December 31, 2015	1,584,751

Deferred tax liabilities	Amount
As of December 31, 2013	327,304
Increase / Decrease through the consolidated income statement	46,286
Increase / Decrease through the consolidated income statement for change in tax rate	(34,244)
Increase / Decrease through other comprehensive income (equity)	(12,563)
Increase / Decrease through other comprehensive income (equity) for change in tax rate	(46)
Transfers to liabilities held for sale	(7,634)
Change in consolidation, various reclassifications and translation diff.	(37,306)
As of December 31, 2014	281,797
Increase / Decrease through the consolidated income statement	91,893
Increase / Decrease through the consolidated income statement for change in tax rate	(4,429)
Increase / Decrease through other comprehensive income (equity)	47,684
Increase / Decrease through other comprehensive income (equity) for change in tax rate	(284)
Transfers to liabilities held for sale	(6,704)
Change in consolidation, various reclassifications and translation diff.	(92,268)
As of December 31, 2015	317,689

The detail of tax deferred expenses and incomes recognized at the end of the year 2015 and 2014 for each kind of temporary difference and each kind of tax loss carriforward not used is the following:

Item	2015	2014
Tax credits for tax loss carryforwards	(7,919)	87,126
Tax credits for deductions pending application		
Tax credits for export activities	(32,656)	-
Tax credits for R+D+i	(6,093)	456
Other deductions	(66,976)	(4,109)
Temporary differences		
Provisions	30,321	64,874
Impairment	31,660	(8,185)
Remuneration plans	(16,088)	(6,240)
Derivatives financial instruments	7,091	(14,043)
Non-deductible expenses (Art. 20 y 22 LIS, Art. 14 TRLIS, Art. 7 Ley 16/2012)	135,645	50,940
Consolidation adjustments, homogenization adjustments and other	(3,919)	(36,809)
Total deferred tax assets	71,066	134,010

Item	2015	2014
Accelerated tax amortization	(19,859)	43,970
Business combination	-	(14,268)
Unrealized exchange differences	38,012	-
Consolidation adjustments, homogenization adjustments and other	69,311	(17,660)
Total deferred tax liabilities	87,464	12,042

Note 25.- Trade payables and other current liabilities

25.1. Trade payable and other current liabilities as of December 31, of 2015 and 2014 are shown in the following table:

Item	Balance as of 12.31.15	Balance as of 12.31.14
Trade payables for purchases of goods	2,983,046	4,034,367
Trade payables for services	764,627	1,061,871
Billings in excess and advance payments from clients	304,830	245,970
Remunerations payable to employees	40,204	52,211
Suppliers of intangible assets current	10,566	12,522
Other accounts payables	275,979	148,227
Total	4,379,252	5,555,168

At the end of 2015 the total amount of trade payables and other current abilities due and unpaid (principal and interest) amounted to €604 million. Default interests for the above mentioned Liabilities were recognized.

Balances with related parties at the end of 2015 (there is not significant amounts in 2014) are described in Note 33.2

25.2. Nominal values of Trade payables and other current liabilities are considered to approximate fair values and the effect of discounting them is not significant.

25.3. The table below shows the details of the non-recourse confirming carried out with external and group suppliers as at December 31, 2015 at the end 2015 and 2014.

Item	Balance as of 12.31.15	Balance as of 12.31.14
Non-group amounts payable through Confirming	1,019,155	1,453,360
Group amounts payable through Confirming	236,687	796,849
Total	1,255,842	2,250,209

Related to these amounts, there are deposits and cash recorded under assets in the Consolidated Statement of Financial Position associated with payment of "non-recourse confirming" for an amount of €464 million (€1,226 million in 2014).

Additionally and based on the new interpretation adopted by the relevant regulatory agencies about the accountancy of non-recourse confirming instruments originated from a group supplier (see Note 2.22), at year ended 2015, it is recognized as "Corporate Financing" in the current liabilities in the Consolidated Statement of Financial Position an amount of €202 million corresponding to supplier balances associated to non-recourse confirming which has been originated from a group supplier (see Note 20.1).

Finally, It has been reclassified to corporate financing an amount of €304 million relating to due and not paid confirming transactions (principal and interests)

25.4. Details on supplier maturities are provided in the following table:

Maturity	Balance as of 12.31.15	Balance as of 12.31.14
Up to 3 months	1,871,857	3,753,497
Between 3 and 6 months	658,922	177,927
Over 6 months	452,267	102,943
Total	2,983,046	4,034,367

In compliance with the duty to report the average period of payment to suppliers stated in Law 15/2010 and the eighth additional provision of Ley de Sociedades de Capital` according to the new composition given by the second final provision of `Ley 31/2014 de reforma de la ley de Sociedades de Capital` the company informs that the average period of payment to suppliers related to all the companies in the Group in Spain has been 95 days.

The following detail required by the article 6 of the January 29, 2016 resolution of the Instituto de Contabilidad y Auditoría de Cuentas, related to the information to be provided about the average period of payment during the year

	Days
Average period of payment	95
Paid transactions ratio	60
Unpaidtransactions ratio	133

	Amount
Total payments	1,256,739
Total outstanding payments	1,163,119

There is not comparable information in compliance with the only additional provision of the mentioned resolution.

Note 26.- Construction contracts

Further to the information set out in Note 2.24.b) relating to the accounting treatment of construction contracts, the table below includes aggregated information on outstanding construction contracts to which IAS 11 was applied at the end of the years 2015 and 2014:

2015	Construction contracts
Operating revenues	2,848,322
Billings in excess and advance payments received	1,547,573
Payment withholdings	15,704
Account receivables	3,719,520
Account payables	2,965,134

2014	Construction contracts
Operating revenues	4,696,358
Billings in excess and advance payments received	1,364,078
Payment withholdings	13,577
Account receivables	3,926,009
Account payables	3,851,257

The amount of unbilled revenue by the end of the years 2015 and 2014 is €787,535 and €913,122 thousand, respectively.

The aggregated total amount of the costs incurred and the aggregated total profits (less the related losses) recognized since origin for all the ongoing contracts at December 31, 2015 amount to €12,095,510 thousand and €1,320,385 thousand respectively (€10,908,371 thousand and €1,462,619 thousand in 2014).

Note 27.- Revenues

The breakdown of Revenues for the years 2015 and 2014 is as follows:

Item	2015	2014
Product sales	2,416,650	2,424,084
Rendering of services and construction contracts	3,338,832	4,726,483
Total revenue	5,755,482	7,150,567

Note 28.- Other operating income and expenses

The table below shows the detail of Other Operating Income and Expenses for the years 2015 and 2014:

Other operating income	2015	2014
Work performed by the entity and capitalized and other	56,970	76,035
Grants	20,582	16,732
Income from various services	118,856	95,510
Total	196,408	188,277

Other operating expenses	2015	2014
Research and development cost	(7,890)	(8,714)
Leases and fees	(128,818)	(122,497)
Repairs and maintenance	(94,251)	(71,181)
Independent professional services	(323,008)	(265,829)
Transportation	(98,235)	(78,746)
Supplies	(104,807)	(115,543)
Other external services	(138,528)	(167,442)
Taxes	(96,083)	(85,514)
Other minor management expenses	(41,066)	(61,491)
Total	(1,032,686)	(976,957)

In 2015 there is an increase in Other operating income mainly due to higher revenues from various services by the favorable resolution of the Spanish Court of Arbitration, in relation to a losses from project Arizona Solar One LLC, which were covered by an insurance policy, by an amount of €37,1 thousands.

Other operating expenses increased during 2015 over 2014, the increase is mainly due to increased expenses for reparations and maintenance related to technical stoppage planned in our Bioenergy plant in the Netherlands and those related to the pre-operating phase of the ethanol plant in Hugoton in the United States, by higher independent professional services expenses mainly due to works on the financial restructuring process initiated at the beginning of August (see Note 2.1.1) as well as higher transportation costs related to activities of Industrial Production and Engineering and Construction due to increased logistics services managed by Abengoa.

Note 29.- Employee benefit expenses

The breakdown of employee benefit expense for 2015 and 2014 is as follows:

Item	2015	2014
Wages	(745,940)	(700,818)
Social security costs	(137,160)	(141,650)
Stock plans and other employee benefits	(13,871)	(29,415)
Stock plans and other employee benefits reversal	57,456	-
Total	(839,515)	(871,883)

Variable remuneration plans for managers

There are currently two extraordinary long-term variable remuneration plans for managers.

1) Extraordinary Variable Remuneration Plan for Managers – January 2014

This plan, which replaces and cancels the extraordinary plan previously approved in February 2011, was agreed by the Company's board of directors in January 2014 following a proposal by the Appointments and Remuneration Committee.

The plan expires on December 31, 2017 and is designed to help the achievement of the objectives set in the Strategic Plan at an individual level. The plan also requires beneficiaries to remain with the company for the corresponding period and for Abengoa's average share price during the last three months of 2017 to be higher than a specific value. At the end of 2015, there were 302 participants and the plan was worth a total of €66,415 thousand.

2) Extraordinary Variable Remuneration Plan for Managers – July 2014

On July 21, 2014, the Board of Directors, at the proposal of the Appointments and Remuneration Committee, unanimously approved a five-year variable remuneration plan (2014-2018).

The plan expires on December 31, 2018 and accrues 20% annually. Its purpose is to incentivize certain managers to stay with the company or to achieve specific personal objectives. The plan requires the beneficiary to be employed by the company for the corresponding period and for the average price of Abengoa's Class B shares during the last three months of 2018 to be higher than a specific value. At the end of 2015, there were 330 participants and the plan was worth a total of € 51,715 thousand.

As of December 31, 2015 the Company has derecognized the existing provision of €57,456 thousand (€43,092 thousand, after tax) regarding the two existing variable remuneration plans for managers, because Abengoa´s Directors considers that the accomplishment of all established requisites in order to consolidate the benefits has a low Probability provided as a consequence of the company situation resulting form the presentation of the communication provided by article 5 bis of the Ley Concursal.

Note 30.- Finance income and expenses

30.1. Finance income and expenses

The following table sets forth our Finance income and expenses for the years 2015 and 2014:

Finance income	2015	2014
Interest income from loans and credits	40,102	45,294
Interest rates benefits derivatives: cash flow hedges	21,696	15,668
Interest rates benefits derivatives: non-hedging	5,155	1,156
Total	66,953	62,118

Finance expenses	2015	2014
Expenses due to interest:		
- Loans from credit entities	(319,283)	(256,995)
- Other debts	(373,377)	(376,580)
Interest rates losses derivatives: cash flow hedges	(66,255)	(92,260)
Interest rates losses derivatives: non-hedging	(13,249)	(19,557)
Total	(772,164)	(745,392)
Net financial loss	(705,211)	(683,274)

At the end of the year 2015 finance income has increased when compared to the previous year, mainly due to the change in the time value of our interest rate derivative hedges.

Finance expenses have increased in 2015 when compared to the same period of the previous year, mainly due to increased interest expense from loans and borrowings as a result of the completion of various projects under construction (interest expense is capitalized when a project is under construction), an increase in notes and bonds finance expenses mainly due to our new bonds issued in second half of 2014 and the first half of 2015, as well as to the 2017 convertible bond early repayment by an amount of € 17 million (see Note 20.3), partially offset by a decrease of expenses recognized related to change in time value of interest rate derivatives and a decrease in cash flow hedges due to the reclassification as discontinued operations of results from plants sold to Atlantica Yield under ROFO certain agreement signed during exercise 2015.

The amount of net financial income and expenses relating to project companies amount to €263,564 thousand (€199,323 thousand in 2014)

30.2. Net exchange differences

The following table sets out the exchange rate differences for the years 2015 and 2014:

Net exchange differences	2015	2014
Gains and losses from foreign exchange transactions	22,868	(6,475)
Gains and losses from foreign exchange contracts: cash flow hedges	(27,044)	11,244
Gains and losses from foreign exchange contracts: non-hedging	-	266
Total	(4,176)	5,035

The most significant amounts in net exchange differences during 2015 and 2014 corresponded to the different hedges in several subsidiaries that have not been offset perfectly with the differences generated by the hedged item.

Net exchange rate difference in 2015 for companies which are financed through project debt amounts to €-19,304 thousand (€-29,712 thousand in 2014).

30.3. Other net finance income and expenses

The following table sets out 'Other net finance income and expenses' for the years 2015 and 2014:

Other finance income	2015	2014
Profits from the sale of financial assets	793	394
Income on financial assets	573	1,676
Other finance income	3,392	13,085
Changes in the fair value of the derivatives embedded in the convertible bonds and options over shares	90,274	-
Commodity derivatives gains: non hedge	-	45
Total	95,032	15,200

Other finance expenses	2015	2014
Loss from sale of financial assets	(745)	(11,337)
Losses from partial repayment of the convertible notes due 2014	(15,141)	-
Outsourcing of payables	(73,909)	(84,770)
Other financial losses	(118,613)	(81,112)
Changes in the fair value of the derivatives embedded in the convertible bonds and options over shares	(34,030)	(9,631)
Loss derived from commodity price derivatives: cash flow hedge	(6,413)	-
Commodity derivatives losses: non hedge	(5,383)	(4,853)
Total	(254,234)	(191,703)

Other net finance income/expenses	(159,202)	(176,503)

At the end of 2015 other finance income has increased in comparison to the same period of the previous year, mainly due to a gain of €90.3 million recorded as a consequence of the conversion right exercised by the holders to convert the exchangeable notes due 2017 into Atlantica Yield shares (see Note 20.3).

Other finance expenses have increased mainly due to the 2019 convertible bonds early conversion that resulted in a loss of approximately €15.1 million, as well as due to the increase in other finance expenses, due to banking fees and commissions related to guarantees, letters of credit, banking transfers and other banking services, as well as due to the recognition of default interest on overdue and not paid debts derived from the current situation of the company related to the process of 5 bis (see Note 2.1.1). Additionally, other finance expenses increased due to losses related to the 2017 convertible bond early repayment, the valuation of the convertible bond embedded derivative of Befesa and the ineffective recognized in commodity derivatives and the valuation of commodity price derivatives whichh has begun to be considered as non-hedged derivatives after transaction was no longer considered highly probable.

The net amount of "Other incomes and financial expenses for companies" which are financed through project debt amounts to €-44,674 thousand (€-45,112 thousand in 2014).

30.4. Non-monetary items of derivative financial instruments

The table below provides a breakdown of the line item 'Fair value gains on derivative financial instruments' included in the Consolidated Cash Flow Statement for the years 2015 and 2014:

Fair value gains on derivative financial instruments	2015	2014
Change in fair value of the embedded derivative of convertible debt and shares options	(34,030)	(9,631)
Non-cash profit/(losses) from cash flow hedges	3,966	(3,087)
Non-cash profit/(losses) from derivatives - non-hedge accounting	(12,988)	(22,988)
Other non-cash gains/losses on derivative instruments	(11)	561
Fair value gains (losses) on derivative financial instruments (non cash items)	(43,063)	(35,145)
Cash gains (losses) on derivative financial instruments (monetary effect)	(55,416)	(74,287)
Total fair value gains / (loss) on derivative financial instruments (Notes 30.1 & 30.3)	(98,479)	(109,432)

Note 31.- Income tax

The detail of tax rate for the period 2015 and 2014 is as follows:

Item	2015	2014
Current tax	(6,490)	(63,322)
Deferred tax	(16,398)	121,968
Total income tax benefit/(expense)	(22,888)	58,646

The reconciliation between the theoretical income tax resulting from applying statutory tax rate in Spain to income before income tax and the actual income tax expense recognized in the Consolidated Income Statement for the years 2015 and 2014 is as follows:

Item	2015	2014
Consolidated profit before taxes	(1,175,548)	85,434
Regulatory tax rate	28%	30%
Corporate income tax at regulatory tax rate	329,153	(25,630)
Income tax of associates, net	(2,266)	2,105
Differences in foreign tax rates	53,196	12,507
Incentives, deductions and tax losses carryforwards	(380,564)	124,460
Effect in consolidated income statement for change in Spanish companies tax rate	6,976	(49,439)
Other non-taxable income/(expense)	(29,383)	(5,357)
Corporate income tax	(22,888)	58,646

Differences between theoretical tax and actual tax expense arise mainly from:

- Companies based in jurisdictions with statutory tax rates different from Spanish statutory tax rate
- Application in Spain of tax incentive for the transfer of use of intangible assets under Article 23 of the Revised Text of the Spanish Income Tax Act and application also in Spain of the tax incentive which exempts any profits generated abroad for international projects involving the export of goods and services from Spain. Generation of tax deductions, mainly in Spain, among which we can outline R&D&I deductions, double taxation deductions and deductions on donation expenses. Regularization realized as a consequence of the tax inspection (see Note 24.1).No tax credits activation of negative impacts derived from the current situation of the Company pending to have greater visibility about the realization of the Industrial Viability Plan, Abengoa´s Directors have decided not to recognize the deferred tax assets (see Note 2.1.1)
- Application in Spain of changing the general tax rate to 28% in 2015 and to 25% in 2016 (from 30% in 2014)
- The heading 'Other non-taxable income/ (expense)' includes, among others, the regularization of the tax expense of the previous year as well as certain permanents differences arisen.

Note 32.- Earnings per share

32.1. Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during these periods:

Item	2015	2014
Profit from continuing operations attributable to equity holders of the company	(1,195,415)	147,708
Profit from discontinuing operations attributable to equity holders of the company	(18,063)	(22,416)
Average number of ordinary shares outstanding (thousands)	898,612	835,371
Earnings per share from continuing operations (€ per share)	(1.33)	0.18
Earnings per share from discontinuing operations (€ per share)	(0.02)	(0.03)
Earnings per share from profit for the year (€ per share)	(1.35)	0.15

32.2. Diluted earnings per share

To calculate the diluted earnings per share, the average weighted number of ordinary shares issued and outstanding is adjusted to reflect the conversion of all the potential diluting ordinary shares.

The potential diluting ordinary shares corresponded to the warrants on Class B shares issued in November 2011. On October 1, 2015 the share capital has been subscribed for the total amount of the outstanding warrants. The assumption is that all warrants would be exercised and a calculation is made to determine the number of shares that may have been acquired at fair value based on the monetary value of the subscription rights of the warrants still to be exercised. The difference between the number of shares issued assuming the exercise of the warrants, and the number of shares calculated based on the above, is included in the calculation of the diluted earnings per share.

In the fiscal year 2015 there are not diluting factors affecting the diluted (losses) earnings for share.

Item	2015	2014
Profit for the year		
- Profit from continuing operations attributable to equity holders of the company	(1,195,415)	147,708
- Profit from discontinuing operations attributable to equity holders of the company	(18,063)	(22,416)
- Adjustments to attributable profit	-	-
Profit used to determine the diluted earnings per share	**(1,213,478)**	**125,292**
Average weighted number of ordinary shares outstanding (thousands)	898,612	835,371
- Warrants adjustments (average weighted number of shares in outstanding since issue)	-	20,039
Average weighted number of ordinary shares affecting the diluted earnings per share (thousands)	**898,612**	**855,410**
Diluted earnings per share from continuing operations (€ per share)	(1.33)	0.17
Diluted earnings per share from discontinuing operations (€ per share)	(0.02)	(0.02)
Diluted earnings per share to the profit for the year (€ per share)	**- 1.35**	**0.15**

(1) On October 1, 2015, a capital increase has taken place through the exercise of the warrants (see Note 18).

Note 33.- Other information

33.1. Personal

The average number of employees classified by category during 2015 and 2014 was:

	Average number of employees in 2015			Average number of employees in 2014		
Categories	Female	Male	% Total	Female	Male	% Total
Directors	60	488	1.9	65	503	2.1
Management	433	1,592	7.2	435	1,517	7.2
Engineers	1,446	3,291	16.9	1,362	3,375	17.4
Assistants and professionals	1,199	1,758	10.5	1,108	1,480	9.5
Operators	981	16,252	61.3	865	15,893	61.6
Interns	247	373	2.2	242	336	2.2
Total	4,366	23,754	100	4,077	23,104	100

The average number of employees is 25% in Spain (25% in 2014) and 75% abroad (75% in 2014).

The average number of employees during the year with disabilities above or equal to 33% is 110 (126 in 2014).

The total number of people employees classified by category as of December 31, 2015 and 2014 was:

	2015			2014		
Categories	Female	Male	% Total	Female	Male	% Total
Board of Directors	2	10	0.1	3	13	0.1
Directors	56	464	2.4	62	507	2.3
Management	393	1,379	8.1	466	1,668	8.8
Engineers	1,188	2,649	17.5	1,392	3,120	18.6
Assistants and professionals	960	1,742	12.3	1,111	1,531	10.9
Operators	748	12,032	58.2	791	13,045	56.8
Interns	124	185	1.4	247	366	2.5
Total	3,471	18,461	100	4,072	20,250	100

33.2. Related parties

Dividends distributed to related parties during the year 2015 amounted to €29,329 thousand (€31,601 thousand in 2014).

- During 2015 the only transactions associated with related parties were the following:
  - Service provision agreement signed between Simosa and Mrs. Blanca de Porres Guardiola. The amount invoiced in 2015 was €95 thousand.
  - Service agreement signed between Equipo Económico, S.L. (company related to D. Ricardo Martínez Rico, member of Board of Directors) and Abengoa, S.A., Abengoa Concessions, S.L., Abeinsa Ingeniería and Construcción Industrial, S.A. The amount invoiced in 2015 was €319 thousand.
  - As of May 8, 2015, Inversión Corporativa IC, S.A. (Abengoa's main shareholder) has granted a securities lending agreement for 95,259,977 class B shares of Abengoa S.A. During last June, this securities lending agreement has been canceled. This transaction has born a market interest rate and has accrued compensation in favor of Inversión Corporativa IC, S.A. amounting to €123 thousand.

- Advisory agreement signed on September 23, 2015 between Mr. Felipe Benjumea LLorente and Abengoa S.A., by an annual gross amount of 1,086 thousand and with duration until December 31, 2016. During 2015, no amount has been invoiced regarding this agreement. On March 1, 2016 the Board of Directors unanimously approved the conclusion of the advisory contract signed with Mr.Felipe Benjumea Llorente without compensation. During the period of time that the contract was in force, it has not been paid any remuneration and, at the contract settlement, it has not been paid any amount for the period it was in force.

These operations were subject to review by the Abengoa Audit Committee.

- At year-ended 2015, the most significant transactions related to companies accounted by the equity method correspond to those made by APW-1 and Atlantica Yield companies (see Note 7.1.a)

In relation with the transactions made with APW-1, It has been signed contracts with the Project company CSP Atacama I and PV Atacama I for the construction (“Engineering, Procurement and Construcción (EPC) Agreements”) of the solar plants located in Atacama dessert.

Relating to the transactions with Atlantica Yield It has been signed with the majority of the Project companies owned by Atlantica Yield for the operation and maintenance “Operation and Maintenance Agreement”) of every asset they own. Additionally, Abengoa signed the following contracts with Atlantica Yield

- Right of First Offer Agreement: contract which give right to Atlantica Yield of the first offer in the case of any asset disposal of Abengoa.
- Trademark License Agreement: contract of use by Atlantica Yield of the commercial trademark owned by Abengoa.
- Financial Support agreement: contract of financial support through the use of a revolving credit for the treasury needs as well as the maintenance of certain technical and financial guarantees (see Note 23.1) or credit letter in force.
- Support Services Agreement: contract of supply of certain administrative and management services by Abengoa.
- Currency Swap agreement: fixing the Exchange rate USD/€ on cash flow available for distribution of certain thermo-solar assets located in Spain and owned by Atlantica Yield

All these contracts signed with companies consolidated under the equity method have been valued at fair value

The detail of pending balances arisen from transactions with companies accounted by the equity method included in the consolidated statement of financial position at the end of 2015 (at the end of 2014 there were not significant balances)

Item	Balance as of 12.31.15
Non-current financial investments	285,635
Inventories	2,811
Clients and other receivables	697,969
Current financial investments	8,582
Grants and other non-current liabilities	39,172
Trade payables and other current liabilities	166,832

The detail of transactions made with companies accounted by the equity method included in the consolidated statement of financial position at the end of 2015 (at the end of 2014 there were not significant balances)

Item	2015
Revenues	426,059
Other operating income	1,499
Raw materials and consumables used	(621)
Other operating expenses	(195)
Financial income	9,203
Other financial income/(expense), net	434

33.3. Employee remuneration and other benefits

Directors are remunerated as established in article 39 of the Bylaws. Directors' remuneration shall consist of all or some of the following concepts, for a total combined amount that shall be agreed by the General Shareholders' Meeting, pursuant to the directors' remuneration policy and conditional, when required by law, on the prior approval of the General Shareholders' Meeting: (a) a fixed fee; (b) expenses for attendance; (c) a share of the profits, under the terms established in Article 48, Paragraph 2, of the company's Bylaws; (d) variable remuneration based on general benchmark indicators or parameters; (e) remuneration through the provision of shares or share options or amounts that are linked to the Company's share price; (f) severance payments, provided that the director is not relieved of office on grounds if failing to fulfill the responsibilities attributable to him/her; and (g) savings or pension systems considered to be appropriate.

As of May 18, 2015, the Company's Board of Directors accepted the resignation from all his executive offices of Mr. Manuel Sánchez Ortega, continuing in office as director, with the category of another external director, and first Vice-Chairman of the Board of Directors and has been appointed member of the International Advisory Board. To cover the vacancy created, the Board of Directors has appointed as CEO Mr. Santiago Seage Medela, with the category of executive director. Furthermore, the Board of Directors has also resolved to accept the resignation of Mrs. María Teresa Benjumea Llorente.

Based on the above, the Company recognized and paid the consideration related to the post-contractual non-competition obligation regarding the resignation of former CEO, Mr. Manuel Sánchez Ortega, for an amount equivalent to the 100% remuneration or all the concepts received in the immediate preceding period, amounting to €4,484 thousand. In relation to the variable annual remuneration (bonus) for 2015 financial year, the Company's Board of Directors, after a favorable report from the Appointments and Remuneration Committee, and due to the expected fulfilling of the objectives for 2015 on which the CEO variable remuneration was based, Mr. Sanchez Ortega, the variable remuneration that was established for current year, which amounted to €3,304 thousand, will only be accrued when the year 2015 annual accounts are approved and audited and, accordingly, will only be paid if the fulfillment of the annual objectives to which the accrual of said remuneration was subject to is verified.

As of July 27, 2015, the Company's Board of Directors accepted the resignation of Mr. Manuel Sánchez Ortega from both the Board of Directors and the International Advisory Board. Furthermore, the Board of Directors has appointed through election by its members (cooptación), as propietary director, Ms. María Teresa Benjumea Llorente.

As of September 23, 2015, the Board of Directors has appointed through election by its members (cooptación), as proprietary director and non-executive Charmain, Mr. José Domínguez Abascal, replacing Mr. Felipe Benjumea Llorente, who has presented his resignation as director and executive Charmain, being appointed as Abengoa's Honorary Chairman.

Consequently, the company has recorded in the Consolidated Financial Statements as of December 31, 2015 the severance payment for early termination of the former executive Charmain, Mr. Felipe Benjumea Llorente, for an amount equivalent to €11,484 thousand which includes: (i) a severance payment for early termination and post-contractual non-competition obligation for an amount equivalent to the 100% remuneration or all the concepts received in the immediate preceding period, amounting to €4,484 thousand, and (ii) a retention bonus amounting to €7,000 thousand.

The Extraordinary General Shareholders' meeting held on October 10, 2015 has approved the resignation tendered on that date of the following proprietary members Mrs. María Teresa Benjumea Llorente, Mr. Fernando Solís Martínez-Campos and Mr. Carlos Sundheim Losada, and has determined the number of directors in the Board of Directors to be 13.

As of November 27, 2015, Abengoa´s Board of Directors accepted the resignation of Mr. Santiago Seage Medela as director. This resignation included his resignation as first Vice Chairman and CEO. In order to fill the vacancy, the Board of Directors appointed Mr. Joaquín Fernández de Piérola Marín as executive director and new General Manager of the Company, who will have the powers expressly delegated in his favour by the Board of Directors but without having for such reason the condition of CEO. As of the same date, the Board delegated in favor of the Chairman of the Board of Directors, Mr. José Domínguez Abascal all the powers except for those that cannot be legally delegated. As a consequence of these new executive functions, such director became an executive director. Finally, the Board of Directors has, as of the date hereof, one sole vice chairman, Mr. Antonio Fornieles Melero without affectly his functions as coordinator.

As of December 31, 2015 the Company has derecognized the existing provision regarding the two existing variable remuneration plans for managers, because it considers that the accomplishment of all established requisites in order to consolidate the benefits provided as a consequence of the company situation resulting form the presentation of the communication provided by article 5 bis of the Ley Concursal.

Salary (both fixed and variable) and allowances paid to the members of Abengoa S.A. in 2015 were €32,193 thousand (€15,833 thousand in 2014).

Detail on individual salaries and benefits in 2015 paid to the Board of Directors are as follows (in thousands of euros):

Name	Salary	Fixed remuneration	Daily allowance	Short term variable remuneration	Compensation as member of Board Committee	Compensation as officer of other Group companies	Other concepts	Total 2015
Felipe Benjumea Llorente	814	-	68	3,304	-	-	11,484	15,671
Aplidig, S.L. (1)	-	-	-	2,804	-	-	-	2,804
Manuel Sánchez Ortega	543	-	57	3,304	-	-	4,484	8,388
Javier Benjumea Llorente	1,200	-	93	1,307	-	52	-	2,652
José Borrell Fontelles	-	-	160	-	140	-	-	300
Mercedes Gracia Díez	-	-	160	-	40	-	-	200
Ricardo Martínez Rico	-	-	110	-	20	-	-	130
Alicia Velarde Valiente	-	-	110	-	40	-	-	150
Ricardo Hausmann	-	-	280	-	-	-	-	280
José Joaquín Abaurre Llorente	-	-	110	-	40	-	-	150
José Luis Aya Abaurre	-	-	110	-	40	-	-	150
María Teresa Benjumea Llorente	-	-	43	-	-	18	-	61
Claudi Santiago Ponsa	-	-	78	-	-	-	-	78
Ignacio Solís Guardiola	-	-	78	-	-	-	-	78
Fernando Solís Martínez Campos	-	-	57	-	-	-	-	57
Carlos Sundheim Losada	-	-	57	-	-	-	-	57
Antonio Fornieles Melero	-	-	160	-	35	-	-	195
Santiago Seage Medela	543	-	51	-	-	-	-	594
José Domínguez Abascal	175	-	-	-	-	-	-	175
Joaquín Fernández de Piérola	23	-	-	-	-	-	-	23
Total	3,298	-	1,782	10,720	355	70	15,968	32,193

Note (1): Represented by Mr. José B. Terceiro Lomba

Detail on individual salaries and benefits in 2014 paid to the Board of Directors is as follows (in thousand of euros):

Name	Salary	Fixed remuneration	Daily allowance	Short term variable remuneration	Compensation as member of Board Committee	Compensation as officer of other Group companies	Other concepts	Total 2014
Felipe Benjumea Llorente	1,086	-	93	3,304	-	-	1	4,484
Aplidig, S.L. (1)	-	202	93	2,804	-	-	-	3,099
Manuel Sánchez Ortega	1,086	-	93	3,304	-	-	1	4,484
Javier Benjumea Llorente	450	-	93	1,307	200	52	-	2,102
José Borrell Fontelles	-	-	160	-	140	-	-	300
Mercedes Gracia Díez	-	-	160	-	40	-	-	200
Ricardo Martínez Rico	-	-	110	-	20	-	-	130
Alicia Velarde Valiente	-	-	110	-	40	-	-	150
Ricardo Hausmann (2)	-	-	178	-	-	-	-	178
José Joaquín Abaurre Llorente	-	-	110	-	40	-	-	150
José Luis Aya Abaurre	-	-	110	-	40	-	-	150
María Teresa Benjumea Llorente	-	-	78	-	-	24	-	102
Claudi Santiago Ponsa	-	-	70	-	-	-	-	70
Ignacio Solís Guardiola	-	-	78	-	-	-	-	78
Fernando Solís Martínez-Campos	-	-	78	-	-	-	-	78
Carlos Sundheim Losada	-	-	78	-	-	-	-	78
Total	2,622	202	1,692	10,719	520	76	2	15,833

Note (1): Represented by Mr. José B. Terceiro Lomba

Note (2): From 04.06.2014

Additionally, in 2015 overall remuneration for key management of the Company (Senior Management which are not executive directors), including both fixed and variable components, amounted to €7,163 thousand (€11,351 thousand in 2014).

No advanced payments or credits are granted to members of the Board, nor are any guarantees or obligations granted in their favor.

As of December 31, 2015 there existed €3,631 thousand in non-current personnel compensation obligations (€56,659 thousand in 2014).

33.4. In compliance with Royal Decree 1/2010 of July 2, that approves the Capital Corporations Law, the Company reports that no member of the Board of Directors of Abengoa, S.A. and, to its knowledge, none of the individuals related parties as referred to by article 231 in the Capital Corporations Law Act maintains any direct to indirect share in the capital of companies with the same, analogous or complementary kind of activity that the parent company's corporate purpose, nor has any position in any company with the same, analogous or complementary kind of activity that the parent company's corporate purpose. In addition, no member of the Board of Directors has accomplished any activity with the same, analogous or complementary kind of activity that the parent company's corporate purpose.

As of December 31, 2015, members of the Board of Directors who are in turn Directors or Management in other subsidiaries included in the consolidation group are:

Name	Company	Charge
D. José Domínguez Abascal	Abengoa Solar, S.A.	Representative, natural person, of Abengoa S.A.
	Sociedad Inversora en Energía y Medio Ambiente, S.A.	Representative, natural person, of Abengoa S.A.
	Europea de Construcciones Metálicas, S.A.	Representative, natural person, of Abengoa S.A.
	Abengoa Research, S.L.	Member of Board of Directors
	Abengoa Biotechnology Research, S.A.	Member of Board of Directors
	Abengoa Solar Research, S.A.	Member of Board of Directors
	Abengoa Energy Crops, S.A.	Member of Board of Directors
	Fotovoltaica Solar Sevilla, S.A.	Member of Board of Directors
D. Joaquín Fernández de Piérola Marín	Gestión Integral de Recursos Humanos, S.A	Chairman
	Abengoa Concessions, S.L.	Chairman
	Abengoa Concessions Investments, Ltd.	Member of Board of Directors
	Servicios Auxiliares de Administración, S.A. de C.V.	Chairman
	Concesionaria Acueducto El Zapotillo, S.A, de C.V	Chairman
	Abengoa Servicios Industriales S.A. de C.V.	Chairman
	Abengoa Servicios, S.A. de C.V.	Chairman
	Consultora de Servicios y Proyectos Centronorte, S.A. de C.V.	Chairman
	Servicios Auxiliares Administrativos Tabasco, S.A. de C.V.	Chairman
	Abeinsa Monterrey VI, S.A. de C.V.	Chairman
	Abengoa México O&M, S.A. de C.V.	Deputy Chairman
D. Javier Benjumea Llorente	Abengoa Bioenergía, S.A	Chairman

In accordance with the record of significant holding in the Company, and as required by the 'Internal Rules and Regulations for Conduct involving Stock Exchange Matters', the shares and the holding percentages of the Company Directors as of December 31, 2015 are:

	No. of direct class A shares	No. of indirect class A shares	No. of direct class B shares	No. of indirect class B shares	%of total voting rights
José Domínguez Abascal	6.000	-	36,000	-	0.0070
Antonio Fornieles Melero	-	-	16,400	-	-
Joaquín Fernández de Piérola Marín	-	-	-	-	-
José Joaquín Abaurre Llorente	9.870	-	-	-	-
José Luis Aya Abaurre	1.210	-	344,301	-	0.0050
Javier Benjumea Llorente	3.888	-	15,552	-	0.0040
José Borrell Fontelles	-	-	71,695	-	0.0010
Mercedes Gracia Díez	-	-	2,500	-	-
Ricardo Hausmann	-	-	-	-	-
Ricardo Martínez Rico	-	-	2,565	-	-
Claudi Santiago Ponsa	200	-	800	-	-
Ignacio Solís Guardiola	1,700	-	68,000	-	0.0200
Alicia Velarde Valiente	400	-	1,600	-	-

Throughout out 2015 and 2014 there was no evidence of any direct or indirect conflict of interest situation, in accordance with what is envisaged in Article 229 of the Capital Corporation Law.

33.5. Audit fees

The fees and costs obtained by Deloitte, S.L. and other auditors are the following:

	2015			2014		
Item	Deloitte	Other auditors	Total	Deloitte	Other auditors	Total
Audit fees	3,691	1,247	4,938	5,221	315	5,536
Other verification services	195	-	195	297	12	309
Tax fees	765	2,888	3,653	183	4,388	4,571
Other audit complementary services	1,398	197	1,595	1,803	131	1,934
Other services	275	8,074	8,349	410	3,436	3,846
Total	6,324	12,406	18,730	7,914	8,282	16,196

33.6. Environmental information

The principles of the environmental policies of Abengoa are based on compliance with the current legal regulations applicable, preventing or minimizing damaging or negative environmental consequences, reducing the consumption of energy and natural resources, and achieving ongoing improvement in environmental conduct.

In response to this commitment to the sustainable use of energy and natural resources, Abengoa, in its Management Rules and Guidelines for the entire Group, explicitly establishes the obligation to implement and certify environmental management systems in accordance with the ISO 14001 International Standard.

Consequently, by year-end 2015, the percentage of Companies with Environment Management Systems certified according to the ISO 14001 Standard per sales volume is 91.58% (89.56% in 2014).

The table below lists the percentage of distribution of the Companies with Certified Environmental Management Systems, broken down by business unit:

Business unit	ISO 14001-certified companies (% of revenue)
Engineering and Construction	95.24
Industrial Production	92.25
Concession-type Infraestructure	63.97

33.7.- Subsequent events

During the month of February 2016, the investment that Abengoa owned in Shams, which is the owner of a thermo-solar plant of 100 MW developed by the Company in Abu Dhabi (United Arab Emirates) has been sold for a total amount of USD €30 million. No impact in the results for the year is expected from this transaction.

As of March 1, 2016, the Company ceased Mr. José Dominguez Abascal, formerly appointed by Inversión Corporativa IC, S.A. as Chairman and revoked the powers he may have delegated. Since that date, he will continue as Director (external Director). Replacing him, the Board of Directors of Abengoa previously agreed by the Appointment and Remuneration Committee, appointed as Executive Chairman to Mr. Antonio Fornieles Melero, former Vice-chairman and Coordinator Director, delegating him all powers except those that cannot be legally delegated. As a consequence of this appointment this mentioned Director begun to have the executive Director consideration and left the Audit Committee and the Appointments and Remuneration Committee.

Also, and with prior approval of the Appointment and Remuneration Committee, the Board of Directors of Abengoa delegated on Mr. Joaquín Fernández de Piérola Marín all powers except those that cannot be legally delegated. As a consequence of this appointment, Mr. Joaquín Fernández de Piérola Marín was appointed CEO and maintained the executive Director consideration.

Additionally, in the framework of the negotiations, it is maintaining, with a group of its creditors comprised of banks and holders of bonds issued by the Abengoa group, for the restructuring of its indebtedness and its recapitalization in line with the grounds of an agreement that was announced on March 10, 2016 (relevant fact number 236094), on March 21, 2016, Abengoa Concessions Investments Limited ("ACI"), a subsidiary of the Company, entered into a Secured Term Facility Agreement (the "Facility Agreement") among, inter alia, the lenders as describe below (the "Lenders") and the agent appointed thereunder (the "Agent"), pursuant to which it is entitled to borrow up to €137,094,751.30 (the "Loan Amount") and is required to enter into related security documents (collectively, the "Loan Documents").The Facility Agreement will be used for the general corporate and working capital purposes of the Company and its subsidiaries (the "Group").

Upon the occurrence of certain events that are customary for this type of loan, the Lenders may exercise their right to require ACI to repay all or part of the Loan Amount, post additional collateral or foreclose on, and dispose of, the Pledged Shares (as described below under "Security") in accordance with the Loan Documents.

The loan will mature on 23 September 2016 or (if maturity for the September Facility and the December Facility is extended to at least the same date) 12 months after the utilization date. Loans will initially bear interest at a rate per annum equal to the aggregate of EURIBOR plus 14.5% (on a payment in kind basis). Default interest will be payable at a rate of 5% above the interest rate.

In certain circumstances, a make-whole amount, a restructuring fee and/or a rollover fee may become payable under the Facility Agreement.

Abengoa and the following subsidiaries will each provide a guarantee of all amounts payable to the finance parties under the Facility Agreement. Under the terms of the Loan Documents, ACI will pledge and grant a security interest in 14,327,124 ordinary shares of Atlantica Yield (formerly Abengoa Yield Plc.) held by it (the "Pledged Shares"), in favour of the Lenders as security for the Loan Amount and its obligations under the Loan Documents.

The Facility Agreement will require compliance with certain financial covenants consisting of (i) an initial loan to value ratio of 60% and (ii) maintaining a loan to value ratio of not more than 80%.

In relation to the Pledged Shares that were previously the subject of security interests in favour of the lenders under either (i) the loan agreement granted to the Company in 23 September 2015 or (ii) the loan agreement entered into in 24 December 2015 (see Note 20):

- the lenders under (i) the September Facility will release all of the Pledged Shares that are pledged as security for such financing and (ii) the December Facility will release a certain number of the Pledged Shares that are pledged as security for such financing. ACI will pledge and grant a second ranking pledge in respect of the Pledged Shares and the remaining shares securing the December Facility in favour of the lenders under the September Facility; and

- in connection with the granting of such releases, the September Facility and the December Facility will be amended to align certain provisions relating to the interest, the restructuring and rollover fees, the loan to value financial covenants, the maturity and the disposal covenants with those in the Loan Documents.

The Facility Agreement is governed by English law and the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection therewith.

Since December 31, 2015, no other events have occurred that might significantly influence the information reflected in the Consolidated Financial Statements, nor has there been any event of significance to the Group as a whole.