

01. A message  
from the chairman





**Gonzalo Urquijo  
Fernández de Aroz**  
Chairman of Abengoa

Dear All,

2015 and 2016 represent a key stage for us that has undoubtedly marked a turning point in the history of Abengoa. After more than 70 years' experience, our company faced a major crisis that required us to address a financial restructuring and a rethink of our business model, to ensure that we were able to achieve the Abengoa of the future that we finally see today.

Thus, as is well-known, throughout 2016 the Abengoa team has been immersed in the design and approval of a restructuring plan which, so far this year, has come to fruition, and has been completed and put into practice. This process culminated on 31 March 2017 with the announcement of the end of the financial restructuring process. This date signified the end of a period of huge efforts, and the start of a new and more promising stage.

**The company has completed its financial restructuring plan agreed in 2016**

In the design and approval of the restructuring plan, as well as the accompanying viability plan, the active involvement of the main financial creditors and a group of new investors has proved decisive, allowing an initial agreement to come to fruition during last August and September.

I should point out that major sacrifices have been assumed by all parties involved, firstly by the previous shareholders who have seen their positions significantly reduced as a consequence of the dilution of shareholdings, and also by creditors who have experienced a significant reduction of their receivables. The agreement has also needed the support of a group of entities that have contributed new loans and guarantees, both vital to provide the necessary financial resources for the continuation of our activity.

As regards the divestment plan, we have conducted different sales of assets, including our partial exit from the bioenergy business, the sale of our stake in Yoigo, our Campo Palomas wind farm in Uruguay, the Shams-1 thermal solar power plant in the UAE, the photovoltaic plants in Seville and Jaén, and our Abentel business, among many others.

These are all key milestones in understanding the future of the company we have today. An Abengoa with a debt 70 % lower than at the beginning of the process; focused on its core engineering and construction business; resized yet still committed to sustainable development and the environment. In short, an Abengoa that seeks to continue being a benchmark in the sectors where it operates and which has more than 70 years' experience in the development of all types of projects, yet adapted to its new business needs, size and structure.

**The first step we took in this new phase -and with the approval at the last Meeting of Shareholders- was the configuration of a new Board of Directors**

In order to introduce best practices in issues of transparency and corporate governance, the first step we took in this new phase –and with the approval at the last Meeting of Shareholders– was the configuration of a new Board of Directors. The board is made up entirely of independent directors -except the director acting as executive chairman- and seeks to instil transparency, rigour and good practices both in regulatory compliance as well as corporate governance.

Throughout this process, Abengoa has enjoyed great support, in particular from all of the people that make up our team, one of the company's biggest assets, the solid base on which all of our experience

and know-how is constructed and a fundamental asset for this major achievement. Elsewhere, I must also thank the financial community, especially Banco Santander, La Caixa and Bankia, as well as public institutions, including the Government of Spain, through the support of its agencies (the Official Institute of Credit (ICO), the Spanish Export Credit Corporation (CESCE), the Spanish Development Funding Corporation (COFIDES) and the Social Security Department), as well as the Regional Government of Andalusia, who have demonstrated their support from the outset.

In terms of business and activity, throughout 2016 we have continued to work for the award of new projects, despite the situation we were going through. Accordingly, we are beginning to reap the rewards in our portfolio of projects. We closed the year with a portfolio of awarded projects that reached 2.7 billion euros and we are currently assessing potential projects that we could carry out, for a total value of 30 billion euros. These figures are a sign that our clients continue to place their trust in us and our teams for the performance of projects.

### We look ahead with a new strategic approach and with confidence in our staff members

Now we have our eyes on the future. A future that Abengoa faces with the enthusiasm to demonstrate all its experience and all its knowledge of the engineering and construction market in the sectors of energy and water. As we have explained to the different investors, clients, suppliers and other stakeholders -and this is covered in our strategic plans-, Abengoa will focus on the activity that it considers core, both for its tradition and for its competitiveness, that is, on the development of turnkey projects that include the engineering, procurement and construction of plants for third parties in four key areas: energy, water, transmission and infrastructures and, finally, services. We will maintain our commitment to R&D, as an engine that sets apart our services and products.

In the short term, our aim is to put all the necessary mechanisms in place so that Abengoa can resume its leadership position and, of course, re-generate liquidity. We are aware that much remains to be done, but we are convinced that we will achieve it.

At Abengoa, first and foremost are the people and, therefore, our commitment to the health and safety of all of us who form part of the company or who collaborate with us could not be higher. Our target is zero accidents. Accordingly, we work decisively beyond compliance with legislation, with our principles of integration, leadership and management, training and ongoing improvement that shape our health and safety policy.

Once again, I would like to thank everyone for the commitment and trust placed in our company since commencement of the process. I take this opportunity of presenting our Integrated Report to convey my great expectation and determined commitment to undertake this new stage that we have before us; a blank page that we ourselves will be able to write with the experience and talent that all of our teams possess, and without which it would have been impossible to get where we are today. Let's commit to a job well done, let's fight for new projects and let's recover the trust of our markets.

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