

## Abengoa returns to a positive EBITDA in the results for the first half of 2017

- Improvement in Health and Safety indicators with a Lost Time Injury Rate (LTIR) of 5.1.
- Revenues of €691 million and EBITDA of €16 million, a significant improvement in comparison to the €(59) million or EBITDA in the first semester of 2016. EBITDA would have reached €117 million if adjusted for the non-recurring costs derived from the financial restructuring and one-off construction provisions.
- Substantial efforts made to reduce overhead costs.
- Net result amounts to €4,906 million mainly driven by the one-off adjustments of the financial restructuring finalized in March.
- Bookings of new projects for an approximate value of €761 million in Morocco, Saudi Arabia, Chile, Argentina, United Kingdom and Belgium, among others, despite the Company being immersed in the financial restructuring process.
- Mercantile Court of Seville Nº 2 issued a ruling in regards to the challenges brought forth to the judicial approval (*homologación judicial*) of the restructuring agreement, maintaining the effects of said agreement yet resolving in favor of the challenges in relation to the disproportioned sacrifice to certain challengers. The nominal value of the excluded debt which has been claimed by the challengers amounts to approximately € 72 million as of the date of the judicial approval (*homologación judicial*).

September 26, 2017 - Abengoa (MCE: ABG.B/P), the international company that applies innovative technology solutions for sustainability in the infrastructure, energy and water sectors, announces financial results for the first half of 2017.

One of the areas of focus for Abengoa's management is safety at the workplace. The Company continues to improve its Health and Safety indicators such as the Lost Time Injury Rate (LTIR) that currently stands at 5.1, well below those of the Construction Sector (41.8), Industry (31.6) or Industrial Assembly (9.4), which represents significant progress towards Abengoa's Zero Accident target.

During the first half of 2017 Abengoa recorded revenues of €691 million and EBITDA of €16 million, a considerable improvement in profitability due primarily to the substantial efforts in reduction of overhead costs. These figures exclude the impact of the bioenergy activity and the Brazilian transmission lines, which are presented as results from discontinued activities. During this period, the Company has incurred in certain expenses related, among others, to one-off provisions for construction costs and fees from independent advisors related to the financial restructuring, for a total of €101 million.

Excluding these one-off costs, EBITDA would have reached €117 million, a significant improvement in comparison to the negative EBITDA result of €(59) million in the first six months of 2016.

Net result reached €4,906 million, mainly due to the one-off adjustments €5,814 million registered in the income statement derived from the financial restructuring, which is comprised of: (i) cancelation of financial liabilities for €8,433 million, (ii) recording of new refinanced debt and newly issued equity for €(1,943) million, (iii) tax impact of €(538) million, and (iv) fees and other costs of €(138) million.

As presented in the March 31, 2017 results, the recognition of this positive result from the debt write-offs and the share capital increase as foreseen in the Restructuring Agreement, offsets to a large extent the losses registered in the 2016 accounts and has allowed Abengoa S.A. to restore its equity balance.

As a result of the financial restructuring, consolidated gross financial debt has significantly been reduced from €12,258 million at the end of 2016 to €5,578 million on June 30, 2017. Out of the €5,578 million of gross financial debt, €2,065 million correspond to debt of companies classified as held for sale.

During March 2017 Abengoa completed its financial restructuring process. On March 28, 2017 the Company executed the share capital increase and issued the warrants, as approved in the General Shareholders' Meeting held on November 22, 2016. On March 31, 2017 the Class A and Class B shares derived from the capital increase and the newly issued warrants were admitted to trading on the Madrid and Barcelona Stock Exchanges; hence, achieving the financial restructuring completion date.

On 25 September 2017, the Mercantile Court of Seville Nº 2 issued a ruling in regards to the challenges brought forth to the judicial approval (*homologación judicial*) of the restructuring agreement. The ruling maintains the judicial approval of the restructuring agreement and its effects yet resolved in favor of the challenges in relation to the disproportioned sacrifice caused on certain challengers. As stated in the decision, this last point implicates that effects of the restructuring agreement do not apply to these challengers. The nominal value of the excluded debt which has been claimed by the challengers amounts to approximately € 72 million as of the date of the judicial approval (*homologación judicial*).

The Company considers that the decision does not specify what treatment the excluded debt should receive, and on this basis will request a clarification from the Court through the necessary channels.

## **Results by segment**

Revenues in the engineering and construction activity reached 606 M€ and EBITDA amounted to €(42) million, versus €615 million and €(105) million respectively in the first six months of 2016. This revenue decrease is mainly due to the strong restrictions of financial resources, which has negatively affected business development, particularly in projects in North America and South Africa. However, an increase in business activity in

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South America and the Middle East has helped partially offset the negative impact of other regions. Also, the EBITDA figure includes the aforementioned non-recurring costs related to fees from independent advisors and one-off construction provisions due to the slowdown in the execution of projects in the last several months for a total of €101 million that, if adjusted for, would leave EBITDA of the engineering and construction activity at €60 million.

Despite the Company being immersed in the financial restructuring process, Abengoa's backlog in engineering and construction as of June 30, 2017 amounted to approximately €1,909 million, including bookings of new projects for a total value of €761 million in Morocco, Saudi Arabia, Chile, Argentina, United Kingdom and Belgium, among others.

Revenues in the concession-type infrastructure activity reached €86 million and EBITDA amounted to €58 million in the first half of 2017, compared to €73 million and €46 million, respectively, during the first six months of 2016. This increase is mainly due to the commencement of operations of the Khi solar plant in South Africa by the end of 2016 and the improved performance of certain assets such as SPP1 solar plant in Algeria.

(Figures in € million)	Revenues		Ebitda	
	H1 2017	H1 2016 <sup>(1)</sup>	H1 2017	H1 2016 <sup>(1)</sup>
<b>Engineering and Construction</b>				
Engineering and Construction	606	615	(42)	(105)
<b>Total</b>	<b>606</b>	<b>615</b>	<b>(42)</b>	<b>(105)</b>
<b>Concession-type Infrastructure</b>				
Solar	30	17	22	11
Water	25	31	19	22
Transmission lines	-	1	-	-
Cogeneration and other	31	24	17	13
<b>Total</b>	<b>86</b>	<b>73</b>	<b>58</b>	<b>46</b>
<b>Total</b>	<b>691</b>	<b>688</b>	<b>16</b>	<b>(59)</b>

(1) Restated figures due to the discontinuation of the Bioenergy operating segment and the Brazilian transmission projects.

In order to keep all stakeholders up to date with regards to the financial restructuring process, Abengoa has dedicated a new section in the corporate website to this. We encourage all our stakeholders to visit:

[http://www.abengoa.com/web/en/accionistas\\_y\\_gobierno\\_corporativo/proceso-reestructuracion/](http://www.abengoa.com/web/en/accionistas_y_gobierno_corporativo/proceso-reestructuracion/)

## About Abengoa

Abengoa (MCE: ABG/P: SM) is an international company that applies innovative technology solutions for sustainable development in the infrastructure, energy and water sectors. [www.abengoa.com](http://www.abengoa.com)

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