



ABENGOA

Market Update Presentation

September 24th 2015

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Current Situation

1 Our financial position has been weakened...

2 ...due to larger equity required than estimated, mainly in T&D lines in Brazil,...

3 ...driven by our strong focus on high return yet capital intensive projects ...

4 ...and liquidity has been impacted due to market uncertainty

5 Market perceives a lack of independence due to Inversion Corporativa control

Comprehensive Action Plan

- ~2.2 B€ of proceeds planned to be raised to improve **liquidity** and **reduce** gross corporate **debt**:
 - a) **Rights issue, 650 M€** underwritten or committed⁽¹⁾
 - b) At least ~1.2 B€ **cash proceeds from increased disposal plan** by YE 2016, including asset disposals & either the monetization of some or all of ABG's economic rights in ABY or the sale through a private process of some or all of ABG's interest in ABY
 - c) **Rofo 4: 347 M€** in process to be received
- Plan to **significantly reduce Gross Corporate Debt**
- **New capex limit and no dividend** until BB- or Ba3 rating⁽²⁾ is achieved or Gross Corporate Leverage is below 3.5x⁽³⁾
- **Enhanced control measures** with the creation of a new Investment Committee
- **Accelerate business mix** towards turnkey and non-equity concessional projects, de-risking the business model
- Primary focus on **asset light strategy** in the short to medium term
- **New 165 M€ working capital line** committed to increase cash balance
- **Improvement of liquidity** expected from comprehensive action plan
- **Normalization** expected with capital structure stability
- Appointment of **new Non Executive Chairman**
- Enhanced **Corporate Governance** and appointment of new independent directors
- **Inversión Corporativa** limited to 40% voting rights and minority board representation

(1) Subject to certain conditions including, among others, completion of ongoing financial and other due diligence and entry into a definitive underwriting agreement

(2) BB- rating refers to S&P while Ba3 rating refers to Moody's

(3) Leverage ratio of Gross Corporate Debt, including Non Recourse Debt in Process ("NRDP"), to corporate EBITDA falls below 3.5x

1

A group of banks and two of the main shareholders have committed to underwrite and/or subscribe in the equity raise for an aggregate of 650 M€

Extraordinary Shareholders' Meeting

- Extraordinary Shareholders' Meeting already convened; expected to take place on October 10, 2015 to approve a rights issue of at least 650 M€
- Other items to be voted include corporate governance measures and restrictions on new capital expenditure, among others

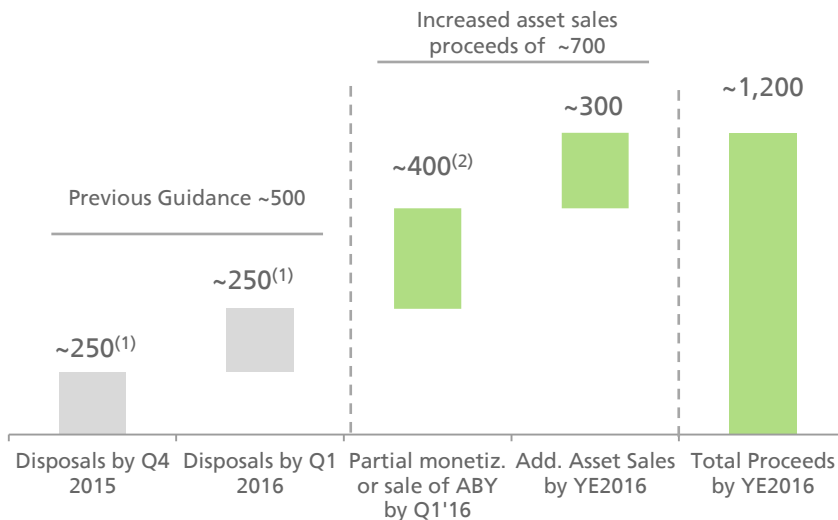
Rights issue; 650 M€ underwritten or committed

- Expected to be executed immediately after the release of the Q3 2015 results
- A group of banks have entered into an agreement with Abengoa to underwrite 465 M€ in Class B shares to be issued in the transaction
- Inversión Corporativa has irrevocably committed to invest a minimum of 120 M€ of new money in new Class A and Class B shares to be issued
- Also, one of Abengoa's main shareholders has committed to subscribe for 65 M€ of new Class B shares to be issued

Increased disposal program from previous guidance of 500 M€ to at least approx. 1.2 B€ by YE2016

Revised Disposal Plan

M€



Assets for potential disposal

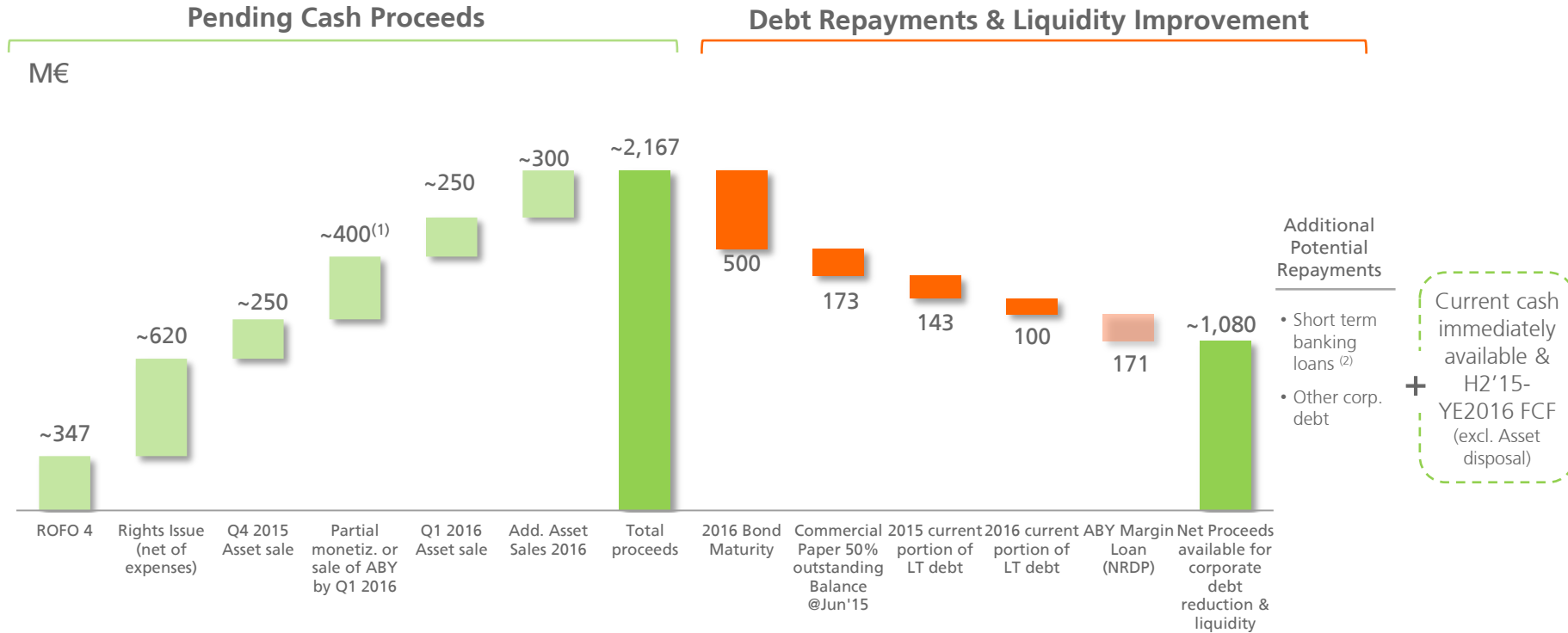
Asset	Details	Capacity
Cogeneration	Two Cogeneration Plants in Brazil	140 MW
SPP1	Combined Cycle in Algeria	100 MW
Hospital Manaus / Concecutex	Concessions in Brazil and Mexico	300 beds / 10,000 people
Khi	Solar power in South Africa	50 MW
A3T / A4T	Cogeneration Plant in Mexico	840 MW
Tenés / Ghana	Desalination Plants	260,000 m3/day
Biofuels	Selected Biofuels operating plants	3,200 ML
Shams	Solar plant in U.A.E.	100 MW
Others		

At least approx. 1.2 B€ cash proceeds from updated disposal plan by YE 2016, including asset disposals and either the monetization of some or all of ABG's economic rights in ABY or the sale through a private process of some or all of ABG's interest in ABY, while keeping the existing ROFO agreement in place

(1) Announced in August 2015
 (2) Gross proceeds, assuming partial monetization of economic rights or partial sale of interest in Abengoa Yield

Proceeds used to improve liquidity and reduce gross corporate debt

Capital increase and asset sales critical to restore liquidity and reduce debt



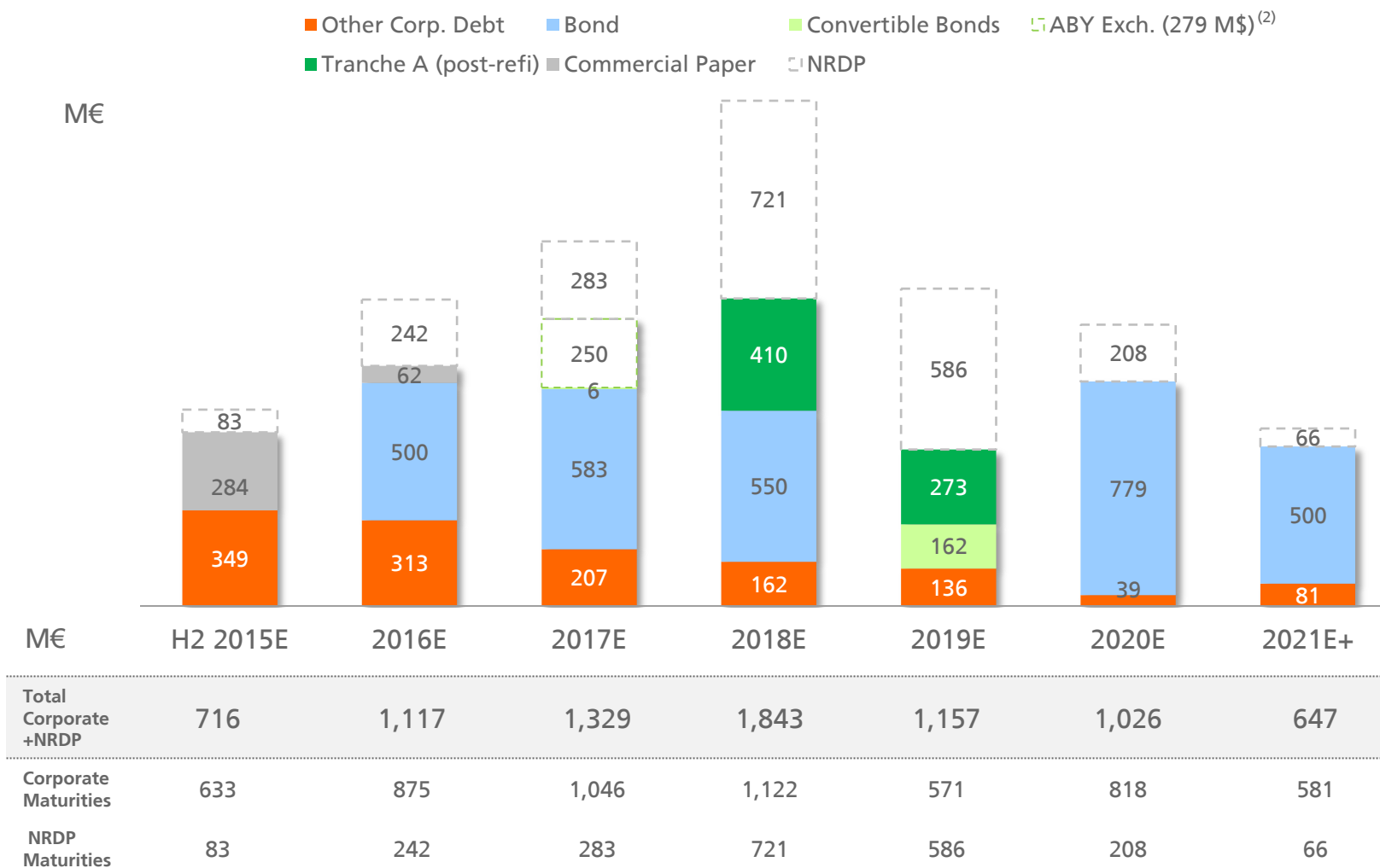
Significant reduction of gross debt during H2'15-YE2016

Target: BB- rating

(1) Gross proceeds, assuming partial monetization of economic rights or partial sale of interest in Abengoa Yield.

(2) To the extent maturities are not rolled over.

Corporate & non-recourse debt in process (NRDP⁽¹⁾) maturity profile as of June 30, 2015



(1) Non-recourse debt in process (NRDP) excludes amounts that have been issued by the projects with Contractor and Sponsor guarantee, amounting to 507 M€ and which have been classified as liabilities held for sale

(2) 250 M€ Exchangeable bond in ABY shares is included in the chart; but this bond is expected to be repaid with existing ABY shares already owned by Abengoa

Limitation on new net equity capex⁽¹⁾ commitments to 50 M€/y until BB- or Ba3 rating is achieved or Corp. Gross Leverage⁽²⁾ falls below 3.5x

- Should the company exceed the 50 M€ limitation, any excess capex would trigger a mandatory corporate debt repayment for the equivalent amount within 3 months
- Abengoa has net equity capex committed of 1.15 B€ as of June 2015

Management Approval

- ✓ Analyze and present capex investment to the Investment Committee
- ✓ Disclosure including full financial risk analysis
- ✓ Internal approval procedure involving all key areas (business, risk, financial, legal, etc.)
- ✓ Must meet key criteria (equity < margin, positive cash flow, etc.)

Investment Committee

- ✓ 3 members, including 2 independent directors
- ✓ Responsible for
 - Approving all new Capex
 - Maintenance of leverage target ratios
 - Changes to dividend policy
- ✓ Reviews and analyzes all information
- ✓ Meets business teams that propose investments
- ✓ Consults with managers as required

Board Approval

- ✓ Investment Committee presents final proposal for approval
- ✓ Board approves or rejects



Jose Domínguez Abascal
Non Executive Chairman

- Appointed new board member
- Previously, Chief Technology Officer of Abengoa from 2008 until 2015
- Professor of Structural Mechanics at the Engineering School of the University of Seville
- Post-doctorate Fulbright scholarship in 1978 at the MIT



Antonio Fornieles Melero
*Second Vice-Chairman
& Lead Independent Director*

- Appointed second Vice-Chairman and lead Independent Director of Abengoa in Jan. 2015
- He graduated in economics and business studies from UCM
- Former Audit Director in KPMG and COO of the audit function globally
- Joined the Spanish Institute of Chartered Accountants in 1987 and was made a partner in KPMG in 1994



Mercedes Gracia Díez
*Independent Member
of the Board*

- Serves as Independent Director of Abengoa since December 12, 2005
- Member of Appointments & Remuneration Committee & Chairwoman of Audit Committee
- Full Professor in Econometrics at CUNEF. BA in Economics at UAM (1978) & Ph.D in Economics at New York University (1986)
- Chairperson of the Department of Asset Management in Caja Madrid (1996-1999)

(1) Net equity capex: gross equity capex less expected partners' equity reimbursements to Abengoa.

(2) Leverage ratio of Gross Corporate Debt, including Non Recourse Debt in Process ("NRDP"), to corporate EBITDA falls below 3.5x

2

Committed net equity capex in concessions under construction of ~1.15 B€

Amounts based on the company's best estimate as of June 30, 2015. Actual investments or timing thereof may change.

M€	Country	Entry in Operation	Total Pending Capex (M€)			Partners	Debt	~LTV	
			ABG Committed	Net Equity Capex (M€)					
			Total (*)	H2 '15	2016	2017+			
Consolidated Concessions Capex									
South Africa 50 MW1	S.Africa	Q4 15	-				-	24	70%
Zapotillo Water Project	Mexico	Q4 17	113				-	190	80%
Agadir	Morocco	Q1 17	3				14	51	75%
India T&D Line	India	Q2 18	3				6	45	85%
Brazilian T&D	Brazil	Q1 16-Q3 18	1,023				-	1,254	55%
Penitentiary Uruguay	Uruguay	Q4 16	18				-	107	85%
Hospital Manaus	Brazil	Q3 15	7				5	3	70%
Sub-total Consolidated Concessions			1,166				25	1,674	
Concessions with Minority Stakes				384	517	248			
Xina	S.Africa	Q3 17	-				68	419	75%
Ashalim	Israel	Q2 18	72				86	642	80%
Atacama Solar Platforms	Chile	Q2 16-Q2 17	-				247	2,077	75%
A3T and A4T	Mexico	Q1 17-Q1 18	-95				308	1,247	70%
Nicefield	Uruguay	Q3 16	11				13	98	85%
Norte 3	Mexico	2018	-44				86	310	80%
SAWS	EEUU	Q4 19	26				41	670	90%
ATN 3	Peru	Q3 16	12				20	74	80%
Sub-total Concessions w/ Minority Stakes			-18				869	5,537	
Total Committed Net Capex in Concessions			1,149				894	7,211	
R&D and Corporate Capex				56	80	70			
Total Combined Capex				440	597	318			

(*) Net equity capex: gross equity capex less expected partners' equity reimbursements to Abengoa.

Asset light strategy

E&C with no equity investment

- Primary focus of our strategic plan
- Strong pipeline thanks to our high market share in several key markets (i.e. water desalination, solar, transmission)
- Develop full infrastructure projects including development, financing, engineering, construction and operation for investors without committing our own equity

Projects where Abengoa is one of the investors

- Near term focus on existing projects already committed
- Committed net equity capex in concessions under construction of ~1.15 B€, as of June 30, 2015
- Equity invested always < EPC margin during construction
- Most investments through APW's where partners are expected to have a majority
- New net equity capex limitation to 50 M€/y until BB- or Ba3 rating is achieved or Corp. Gross Leverage⁽¹⁾ falls below 3.5x

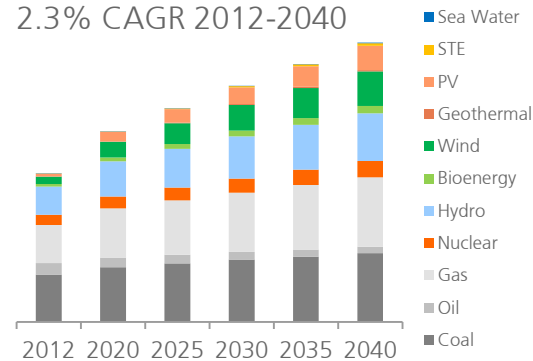
(1) Leverage ratio of Gross Corporate Debt, including Non Recourse Debt in Process ("NRDP"), to corporate EBITDA falls below 3.5x

Continue to pursue asset light growth in attractive end-markets

Significant growth in Energy & Water infrastructure...

Electric Power (GW)

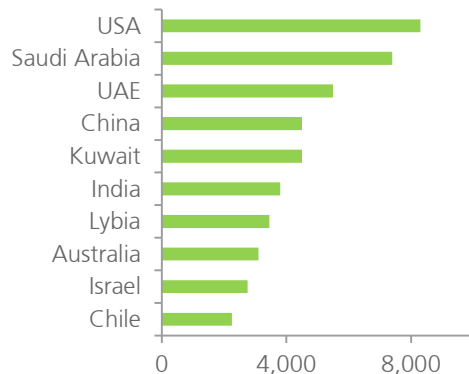
2.3% CAGR 2012-2040



Source: World Energy Outlook 2014

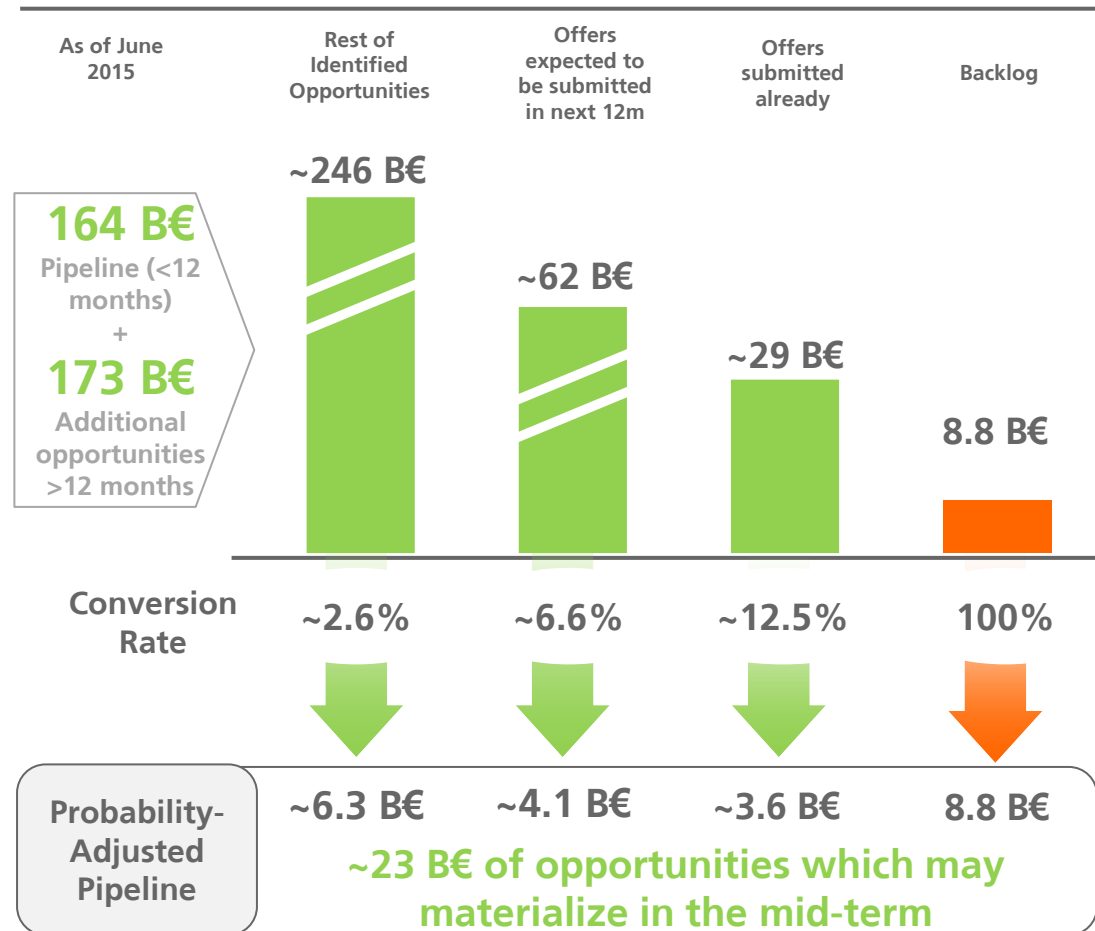
Top 10 desal. markets 2011-2018 (M\$)

Growing water market worldwide



Source: Global Water Intelligence

... for which Abengoa is well-positioned to capture in the next years but subordinated to new capex limits



3

Demonstrated ability to grow turnkey and concessions backlog with 3rd party equity by leveraging our technology leadership

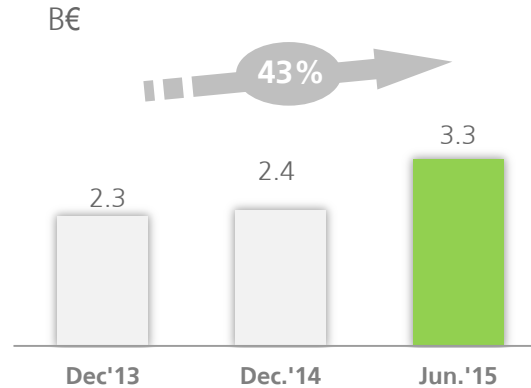
Business Description

Backlog Evolution

Highlights

Turnkey Projects

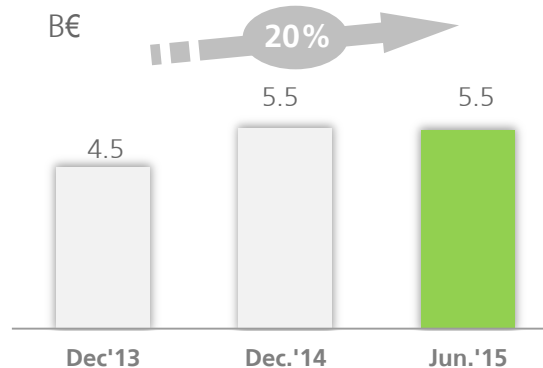
- EPC projects awarded by ABG as a **third party contractor**
- Demonstrated strong **track-record** with **solid margins**
- **Solid** pipeline and **healthy** backlog



- **Large pipeline**
- **Growing backlog**

Concessional Projects

- Projects awarded where ABG not only acts as **EPC contractor** but also **developer** with concessions and O&M capabilities
- **High margins** thanks to vertical integration, technology and O&M
- **Best in Class** Proprietary Technology



- **Stable backlog**
- **Only committed capex** to be executed until leverage/rating target achieved
- Plan already in place to develop concessions with **3rd party equity**

Total

6.8 B€






8.0 B€

8.8 B€

3

Strong momentum in turnkey E&C projects with additional growth visibility

Recent E&C contract wins (Jul-Sep 2015)

Project Name	Country	Sector	Equity Required	Approx. Project Size
T&D line California – Arizona	USA		✓	300 M€
Port Terminal	Uruguay		✗	93 M€
Biomass Plant	UK		✗	>600 M€
Electromechanical instal.	Denmark		✗	38 M€
T&D line (Transco)	UAE		✗	22 M€

Company poised for asset-light growth

1. Commercial Reach ✓

- ✓ During the last three years multiplied business development team by 3 and increased pipeline by a similar factor
 - ✓ Reinforced presence in many geographies including US, Middle East, Europe, Africa and Asia
 - ✓ Developed strategic alliances with key partners
- ✓ Demonstrated ability to develop concessional projects for third parties without equity investment

2. Submit more offers ✓

- ✓ Currently more than 60 B€ worth of offers submitted every year to clients

Commitment to delever and provide independent board oversight

New Board of Directors

- Felipe Benjumea has been appointed Honorary Chairman and José Dominguez as his replacement as Non Executive Chairman
- Reduced number of Board members to 13 (Inversión Corporativa limited to 5 representatives):
 - 6 independents, out of which 2 new independent directors to be proposed by nominations committee

Investment Committee

- Independent Investment Committee reporting to the board to ensure compliance with capex guidelines, maintain target leverage ratios and propose changes to the dividend policy

Loss of control of current largest shareholder

- Inversion Corporativa to limit voting rights to 40%
- 5 board representatives out of 13

- 1** Rights issue, 650 M€ underwritten/committed by a group of banks (465 M€), Inversion Corporativa (120 M€) and another main shareholder (65 M€)
- 2** At least ~1.2 B€ expected proceeds from increased disposal plan by YE 2016
- 3** Expected improvement of liquidity from comprehensive action plan
Significant reduction of Gross Corporate Debt expected by Dec. 2016
- 4** Capex limitation: 50 M€/y additional net equity capex permitted above current commitments until BB- or Ba3 is achieved or Gross Corporate Leverage (incl. NRDP) ratio falls below 3.5x
- 5** No dividend until BB- or Ba3 rating is achieved or Gross Corp. Leverage (incl. NRDP) ratio falls below 3.5x
- 6** Rebalancing business mix towards an asset light model
- 7** Enhanced corporate governance and Inversion Corporativa voting rights limited to 40% and minority of directors (5 out of 13)



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Thank you