

# ABENGOA

Innovative Solutions for Sustainability



# ABENGOA

**Fiscal Year 2010** Earnings Presentation

February 24<sup>th</sup>, 2011

- This presentation contains forward-looking statements and information relating to Abengoa that are based on the beliefs of its management as well as assumptions made and information currently available to Abengoa.
- Such statements reflect the current views of Abengoa with respect to future events and are subject to risks, uncertainties and assumptions.
- Many factors could cause the actual results, performance or achievements of Abengoa to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic, political, governmental and business conditions globally and in the countries in which Abengoa does business, changes in interest rates, changes in inflation rates, changes in prices, changes in business strategy and various other factors.
- Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted.
- Abengoa does not intend, and does not assume any obligations, to update these forward-looking statements.

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Appendix

### Successful performance in a challenging environment

#### Excellent financial results

- Revenues of €5,566 M, an increase of 34% y-o-y
- EBITDA of €942 M, an increase of 26% y-o-y
- Net income of €207 M, an increase of 22% y-o-y

#### Solid platform for future growth

- Engineering and Construction (E&C) backlog up to €9.3 B - 90% visibility into 2011
- 74% of our revenues from markets outside of Spain
- 12 plants and 3 transmission power lines brought into operation, and started construction of 8 new plants and 2 new transmission power lines

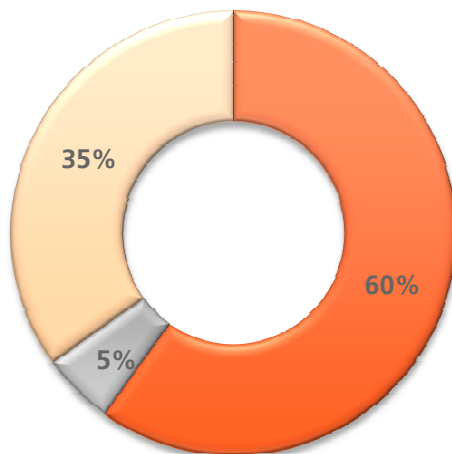
#### Securing our cash needs

- Solid operating cash flow of €769 M
- Successfully raised €2,400 M in long term corporate debt
- Strong liquidity position of €3,897 M at Dec '10 after capex investment of €2,094 M

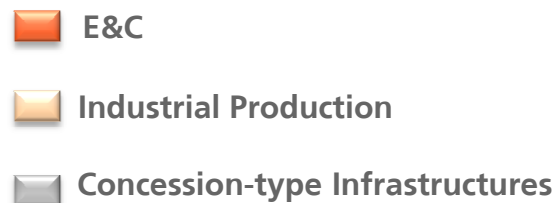
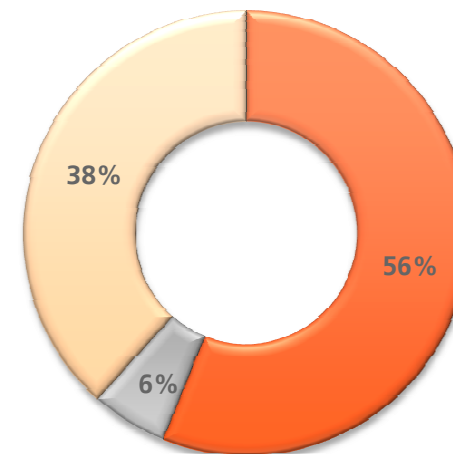
### Continuing the diversification towards robust business model

Revenues (M€)	2009	Var (%)	2010
Engineering & Construction	2,481	+26%	3,121
Concession-type Infrastructures	219	+41%	308
Industrial Production	1,447	+48%	2,137
<b>Total</b>	<b>4,147</b>	<b>+34%</b>	<b>5,566</b>

2009

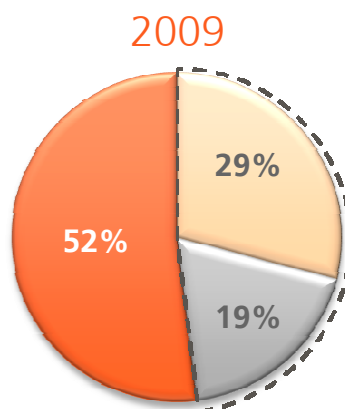


2010

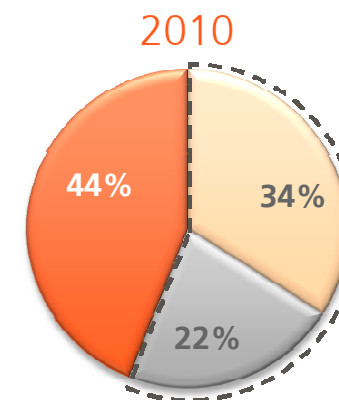
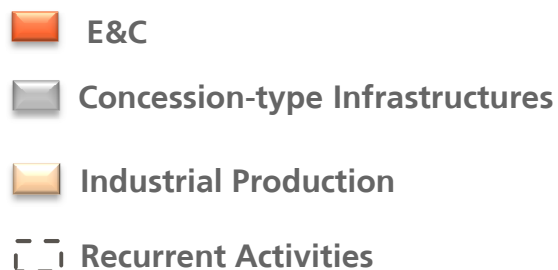


**Recurring EBITDA increased from 48% to 56%**

EBITDA (M€)	2009	Var (%)	2010
Engineering & Construction	389	+7%	415
Concession-type Infrastructures	143	+46%	208
Industrial Production	218	+46%	319
<b>Total</b>	<b>750</b>	<b>+26%</b>	<b>942</b>



€750 M



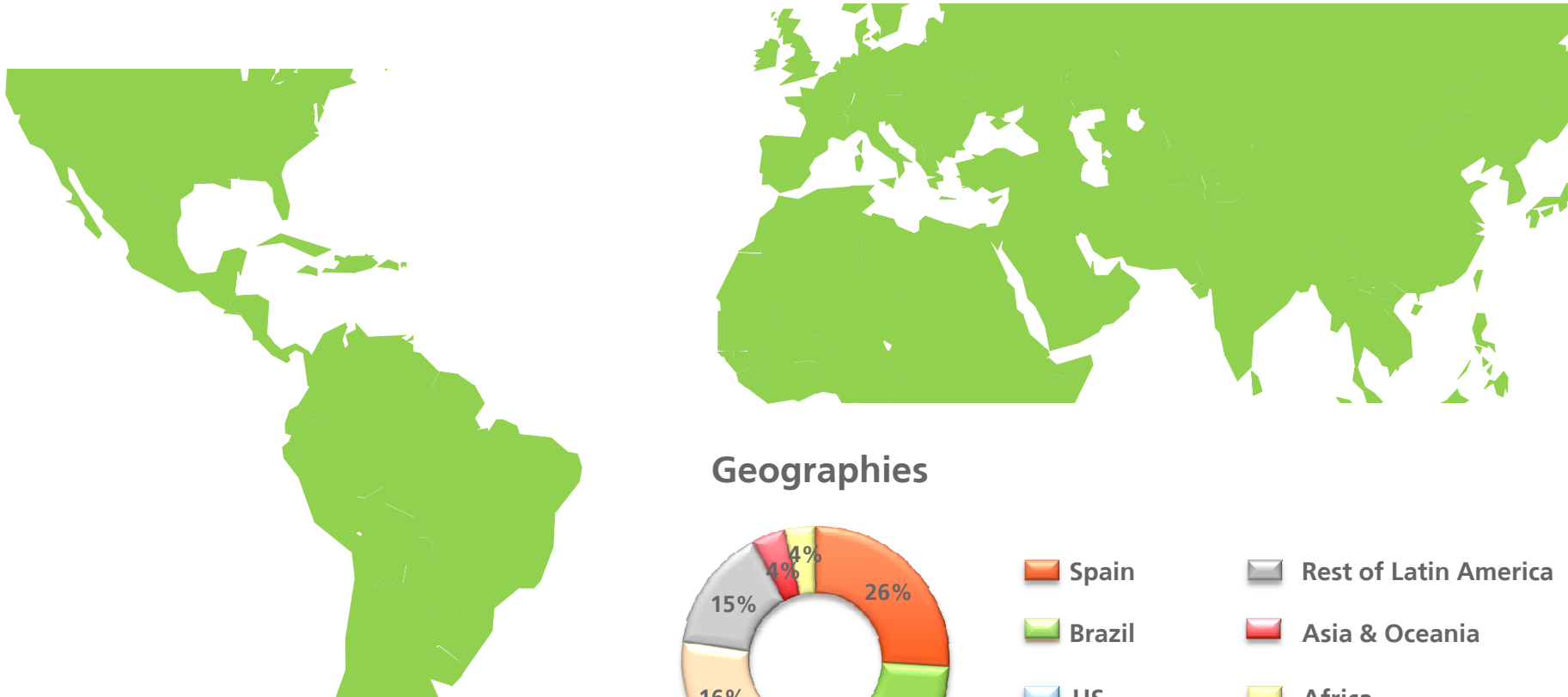
€942 M

**2013 Target: to double our EBITDA from 2009,  
achieving 68% from recurrent activities**

# ABENGOA

## Geographic Diversification

+70 significant projects in 20 different countries during 2010



The Americas (principally Brazil and US) account for 50% while Spain accounts for 26%



## Revenue growth, backlog increase, geographic expansion

- Significant **revenue increase of 26%**, with **79%** of revenues coming **from external customers\***
  - **CAGR 05-10: 22% (total); 20% (external only\*)**
  - **CAGR 00-10: 12% (total); 10% (external only\*)**
- **Record Backlog** at year-end: **€9.3 B**
- **EBITDA margins of 13%** as a result of revenue mix
- **Stable presence in 32 countries**
- **Strong engineering capabilities** allows to capture growth opportunities
  - **over 12,000 people** in 2010
  - Creation of an **engineering design network** with centers in US, India, Poland and Spain
- For 4 years in a row, recognized as **1<sup>st</sup> international contractor in T&D (3<sup>rd</sup> in Power)**  
(source: Engineering News Records)

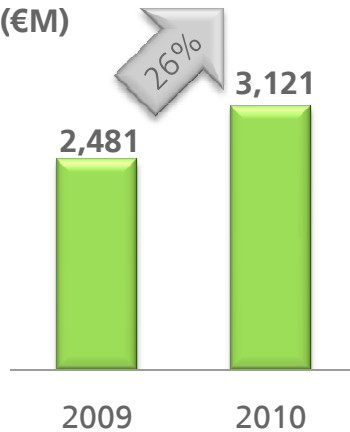
\* External customers include projects for third parties and projects where Abengoa holds minority ownership



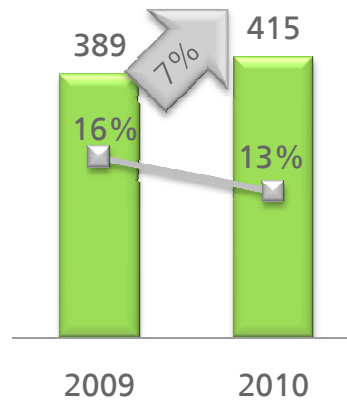
**+26% revenue growth supported by a strong backlog**

## Financial figures

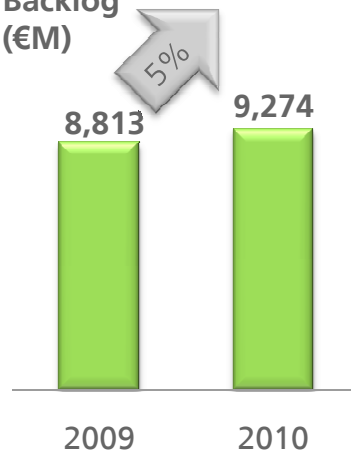
Revenues (€M)



EBITDA (€M)

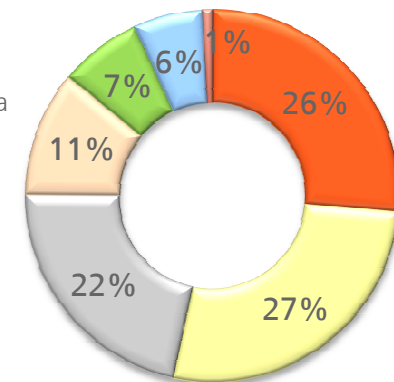


Backlog (€M)

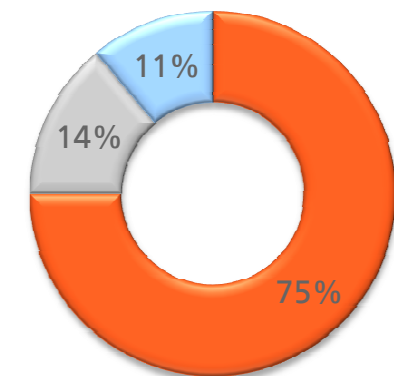


## 2010 Revenue Breakdown

- Spain
- Rest of Latin America
- Brazil
- US
- Asia & Oceania
- Africa
- Europe exc. Spain



- Energy
- Environment
- Other



## 2010 Landmark projects (I)

### Solar Power



- Client: ONE
- Location: Morocco
- 450 MW Integrated Solar Combined Cycle (ISCC)
- Amount: \$522 M
- 1<sup>st</sup> ISCC project in the world



- Client: Xcel Energy
- Location: Colorado, USA
- Integration of a CSP installation in a coal power plant
- Amount: \$2 M
- Solution to increase efficiency

### Transmission



- Client: ProInversión
- Location: Peru
- 670km 220 kV AC
- Amount: + \$108 M
- Average altitude of 3,000 m over sea level



- Client: Aneel
- Location: Brazil
- 2,375km 600 kV DC
- Amount: \$1,024M
- Largest transmission line project in Latin America

## 2010 Landmark Projects (II)

### Cogeneration



- Client: Pemex
- Location: Mexico
- 300 MW Cogeneration plant
- Amount: \$630 M
- 1st cogeneration project in a Pemex refinery



- Client: Abengoa Bioenergy
- Location: Brazil
- 2 x 70 MW plants in sugar cane mills
- Amount: \$120 M

### Water



- Client: Qingdao Municipality
- Location: Qingdao
- 100,000 m<sup>3</sup>/day desalination plant
- Amount: + \$100 M
- "2009 Desalination Project of the Year" (Water Intelligence)



- Client: Apa Brasov
- Location: Romania
- Increasing capacity of a water treatment plant
- Amount: €20 M
- 115,000 m<sup>3</sup>/day
- Biologic processes

### Eight new assets brought into operation during 2010

- Revenues and EBITDA increased as new assets became operational
- EBITDA margin of 67%
- Eight new assets in operation:
  - Three 50 MW CSP plants in Spain
  - 100 ML/day desalination plant in India
  - Three transmission lines in Brazil and one in Peru

- Joint Ventures with:

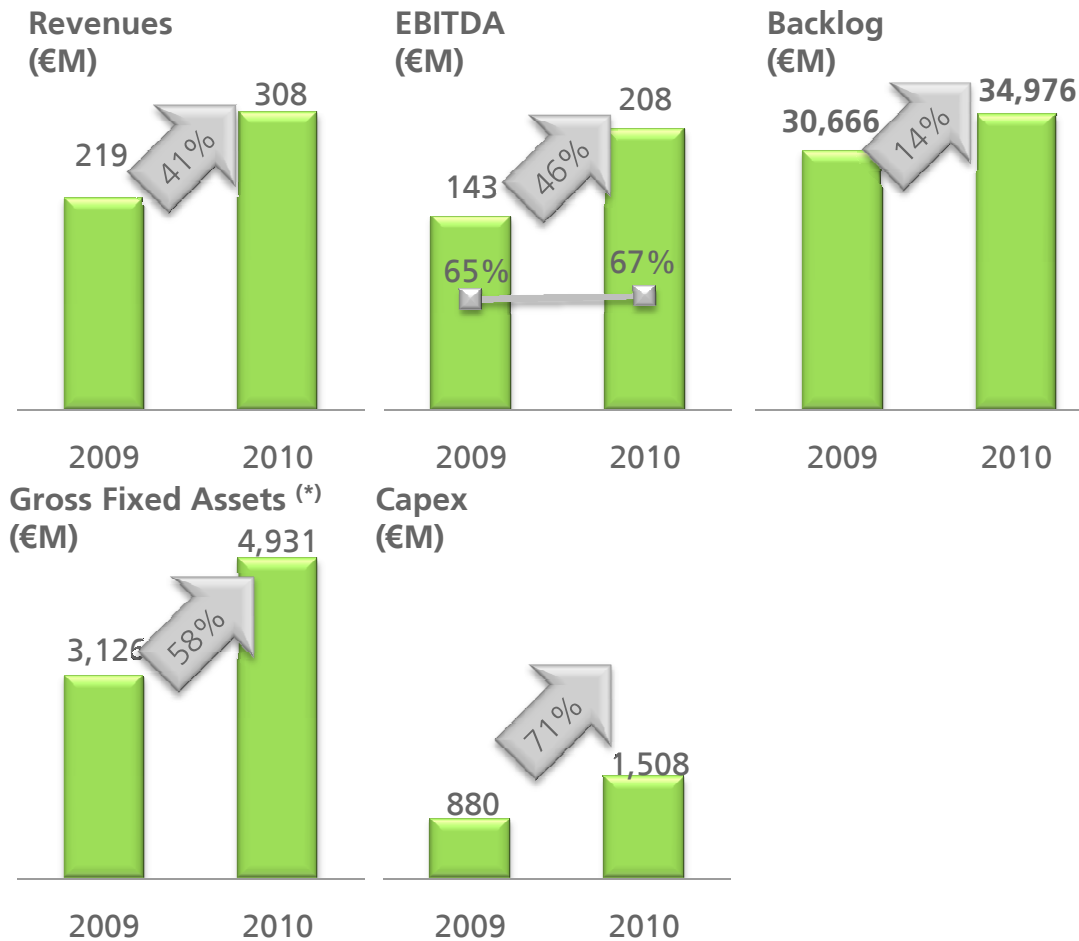


- Financing secured for 280 MW Solana project in U.S.
- Confirmed positive CSP regulatory framework in Spain removes uncertainty



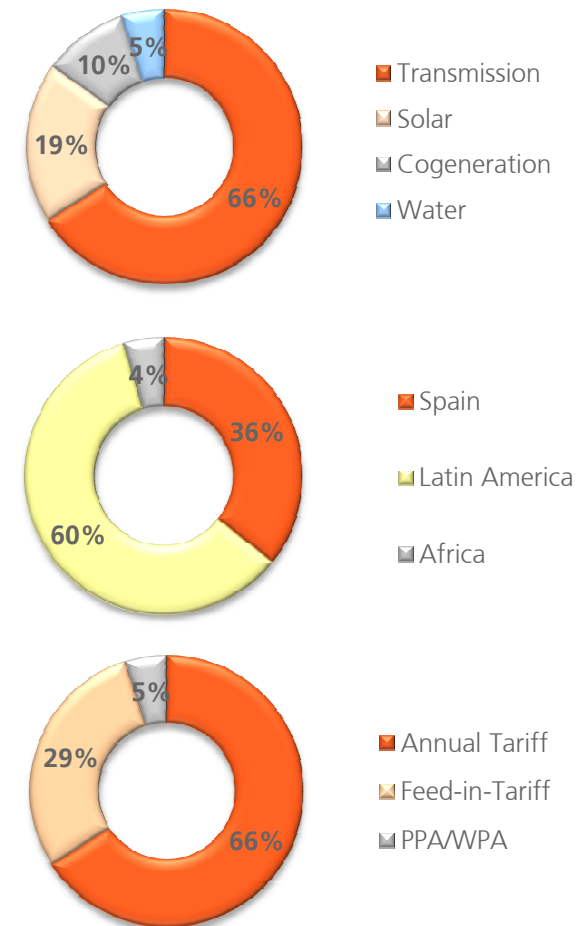
### Revenues and EBITDA secured for 27 years

#### Financial figures



(\*) Includes work in progress in 2010 of €1,690 M

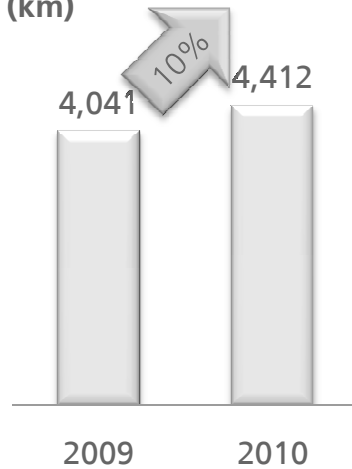
#### 2010 Revenue Breakdown



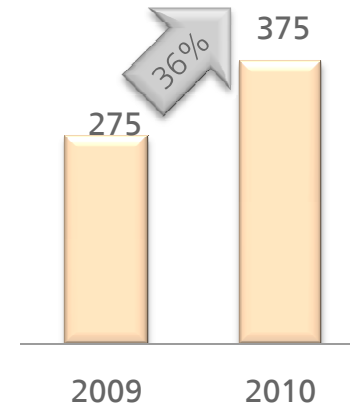
### Key operational metrics



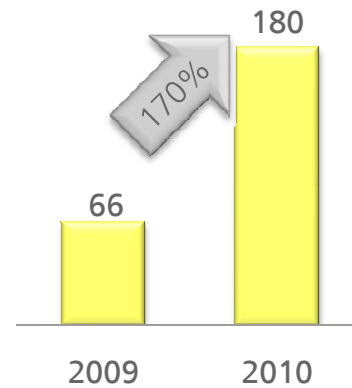
Transmission Lines  
(km)



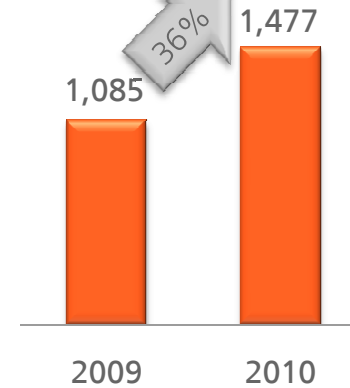
Water Desalination  
(capacity ML/day)



Power generation  
(Net GWh)



Power generation  
(GWh)



### Strong operational performance across all of our plants



#### Biofuels:

- Revenues of **€1,575 M** and EBITDA of **€212 M** compared to €1,010 M and €123 M in 2009
- **No further investment in 1<sup>st</sup> generation as Indiana, Illinois and Rotterdam plants are operational**
- **Important regulatory advances in EU** (national adoption of EU Directive) **and in U.S.** (E10 and E15 walls) allow for higher ethanol blending into gasoline



#### Industrial recycling:

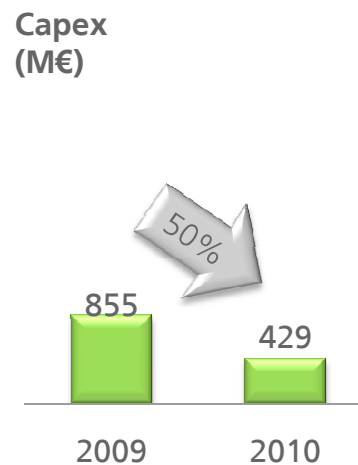
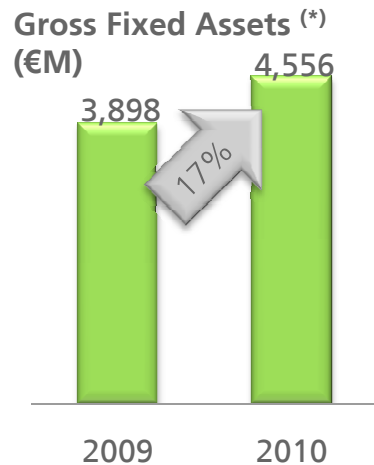
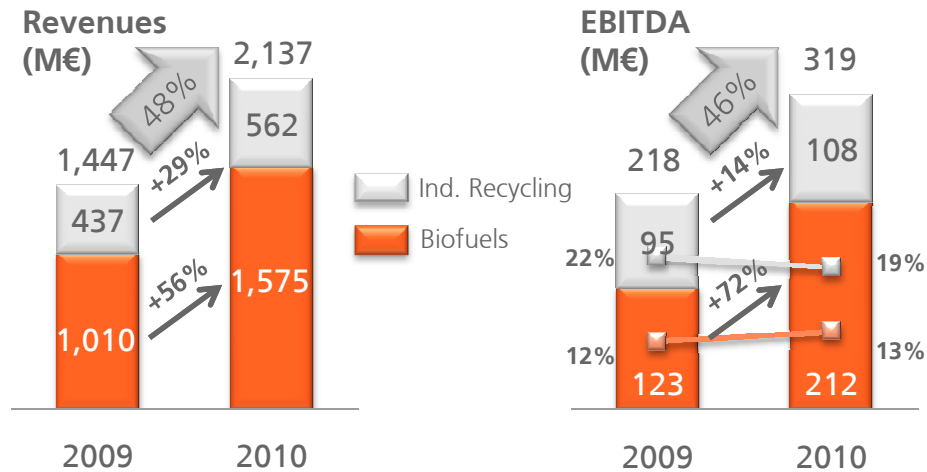
- Revenues of **€562 M** and EBITDA of **€108M** compared to €437 M and €95 M in 2009
- **Recovery of volumes** following increased industrial activity in Europe
- Successful **integration of German salt slags plants**
- Acquisition of **steel dust plant in Turkey**



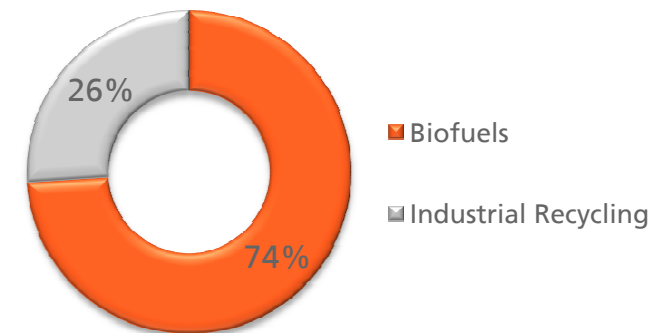
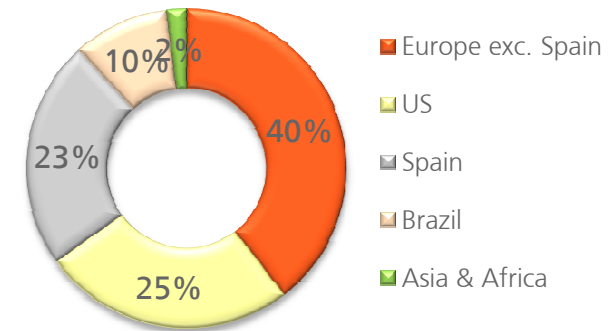


**+46% EBITDA increase**

### Financial figures



### 2010 Revenue Breakdown



(\*) Includes work in progress in 2010 of €404 M

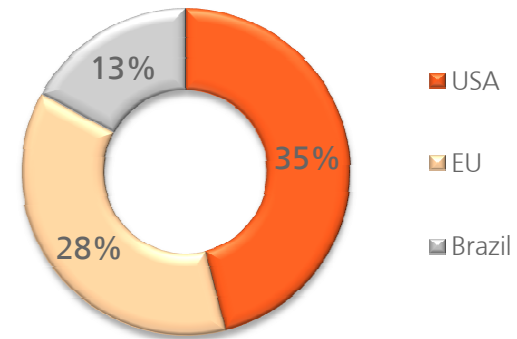
### Significant presence in key growing areas



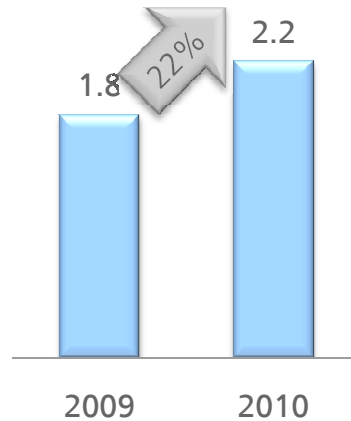
Biofuels production (ML)



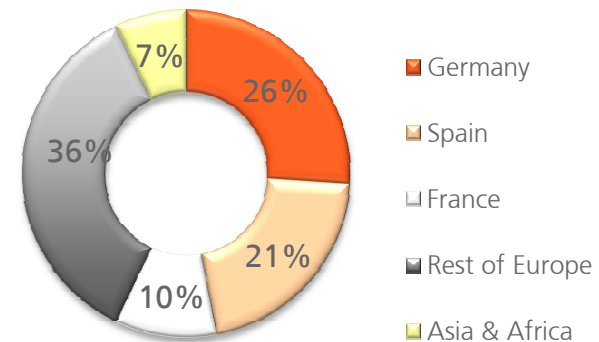
Revenue breakdown (%)



Waste treated (Mt)



Revenue breakdown (%)



We are at the forefront in Solar CSP technologies...

### Main Programs

- CSP – Tower
- CSP – Trough
- Thermal Storage

### Goals

- **Increase** efficiency
- **Reduce** components **cost**
- **Increase dispatchability** making it the ideal renewable power for utilities and grid operators in the sunbelt

### 2010 Achievements

- “Eureka” has accumulated 1,200 operation hours, demonstrating the **viability of this new superheated steam technology**
- Engineering of new **superheated utility scale tower** concluded
- A new and technically **improved heat exchanger** has been installed in the molten salt storage demonstration plant
- Performance tests of a **new parabolic collector trough and heliostat** that lower by 15% and 25% current costs
- **25 new patents** for a total of 80 patents (awarded and pending)



Superheated steam “Eureka” pilot plant

### ... and in 2nd generation biofuels

#### Main Programs

- Enzymes technology
- Cellulosic Ethanol

#### Goals

- Competitive cellulosic ethanol
- Competitive Enzyme technology
- Increase 1<sup>st</sup> generation yields

#### 2010 Achievements

- Complete basic process **engineering** package for **first commercial cellulosic ethanol facility in Kansas, U.S.**
- Complete **commercial scale demonstration of proprietary enzyme technology** for lignocellulosic ethanol production
- More than **2,500 hours of continuous operation** at cellulosic ethanol **demonstration plant** (Salamanca, Spain)

® 3 new comprehensive patents added, resulting in a total of 7

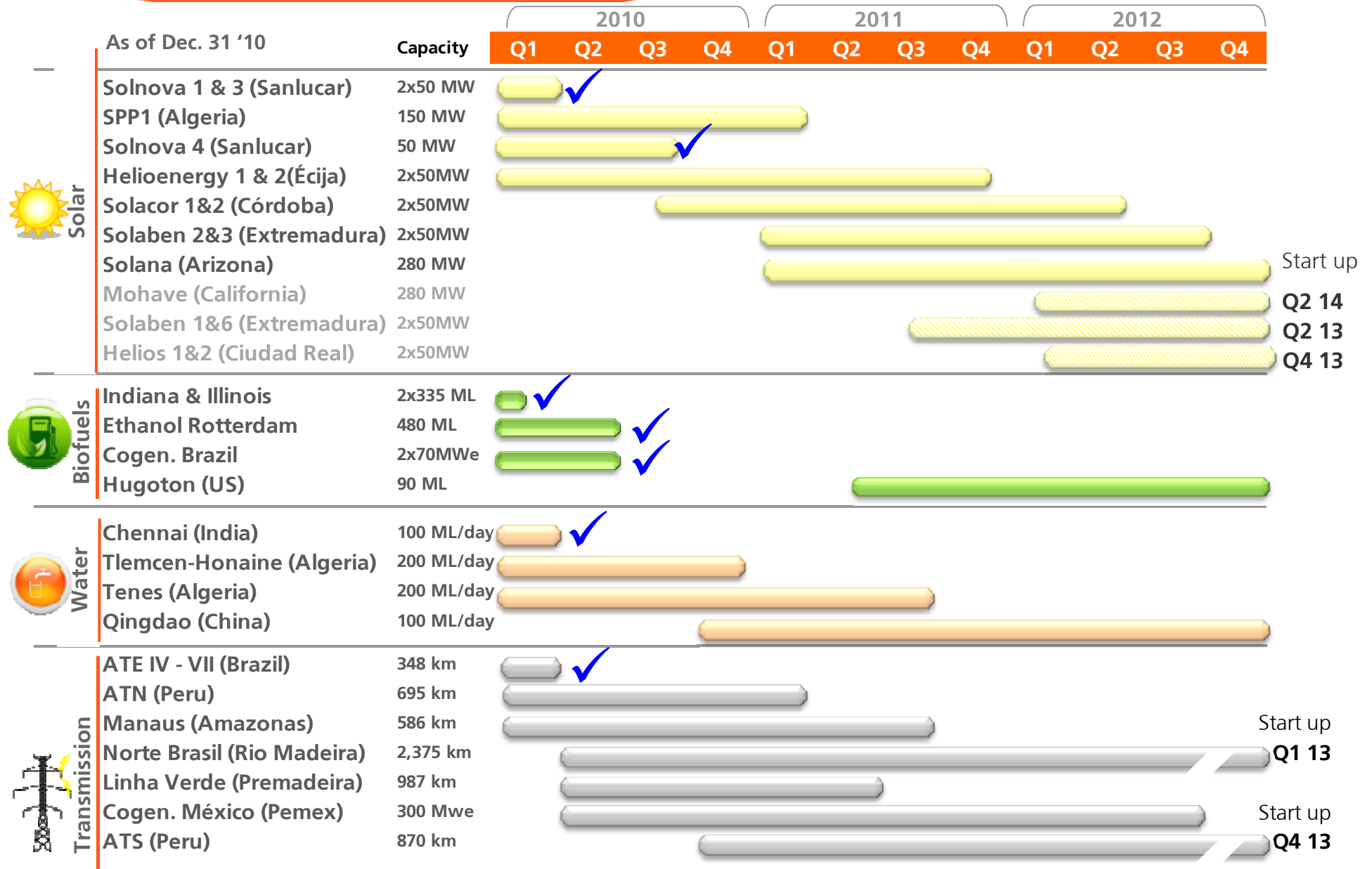


Cellulosic ethanol demonstration plant (5 ML/yr) in Salamanca (Spain)



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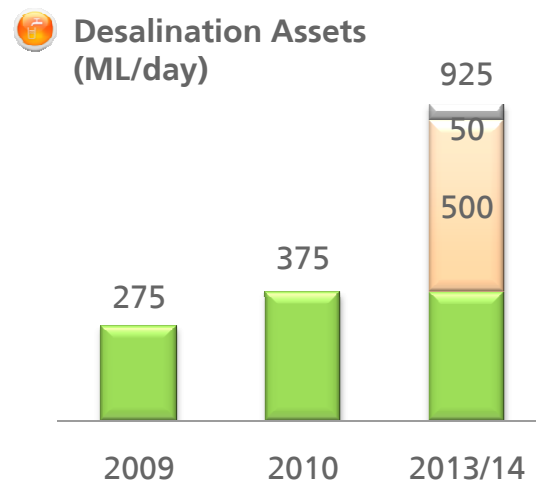
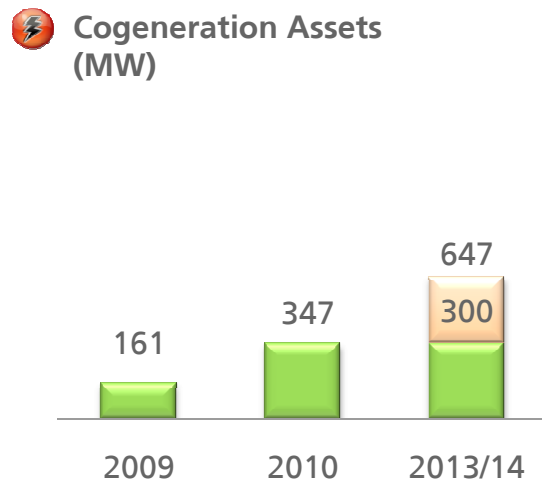
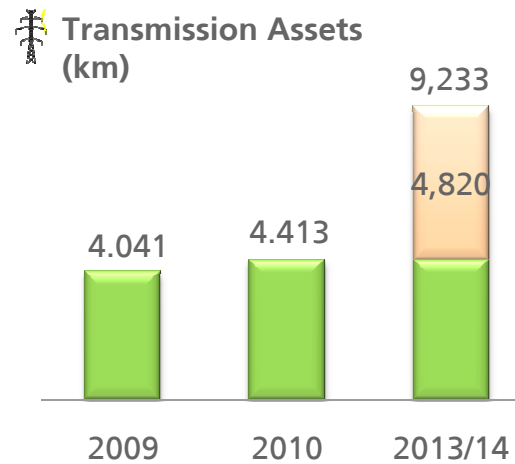
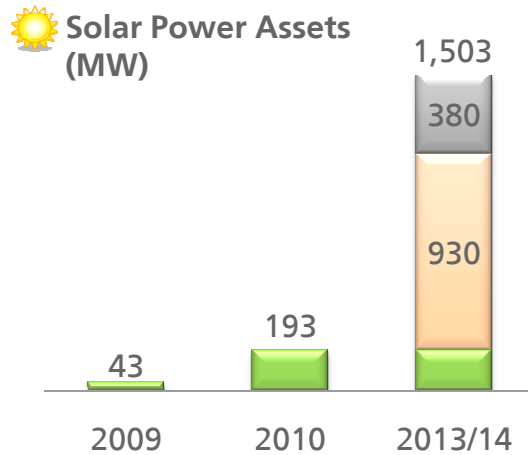
## Timeline: Main projects in execution



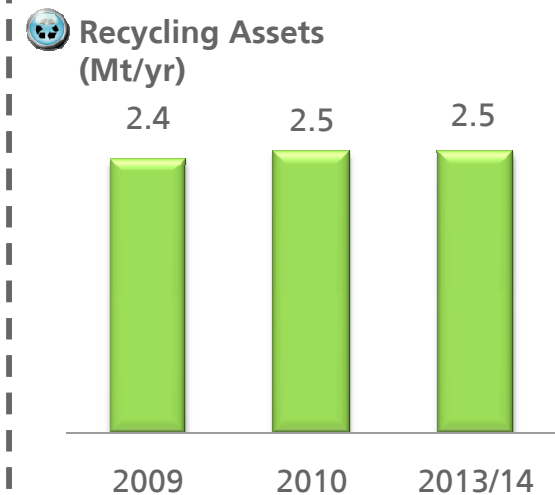
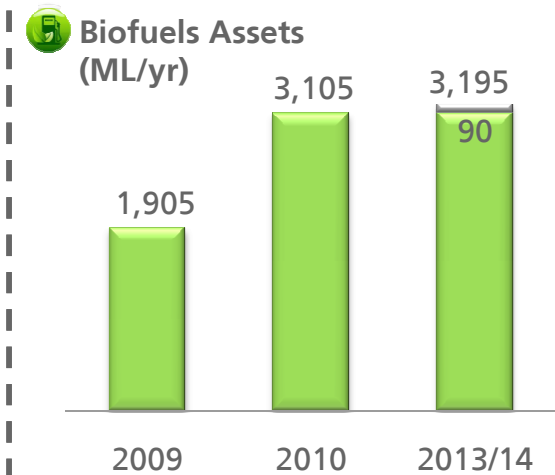
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## Assets Portfolio after Capex Plan

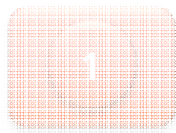
### Concession-type Infrastructures



### Industrial Plants



■ In Operation   
 ■ Under Construction   
 ■ Under Development



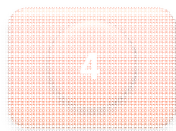
Business Introduction



**Financial Information**



2011 Highlights



Appendix

### Change in application of IFRIC 12 to certain CSP power plants in Spain

- In previous quarters, we have applied IFRIC 12, Service Concession Agreements, to CSP power plants in Spain included in “pre-registration”
- In January 2011, as part of an ordinary review conducted by the regulator, more information was requested on the application of IFRIC 12 to those specific assets
- Until further analysis is concluded by the regulator, we have decided not to apply IFRIC 12 to those assets
- Proforma analysis:

€M	Revenues	EBITDA	Net Income
2010 As Reported	5,566	942	207
IFRIC 12 Impact	486	30	12
2010 Proforma	6,052	972	219

- Guidance provided in Q3'10 assumed application of IFRIC 12 to these assets



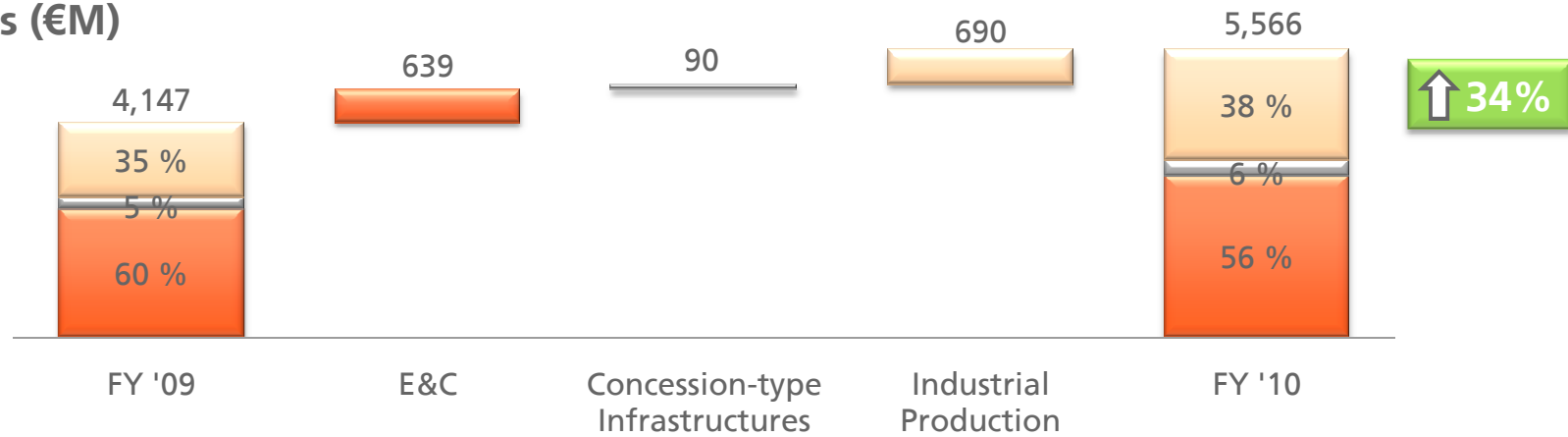
€M	2010	2009	YoY %
Revenues	5,566	4,147	+34%
EBITDA Margin	942 17%	750 18%	+26%
Net Income EPS €	207 2.29	170 1.88	+22%
Backlog	9,274	8,813	+5%
Net corp. debt/ Corp. EBITDA	1.77	1.84	
Total Net Debt / Total EBITDA	5.54	5.58	

## Highlights

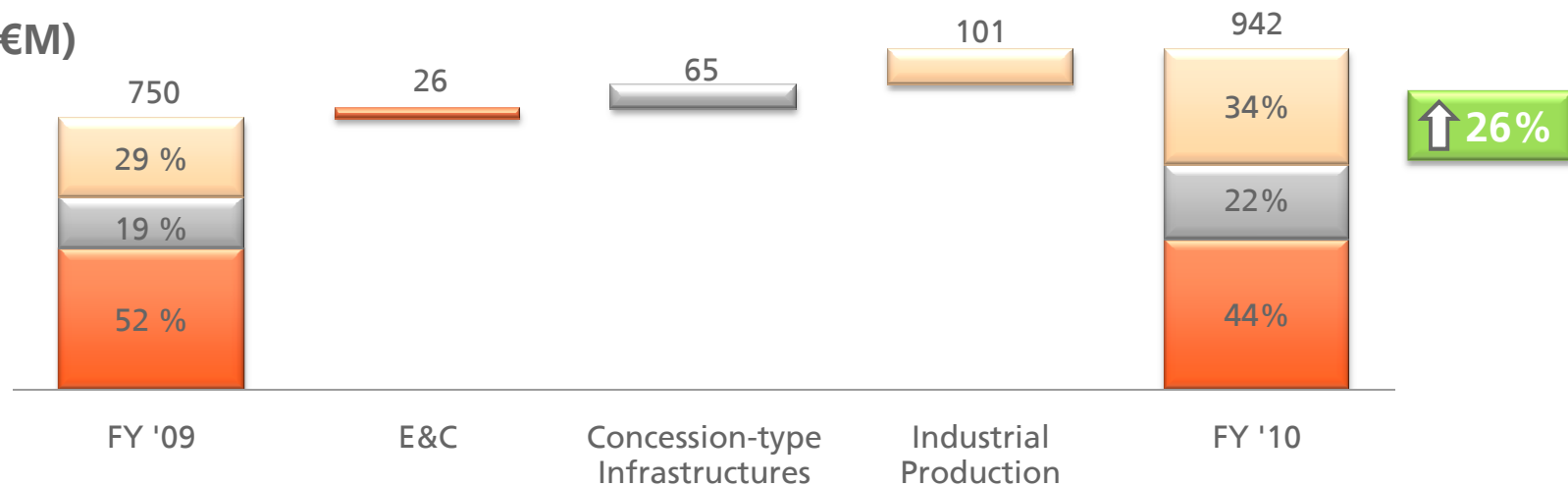
- Strong revenue growth in every segment
- Significant EBITDA increase, above guidance provided
- Net Income increase of +21% excluding assets rotation (Telvent and ETEE & ETIM)
- Backlog at historic high, Providing great visibility of future revenues
- Leverage on-track and slightly below prior-year

**Strong operating performance in every business**

### Revenues (€M)

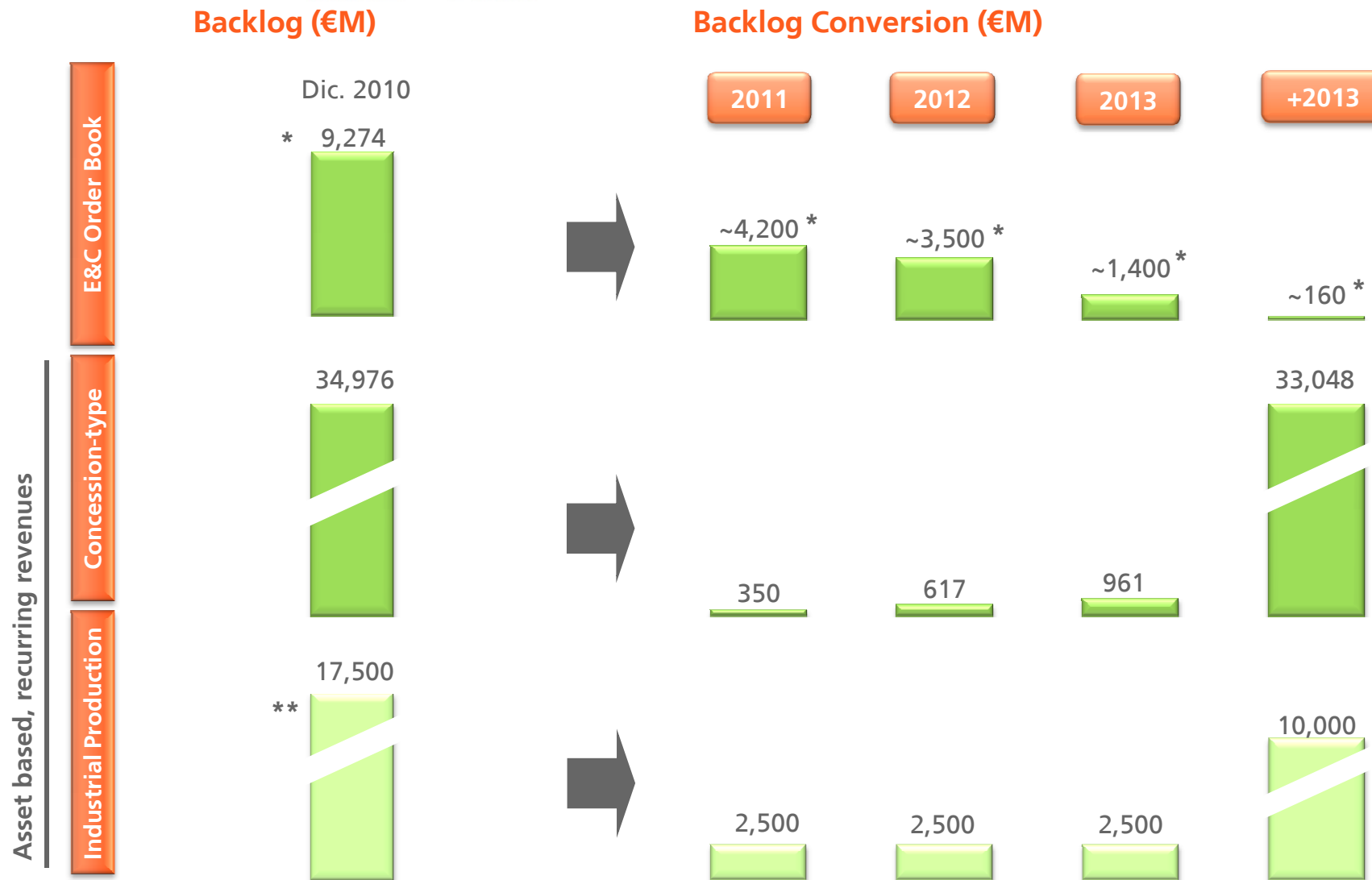


### EBITDA (€M)



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## High Revenue Visibility



\*Note: Engineering backlog includes some internal works eliminated in the consolidation process. For the year ended December 31 2011 backlog conversion includes approx. 850 €M in internal works.

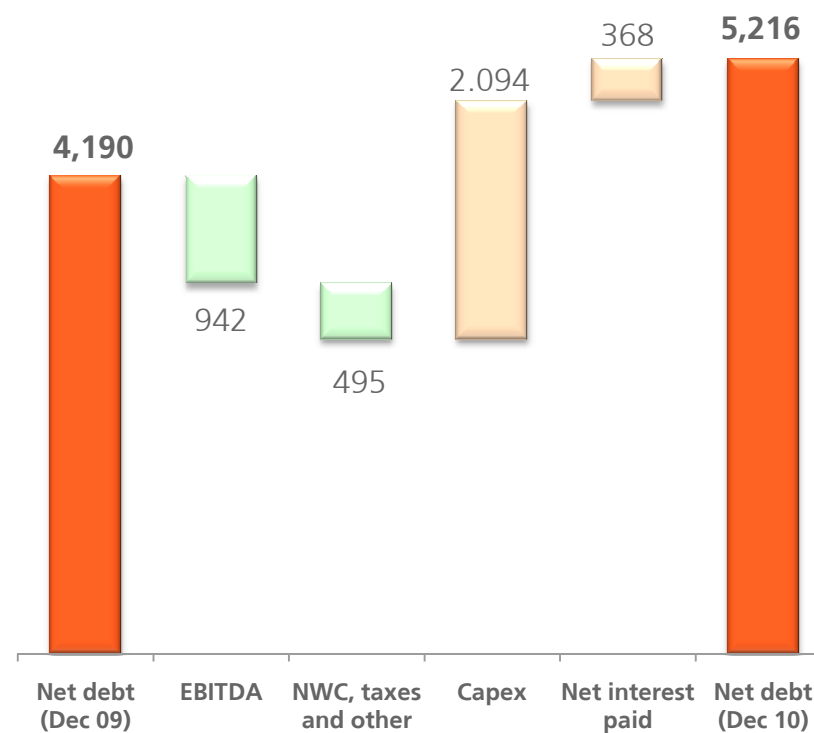
\*\*Note: Illustrative calculation according to LTM revenues. +2013 is calculated as 5 years of sales.

**Total leverage in line with previous period**

M€	Dec '10	Dec '09
Corporate Debt	5,063	3,286
Non recourse Debt	4,050	2,933
Cash & Equivalents & STFI	(3,897)	(2,028)
<b>Total Net Debt</b>	<b>5,216</b>	<b>4,190</b>
<b>Total EBITDA</b>	<b>942</b>	<b>750</b>
<b>Total Net Debt / Total EBITDA</b>	<b>5.54</b>	<b>5.58</b>
<b>Pre-operational debt (*)</b>	<b>(2,094)</b>	<b>(2,373)</b>
<b>Leverage Ratio (excluding debt from pre-operational activities)</b>	<b>3.31</b>	<b>2.42</b>

(\*)Total net debt drawn in connection with projects under construction, which are not yet generating EBITDA

### Total Net Debt Bridge



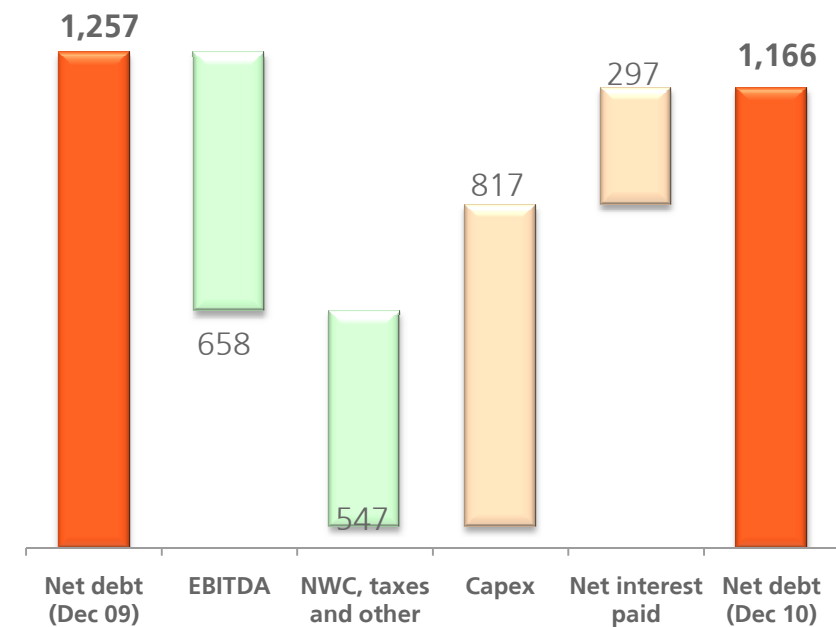
### Net Corporate Debt down despite strong capex investment

M€	Dec '10	Dec '09
Corporate Debt	5,063	3,286
Cash & Equivalents & STFI	(3,897)	(2,028)
<b>Net Corporate Debt*</b>	<b>1,166</b>	<b>1,257</b>
<b>Corporate EBITDA **</b>	<b>658</b>	<b>685</b>
<b>Net Corp. Debt / Corp. EBITDA</b>	<b>1.77</b>	<b>1.84</b>

\* Bank and bond facilities define Net Corporate Debt as Net Financial Debt (excluding Non Recourse debt) less Cash & Equivalents & STFI

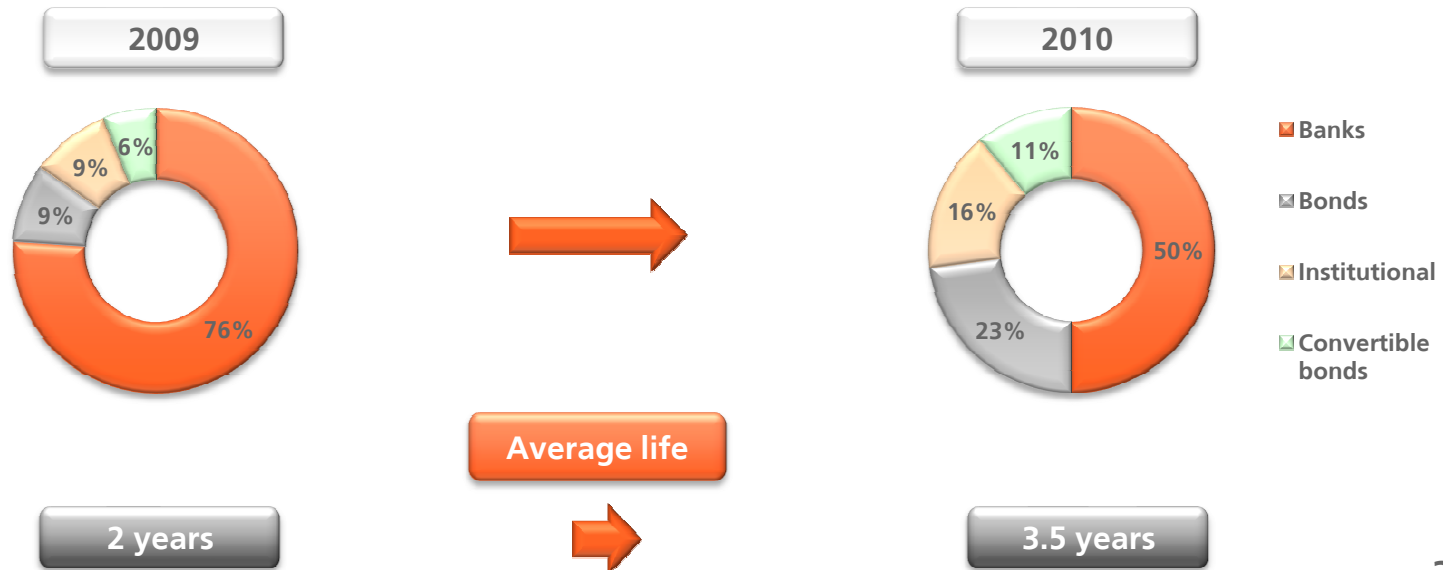
\*\* Bank and bond facilities defines Corporate EBITDA as EBITDA excluding Non-recourse + R&D costs

### Net Corporate Debt Covenant Bridge



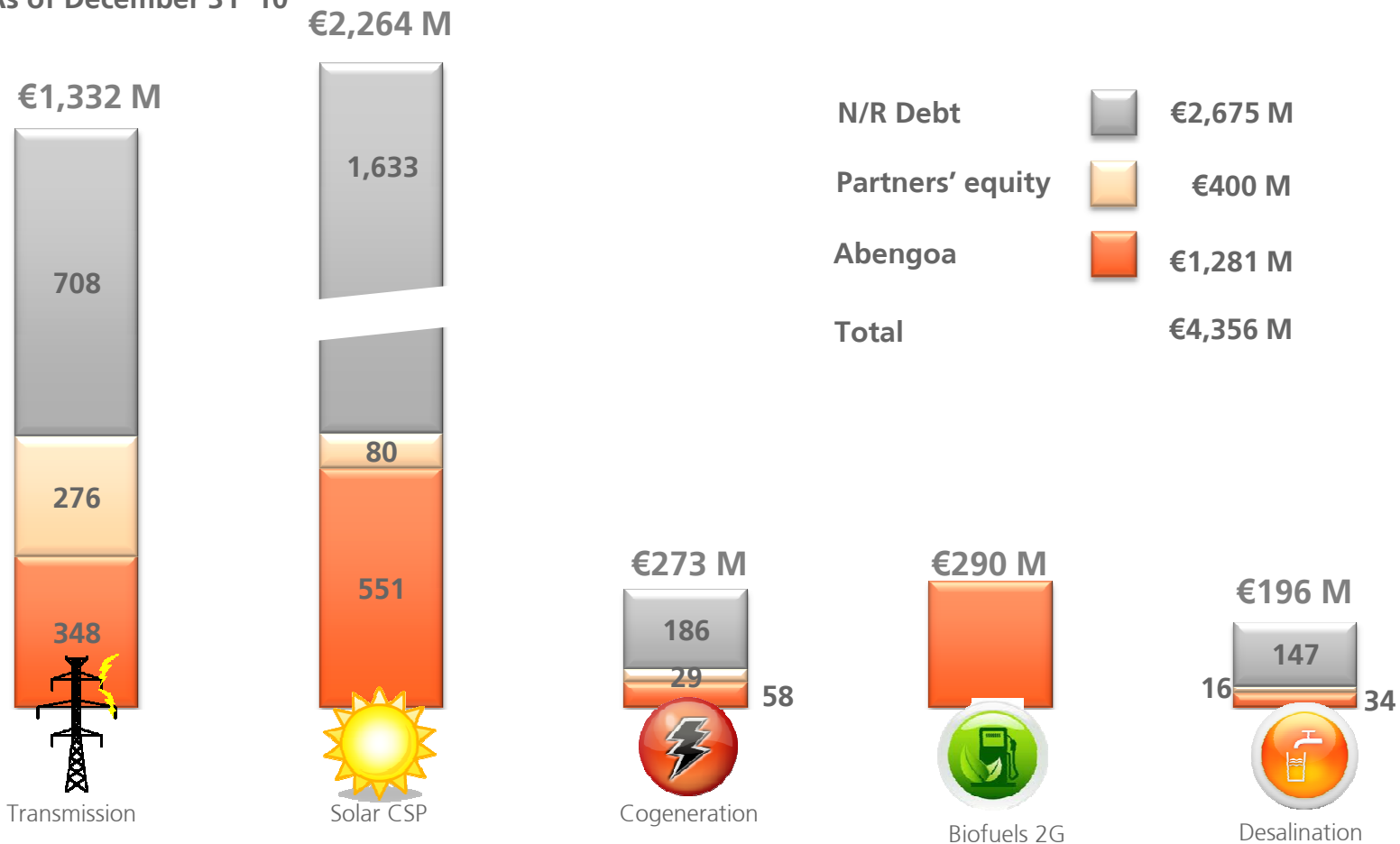
### Well funded at corporate level

- €2.4 B of long term debt secured
- No financing needs at corporate level in 2011
- Average cost of debt: 6.1%
- Limited interest exposure: 90% covered
- Balanced sources of funding

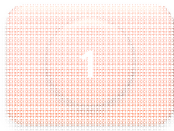


## Committed capex plan, fully financed

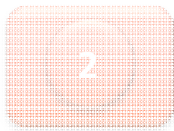
As of December 31 '10



Including new projects: Solana, Solaben 2&3 and Hugoton



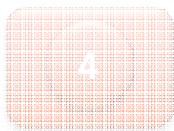
Business Information



Financial Information



**2011 Highlights**



Appendix



### We expect:

Revenue growth in the low teens

To continue the growth of our E&C business for external customers;  
CAGR of 20% for the last 5 years

Low double digit EBITDA growth

No need to issue new corporate debt in 2011

To continue our asset rotation strategy

To align Corporate Capex with Corporate EBITDA by 2012, and Total  
Capex with Total EBITDA by 2013

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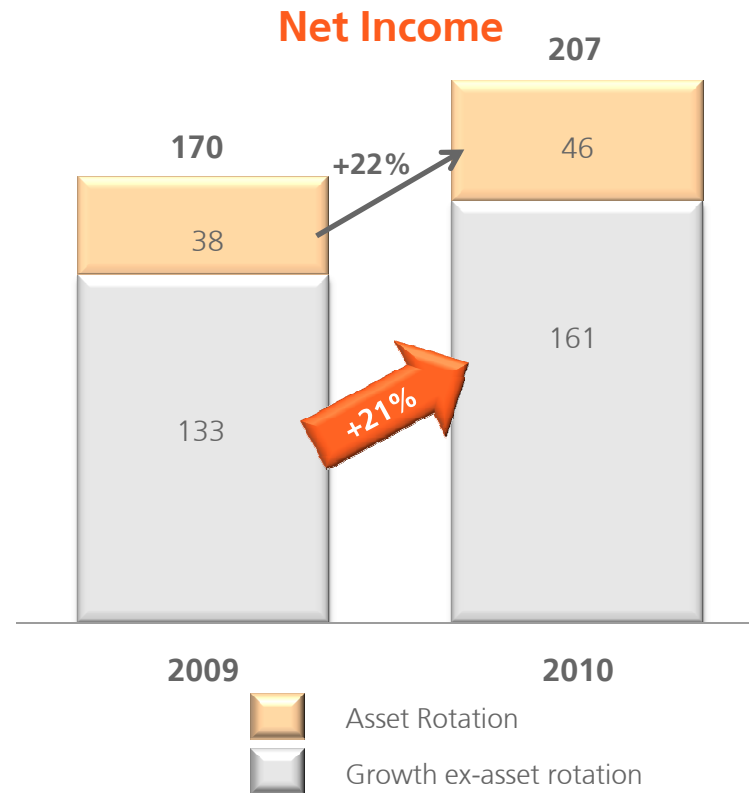
2011 Highlights

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Appendix

€M	2010	2009	YoY %
<b>Sales</b>	<b>5,566</b>	4,147	<b>+34%</b>
<b>EBITDA</b>	<b>942</b>	750	<b>+26%</b>
Depreciation & amortization expense	(320)	(319)	0%
<b>Net operating profit</b>	622	431	+44%
Net financial expense	(359)	(170)	+111%
<b>Profit before income tax</b>	263	261	+1%
Income tax expense	0	(58)	n.a.
<b>Profit of the year</b>	263	203	+30%
Profit attributable to minority interest	(56)	(32)	+73%
<b>Net Income</b>	<b>207</b>	170	<b>+22%</b>
Ordinary shares in circulation (thousands)	90,470	90,470	

### Solid Growth without asset rotation



#### Asset Rotation includes:

- In 2009, the sale of a minority stake in Telvent (€38 M impact on Net Income)
- In 2010, ETEE & ETIM transmission lines divestment (€46 M impact on Net Income)

**3,9 b€ in cash and equivalents**

€M	Dec 31 '10	YoY %	Dec 31 '09
Fixed assets corporate	3,434	+2%	3,355
Fixed assets non recourse activities	5,745	+59%	3,623
Other Assets	3,898	+16%	3,363
Cash and short term financial investments (mostly public debt, repos and deposits)	3,897	+92%	2,028
Corporate Entities	2,766	+114%	1,292
Entities with non-recourse financing	1,131	+54%	736
<b>Total assets = Equity &amp; Liabilities</b>	<b>16,974</b>	<b>+37%</b>	<b>12,370</b>

€M	Dec 31 '10	YoY %	Dec 31 '09
Equity	1,630	+39%	1,171
Non-Recourse Debt	4,050	+38%	2,933
Corporate Debt	5,060	+54%	3,286
Other Liabilities	6,234	+25%	4,980
<b>Total shareholder's equity and liabilities</b>	<b>16,974</b>	<b>+37%</b>	<b>12,470</b>

**Solid operating cash flow + successful debt issuance allows for strong liquidity position even after investments**

€M	2010	2009
<b>I. Consolidated after-tax profit</b>	<b>263</b>	<b>203</b>
Non-monetary adjustments to the profit	502	539
<b>II. Cash generated by operations</b>	<b>766</b>	<b>741</b>
<b>III. Variations in working capital</b>	<b>321</b>	<b>206</b>
Interests and taxes collected/paid	(317)	(221)
<b>A. Net Cash Flows from Operating Activities</b>	<b>769</b>	<b>726</b>
<b>Investments</b>	<b>(2.094)</b>	<b>(2.022)</b>
<b>Other movements</b>	<b>(41)</b>	<b>217</b>
<b>B. Net Cash Flows from Investing Activities</b>	<b>(2.136)</b>	<b>(1.805)</b>
<b>C. Net Cash Flows from Financing Activities</b>	<b>2.755</b>	<b>1.150</b>
<b>Net Increase/Decrease of Cash and Equivalents</b>	<b>1.389</b>	<b>70</b>
Cash and equivalent at the beginning of the year	1.546	1.399
Exchange rate differences on cash and equivalent	48	78
<b>Cash in Banks at the Close of the Period</b>	<b>2.983</b>	<b>1.546</b>

2010 in €M

	Engineering & IC	Environm. Services	Bioenergy	Solar	IT	Total
E&C	2,012	256		111	742	3,121
	248	11		27	129	415
Concession-type Infrastructures	236	15		58		308
	155	10		43		208
Industrial Production		562	1,575			2,137
		107	212			319
Total	2,248	833	1,575	168	742	5,566
	402	128	212	70	129	942

Revenues

EBITDA

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## Reconciliation

2009 in €M

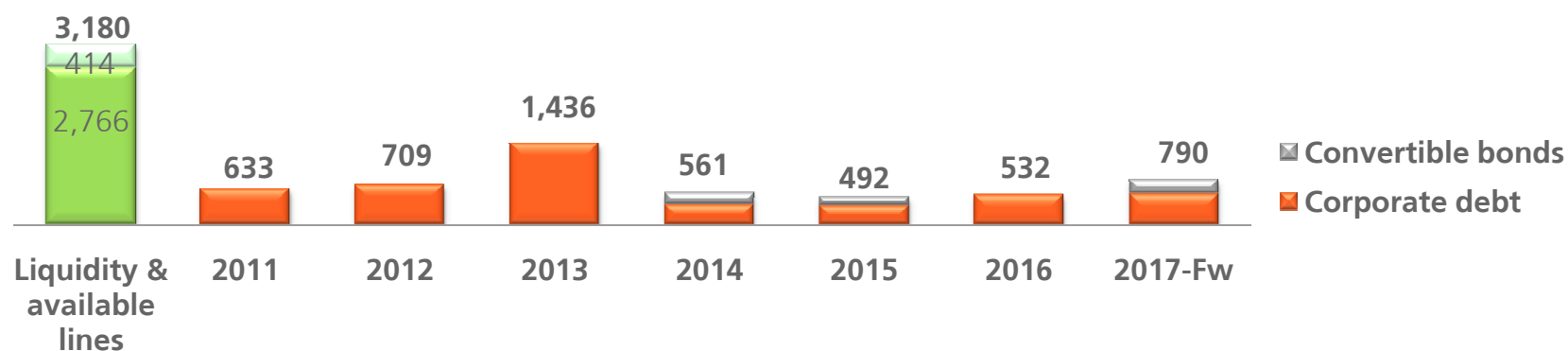
	Engineering & IC	Environm. Services	Bioenergy	Solar	IT	Total
E&C	1,352	278		92	759	2,481
	194	20		3	173	389
Concession-type Infrastructures	188	7		24		219
	120	4		19		143
Industrial Production		437	1,010			1,447
		95	123			218
Total	1,541	722	1,010	116	759	4,147
	314	119	123	22	173	750

Revenues

EBITDA









Facility	Amount (€M) <sup>(*)</sup>	Pricing	2011	2012	2013	2014	2015	2016	2017-Fw
Syndicated loans & FSF	2.112	Euribor + (70-275) bp	274	556	1.282				
EIB loan	109	Euribor + 60 bp				109			
Instituto Credito Oficial	150	Euribor + 60 bp			30	30	30	30	30
Credit lines at Abengoa S.A.	175	Euribor + (100-275) bp	175						
ECA's guaranteed financing at subsidiaries	237	Euribor + (115-175) bp	24	34	73	85	10		10
Telvent GIT S.A. & subsidiaries	233	Various	42	25	37	122	1	1	7
Other loans and credit lines	250	Various	118	94	14	15	1	1	7
<b>Total corporate bank debt</b>	<b>3.267</b>		<b>633</b>	<b>709</b>	<b>1.436</b>	<b>361</b>	<b>42</b>	<b>32</b>	<b>54</b>
Unsecured convertible notes	200	6,875%				200			
Unsecured convertible notes	250	4,5%							250
Unsecured subordinated convertible notes (\$200) - Telvent GIT	150	5,5%					150		
Unsecured senior notes	300	9,625%					300		
Unsecured senior notes	500	8,500%						500	
Unsecured senior notes (\$650)	486	8,875%							486
<b>Total Notes and Bonds</b>	<b>1.886</b>					<b>200</b>	<b>450</b>	<b>500</b>	<b>736</b>
<b>Total Corporate bank debt &amp; bonds</b>	<b>5.153</b>		<b>633</b>	<b>709</b>	<b>1.436</b>	<b>561</b>	<b>492</b>	<b>532</b>	<b>790</b>
<sup>(*)</sup> Does not include LT leasing arrangements or MtM of derivatives									



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## Balanced Asset Portfolio

	FY 2010		FY 2009	
	Gross	Net	Gross	Net
 Power Transmission	2,272	2,108	1,606	1,496
 Solar CSP	1,915	1,750	1,125	995
 Cogeneration	266	244	36	20
 Water	411	388	298	281
<b>Concession-type infrastructure</b>	<b>4,864</b>	<b>4,490</b>	<b>3,065</b>	<b>2,792</b>
 Biofuels	3,451	2,884	2,898	2,481
 Recycling	1,078	721	997	674
<b>Industrial Production</b>	<b>4,529</b>	<b>3,605</b>	<b>3,895</b>	<b>3,155</b>

Note: excluding E&C assets

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**Fiscal Year 2010** Earnings Presentation

February 24<sup>th</sup>, 2011