

# ABENGOA

First Half 2007  
Earnings Presentation  
September, 3rd 2007



With the sun... we produce thermoelectric and photovoltaic electric energy



With biomass... we produce ecologic fuels and animal feed



With wastes... we produce new materials by recycling, and we also treat and desalt water to achieve a sustainable globe



With Information Technology... we transform data into knowledge, providing effective operational and business real-time decision making for traffic, transport, energy and environment



With engineering... we construct and operate conventional and renewable energy power plants, power transmission systems and industrial infrastructures

Your Partner in Resources and Technical Solutions

**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.**

# Agenda

**1. H1 2007 Highlights** 

**2. H1 2007 Detailed Financial Analysis**

**2.1. Consolidated**

**2.2. Business Unit**

**3. Q&A**

## H1 2007: Outstanding Performance

		<u>YoY %</u>
❑ Revenues	1,393.6 M €	+ 27.9%
❑ Operating Cash Flow	170.2 M €	+ 40.9%
❑ Net Income	54.9 M €	+ 18.6%
❑ EPS	0.61 €	+ 18.6%
❑ Net Debt Position*	-214.6 M €	+ 115.6%

\* Excluding Non-Recourse Debt

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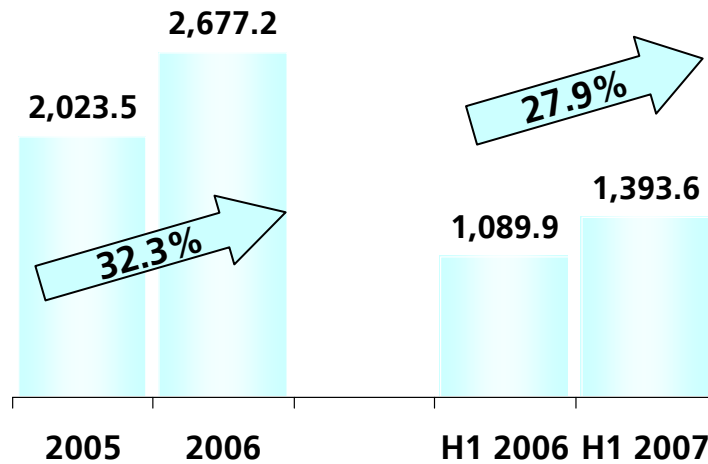
**2.2. Business Unit**

**3. Q&A**

€ in Millions

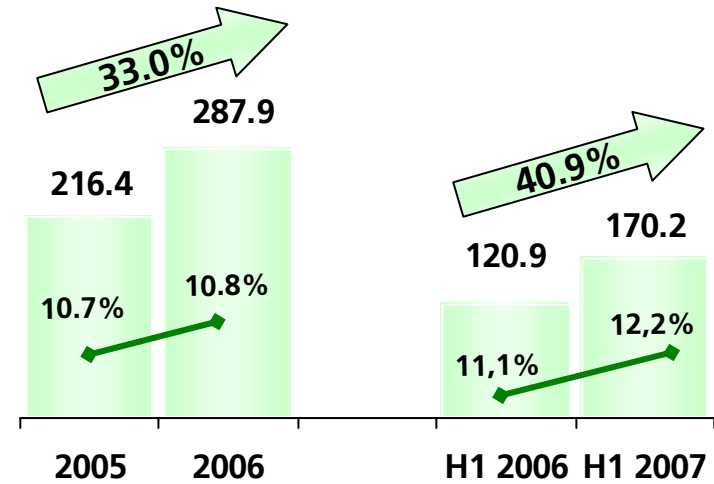
## Revenues

### Sustained Revenue Growth

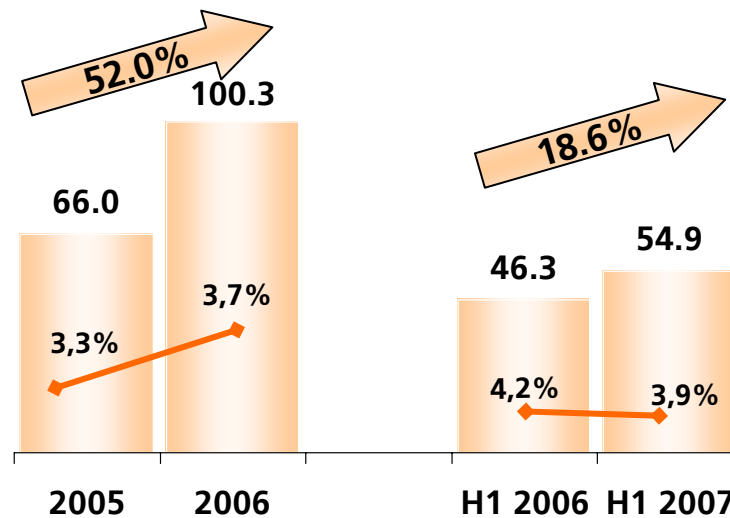


## Operating Cash Flow

### Improved Operating Performance



## Net Income



## P&L Account

€ in Millions, except EPS

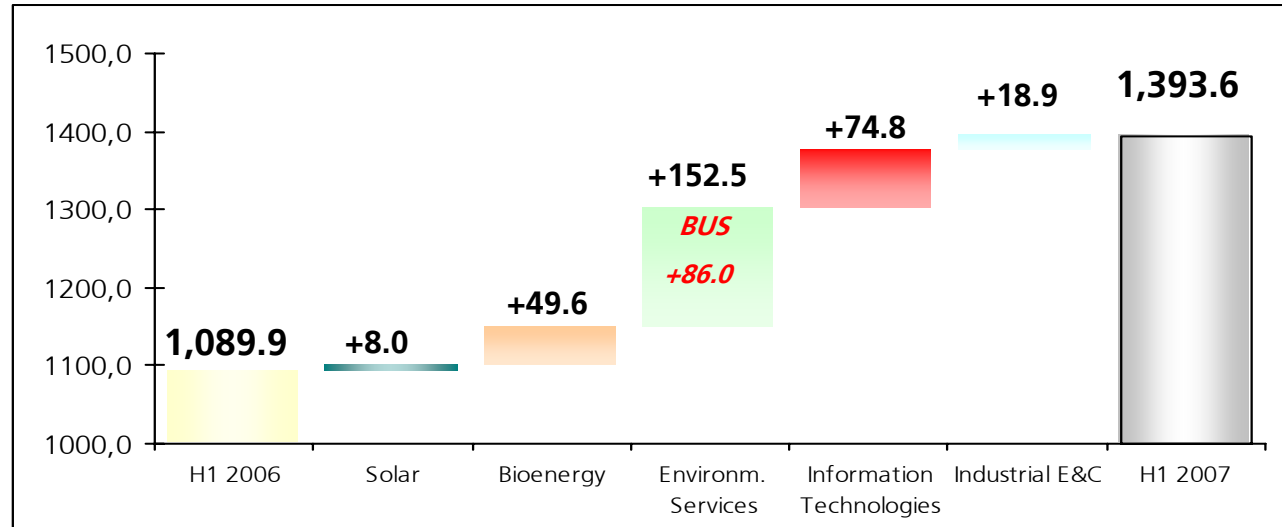
	<u>H1 2007</u>	<u>H1 2006</u>	<u>Var (%)</u>
<b>Net turnover</b>	<b>1.393,6</b>	<b>1.089,9</b>	<b>28%</b>
<b>Operating Cash Flow *</b>	<b>170,2</b>	<b>120,9</b>	<b>41%</b>
<b>Consolidated Profit before Tax</b>	<b>70,7</b>	<b>63,6</b>	<b>11%</b>
<b>Consolidated Profit after-Tax</b>	<b>62,7</b>	<b>53,5</b>	<b>17%</b>
Profit attributable to minority interests	(7,8)	(7,2)	8%
<b>Profit for the Year attributable to the Parent Company</b>	<b>54,9</b>	<b>46,3</b>	<b>19%</b>
Number of ordinary shares in circulation (thousands)	90.470	90.470	
<b>Earnings per Share</b>	<b>0,61</b>	<b>0,51</b>	<b>19%</b>
- Profit from BUS	4,9	-	
- Profit from extraordinary financial	(1,7)	5,1	
<b>Profit pro-forma</b>	<b>51,7</b>	<b>41,2</b>	<b>26%</b>

\* Operating Cash Flow: Earnings before interest, tax, depreciation and amortization, adjusted by profit eliminated from intra-group activities.

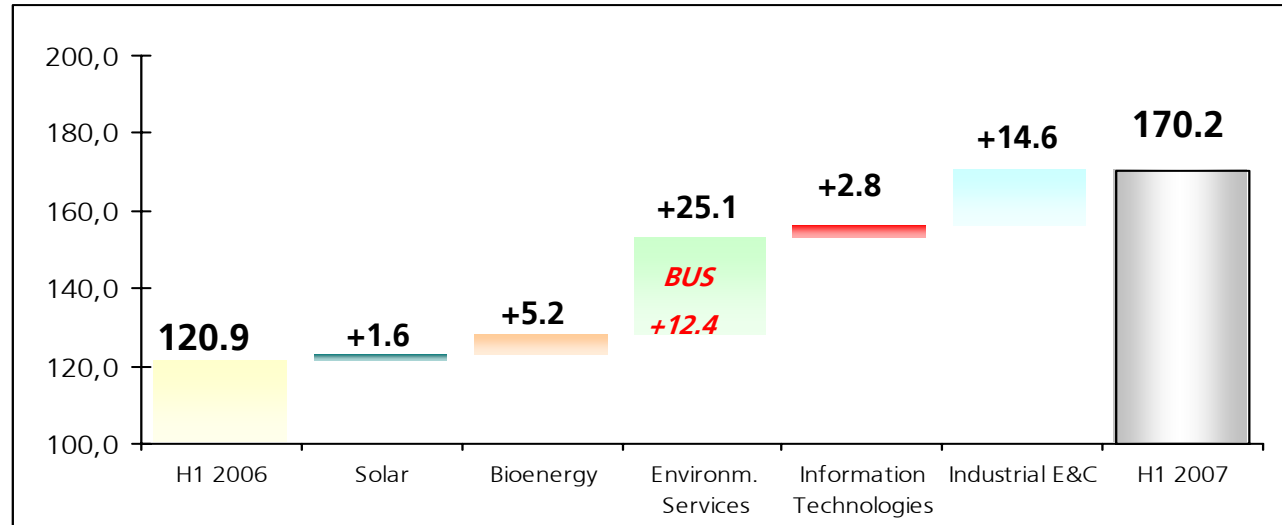
## Contribution by Business Unit

€ in Millions

### Revenue Growth



### Op. Cash Flow Growth





## Balance Sheet

€ in Millions, except EPS

<b>Balance Sheet</b>	<b>H1 2006</b>	<b>H1 2007</b>	<b>Var (%)</b>
Intangible Assets (incl. Goodwill)	376	653	74%
Fixed Assets in Projects	805	1.322	64%
Equity	528	652	23%
Non-Recourse Financing	718	1.275	78%

<b>Net Debt</b>	<b>H1 2006</b>	<b>H1 2007</b>	<b>Var (%)</b>
Long Term Debt with Credit Institutions	(531)	(1.317)	148%
Short Term Debt with Credit Institutions	(193)	(139)	-28%
Financial Investments	234	672	187%
Treasury	389	569	46%
<b>Total Net Debt</b>	<b>(100)</b>	<b>(215)</b>	<b>116%</b>

<b>Project Financing</b>	<b>H1 2006</b>	<b>H1 2007</b>	<b>Var (%)</b>
Long-Term non-Recourse Financing	395	821	108%
Short-Term non-Recourse Financing	323	454	41%
<b>Total non-Recourse Financing (Project Financing)</b>	<b>718</b>	<b>1.275</b>	<b>78%</b>

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Solar

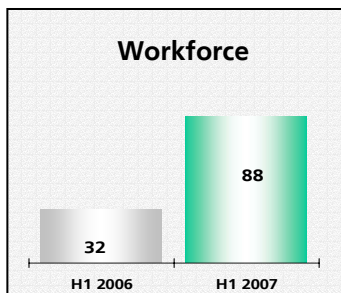
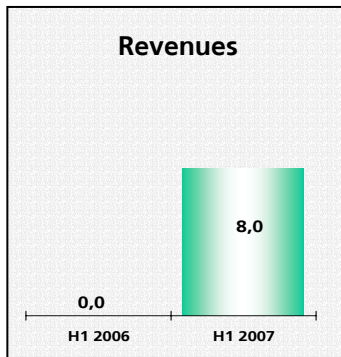
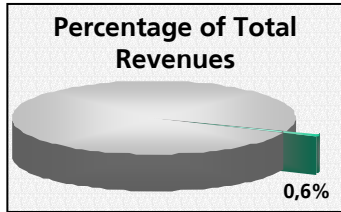
With the sun...we produce  
thermoelectric and photovoltaic electric  
energy

## Solar

### ► H1 2007 Review

#### Highlights

- ✓ Sales reached **8.0 M€**:
  - ✓ 0.6 M€ from PV and Thermoelectric plants,
  - ✓ 5.5 M€ from solar promotions and,
  - ✓ 2.0 M€ from sale of solar technology for solar thermal projects.
  
- ✓ Operating Cash Flows are **1.5 M€** (17.5% margin). Margins penalized by:
  - ✓ the development of new businesses (US);
  - ✓ the promotion of new plants; and
  - ✓ effort in R&D (3.1 M€)



## Solar

### ▶ H1 2007 Milestones

#### ☑ Construction completed for:

- ▶ PS10, the world's first tower technology solar thermoelectric power plant (11 MW).
- ▶ Sevilla PV, the largest low concentration system photovoltaic plant (1.2 MW).

#### ☑ R&D:

- ▶ Prototypes completed for stirling disc and trough collector technologies.
- ▶ Design for hybrid (solar + combined cycle) plants in Argelia and Morocco.

#### ☑ Development:

- ▶ Several PV plants under development in Spain
- ▶ 1st trough 50 MW plant (Solnova 1) in construction
- ▶ Inaugurated the Copero photovoltaic plants in which Solúcar and Emasesa each hold a 50% stake.
- ▶ US team completed with offices in Denver and California



## Bioenergy



With biomass... we produce ecologic fuels and animal feed

## Bioenergy

### ► H1 2007 Review

#### Highlights

☑ **264.1 M € of Revenues, a 23.1% increase:**

☑ Higher sales prices in both the EU and US markets.

☑ **31.2 M € of Operating Cash Flow, a 20.1% increase.** Slight margin deterioration in unfavorable market conditions:

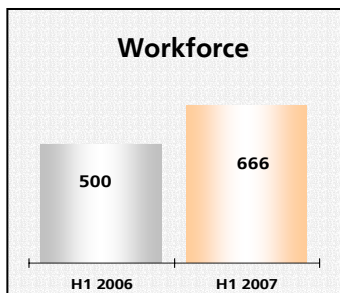
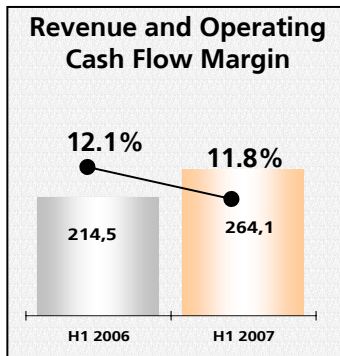
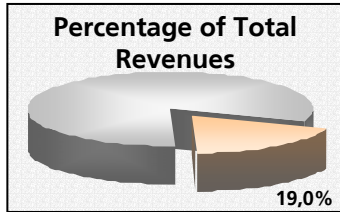
☑ Increase in raw material prices (EU and US).

☑ Lower margins in Salamanca facilities.

☑ No contribution from ETBE plant in 2007, sold to Cepsa in Q2 2006.

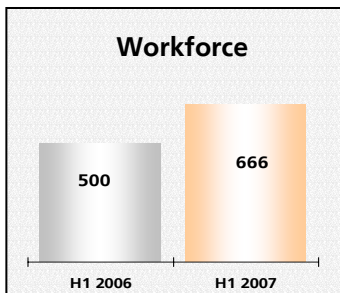
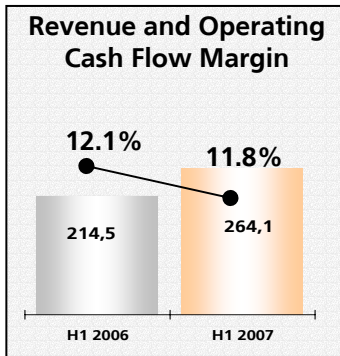
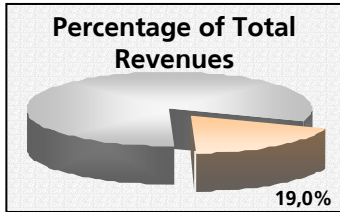
☑ On a comparable basis (ETBE and Salamanca) margins are 320 pb better than H1 06.

☑ Higher costs associated with R&D and development cost of new production capacity (EU and US).



## Bioenergy

### ▶ H1 2007 Review



### United States

- ☑ Ethanol sales volume reached 52.5 million gallons against 52.2 million gallons in H1 2006
- ☑ Ethanol price: avg. H1 2007 2.18 US\$/gall vs. 1.71 US\$/gall in H1 2006 (+27%).
- ☑ Grain price: avg. H1 2007 3.30 US\$/bushel vs. 2.29 US\$/b. in H1 2006 (+44%).
- ☑ Natural Gas: 9.08 US\$/mmbtu in H1 2007 vs. 9.96 US\$/mmbtu in H1 2006 (-9%).

### European Union

- ☑ Ethanol sales reached 165.5 million liters (vs. 165.1 million liters in H1 2006) (+1%).
- ☑ Ethanol price: 0.599 €/liter in H1 2007, vs. 0.574 €/liter in H1 2006 (+4%).
- ☑ Grain price: 162.1 €/ton vs. 141.0 €/ton in H1 2006 (+15%).
- ☑ Natural gas: decreased from 22.1 €/MWh in H1 2006 to 20.3 €/MWh in H1 2007 (-8%).



# Environmental Services

With wastes... we produce new materials by recycling, and we also treat and desalt water to achieve a sustainable globe

## Environmental Services

### ► H1 2007 Review

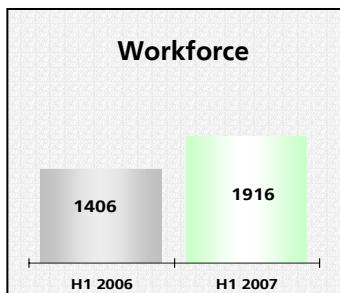
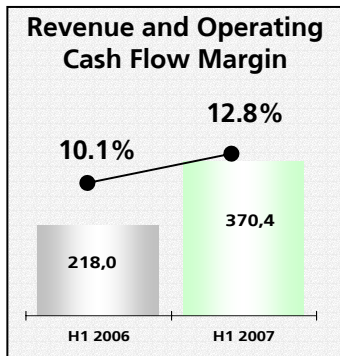
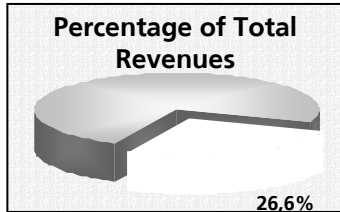
#### Highlights

#### ☑ Revenues (370.4 M €) increase by 69.9%:

- ☑ Higher volume of wastes treated in Aluminum and Industrial Waste
- ☑ Steel and Galvanization Waste Recycling: Consolidation of B.U.S., with 238,000 tons treated and a Sales contribution of 86.0 M€.
- ☑ Environmental Engineering: increase of activity due to execution of desalination plants in India and Algeria.
- ☑ Organic (ex B.U.S.) growth of 30.5 %

#### ☑ Operating Cash Flow reached 47.2 M €, which is a 114.0% increase compared to H1 2006.

- ☑ B.U.S. contributes with 22.6 M€ of Operating Cash Flow.
- ☑ Organic (ex B.U.S) growth of 11.5%.





## Information Technologies

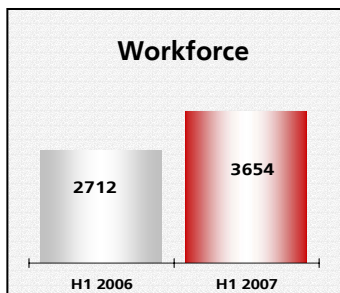
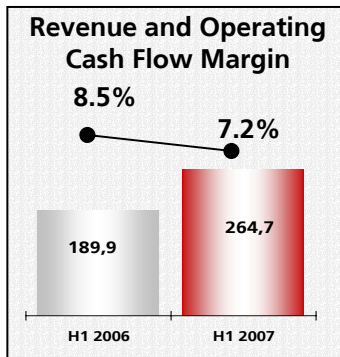
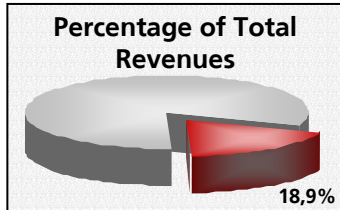
With Information Technology... we transform data into knowledge, providing effective operational and business real-time decision making for traffic, transport, energy and environment

## Information Technologies

### ▶ H1 2007 Review

#### Highlights

- Sales figure for H1 2007 reached **264.7 M €**, a **39.4%** increase on H1 2006, of which 29% organic growth and 10% new acquisitions.
  - Energy: 33% growth. Vattenfall project.
  - Transport: 50% growth. Contribution of business in North America.
  
- Operating Cash Flow figure is **19.0 M €**, a **17.0%** increase on the figure for the previous year.
  
- Increase in general expenses due to new acquisitions and higher investment in R&D (7.2 M€ in H1 2006 vs 9.7 M€ in H1 2007)



## Industrial Engineering and Construction

With engineering... we construct and operate conventional and renewable energy power plants, power transmission systems and industrial infrastructures



## Industrial Engineering and Construction

### ▶ H1 2007 Review

#### Highlights

☑ Revenues reached **486.4 M €**, a **4.1%** increase:

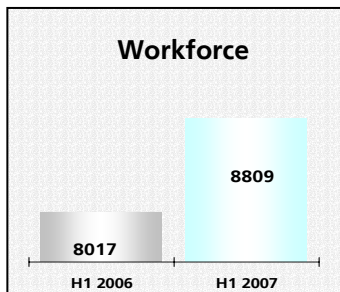
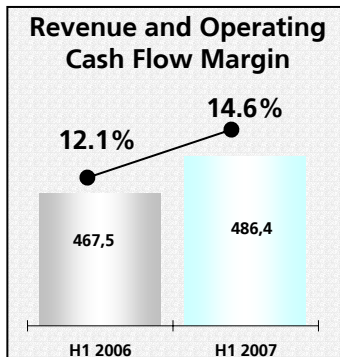
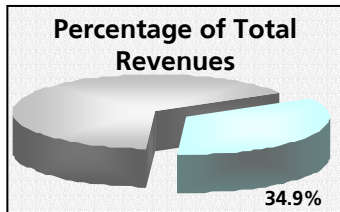
☑ Concession revenues: start-up of ATE II (December 06). 18.4 M€ in H1 2007.

☑ Cogeneration drop 14.5 M€ due to lower prices of energy sales.

☑ Operating Cash Flow has also increased on the previous year by 14.6 M€ (a **26.0%** increase), from 56.6 M€ in H1 2006 to **71.2 M€** in H1 2007.

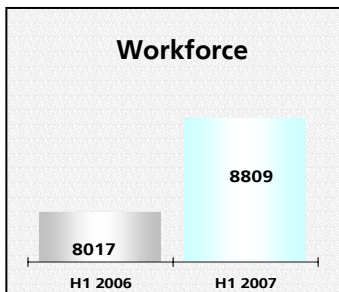
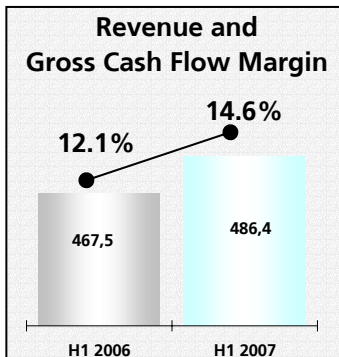
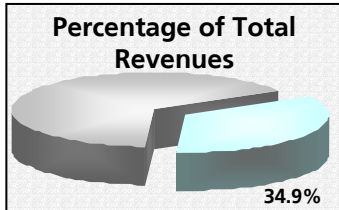
☑ Contribution of HV line concessions in operation.

☑ Cogeneration: significant margin deterioration, mainly due to 36% drop in pool prices.



## Industrial Engineering and Construction

### ▶ List of Significant Contracts



- Algeria: Contract for first solar-combined cycle Hybrid Plant in the world (will have a 20 MW parabolic-trough technology solar field and will supply complementary thermal energy to a 130 MW combined cycle plant). EPC: 261 M€.
- Contract with Morocco's ONE to build a solar-combined cycle plant of 470 MW (20 MW solar and 450 MW combined cycle). (469 M€)
- Participation in Tranche Two of the World Bank's BioCarbon Fund; throughout Zero Emissions Carbon Trust (3 M US\$)
- Agreement with MECS to the creation of a JV (Abencs) to execute E&C of biofuels and thermo-solar plants in the US.
- New International Exhibition Center of Beijing (China) (12 M€)
- Deployment contract for 45% of the CDMA Network (260 telecomm. sites) for Wana, the most recent operator in Maroc (13 M€)
- Contract with Sedapal to execute the Water and Sewer Project in Manchay (Peru) (37.5 M US\$)

### Keys for 2007

#### Solar

Start-up of PS10  
Construction of PS20  
Launch of 2x50MW  
R&D progress

#### Bioenergy

Start-up of Ravenna (85 Mgal)  
Construction of french plant  
New Projects in Europe  
New Projects in US  
R&D Progress  
Successful integration of Dedini Agro

#### Environmental Services

Integration of BUS  
Desalination: construction in Algeria, India, Spain

#### Information Technologies

Organic Growth  
US Traffic Market  
Energy & Infrastructure spending

#### Industrial & Eng. Construction

- Construction:  
Solar and Ethanol  
- Transmission:  
ATE II operation  
- Energy Infrastructure demand

Sustainable Development

### Ideally Positioned for Growth

- ❑ Strong Operating Performance in every Business Unit
- ❑ Technology Leadership in high growth Sustainable markets
- ❑ Identified pipeline of growth projects
- ❑ Engineering & Construction capabilities become key to success
- ❑ Growth with Financial discipline
- ❑ New syndicated facility for 600 M€



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