



## ABENGOA

First Quarter 2014 Earnings Presentation

May 14, 2014

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- The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to verification, completion and change without notice.

**1** Strategy & Business Update



**2** Financial Overview



**3** 2014 Outlook & Targets



**4** Appendices



**1** Strategy & Business Update



**2** Financial Overview



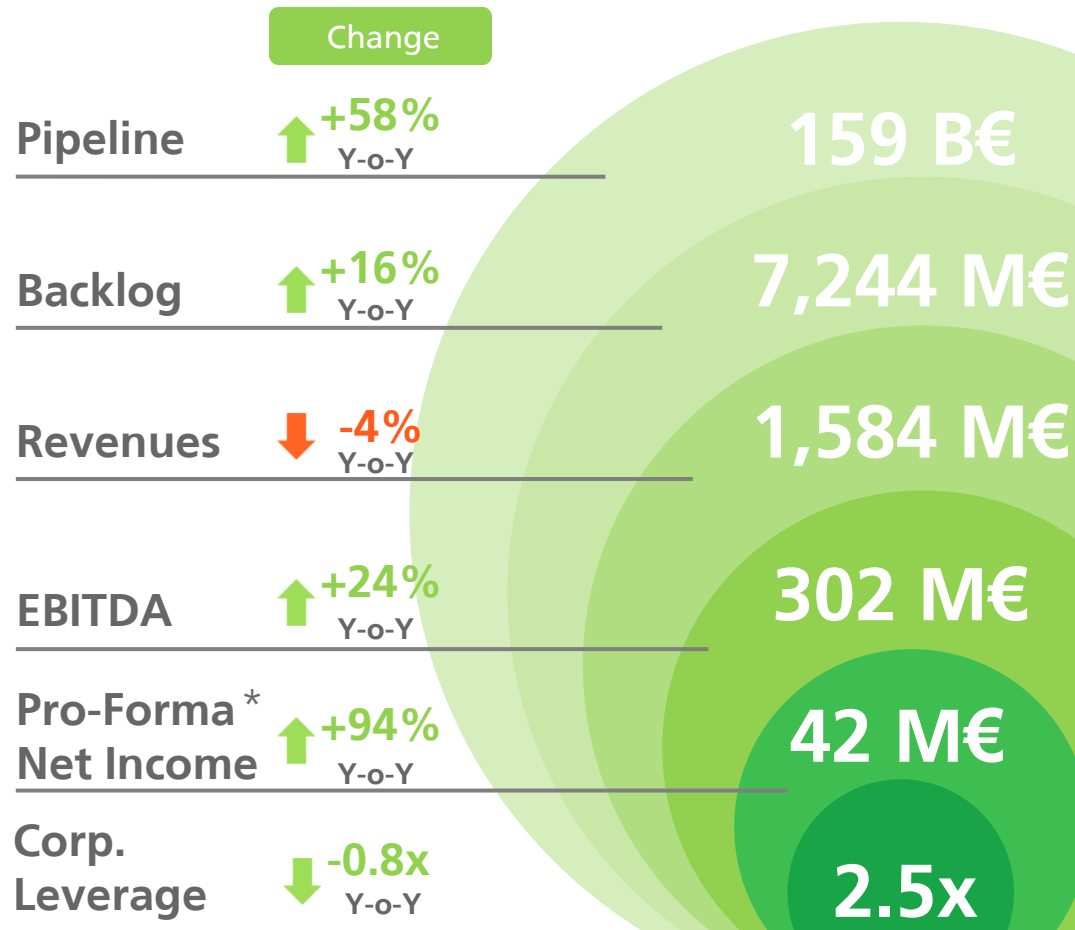
**3** 2014 Outlook & Targets



**4** Appendices



### Improvement in main KPI's



(\*) Pro-forma net income excludes the mark-to-market of derivatives (hedging and embedded options in convertible bonds): -9 M€ in Q1'14 and +50 M€ in Q1'13

### 1 Positive performance of main Business KPI's...

- > Strong new bookings performance (1.5 B€) with strategic contracts confirming good prospects for H2 2014
- > Growing backlog +16% y-o-y and 7% q-o-q to 7,244 M€
- > Pipeline growing 58% y-o-y. Expected to sign new attractive projects

### 2 ...and a strong business momentum despite Q1 seasonality in E&C...

- > Softer E&C execution, as expected, due to some large projects fully executed with corresponding negative impact on working capital in Q1
- > Solid Biofuels performance with +39 M€ EBITDA and ~10% margin
- > Concessions EBITDA growing +180% due to new assets brought into operation in H2 2013

### 3 ...backed by a solid strategy...

- > Yield Co on track, progressing as planned. Will provide a platform for growth and further deleverage
- > Improving credit profile due to proactive access to capital markets
- > Successful financial management of our concessions, monetizing value for shareholders

**...make us confident to confirm 2014  
Guidance and Targets**

### Positive start of the year to achieve FY 2014E targets

#### Engineering & Construction

1

1.5 B€ bookings during Q1

2

15% increase in Pipeline QoQ, 58% YoY

3

Softer revenues as expected, stronger seasonality in WC in Q1 as a result

#### Biofuels

1

Record levels for US crush spreads in Q1 compared to last 3 yrs

2

Encouraging US, challenging EU

3

Hugoton to come into operation in Q2

#### Concessions

1

5 new concessions to come into operation during 2014

2

Strong beginning of the year, great performance of all plants

3

YieldCo progressing as planned

2

### Concessions-type Infrastructures

- Increase in EBITDA margins due to higher contribution of Solana CSP and Pemex cogeneration plants, and better operating efficiencies achieved
- Larger contribution expected in 2014 from concessions as new assets come into operation in 2014: Mojave, Norte Brasil, Palmatir and Tenes
- Advanced negotiations with equity partners in Brasil for the new T&D lines. Expected to be closed by end of Q2 2014

### Q1 2014 KPI's

Equity Invest.

**69 M€**

in concessions



**1,223 MW**



**2,660 KM**

Installed Capacity



**693 MW**



**660 ML/day**

Total Equity BV

**3,510 M€**

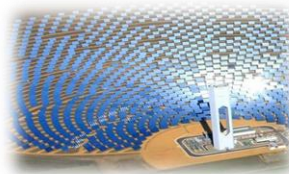
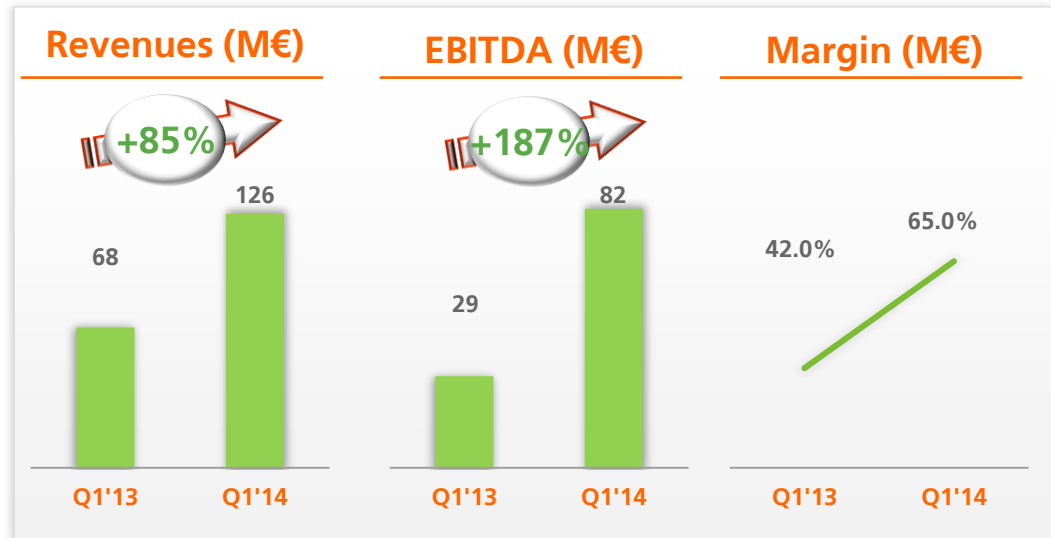
as of Mar. 2014

Total # of Assets

**35** in operation

**24** constr./develop.

### Q1 '14 Operating Segment Analysis





3

### Industrial Production

- +360% EBITDA growth y-o-y thanks to significantly higher Crush Spread in US, compensating a still challenging environment in Europe
- Revenues flat y-o-y, despite higher volumes, due to lower ethanol prices in Europe. Brazil null contribution due to plantation season
- Hugoton will start operations by end of Q2, currently at 98% completion

### Q1 2014 KPI's

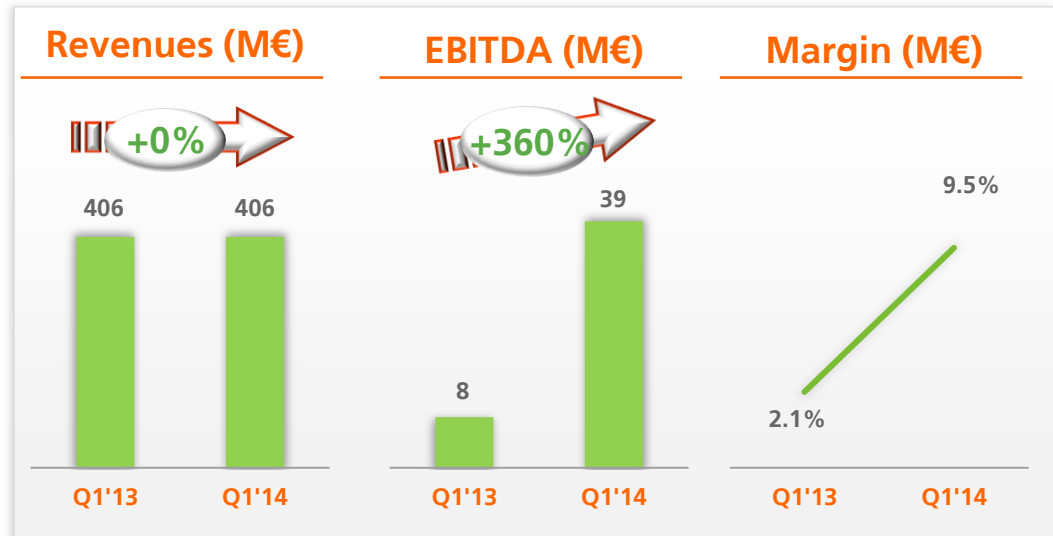
**Ethanol Produced** **545 ML**  
vs 403 ML Q1 2013

**Crush Spread** **~0.86 \$**  
Vs 0.45 \$ Q1 2013

**Hugoton** **Start-up in Q2**



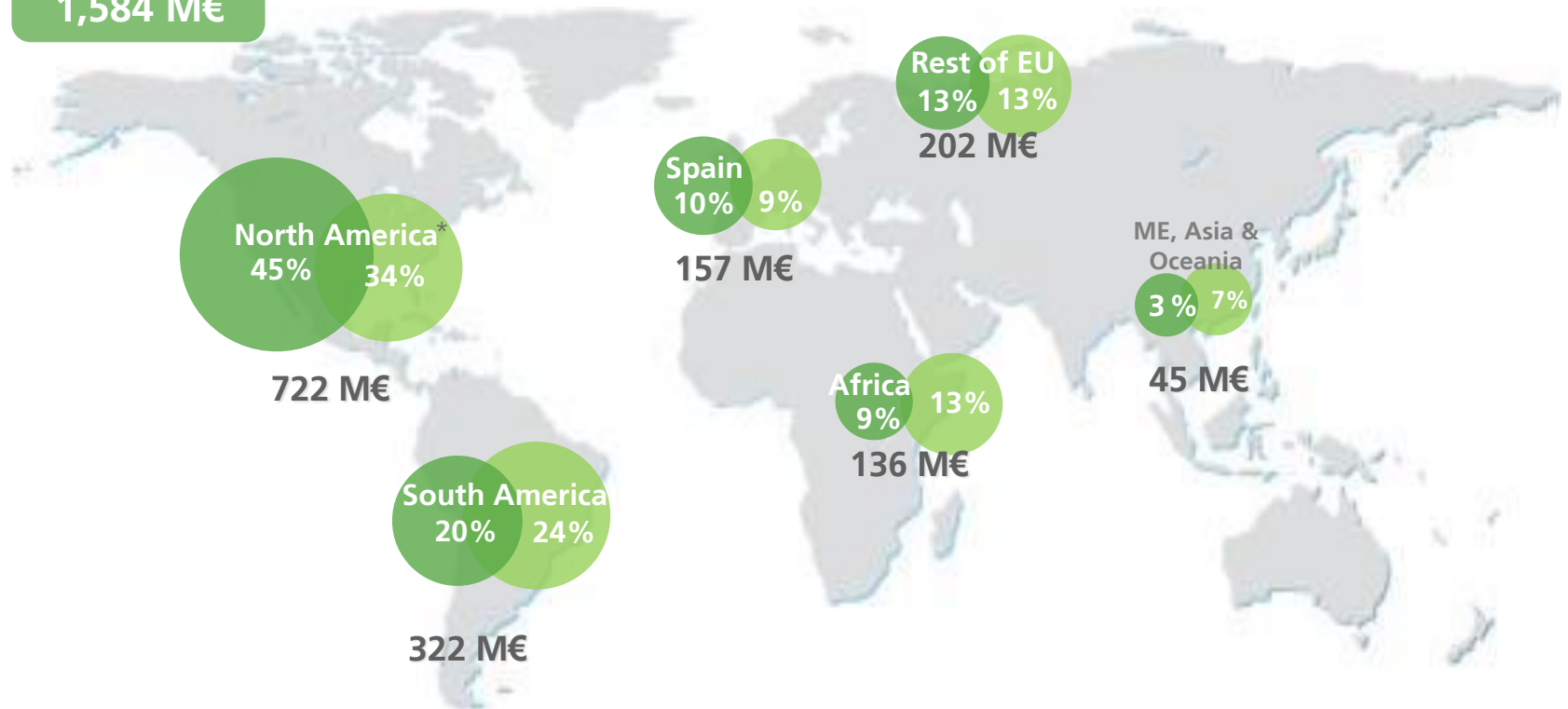
### Q1 '14 Operating Segment Analysis



Diversifying our business mix to capture global growth opportunities

Q1'14 Revenues

1,584 M€



Q1  
2014

Q1  
2013

Consolidated presence in the five continents, with North and South America as our key geographies

\*Includes USA and Mexico

### Continued development of our technology

#### Cutting Edge Technologies



Solar  
Technologies



Biotech Enzymes



Waste to biofuel  
(W2B)



Water  
Desalination

Applied &  
Awarded  
Patents

#### Milestones of the year

- **Solana**, the largest solar power plant of its kind, **fully operating**. Meets expected **production** helping utility **cover demand peaks at night**
- **SpaceTube** (larger aperture trough) **already under successful pilot operation in Solúcar**
- **Cerro Dominador molten salts tower** to **cover base load** in Chile with more than **80% capacity factor**
- **Ready to produce commercial cellulosic enzymes** in June for Hugoton start up, after a technology transfer process to the production plant and successfully tested.
- **Continue with Hugoton 2G ethanol commissioning phase to achieve full operation scale by end of Q2 2014**
- **Developing new bioproducts (octanol and dodecanol) in our proprietary n-butanol production process, allowing us diversifying markets**
- Demonstration plant start-up, already treated, 1,195 tons of municipal solid waste producing 11,640 l ethanol **100% purity**
- **Abengoa to acquire 25% of Chinese water company Greentech**, a leader in the Chinese wastewater treatment and reuse market
- **Demonstration plant for wastewater treatment from shale gas water produced ready for commissioning**
- **9 new patents applications with more than 113 patents granted out of 268 patents applied**
- An increase of **28% YoY on patents applications**

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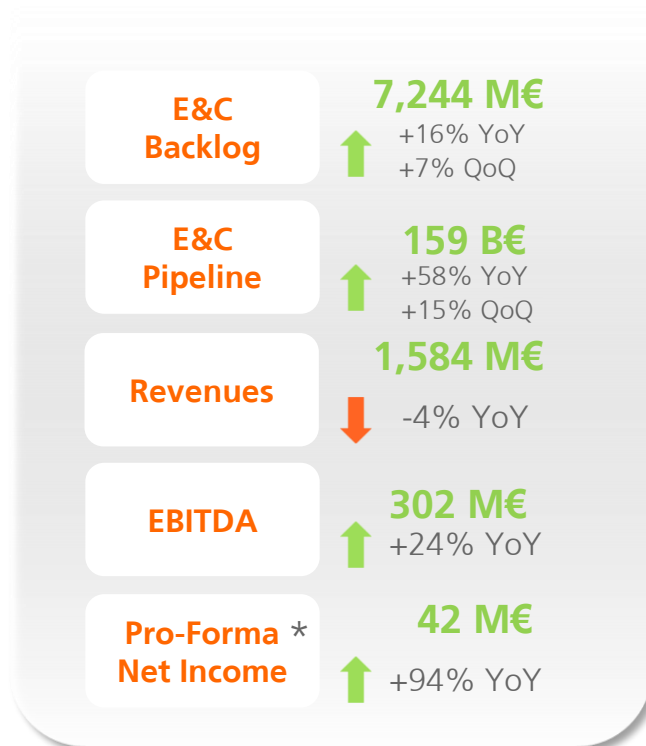
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### Strong Business and Financial Performance...

1

Positive performance of main KPI's...



2

... with leverage impacted by seasonality in Q1 ...



(\*) Pro-forma net income excludes the mark-to-market of derivatives (hedging and embedded options in convertible bonds): -9 M€ in Q1'14 and +50 M€ in Q1'13

... with a great potential for Corporate Free Cash Flow generation

3

... but setting the path for a positive FCF generation...

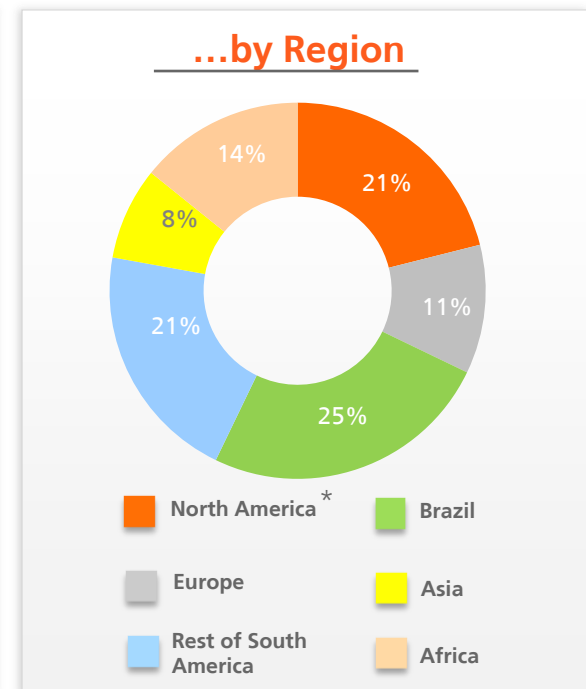
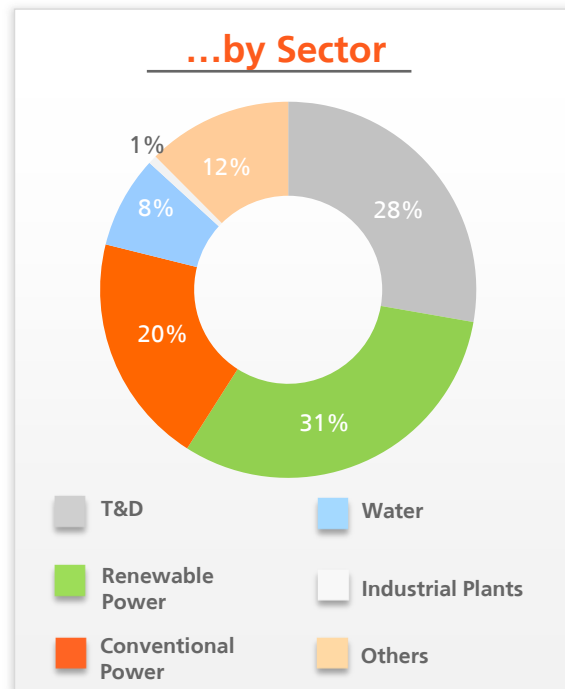
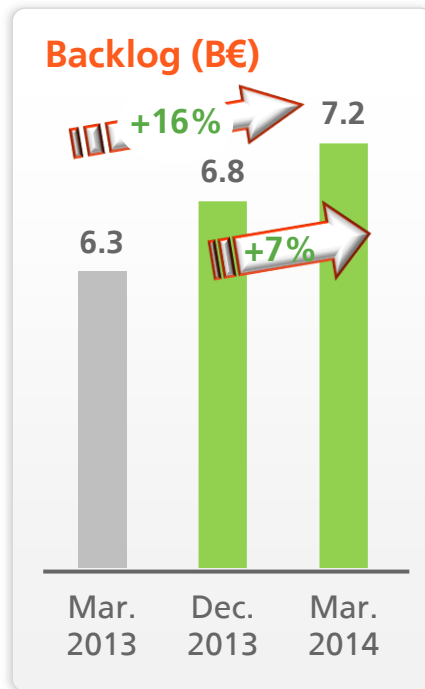
- ✓ **Ebitda Growth Potential**
  - 3.5 B€ backlog for rest of 2014E
  - Improved performance of Biofuels
  - 4 new concessions to reach COD in 2014 with an annual Ebitda contribution of ~150 M€
- ✓ **Reduced Corporate Capex**
  - 90 M€ corporate capex in Q1 '14
  - Commitment to 450 M€ in 2014
- ✓ **Improving Financing Cost**
  - Mar'14 HY Bond issued @ 6.00% to replace 9.625% HY Bond
  - S&P changes outlook to Positive

4

... and proactively monetizing investment in concessions

- ✓ **Yieldco**
  - Progressing as planned
  - Platform for future equity recycling
- ✓ **ATS**
  - Refinancing existing mini-perm facility through capital markets, issuing a project bond with 21 yrs. of avg. life due 2043
  - 62 M\$ cash as equity unlock
- ✓ **Qingdao / Linha Verde**
  - Continue to sell individual assets on an opportunistic basis
  - Qingdao / Linha Verde disposals near financial close

### Strong bookings during Q1 strengthens backlog



- > New significant awards in Q1 2014 drive backlog to very healthy levels
- > Approx. 48% of total backlog expected to convert into revenues in the remainder of 2014E
- > Higher weight of Solar as the new 110 MW CSP Chilean plant is included in Backlog

**...providing greater visibility for the remainder of 2014**

(\*) Includes USA and Mexico

### Proactive management of Corporate Net Debt to meet 2014 leverage targets

	Mar. 2013	Dec. 2013	Mar. 2014
Corporate Net Debt	2,374	2,124	2,421
Concessions NR Net Debt <sup>(1)</sup>	4,883	5,850	6,087
<b>Total Net Debt Position</b>	<b>7,257</b>	<b>7,974</b>	<b>8,508</b>
Corporate net debt / Corporate EBITDA	3.3x	2.2x	2.5x
Concessions NR Net Debt / NR EBITDA <sup>(2)</sup>	8.7x	7.7x	7.2x
<b>Total Consolidated Net Leverage Ratio</b>	<b>7.3x</b>	<b>5.8x</b>	<b>6.0x</b>

**Further deleverage expected once asset base is fully operational yielding an on-going Concessions Net Debt / Ebitda of 6.0-6.5x**

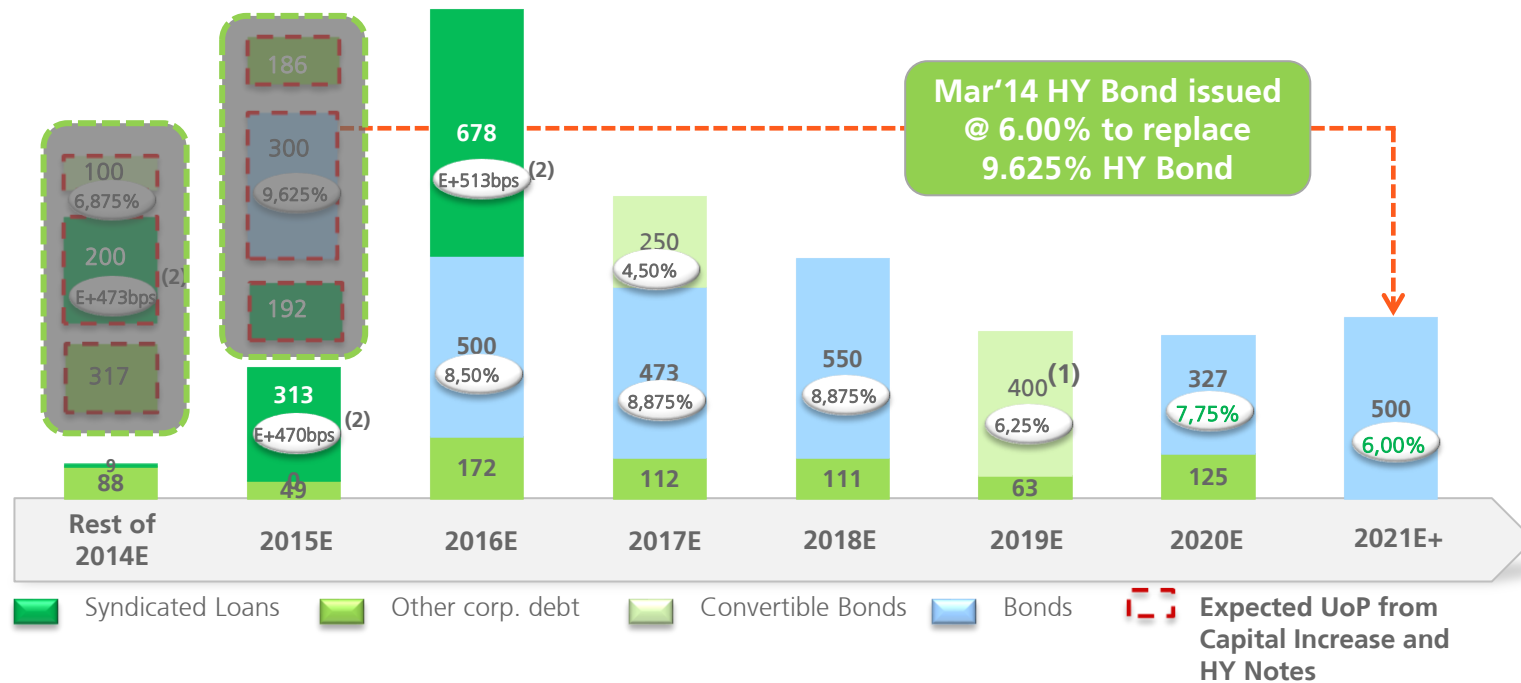
(1) Includes 390 M€ of Industrial Production Non-recourse Net Debt from 5 plants

(2) Excluding pre-operational debt and including annualised Ebitda contribution from assets recently brought into operation



Reinforced and extended maturity profile, diversified in sources

No refinancing needs through 2015



- > Healthy balance between Debt Capital Markets (64%) and Bank Debt (36%) post-refinancings
- > Outstanding syndicated loan reduced from 1.8 B€ to 1 B€

**Proven continued proactive approach to maturity management**

(1) If converted, company has elected to settle in shares

(2) Includes cost of hedging

Cash generated from operations affected by seasonality, with disciplined investment

	Q1 2013	Q1 2014
• EBITDA	244	302
• Working Capital	(232)	(573)
• Net Interest Paid	(95)	(135)
• Taxes & Other Financial Cost	18	(32)
• Non-monetary Adjust.	24	(11)
• Discontinued operations	21	0
<b>Cash generated from operations</b>	<b>(68)</b>	<b>(449) M€</b>
• Total CAPEX invested	(628)	(360)
• Other net investments	(73)	(19)
<b>Cash used in investing activities</b>	<b>(701)</b>	<b>(379) M€</b>
<i>of which ABG's Corp CAPEX:</i>		<b>(90) M€</b>
• Proceeds from loans & borrowings	898	1,297
• Repayment of loans & borrowings & other activities	(269)	(254)
• Others	(11)	12
• Discontinued operations	20	0
<b>Net Cash from financing activities</b>	<b>638M€</b>	<b>1,055 M€</b>
	Cash as of Dec'13	<b>2,952 M€</b>
<b>Net increase (decrease) in cash and cash equiv.</b>		<b>227 M€</b>
<b>Cash as of March 31, 2014</b>		<b>3,181 M€</b>

2 M€ FX  
(0) M€ Disc. Op.

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### 2014 Guidance Confirmed

1

#### Q1 2014 Highlights

Positive Performance of Main Business KPI's

Strong Business Momentum despite Q1 Seasonality

Concessional operations growing with new operating assets and YieldCO project progressing as planned

Biofuels confirms its recovery in the US with continued weaker environment in EU

2

#### FY 2014E Earnings Guidance & Key Financial Targets

#### FY 2014E Earnings Guidance Confirmed

	<u>€ in Millions</u>	<u>YoY Growth</u>
Revenues:	7,900 - 8,000	+ 7% - 9%
Ebitda:	1,350 - 1,400	+10% - 14%
Corporate Ebitda:	860 - 885	+3% - 6%

#### On Track to meet Key Financial Targets

Net Corp. Leverage:	~2.0x
Corporate Capex:	~€450m
Corporate FCF:	> €0m*

\*Positive Corporate FCF: corporate EBITDA - corporate CAPEX - interest expense on net corporate debt - income tax paid ± change in working capital

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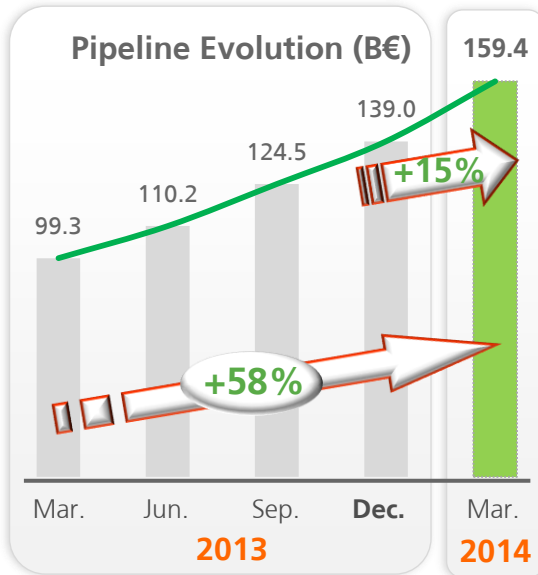
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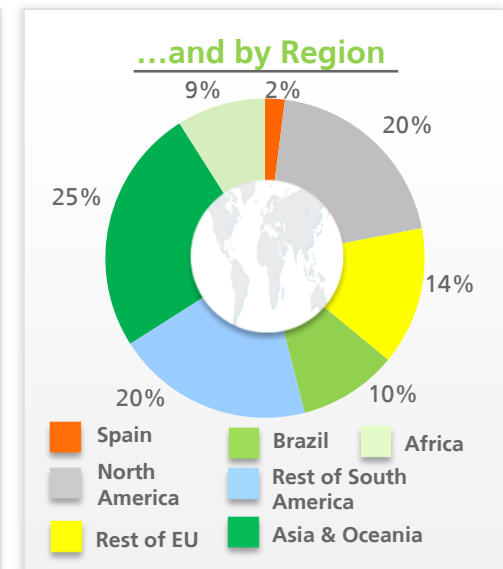
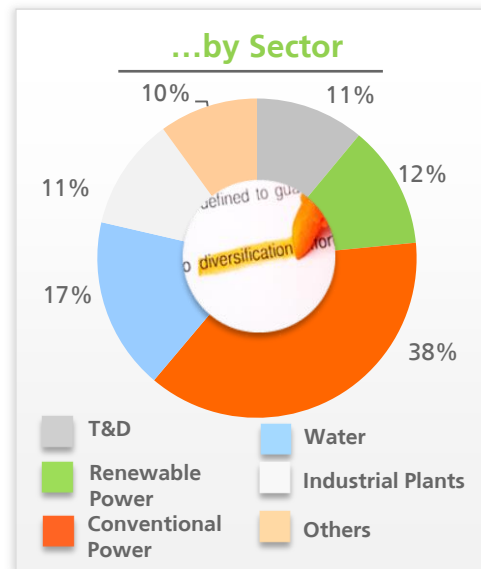
€ in Millions

	Revenues			EBITDA			EBITDA Margin	
	Q1 2014	Q1 2013	Var (%)	Q1 2014	Q1 2013	Var (%)	Q1 2014	Q1 2013
<b>Engineering and Construction</b>								
E&C	995	1,083	-8%	138	137	1%	13.9%	12.7%
Technology & Others	57	91	-37%	43	70	-38%	75.9%	76.8%
<b>Total E&amp;C</b>	<b>1,052</b>	<b>1,174</b>	<b>-10%</b>	<b>181</b>	<b>207</b>	<b>-12%</b>	<b>17.3%</b>	<b>17.6%</b>
<b>Concession-type Infrastructure</b>								
Solar	55	36	49%	29	15	89%	52.8%	41.7%
Water	10	9	12%	7	6	18%	67.4%	64.2%
Transmission	23	12	100%	16	7	133%	69.7%	59.6%
Cogen. & other	38	11	253%	30	1	5,572%	79.0%	4.9%
<b>Total Concessions</b>	<b>126</b>	<b>68</b>	<b>85%</b>	<b>82</b>	<b>29</b>	<b>187%</b>	<b>65.0%</b>	<b>42.0%</b>
<b>Industrial Production</b>								
Biofuels	406	406	0%	39	8	360%	9.5%	2.1%
<b>Total Industrial Production</b>	<b>406</b>	<b>406</b>	<b>0%</b>	<b>39</b>	<b>8</b>	<b>360%</b>	<b>9.5%</b>	<b>2.1%</b>
<b>Total</b>	<b>1,584</b>	<b>1,648</b>	<b>-4%</b>	<b>302</b>	<b>244</b>	<b>24%</b>	<b>19.1%</b>	<b>14.8%</b>

Our growing pipeline of opportunities spans great visibility on future results



**Growing Pipeline in All Global Regions and Sectors**



- > Continued effort to increase business opportunities
- > Pipeline increases in all segments, with conventional power projects increasing their share
- > Increasing pipeline in all regions
- > Very well diversified worldwide
- > Similar distribution to FY 2013, confirming higher weight from developing economies

## Capex under construction by segment (I)

Amounts based on the company's best estimate as of Mar. 31, 2014. Actual investments or timing thereof may change.

(M€)	Capacity	Abengoa (%)	Country	Start Up	Ann. EBITDAe (M€)	Investment	Pending Capex	Total		
								ABG Equity	Partners	Debt
<b>Solar</b>						<b>1,946</b>	<b>316</b>	<b>46</b>	<b>21</b>	<b>249</b>
Mojave <sup>1</sup>	280 MW	100%	US	Q3 14	55	1,128	110	24	0	86
South Africa 100 MW <sup>1</sup>	100 MW	51%	S.Africa	Q1 15	81	537	146	14	13	119
South Africa 50 MW <sup>1</sup>	50 MW	51%	S.Africa	Q1 15	46	281	60	8	8	44
<b>Biofuels</b>						<b>538</b>	<b>85</b>	<b>16</b>	<b>38</b>	<b>31</b>
Hugoton <sup>1</sup>	95 ML	100%	US	Q2 14	-	538	85	16	38	31
<b>Power Generation</b>						<b>193</b>	<b>47</b>	<b>15</b>	<b>13</b>	<b>19</b>
Uruguay Wind (Palmatir)	50 MW	100%	Uruguay	Q2 14	11	106	2	2	0	0
Cadonal Wind	50 MW	50%	Uruguay	Q1 15	8	87	45	13	13	19
<b>Water</b>						<b>779</b>	<b>398</b>	<b>116</b>	<b>159</b>	<b>123</b>
Tenes	200,000 m3/day	51%	Algeria	Q3 14	17	192	27	3	3	21
Ghana	60,000 m3/day	56%	Ghana	Q1 15	10	92	26	4	3	19
Zapotillo	3.80 m3/sec	100%	Mexico	Q1 17	12	495	345	109	153	83
<b>Transmission</b>						<b>1,049</b>	<b>141</b>	<b>62</b>	<b>54</b>	<b>25</b>
Norte Brasil	2,375 km	51%	Brazil	Q3 14	66	934	116	56	54	6
ATN 3	355 km	100%	Peru	Q3 16	10	115	25	6	0	19
						<b>4,505</b>	<b>987</b>	<b>255</b>	<b>285</b>	<b>447</b>

### Additional Projects with Limited Equity Investment <sup>2</sup>

Ashalim CSP Plant	110 MW	50%	Israel	Q2 17	n/a	805	n/a	54	n/a	n/a
Xina	100 MW	40%	S.Africa	Q4 16	n/a	647	n/a	68	n/a	n/a
Uruguay Wind (Palomas)	70 MW	50%	Uruguay	Q4 15	n/a	114	n/a	11	n/a	n/a
New Brazilian T&D lines	5,783 Km	Limited to EPC Margin	Brazil	Q1-Q4 16	n/a	1,925	n/a	197	n/a	n/a
A3T	240 MW	100%	Mexico	Q1 17	n/a	591	333	93	0	240
Hospital Manaus	300 beds	60%	Brazil	Q1 17	n/a	168	138	15	10	113
Corfo CSP Plant	110 MW	30%	Chile	Q4 16	n/a	n/a	n/a	58	n/a	n/a

<sup>1</sup>This project falls under the scope of IFRS 10 and is therefore consolidated through equity method until entry into operation

<sup>2</sup>Projects where financing and/or partner's contribution still pending to be secured

**Total Equity Capex** **751**



## Capex under construction by segment (II)

Amounts based on the company's best estimate as of March 31, 2014. Actual investments or timing thereof may change.

(M€)	2014				2015				2016+			
	Pending Capex	ABG Equity	Partners	Debt	Pending Capex	ABG Equity	Partners	Debt	Pending Capex	ABG Equity	Partners	Debt
<b>Solar</b>	<b>288</b>	<b>43</b>	<b>19</b>	<b>226</b>	<b>28</b>	<b>3</b>	<b>2</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Mojave <sup>1</sup>	110	24	0	86	0	0	0	0	0	0	0	0
South Africa 100 MW <sup>1</sup>	118	11	11	96	28	3	2	23	0	0	0	0
South Africa 50 MW <sup>1</sup>	60	8	8	44	0	0	0	0	0	0	0	0
<b>Biofuels</b>	<b>85</b>	<b>16</b>	<b>38</b>	<b>31</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Hugoton <sup>1</sup>	85	16	38	31	0	0	0	0	0	0	0	0
<b>Other Power Generation</b>	<b>47</b>	<b>15</b>	<b>13</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Uruguay Wind	2	2	0	0	0	0	0	0	0	0	0	0
Cadonal Wind	45	13	13	19	0	0	0	0	0	0	0	0
<b>Water</b>	<b>103</b>	<b>12</b>	<b>30</b>	<b>61</b>	<b>155</b>	<b>59</b>	<b>63</b>	<b>33</b>	<b>140</b>	<b>45</b>	<b>66</b>	<b>29</b>
Tenes	27	3	3	21	0	0	0	0	0	0	0	0
Ghana	26	4	3	19	0	0	0	0	0	0	0	0
Zapotillo	50	5	24	21	155	59	63	33	140	45	66	29
<b>Transmission</b>	<b>116</b>	<b>56</b>	<b>54</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>6</b>	<b>0</b>	<b>19</b>
Norte Brasil	116	56	54	6	0	0	0	0	0	0	0	0
ATN 3	0	0	0	0	0	0	0	0	25	6	0	19
Ashalim <sup>2</sup>	n/a	0	n/a	n/a	n/a	54	n/a	n/a	n/a	0	n/a	n/a
Xina <sup>2</sup>	n/a	15	n/a	n/a	n/a	33	n/a	n/a	n/a	20	n/a	n/a
Uruguay Wind (Palomas) <sup>2</sup>	n/a	3	n/a	n/a	n/a	8	n/a	n/a	n/a	0	n/a	n/a
New Brazilian T&D lines <sup>2</sup>	n/a	0	n/a	n/a	n/a	131	n/a	n/a	n/a	66	n/a	n/a
ACT3 <sup>2</sup>	88	32	n/a	56	152	38	n/a	114	93	23	n/a	70
Hospital Manaus <sup>2</sup>	121	13	9	99	17	2	1	14	n/a	n/a	n/a	n/a
Corfo CSP Plant <sup>2</sup>		41				14				3		
<b>Total Equity Capex</b>		<b>246</b>				<b>342</b>				<b>163</b>		

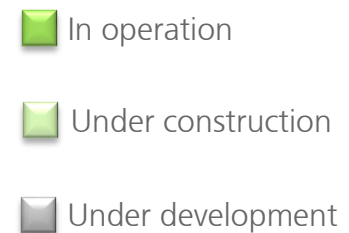
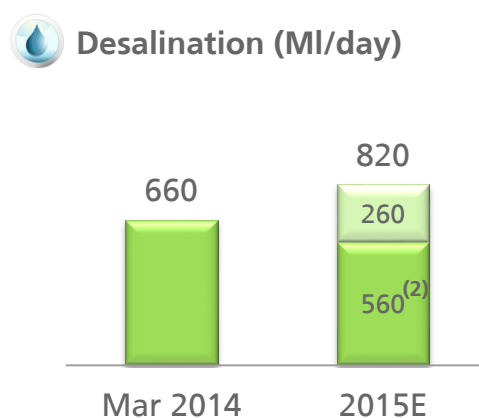
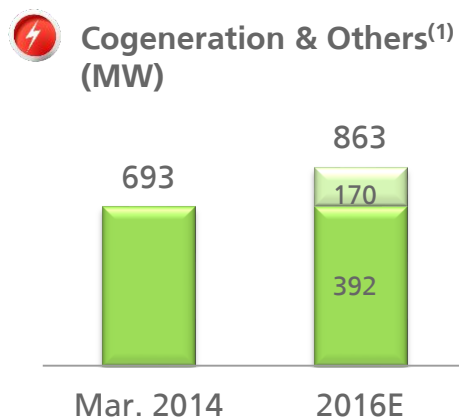
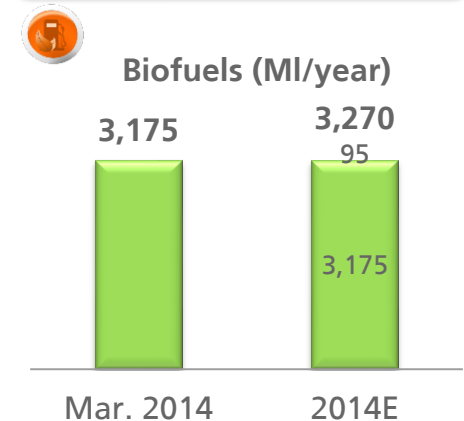
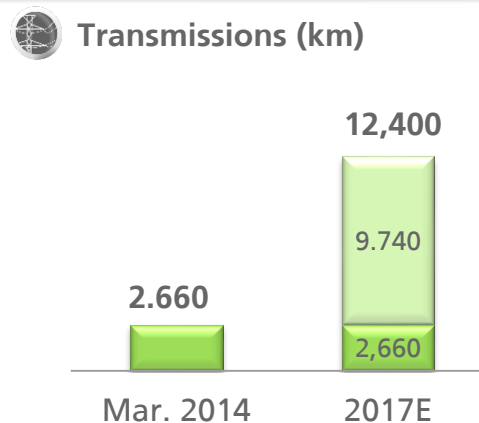
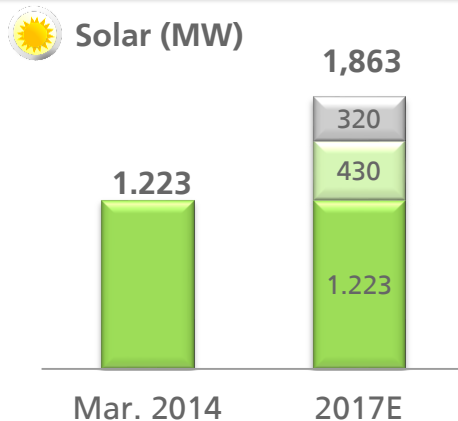
<sup>1</sup>This project falls under the scope of IFRS 10 and is therefore consolidated through equity method until entry into operation

<sup>2</sup>Projects where financing and/or partner's contribution still pending to be secured

### Revenue visibility backed by our solid asset portfolio

Extensive concessional asset base once current capex plan completed

Solid producing assets



(1) Includes 286 MW of capacity of bioethanol plants cogeneration facilities

(2) Assumes sale of Qingdao



# ABENGOA

Thank you

May 14, 2014