

2007 Earnings Presentation

February, 26th 2008



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

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



With wastes ... produce new materials through recycling, and we treat and desalinate water

With Information Technology ... we manage business and operational processes in a secure and efficient way



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

With the development of social and cultural policies ... we contribute to economic progress, social equity and the conservation of the environment in communities where Abengoa is present



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. 2007 Highlights



2. 2007 Detailed Financial Analysis

2.1. Consolidated

2.2. Business Unit

3. Q&A

2007: Profitable Growth continues

- ❑ **Growth in sales, operating cash-flow and Net Profit**
- ❑ **Balanced contribution to growth: Geographic and business**
- ❑ **Positive operating performance**
- ❑ **20% growth in Net Income, despite strong increase in Depreciation, Financials and elimination of intra-group activity**
- ❑ **Strategically well positioned to continue growth in Sustainable Development markets in Energy and Environment**
- ❑ **Strong liquidity position allows funding of growth plan**
- ❑ **Net Debt ex Non-Recourse / EBITDA ex Non-Recourse below 1.2**

2007 Main figures

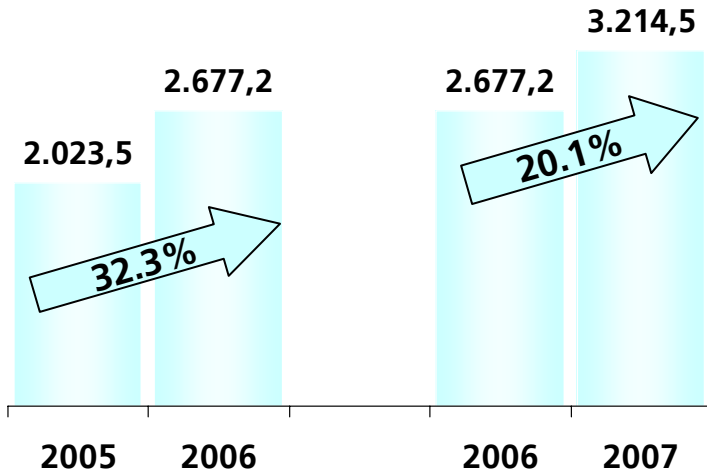
		<u>YoY %</u>
☐ Revenues	3,214.5 M€	+ 20.1%
☐ Operating Cash Flow	452.4 M€	+ 57.2%
☐ Net Income	120.4 M€	+ 20.0%
☐ EPS	1.33 €	+ 20.0%
☐ Investments	1,300.6 M€	+ 35.6%
☐ Net Debt ex Non-Recourse	234.3 M€	
☐ Net Debt* / Ebitda*	1.2x	
☐ Non-Recourse Debt	1,689.2 M€	+34.7%

(*) excluding Debt and Ebitda from companies financed with non-recourse debt

€ in Millions

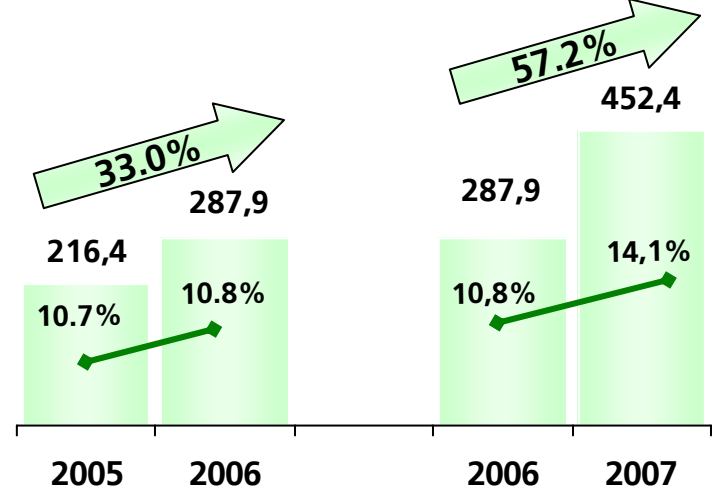
Revenues

Sustained Revenue Growth

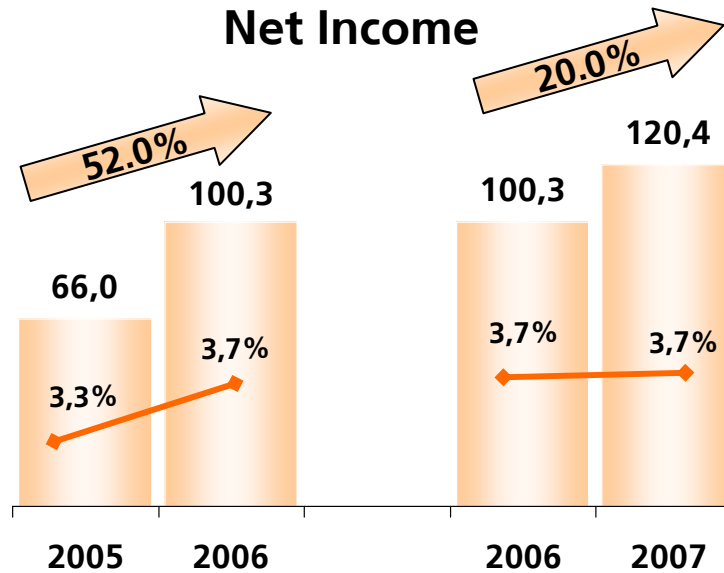


Operating Cash Flow

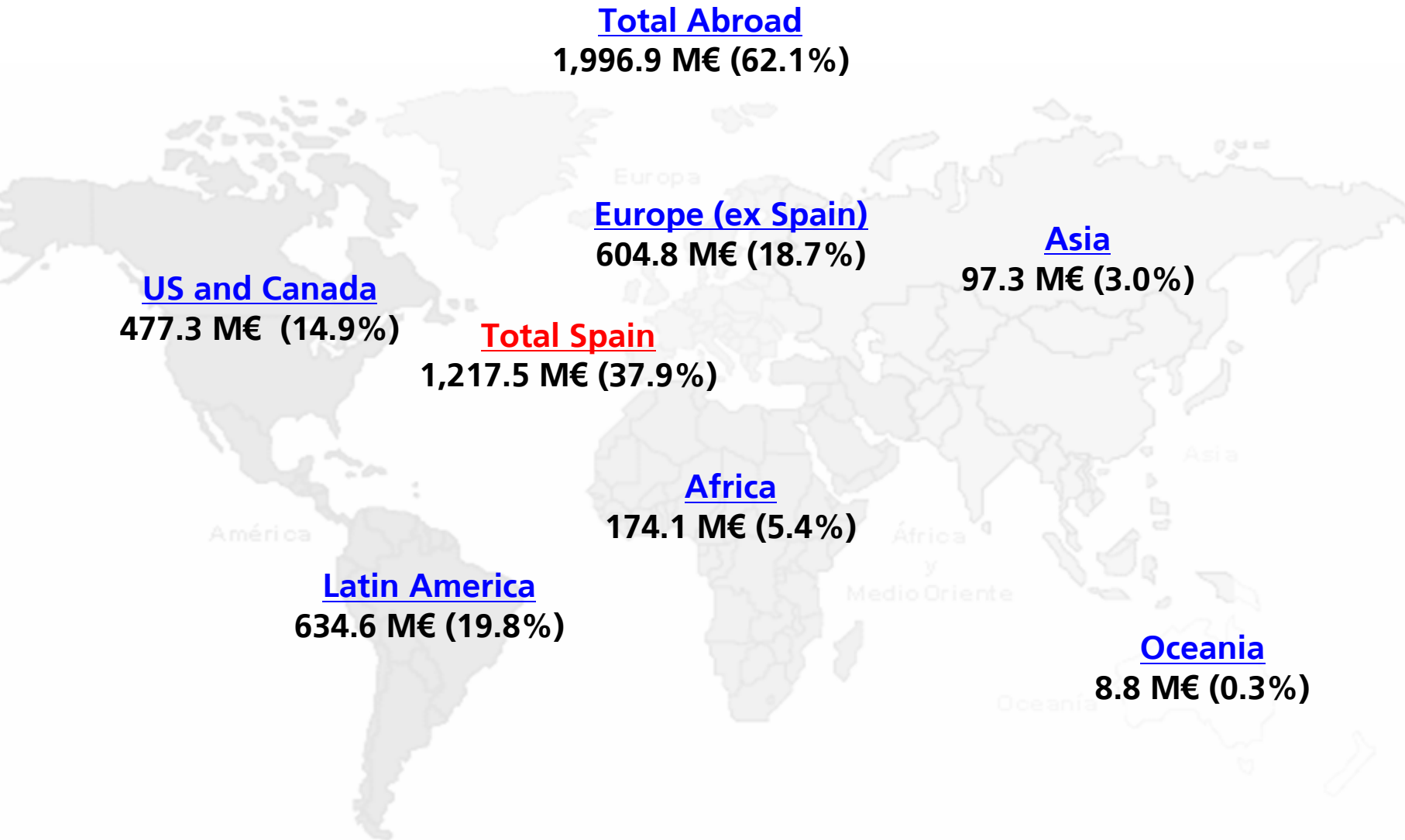
Improved Operating Performance



Net Income



International Activity represents 62.1% of total Sales, with a 33.1% YoY growth

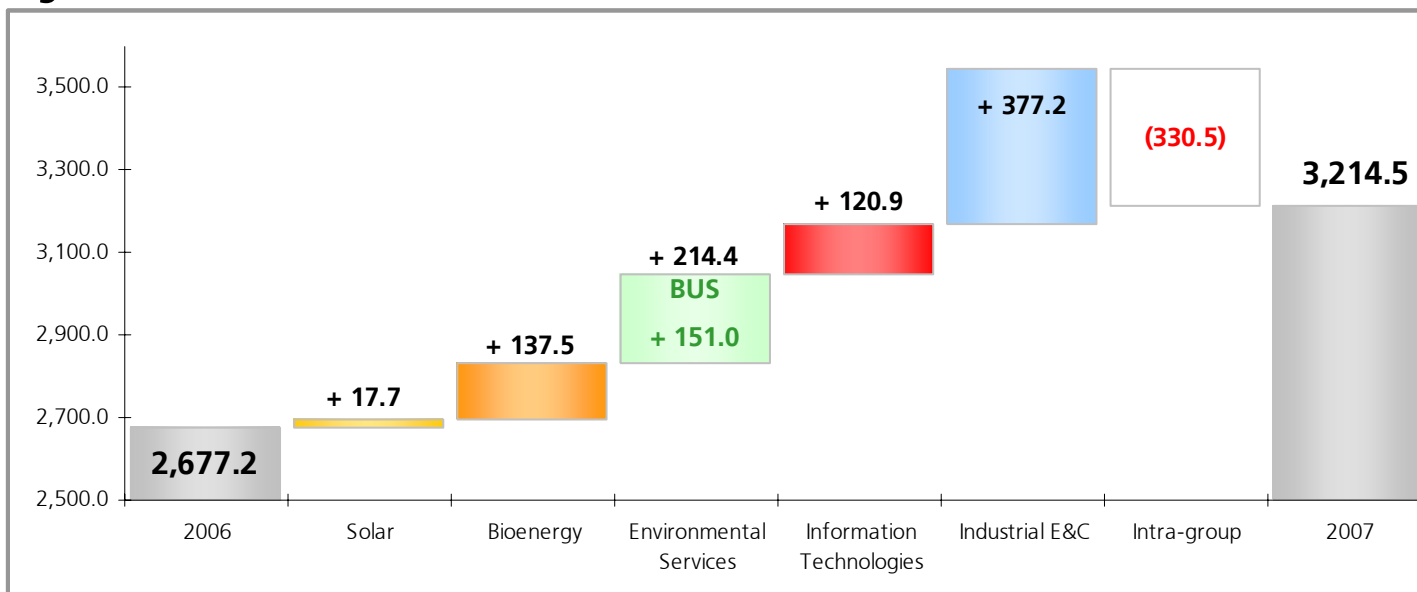


Total Sales (% over Total Sales)

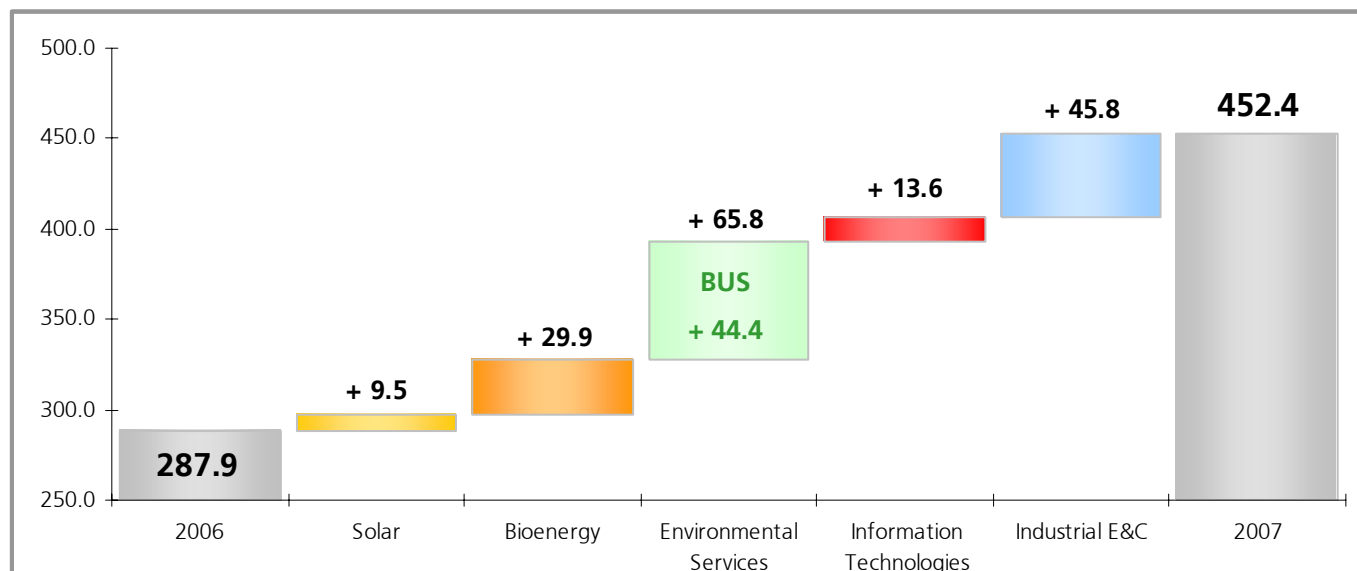
Contribution by Business Unit

€ in Millions

Revenues
Growth



Op. Cash Flow
Growth



Agenda

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2. 2007 Detailed Financial Analysis



2.1. Consolidated



2.2. Business Unit

3. Q&A

P&L Account

FY 2007

€ in Millions, except EP
FY 2006 Var (%)

Net turnover	3.214	2.677	209%
Operating Cash Flow *	452	288	579%
Depreciation and amortization expense	(97)	(69)	420%
Net Operating Profit	286	219	319%
Net Financial Loss	(140)	(92)	530%
Consolidated Profit before Tax	150	135	111%
Corporate income tax	(14)	(13)	77%
Consolidated Profit after-Tax	136	122	122%
Profit attributable to minority interests	(15)	(21)	-270%
Profit for the Year attributable to the Parent Company	120	100	200%
Number of ordinary shares in circulation (thousands)	90.470	90.470	
Earnings per Share	1,33	1,11	200%

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

P&L Account	€ in Millions		
	<u>FY 2007</u>	<u>FY 2006</u>	<u>Var (%)</u>
Net turnover	3.214	2.677	20%
Operating Cash Flow *	452	288	57%
Depreciation and amortization expense	(97)	(69)	42%
Net Operating Profit	286	219	31%
Net Financial Loss	(140)	(92)	53%
Consolidated Profit before Tax	150	135	11%
Corporate income tax	(14)	(13)	7%
Consolidated Profit after-Tax	136	122	12%
Profit attributable to minority interests	(15)	(21)	-27%
Profit for the Year attributable to the Parent Company	120	100	20%

☐ Increase in Depreciation and financial expenses charge as several projects begin operational phase:

- ✓ ATE II Transmission Concession in Brazil
- ✓ Ravenna ethanol plant
- ✓ BUS Consolidation

☐ Tax remains below 10%

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

- Intragroup activities fully eliminated at Consolidated P&L...
- ...but relevant for cash-flow generation perspective
- Net Profit eliminated (40.1 M€) is recovered over the life of the project as a lower depreciation charge
- Elimination of 330 M€ of sales, 44 M€ of EBITDA and 24 M€ of Net Profit in Engineering for works done to Solar and Bioenergy

€	Solar (1)	Bioenergy (2)	Environm. Services	Inform. Technol.	Industrial E&C	Aggregated	Eliminations (3)	Consolidated
Consolidated Sales	17,7	613,7	769,7	597,2	1.546,6	3.544,9	(330,5)	3.214,4
ΔY (%)		28,9%	38,6%	25,4%	32,3%	32,4%		20,1%
Operating Cash Flow	9,5	79,8	123,8	55,9	183,3	452,3		452,3
ΔY (%)		59,8%	113,3%	32,1%	33,3%	57,2%		57,2%
Op. CF / Cons. Sales	53,6%	13,0%	16,1%	9,4%	11,9%	12,8%		14,1%
EBITDA	10,1	54,3	123,8	55,9	183,3	427,4	(43,7)	383,0
ΔY (%)		8,8%	113,3%	32,1%	33,3%	51,6%		38,0%
EBITDA / Cons. Sales	57,0%	8,9%	16,1%	9,4%	11,9%	12,1%		11,9%

⁽¹⁾ Solar Sales (22.3 M€) and EBITDA (-0.6 M€) eliminated within the segment and correspond to development costs, design and technology services

⁽²⁾ Bioenergy Sales (26.8 M€) and EBITDA (25.5 M€) eliminated within the segment and correspond to development costs, design and technology services

⁽³⁾ Eliminations in Industrial E&C for works done to Solar and Bioenergy plants

Cash-Flow Statement

€ in Millions

Cash Flow Statement	FY 2007	FY 2006	Var (%)
Consolidated Profit after-Tax	136	122	12%
Corporate Income Tax	14	13	7%
Depreciation and amortization	97	69	42%
Net Financial Loss	140	92	53%
Participation in (Profits)/Losses of Associate Companies	(4)	(8)	-44%
Profit from construction of intra-group fixed assets	69	-	-
Operating Cash Flow	452	288	57%
Cash Generated by Operations	313	188	67%
Variations in working capital	148	58	153%
A. Net Cash Flow from Operating Activities	461	246	87%
Investments	(1.301)	(959)	36%
Disinvestments	136	82	67%
B. Net Cash Flow from Investment Activities	(1.164)	(877)	33%
C. Net Cash Flow from Finance Activities	1.373	1.224	12%
Net Increase/Decrease of Cash and Equivalents (A+B+C)	670	593	13%
Cash or equivalent at the beginning of the year	1.028	435	136%
Cash in Banks at the Close of the Year	1.698	1.028	65%

Cash-Flow Statement

€ in Millions

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❑ **Focus on cash generation: increase of 67% of cash generated by operations**

❑ **Active and disciplined working capital management allows continuous improvement**

- ❑ Well defined pipeline of projects and effective organization allows to complete 1,3 bn € of investments:
 - ✓ Ethanol: Lacq (France), Nebraska, Illinois, Indiana (US)
 - ✓ Transmission: ATE III
 - ✓ Desalination: Skikda and Honaine (Algeria)

- ❑ Complemented by selected Acquisitions:
 - ✓ Brazilian ethanol assets
 - ✓ Matchmind in IT

- ❑ Raising more than 1 bn € of new Long Term Debt:
 - ✓ 859 M € of LT Corporate Debt
 - ✓ 540 M € of Non Recourse Debt

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Well positioned to finance growth plan:

- ❑ **Low Net Debt to Ebitda* at Corporate level: 1.2x**

- ❑ **Strong liquidity position**
 - ✓ **1,698 M € of Cash and cash equivalents**
 - ✓ **596 M € of ST Financial Investments**
 - ✓ **176.5 M € of Undrawn Credit Lines**

- ❑ **Average Life of 3,5 years**

- ❑ **No refinancing needs until 2011**

(*) excluding Debt and Ebitda from companies financed with non-recourse debt

Well positioned to finance growth plan:

- ❑ Most of 2008 Non Recourse Financing needs already covered:
 - ✓ 2 US ethanol plants
 - ✓ ATE III Transmission in Brazil (IADB)
 - ✓ Desalination projects (2 in Algeria, 1 in India)
 - ✓ 2x50 Mw of Solar Thermal projects
 - ✓ Algerian Hybrid Project
- ❑ Sponsor quality, EPC and technology capabilities are key
- ❑ Non-Recourse Project Finance continues to be the best alternative to finance LT capital investments:
 - ✓ Credit market segment least affected

Balance Sheet

€ in Millions

Balance Sheet	FY 2007	FY 2006	Var (%)
Intangible Assets (incl. Goodwill)	1,227	623	97%
Fixed Assets in Projects	1,638	1,147	43%
Equity	797	541	47%
Non-Recourse Financing	1,689	1,254	35%
Total Assets = Total Equity & Liabilities	8,110	5,427	49%

Net Debt	FY 2007	FY 2006	Var (%)
Long Term Debt with Credit Institutions	2,346	873	169%
Short Term Debt with Credit Institutions	182	483	-62%
Financial Investments	(596)	(482)	24%
Treasury	(1,698)	(1,028)	65%
Total Net Debt	234	(154)	-

Project Financing	FY 2007	FY 2006	Var (%)
Long-Term non-Recourse Financing	1,186	796	49%
Short-Term non-Recourse Financing	503	458	10%
Total non-Recourse Financing (Project Financing)	1,689	1,254	35%

Uniquely positioned for growth in Energy and Environment

H1

Cash Flow Generation

- Engineering and Construction
- Transmission Lines
- Information Systems
- Environmental Services (Management and Recycling of Industrial Wastes)

H2

Growth

- Bioenergy
- Water (desalation)
- Environmental Services in new geographies
- Information Systems in new geographical areas and verticals

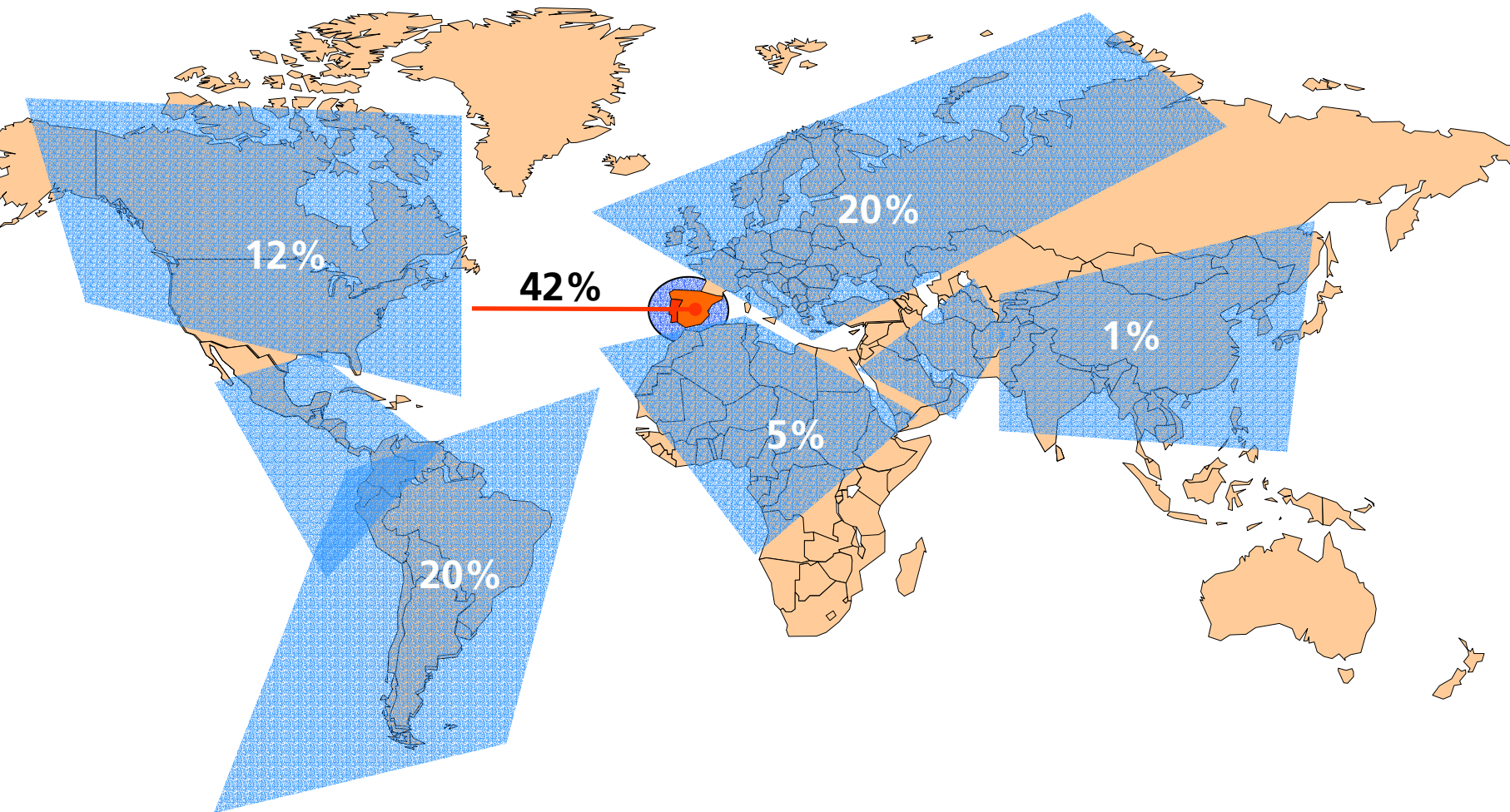
H3

Options for the Future

- Solar Energy
- Second-Generation Bioenergy (Biomass)
- Hydrogen
- CO₂
- Energy Efficiency
- New Renewable Energies



Total Investments expected by geographies 2007-2011



Ambitious expansion plan not at risk

- ❑ **Solar capacity plan in Spain: 2 bn €**
- ❑ **Solar international: Algeria, Marocco and US**
- ❑ **Bioethanol US: 2 plants funded**
- ❑ **Bioethanol Europe**
- ❑ **Desalination: 2 projects in Algeria funded, 1 project in China**
- ❑ **High Voltage Transmission**

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Solar

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

▶ **2007 Review**

Highlights

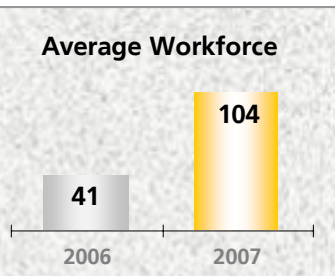
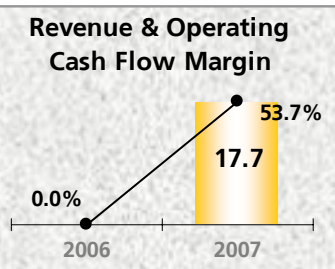
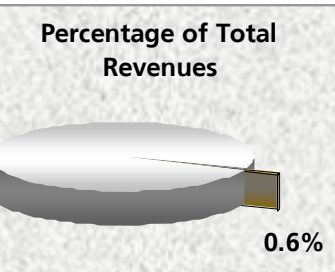
- ☑ Aggregated Sales reached **40.0 M€**:
 - ☑ 3.0 M€ from PV and Thermoelectric plants,
 - ☑ 16.9 M€ from solar promotions and,
 - ☑ 20.1 M€ from sale of solar technology for solar thermal projects.
 - ☑ 22.3 M€ eliminated in the own group

- ☑ Consolidated Sales are **17.7 M€**

Solar	2007	2006	Var. 07/06
	M€	M€	%
- Consolidated Sales	17.7	n.a.	n.a.
- Ebitda	10.1	n.a.	n.a.
- Margin Ebitda / Sales (%)	57.0	n.a.	
- Operating Cash Flow	9.5	n.a.	n.a.

- ☑ Operating Cash Flows are **9.5 M€** (53.7% margin). Margins penalized by
 - ☑ the development of new businesses (US); and
 - ☑ the promotion of new plants.

- ☑ Effort in R&D (12.9 M€)



2007 Milestones

13.2 MW already in operation:

- PS10, the world's first tower technology solar thermoelectric power plant (11 MW).
- Sevilla PV, the largest low concentration system photovoltaic plant worldwide (1.2 MW).
- Copero PV, a 1.0 MW photovoltaic two-axle sun tracker.

R&D:

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

Development:

- Several PV plants under development in Spain: 10 MW in construction.
- 120 thermoelectric MW in construction:
 - ✓ PS 20, a 20 MW solar tower plant, coming into operation next by 2008.
 - ✓ 1st trough 50 MW plants (Solnova 1 & 3).
- US team completed with offices in Denver and California.
- New office in Almería

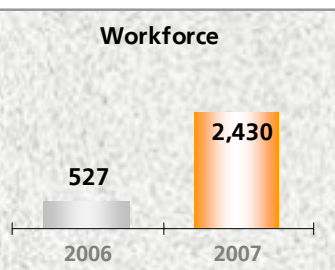
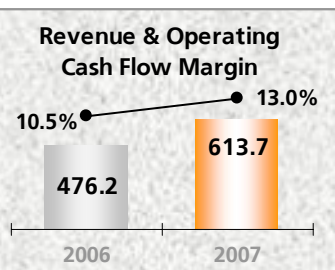
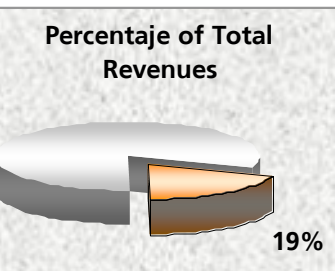




Bioenergy

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

2007 Review: Highlights

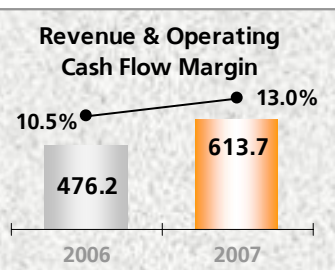
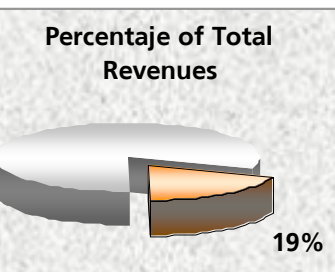


Bioenergy	2007	2006	Var. 07/06
	M€	M€	%
- Consolidated Sales	613,7	476,2	28,9
- Ebitda	54,3	49,9	8,8
- Margin Ebitda / Sales (%)	8,9	10,5	
- Operating Cash Flow	79,8	49,9	59,8

- ✔ **613.7 M € of Revenues, a 28.9% increase:**
 - ✔ Higher sales prices in both the EU and US markets.
 - ✔ Start-up of Ravenna (US market).
 - ✔ 26.8 M€ eliminated in the segment
- ✔ **54.3 M € of Ebitda, an 8.8% increase.** Margin deterioration: positive performance in unfavorable market conditions:
 - ✔ Increase in raw material prices (EU and US).
 - ✔ -4.3 M€ for Q4 of Dedini
 - ✔ Negative contribution from Salamanca
 - ✔ No contribution from ETBE plant in 2007, sold to Cepsa in Q2 2006.
 - ✔ Higher costs associated with R&D and development cost of new plants in the US (Ft Collins, US)

2007 Review

United States



- ✓ Ethanol sales volume reached 134.7 million gallons against 102.0 million gallons 2007 (+32%)
- ✓ Ethanol price: avg. 2007 2.13 US\$/gall vs. 1.75 US\$/gall in 2006 (+22%).
- ✓ Grain price: 2007 3.43 US\$/bushel vs. 2.46 US\$/b. in 2006 (+39%).
- ✓ Natural Gas: 8.42 US\$/mmbtu in 9M 2007 vs. 9.45 US\$/mmbtu in 2006 (-11%).

European Union

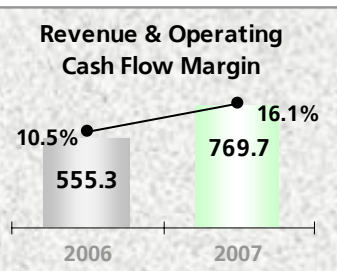
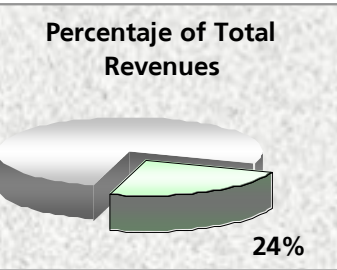
- ✓ Ethanol sales reached 372.8 million liters (vs. 361.6 million liters in 2006) (+3%).
- ✓ Ethanol price: 0.606 €/liter in 2007, vs. 0.580 €/liter in 2006 (+4%).
- ✓ Grain price: 183.1 €/ton vs. 139.8 €/ton in 2006 (+31%).
- ✓ Natural gas: decreased from 22.4 €/MWh in 2006 to 20.4 €/MWh in 2007 (-9%)

Environmental Services

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

▶ **2007 Review**

Highlights



✔ **Revenues (769.7 M€) increase by 38.6%:**

- ✔ Higher volume of wastes treated in Aluminum and Industrial Waste
- ✔ Steel and Galvanization Waste Recycling: Consolidation of B.U.S., with a Sales contribution of 170.5 M€.
- ✔ Water: increase of activity due to execution of desalination plants in India and Algeria.
- ✔ Organic (ex B.U.S.) growth of 11.8 %

✔ **Operating Cash Flow reached 123.8 M€, which is a 113.3% increase** compared to 2006.

- ✔ B.U.S. contributes with 49.9 M€ of Operating Cash Flow.
- ✔ Organic (ex B.U.S) growth of 41.0%.
- ✔ Strong operating performance: Margin improvement at close all segments

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

▶ **2007 Review**

Highlights

☑ Sales figure for 2007 reached **597.2 M €**, a **25.4%** increase on 2006, of which 20% organic growth and 5% new acquisitions.

☑ Energy: 12% growth. Vattenfall project.

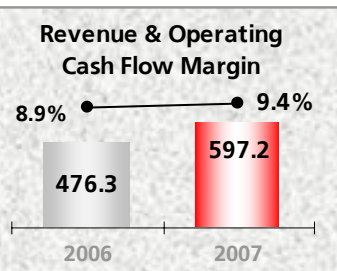
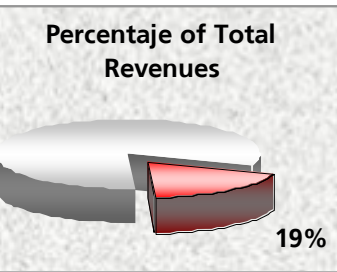
☑ Transport: 35% growth. Contribution of business in North America

☑ Public Administration and Global Services: 18% of total sales

☑ Operating Cash Flow figure is **55.9 M €**, a **32.1%** increase on the figure for the previous year.

☑ Improved operating performance.

☑ Increase in general expenses due to new acquisitions and higher investment in R&D (16.5 M€ in 2006 vs 19.1 M€ in 2007)



Industrial Engineering and Construction

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

▶ 2007 Review

Highlights

☑ Revenues reached **1,546.6 M €**, a **32.3%** increase:

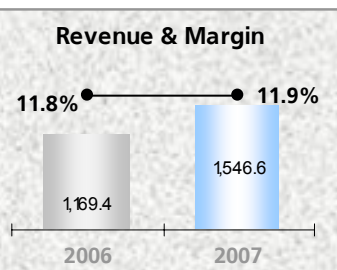
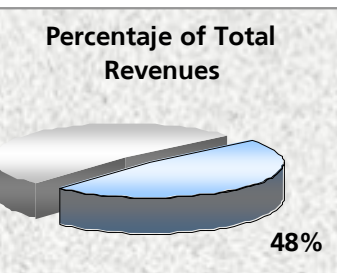
☑ Concession revenues: start up of ATE II - Colinas Sobradinho (December 06). 43.9 M€ in 2007.

☑ Cogeneration drop 13.7 M€ due to lower prices of energy sales.

☑ Operating Cash Flow has also increased on the previous year by 45.8 M€ (a **33.3%** increase), from 137.5 M€ in 2006 to **183.3 M€** in 2007.

☑ Contribution of HV line concessions in operation.

☑ Cogeneration: significant margin deterioration, mainly due to drop in prices (-9.3 M€)



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