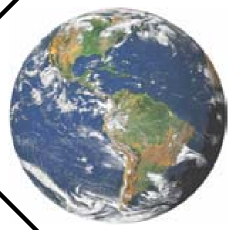
ABENGOA

IV Annual Analyst and Investor Day

October 22nd – 23rd, 2008

ABENGOA

Going Forward



We are in a privileged position in times of uncertainty:

- Well positioned in attractive markets that will outperform the economy
- Diverse from business and geographic perspective
- Ability to continue growing without new capital

We are in a good financing situation:

- Our 2008-2010 investment plan is already financed
- 1.775 M€ in cash & equivalents
- Successful use of "traditional" non-recourse solutions
- Sound WC and Treasury policies allows comfortable position

We apply common management systems and controls all across the company:

- Effective and efficient organization
- Uniform procedures make control and management easier

Well positioned to withstand a tougher economic context

- **Diminishing growth rates across the world, with some European countries already in recession.**
- **Consumption is decreasing**
- **Strong decline in residential construction**
- **Companies cost-cutting and relocating**
- **High energy prices driven by oil prices**
- **High commodity prices, some of them showing some adjustment**

- **Geographical diversification allow us to keep growing**
  - Spain accounts for 38% of total revenues, rest of Europe 19%, LatAm 20%, US&Canada 15%, Asia 3% and RoW 5%
  - In H108, total revenues grew 17%, while in Spain fell 2%
- **Our main businesses are not linked to consumption. Neither to residential construcion.**
- **Significant part of our businesses actually benefit from a high energy prices scenario**
- **Movements in commodities as corn, zinc or aluminum may affect us partially (We always operate with hedging)**
- **Pressure on biofuels forcing rapid transition to 2nd generation bioethanol, in which development we are a world leader**

Sunny Days Ahead for Abengoa (I)

- Solar power is experiencing increasing government support worldwide as its development is a must towards a viable alternative source to fossil fuels
- Geographic diversification to deal with changes in government support
- ITC extension in US
- Technology leadership and project pipeline are key elements that will allow us to continue in business even if LT non-recourse financing dries up
- Access to financing: recently closed Solnova 1, 2 & 4 (50MW solar thermal each) and Algerian hybrid project

- Geographical (US, UE and Brazil) and raw material (corn, wheat, barley, sugar cane) diversification make us less vulnerable
- Adequate hedging and marketing policies (LT contracts) have allowed us to keep positive margins even in adverse situations
- Approval of mandates in Spain
- US Department of Energy 76 MUSD grant to develop first commercial hybrid plant (cereal-cellulosic bioethanol)
- Benefited from last window opportunity to finance this kind of projects: Indiana & Illinois, France

Sunny Days Ahead for Abengoa (II)

- Very well positioned worldwide in the desalination market
- Long term zinc hedging against possible lower zinc prices in a lower industrial activity scenario, plus availability to treat more residues at slightly higher logistic costs
- Flexibility in our aluminum recycling operations
- Access to financing: recently closed 2 desalination projects in Algeria and 1 in India

- Diversified customer base in non-cyclical industries (O&G, transportation, electricity)
- Diversified geographical presence allows for strong momentum in emerging markets to offset some slow down in core geographies
- Revenues in North America and Spain growing.

- Equivalent of two-years revenues in backlog
- Unique capabilities in the engineering and construction of solar thermal projects (tower, troughs, Integrated Solar Combined Cycle)
- Leadership in transmission (EPC and operations) give us competitive advantage in large projects
- Partnerships with utilities (Eletronorte in Brazil) allows for flexibility in a more difficult financing scenario, although BNDES is commited to fund Transmission projects

…but sunny days ahead for Abengoa (III)

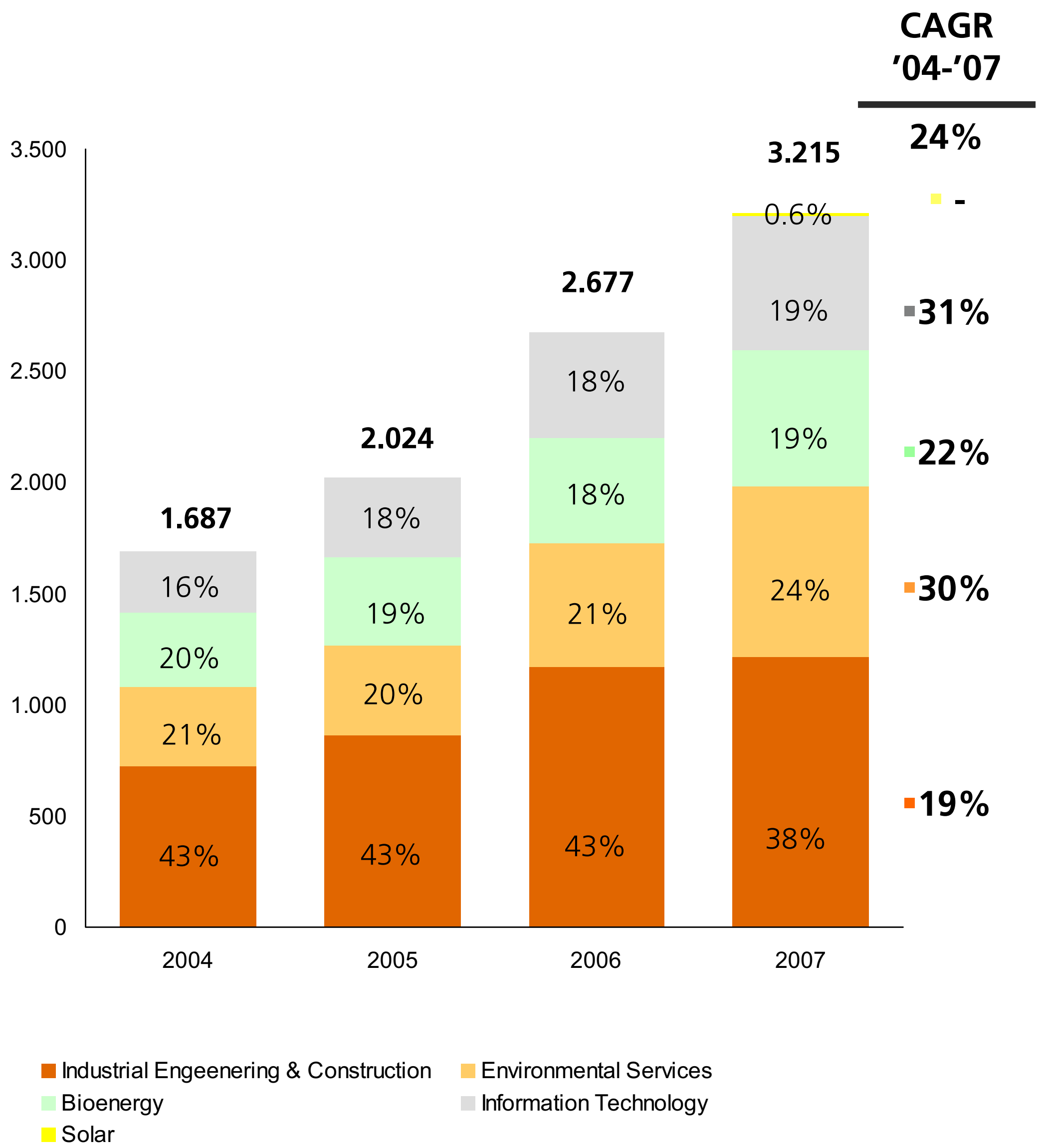
1H'08 growth should be sustainable…

Key Metrics (M€)	1H'08**	1H'07	Incr. (%)
Sales	**1,632.0**	**1,393.7**	▲ **17,1%**
Gross Operating Cash Flows (*)	**312,6**	**170,2**	▲ **83,6%**
% Gross CF's / Sales	19,2%	12,2%	
Ebitda* **	**238.0**	**170.2**	▲ **39,8%**
% Ebitda / Sales	17,0%	12,2%	
Net Profit Before Tax	**107.8**	**70.7**	▲ **52,4%**
Net Profit Attributable	**71.4**	**54.9**	▲ **29,9%**
EPS (€/share)	0.79	0.61	▲ 29,9%
Net Profit pro-forma (**)	**67.4**	**54.9**	▲ **22.6%**

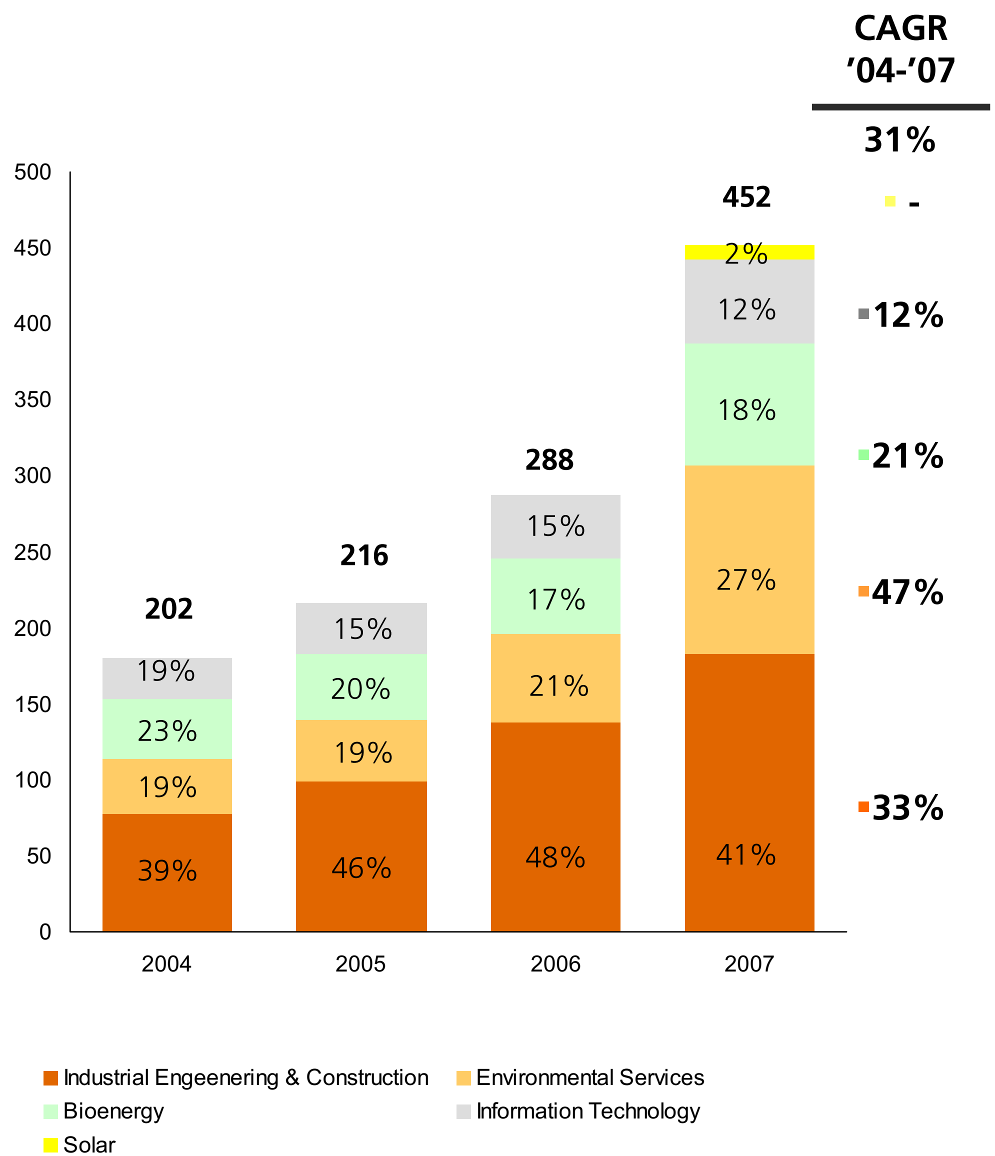
* Gross OP CF is earnings before interest, taxes, depreciation and amortization adjusted by the work flows done for own fixed assets
** Excluding changes in consolidation perimeter
*** Ebitda 1H'08 excludes 40 M€ land divestment profit

Leader in every Business

Sales by Division (in M€)



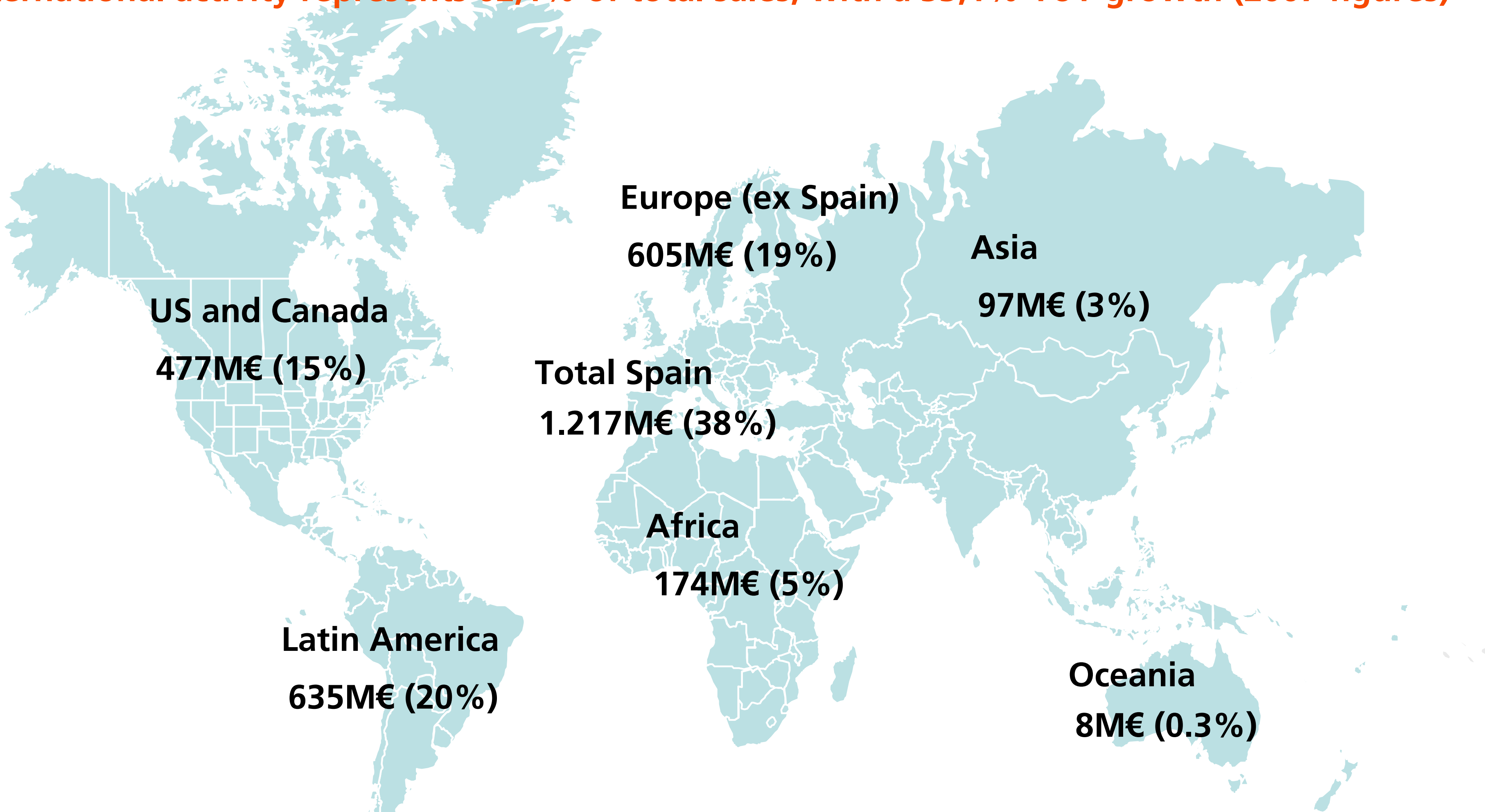
Operating Cash Flow (in M€)



Note: OP CF is earnings before interest, taxes, depreciation and amortization adjusted by the work flows done for own fixed assets

Well diversified geographically: presence in more than 70 countries

International activity represents 62,1% of total sales, with a 33,1% YoY growth (2007 figures)



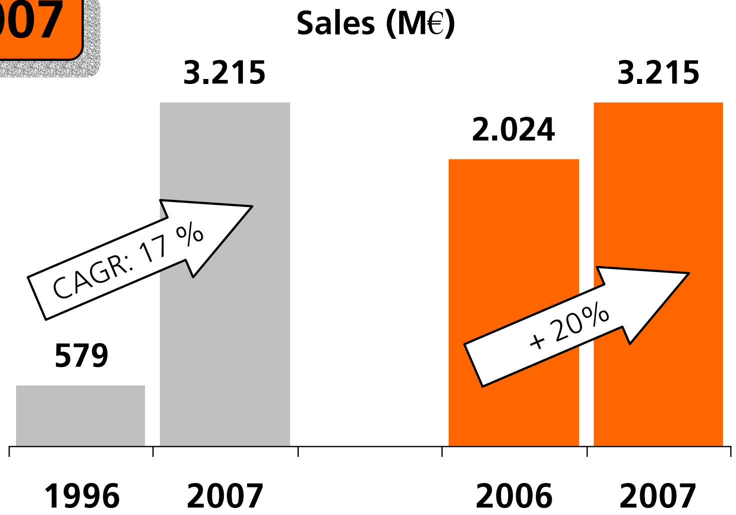
Total sales (% over total sales as of December 2007):
- **Spain: 1.217M€ (38%)**
- **Abroad: 1.997M€ (62%)**

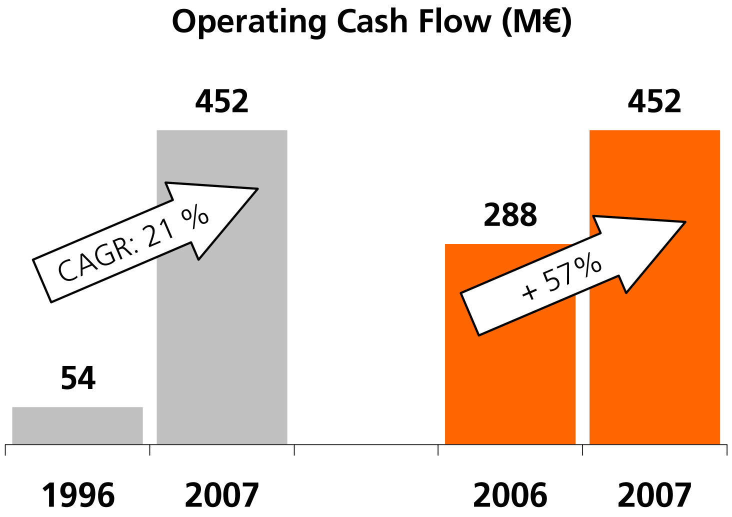
Sustained Two Digit Growth since IPO

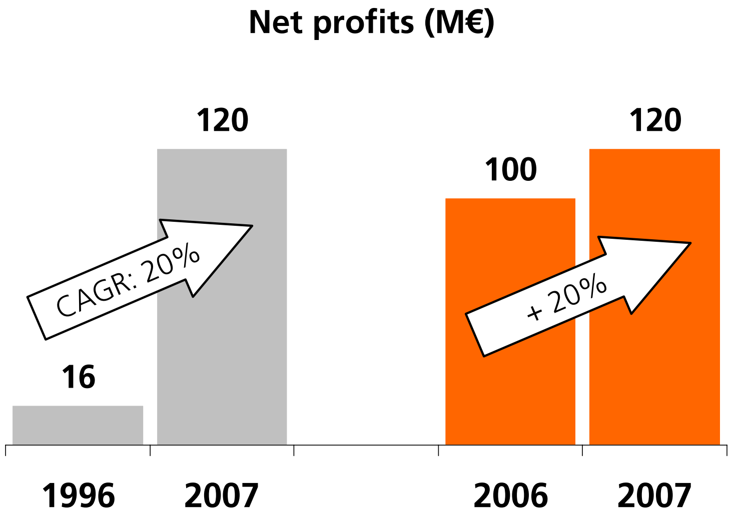
1996 - 2007

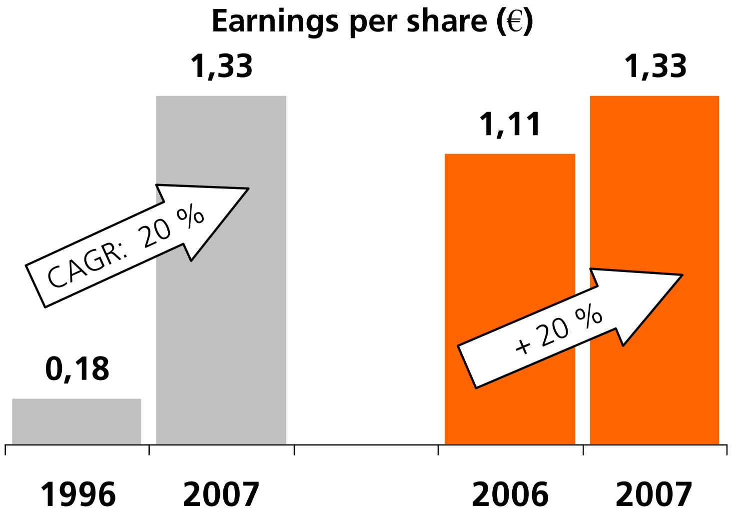
2006 - 2007

Well positioned to target 20% EPS growth:









CAGR: Compound Annual Growth Rate

"Sunny Days Ahead" because…

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Financial highlights

(in M€)	2004	2005	2006	2007	1H2008	CAGR% (04-07)
Sales	1.746	2.024	2.677	3.214	1.632	22,6%
Gross Operating Cash-flow*	180	216	288	452	313	35,9%
Net Income	52	66	100	120	71	32,1%
Total assets	2.491	3.323	5.427	8.110	8.316	48,2%
Investments	123	456	877	1.164	628	111,5%
Gross non-recourse debt	365	671	1.254	1.689	1.718	22,5%
Gross corporate debt (total - non recourse)	591	697	1.356	2.529	2.469	5,6%
Total gross debt	956	1.368	2.610	4.218	4.187	12,7%
Net debt ex non - recourse	28	-118	-154	234	695	102,9%
Net debt ex non - recourse (covenant)**	28	-82	-128	354	964	132,9%

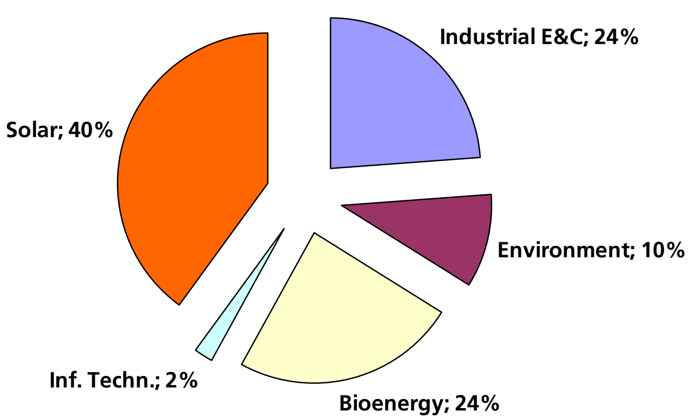
*Gross OP CF is earnings before interest, taxes, depreciation and amortization adjusted by the work flows done for own fixed assets

**Net debt ex non –recourse adjusted by restricted cash and other liabilities with financial cost

Abengoa's investment strategy is driven by funding, financial and strategic criteria:

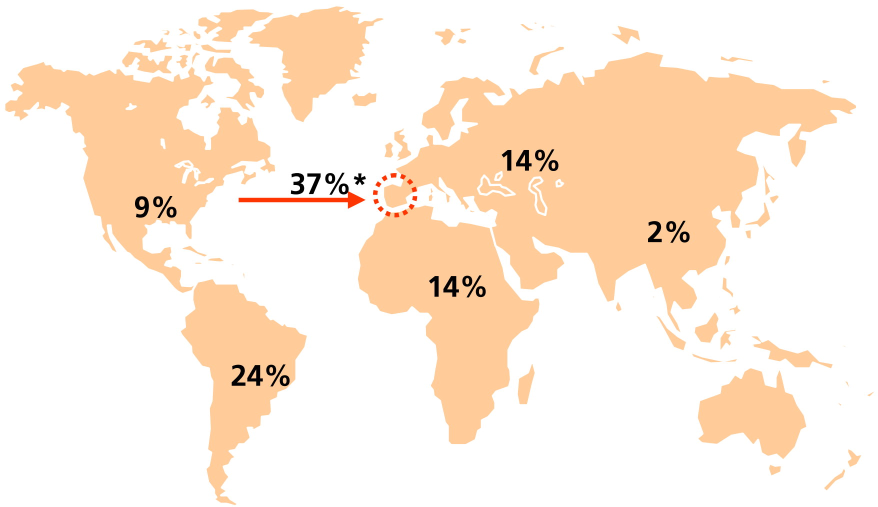
- **Funding:** Only projects with certain funding will be developed
- **Financial:** Return targets across the business are revised regularly
- **Strategic:** Biyearly update of strategic priorities across the business

Future Investments by Business Unit (2008-2010)



- Solar: thermosolar and PV
- Bioenergy: completion of current projects
- Environment: mainly desalination and waste management
- Industrial E&C: LatAm transmission lines

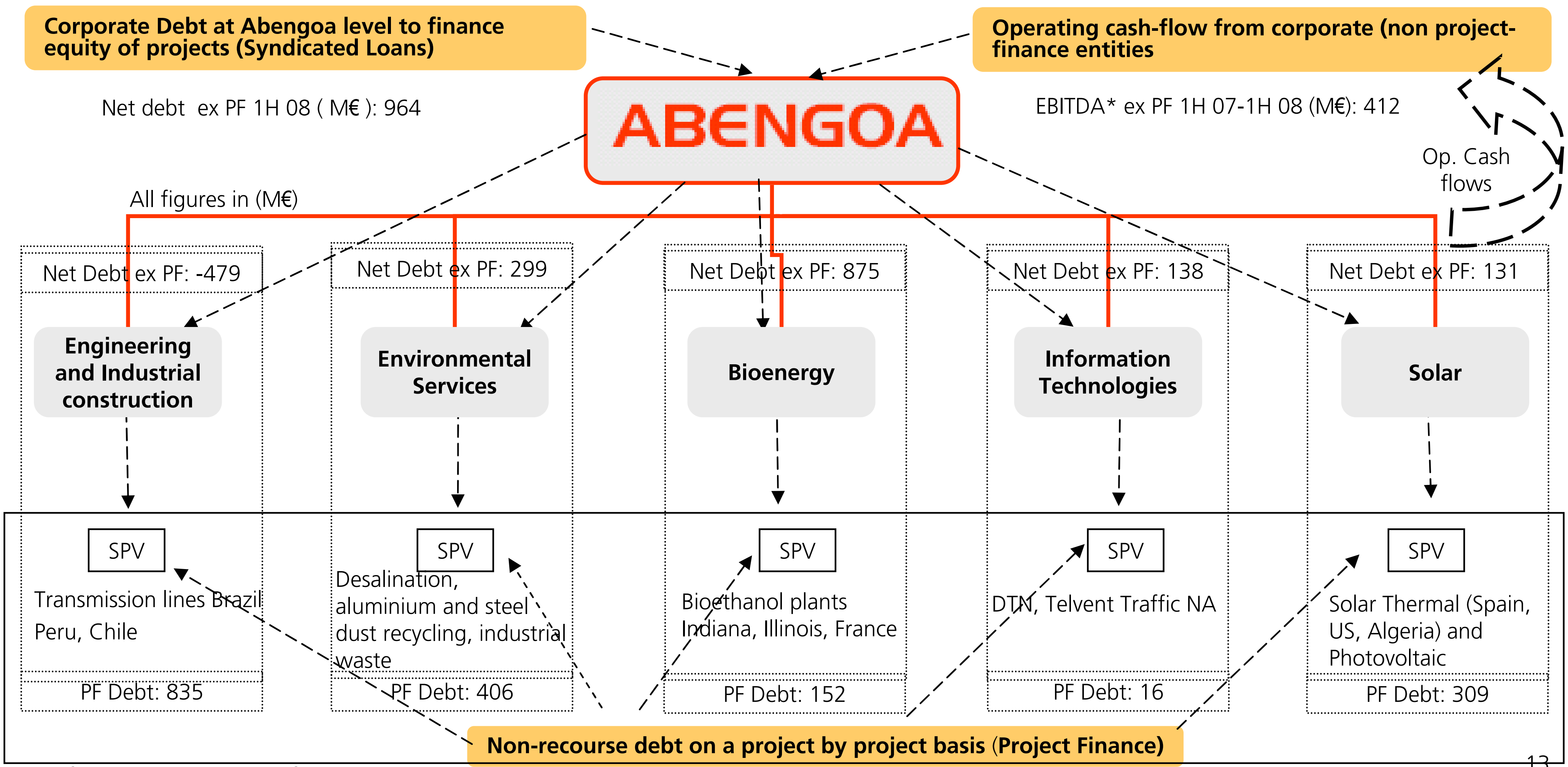
Future Investments by Geography



* 90% of total investments in Spain are in Solar projects

Abengoa Financing Strategy

- **Current financing model has served to finance growth in an ordered manner.**
- **Use of two sources of financing to ensure availability of sufficient funds to meet financial commitments:**
  - **Non-recourse debt (PF): used to finance significant investments. Capex commitments are subject to availability of long-term funding.**
  - **Corporate debt (ex PF): to finance the company's investments and general purpose requirements.**



*as defined in the syndicated facilities

Cash and Debt split per Division

Cash and debt distribution per division (1H08)

(M€)	Solar	Bio	Env. Serv.	Inf. Techn.	Eng. Constr.	Total
Gross corporate debt*	231	1.103	484	208	485	2.511
Gross non-recourse debt (PF)	309	152	406	16	835	1.718
Cash and equivalents**	100	228	185	70	964	1.547
Total net debt	440	1.027	705	154	356	2.682
Total net debt ex PF	131	875	299	138	-479	964

*Gross corporate debt adjusted by other liabilities with financial cost

** Cash and equivalents adjusted by restricted cash

Long Term Corporate Debt

- **Abengoa SA credit facilities:**
  - 3 X 600 M€ syndicated facilities due in 2011 and 2012
  - 150 M€ bilateral loan with ICO (Spanish Agency, guaranteed by the Kingdom of Spain) due in 2013-2017 (straight amortization) to finance foreign investment programs
  - 109 M€ bilateral loan with European Investment Bank due on 2014 to finance R&D&I
  - 176 M€ bilateral credit facilities
- **Abengoa can comfortably manage its Strategic Plan keeping its covenant ratio below 3x:**

Covenant: Net Debt ex PF / EBITDA ex PF*

Figures in M€	1H07	2007	1H08 (LTM)	2008 (E)	>2009
Net Debt ex PF	260	354	964		
EBITDA ex PF	244	303	412		
Covenant	3,50x	3,50x	3,25x	3,25x	3,00x
Actual	1,06x	1,17x	2,34x	<3,0x	<3,0x

*as defined in the syndicated credit facilities

- **What if…non-recourse debt was included in the calculation?**
  - Total Net Debt/ EBITDA may seem high: (3.372/491)** = 6,7x
  - However, adjusting for pre-operating net debt***, resulting ratio is 3x (still reasonable).

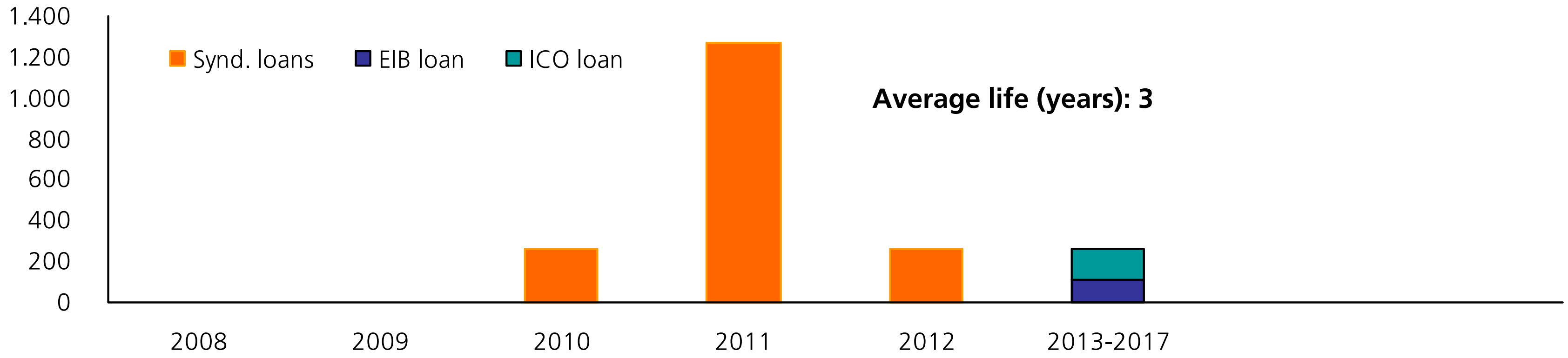
** Estimated as per year end 2008

***Total net debt drawn related to projects under construction

Long Term Corporate Debt

- No refinancing needs in 2008 and 2009
- 2010: 266M€ due of credit facilities

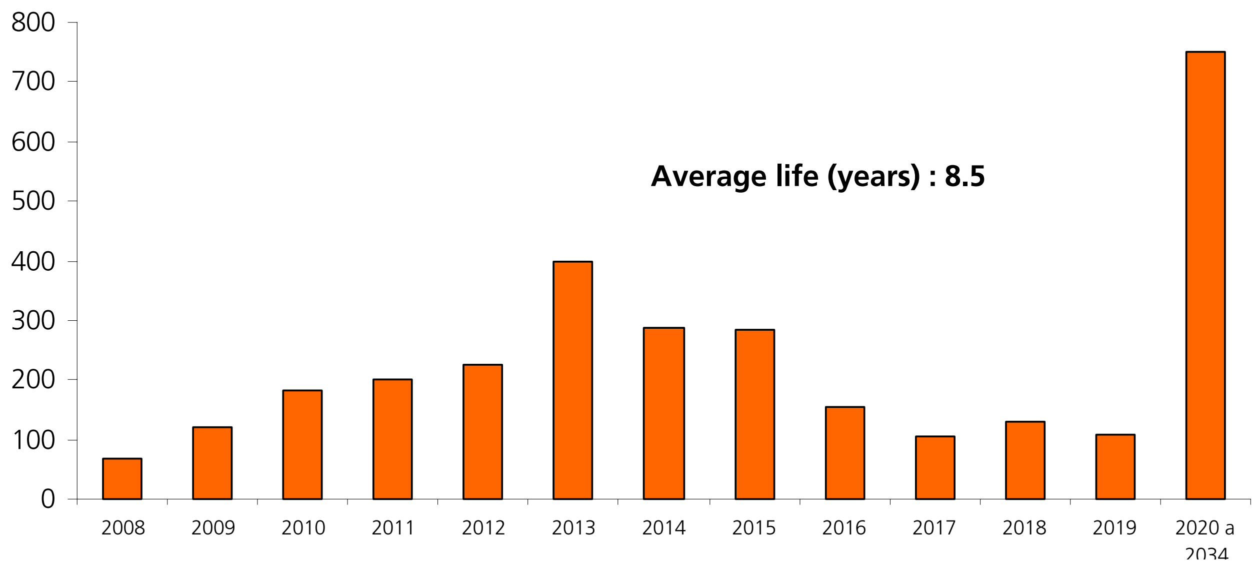
Expected Amortization Calendar



Non-recourse Debt

- Abengoa finances the construction of major investments ('integrated product') under a non-recourse financing scheme (or project finance):
  - Project-finance allows to ring-fence investments; debt is repaid based solely on project cash-flows.
  - Abengoa guarantees the completion of the construction phase, (sponsor's excellent track record).
- Long tenor suitable for long-term concession / commercial agreements (15-30 years)
- No refinancing risk exists for 71% of Total Net Debt
- Adequate repayment profile:
  - Repayment instalments follow project cash-flow generation profile.
  - Flexible repayment mechanisms (minimum and target amortisation, cash sweep…)
- Minimum risk in expected cash-flows:
  - Projects developed under a concession scheme or fixed-tariff take-or-pay agreement

Expected Amortization Calendar



Liquidity Management Position and ST Financial Policy

Abengoa maintains a strong liquidity position

Cash and equivalents	1H07	2007	1H08
(M€)	1.241	2.294	1.775

- **Efficient working capital management policy** that allows self-financing and increases growth capacity.
- **Active bank relationship management:**
  - More than 50 stable relationships with European and international banks with a committed multi-year program.
  - Low concentration (maximum exposure per bank and per product lower than 5%)
- **Treasury management:**
  - Centralised Treasury Center for all non Project Finance entities
  - 3 Corporate Treasury Centers: € (Seville), USD (US), BRL (Rio)
  - Liquidity invested in :
    - Treasury bonds and AA rated banks
  - Improves working capital and optimizes funding needs

Projects Timeline

Projects in execution

2008: Q1 08, Q2 08, Q3 08, Q4 08 — 2009: Q1 09, Q2 09, Q3 09, Q4 09 — 2010: Q1 10, Q2 10, Q3 10, Q4 10

Solar

PS 20	20 MW	Start-up **Q1 09**
Solnova 1	50 MW	Start-up **Q4 09**
Solnova 3	50 MW	Start-up **Q2 10**
Algeria(51%)	150 MW	Start-up **Q3 10**
Solnova 4	50 MW	Start-up **Q4 10**

Bioenergy

Ethanol France (64%)	Start-up **Q3 08**
Indiana & Illinois	Start-up **Q1 10**
Ethanol Rotterdam	Start-up **Q2 10**
Biodiesel San Roque	Start-up **Q1 09**

Desalination

Skikda (34%)	Start-up **Q4 08**
Chennai (25%)	Start-up **Q3 09**
Tlemcen (25%)	Start-up **Q4 10**
Tenés (51%)	Start-up **Q4 11**

Transmission

ATE III	In operation
ATE IV - VII	Start-up **Q1 09**
Amazonas (51%)	Start-up **Q4 11**
ATN (Peru)	Start-up **Q4 10**

Projects in execution

Projects Timeline

		Capex (All figures in M€)
Solar		**1.198**
PS 20	**20 MW**	Financed
Solnova 1	**50 MW**	Financed
Solnova 3	**50 MW**	Financed
Algeria(51%)	**150 MW**	Financed
Solnova 4	**50 MW**	Financed
Bioenergy		**1.167**
Ethanol France (64%)		Financed
Indiana & Illinois		Financed
Ethanol Rotterdam		Internal
Biodiesel San Roque		Internal
Desalination		**447**
Skikda (34%)		Financed
Chennai (25%)		Financed
Tlemcen (51%)		Financed
Tenés (51%)		Committed
Transmission		**1.130**
ATE III		Financed
ATE IV - VII		Financed (bridge) + committed BNDES
Amazonas (51%)		In processs: Bridge + BNDES
ATN (Peru)		Mandated
Total capex		**3.943**

- **Project pipeline execution ensured (2008-2010):**
  - 78% of non-recourse financing signed
    - remaining 22% (Tenés, Amazonas, ATN), in closing process with local state banks in Brazil and Algeria.
  - Equity injections would be covered with existing cash balances, without considering cash-flow generation :
    - equity portion of projects (2008-2010):**1.318M€**
    - cash and marketable securities* (1H08): **1.547M€**
- **Cash-flow generation:**
  - 3 year EBITDA ex PF = 3* 412= 1.236M€ excess cash available for further expansion/ debt repayment.

*excluding restricted cash

Abengoa follows an established policy to mitigate market risks:

- **Interest rates:**
  - Corporate Debt:
    - Minimum 80% through caps and swaps (average guaranteed rates between 4.5% and 5.1% as per 1H08).
  - Project finance:
    - Hedged between 75% and 100% of the notional amount for the whole life of debt (exception made of BNDES debt).

- **FX risk, both for commercial and financing operations.** Instruments used:
  - Forwards and deposits for commercial flows
  - Options for debt currency exposure

- **Commodity price risk:**
  - Ethanol and corn: Lock-in margin (sales not hedged unless supply is simultaneously covered)
  - Aluminium: 85% hedged between 1 and 1,5 years
  - Zinc: 85% hedged, tenor approximately 3 years
  - For all cases, no speculative hedges

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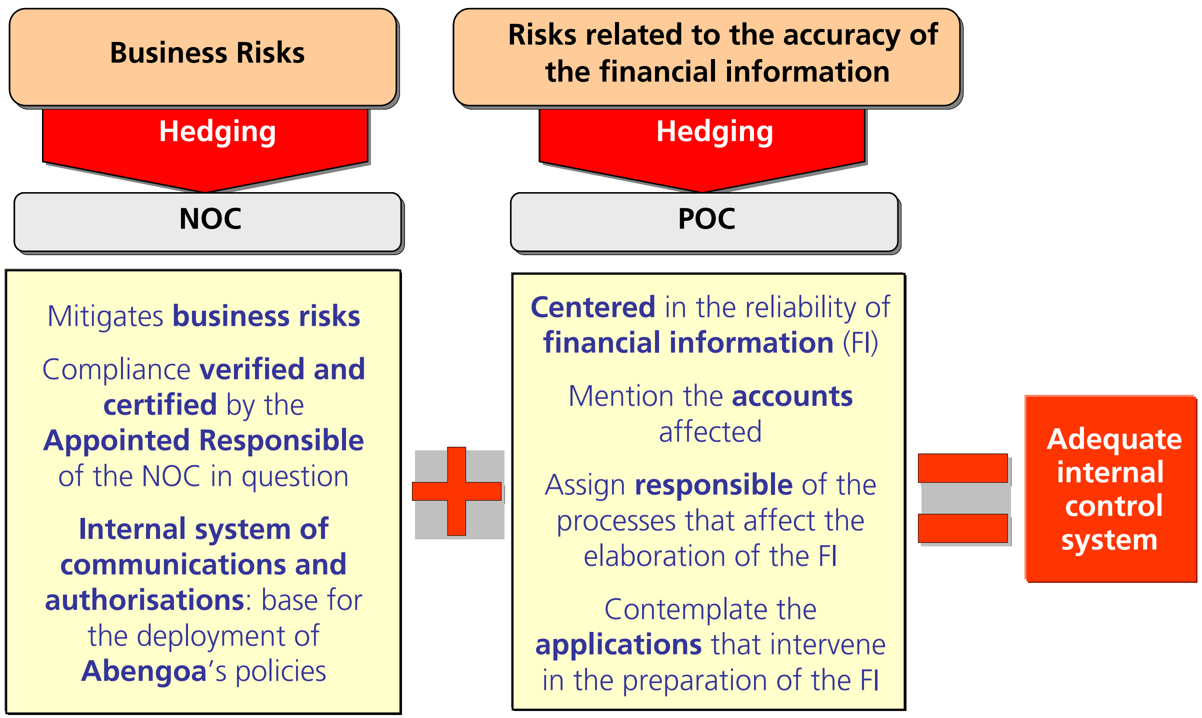
- **SOX compliant :**
  - Compliance according to PCAOB received by auditors, in order to ensure all pertinent financial information is reliable and known to the management.
  - First European entity to undertake SOX Audit voluntarily following our commitment to transparency.
- **NOC & POC:**
  - NOC (‘’normas de obligado cumplimiento’’): business management handbook :
    - to fix guidelines in the main areas of the company and facilitate knowledge sharing
    - focus on cash generation to minimise risks
  - POC (‘procedimientos de obligado cumplimiento’’)

Current Model (Management Shared Systems)



Internal Control

- NOC related to Structured Finance covers, among others, the procedure to accomplish a project finance and sets minimal return measures to be met:
  - -Business and Financial Committees involved since the beginning. Electronic approval system.
  - -Project IRR always higher than financing cost
  - -Shareholders target IRR equal or higher than 15%
  - -Firm financial offer mandatory prior to bid/ licitation presentation

Phase I: Commercial Action and Technical Feasibility

Integrated Product Vs. **Conventional Product**

Phase VII: Operation

Phase II: Economic Feasibility

Development and approval of an Integrated Product

Phase VI: Construction

Phase III: Licitation or Bid presentation

Phase IV: Bid Award (Due Diligence and Financial work)

Phase V: Financial Closing

Shared savings or Financing Commitments

Recourse

Non-recourse

Financial Investments

Profitability measures

- -Net Present Value
- -Project IRR
- -Shareholder IRR
- -Financiers IRR
- -Pay-back period
- -Project Material Investment
- -Abengoa's Investment project
- -Abengoa Profitability Ratio