

2008 Earnings Presentation

24 February, 2008



ABENGOA

Innovative Solutions for
Sustainability

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- Abengoa does not intend, and does not assume any obligations, to update these forward-looking statements.

Agenda

1. 2008 Highlights 
2. 2008 Detailed Financial Analysis
3. Abengoa: Our Business Plan
4. Q&A

2008: Profitable Growth continues

1 Growth in Sales, Operating cash-flow, Ebitda and Net Profit

2 Well balanced and diversified portfolio...

...and well diversified by geography

3 Project pipeline execution ensured,...

...no significant refinancing needs until 2011

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2008: Profitable Growth continues

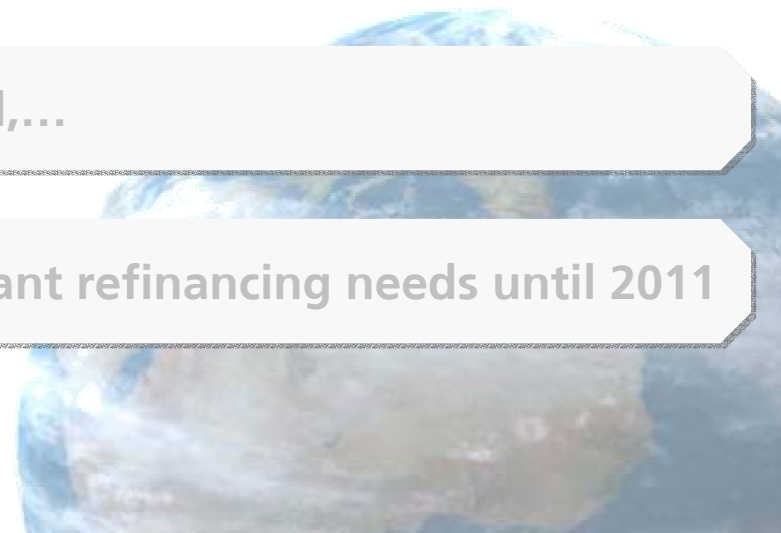
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Profitable growth in P&L Main Figures

(€ in Million)

	<u>2008</u>	<u>YoY %</u>	<u>2007</u>
□ Sales	3,115	+ 17.3	2,656
Sales pro forma (*)	3,769	+ 17.3	3,214
□ Operating Cash Flow	545	+ 39.3	392
Operating Cash Flow pro forma (*)	627	+ 38.7	452
□ Ebitda	459	+ 42.2	323
Ebitda pro forma (*)	541	+ 41.0	384
□ Net Income	140	+ 16.6	120
<hr/>			
□ Ebitda margin	14.7%		12.2%
Ebitda margin pro forma (*)	14.4%		11.9%
□ EPS	1.55 €	+ 16.6	1.33 €

(*) In accordance with the terms and requirements of IFRS 5, Telvent is considered as a discontinued activity. Pro forma figures show Telvent as a continuing activity.

Balance Sheet

(€ in Million)

	<u>2008</u>	<u>2007</u>
☐ Investments	1,746	1,301
☐ Net Debt ex Non-Recourse	486	234
Net Debt pro forma ^(*)		285
☐ Non-Recourse Debt	2,133	1,689
Non-Recourse Debt pro forma ^(*)		1,672
☐ Total Net Debt	2,619	1,923
Total Net Debt pro forma ^(*)		1,957

^(*) In accordance with the terms and requirements of IFRS 5, Telvent is considered in 2008 figures as a discontinued activity. 2007 pro forma figures show Telvent as a discontinued activity for making consistent comparisons with 2008.

P&L Account (€ in Million)

	<u>2008</u>	<u>2007</u>	<u>Var (%)</u>
Revenue	3,114.5	2,655.8	+ 17.3%
Operating Cash Flow ^(*)	545.3	391.5	+ 39.3%
Ebitda	459.3	322.9	+ 42.2%
Depreciation and amortization expense	(163.2)	(89.6)	+ 82.2%
Net operating profit	296.1	233.4	+ 26.9%
Interest expense	(246.6)	(162.4)	
Other financial results (net)	(47.2)	34.7	
Net financial loss	(293.9)	(127.7)	
Participation in associated companies	9.4	4.2	
Profit before income tax	11.7	109.9	- 89.4%
Income tax expense	115.2	(10.1)	n.a.
Profit for the year from continuing operations	126.9	99.9	+ 27.0%
Profit for the year from discontinued operations	38.9	36.0	+ 8.3%
Profit attributable to minority interest	(25.4)	(15.4)	+ 64.6%
Profit for the year attributable to the parent company	140.4	120.4	+ 16.6%
Number of ordinary shares in circulation (thousands)	90,470	90,470	
Earnings per share (€)	1.55 €	1.33 €	+ 16.6%

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

In order to understand pretax profit evolution, the following **cash**/non-cash items must be considered:

(€ in Million)	<u>2008</u>	<u>2007</u>	<u>Var (%)</u>	
Profit before income tax	11.7	109.9	- 89.4%	Cash effect
Non-cash provision for risks	(58.1)	(48.7)		non-cash
Stock compensation plans	(16.6)	(9.7)		non-cash
R&D effort	(44.5)	(21.0)		cash
BRL/USD Fx option profit	56.3	-		cash
Non-cash Fx provision (USD debt in Brazil)	(90.0)	18.2		non-cash
Non-cash provision for derivatives	(64.9)	(3.1)		non-cash
Other Income (DAEX)	68.4	-		non-cash
Profit from discontinued activities	46.5	40.2		non-cash
Contribution from new projects	(45.3)	(13.6)		cash/non-cash
Total Adjustments	(148.2)	(37.7)		
Pro forma profit before income tax	159.9	147.6	+ 8.3%	

Pro forma Profit before tax reached 159.9 M€, which means an 8.3% increase over the last year figure (147.6 M€).

- Intragroup activities fully eliminated at Consolidated P&L...
...but relevant for cash-flow generation perspective.
- Eliminated Net Profit is recovered over the life of the project as a lower depreciation charge.
- Elimination of 689.7 M€ of sales and 33.8 M€ of Ebitda in Engineering for works done to Solar and Bioenergy

€	Solar ⁽¹⁾	Bioenergy ⁽²⁾	Environm. Services	Inform. Technol.	Industrial E&C	Aggregated	Eliminations ⁽³⁾	Continued Activities	Interrupted Activities	Consolidated
Consolidated Sales	65.0	830.1	873.4	696.9	1,993.5	4,458.9	(689.7)	3,769.2	(654.7)	3,114.5
YoY (%)	267%	35%	13%	17%	29%	26%		17%		17%
Operating Cash Flow	40.6	111.6	157.8	81.0	236.3	627.2		627.2	(81.9)	627.2
YoY (%)	326%	40%	27%	45%	29%	39%		39%	35%	39%
Op. CF / Cons. Sales	62%	13%	18%	12%	12%	14%		17%		20%
Ebitda	9.2	90.7	157.8	81.0	236.3	575.0	(33.8)	541.2	(81.9)	459.3
YoY (%)	-9%	67%	27%	45%	29%	35%		41%		42%
Ebitda / Cons. Sales	14%	11%	18%	12%	12%	13%		14%		15%

⁽¹⁾ Solar Sales (80.8 M€) and Ebitda (31.4 M€) eliminated within the segment and correspond to development costs, design and technology services.

⁽²⁾ Bioenergy Sales (21.8 M€) and Ebitda (20.9 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

Balance Sheet (€ in Million)

	2008	2007	Var (%)
Intangible assets	1,056.9	1,227.0	- 13.9%
Fixed assets in projects	2,249.8	1,638.1	+ 37.3%
Equity	627.5	797.5	- 21.3%
Non-recourse financing	2,132.7	1,689.2	+ 26.3%
Total Assets = Total Equity & Liabilities	9,794.6	8,110.2	+ 20.8%

Net debt ex non-recourse	2008	2007	Var (%)
Long-term debt with credit institutions	2,262.9	2,346.3	- 3.6%
Short-term debt with credit institutions	218.9	182.4	+ 20.1%
Financial investments	(661.7)	(596.4)	+ 10.9%
Treasury	(1,333.7)	(1,697.9)	- 21.4%
Total net debt ex non-recourse	486.4	234.3	+ 107.6%
Pro forma total net debt ex non-recourse (*)		285.2	+ 70.6%

Project Financing	2008	2007	Var (%)
Long-term non-recourse financing	1,883.4	1,186.0	+ 58.8%
Short-term non-recourse financing	249.3	503.2	- 50.5%
Total Project Financing	2,132.7	1,689.2	+ 26.3%
Pro forma total Project Financing (*)		1,672.2	+ 27.5%
Total Net Debt	2,619.1	1,923.5	+ 36.2%
Pro forma total net debt (*)		1,957.3	+ 33.8%

In accordance with the terms and requirements of IFRS 5, Telvent is considered in 2008 figures as a discontinued activity. 2007 pro forma figures show Telvent as a discontinued activity for making consistent comparisons with 2008.

Cash-Flow Statement (€ in Million)

	2008	2007	Var (%)
Cash generated by operations	229.9	313.1	
Variations in working capital	475.2	148.1	
A. Net cash flow from operating activities	705.1	461.2	+ 52.9%
Investments	(1,745.8)	(1,300.6)	
Disinvestments	167.8	136.2	
B. Net cash flow from investment activities	(1,577.9)	(1,164.4)	+ 35.5%
C. Net cash flow from finance activities	547.7	1,373.1	- 60.1%
Net increase/decrease of Cash and equivalents	(325.2)	669.9	- 148.5%
Cash or equivalent at the beginning of the year	1,697.9	1,028.0	
Cash or equivalent (discontinued activities)	(39.0)		
Cash in Banks at the close of the year	1,333.7	1,697.9	- 21.4%

- Active and disciplined working capital management allows continuous improvement
- Well defined investment plan funded from operating activities new project debt and existing cash balances.

2008: Profitable Growth continues

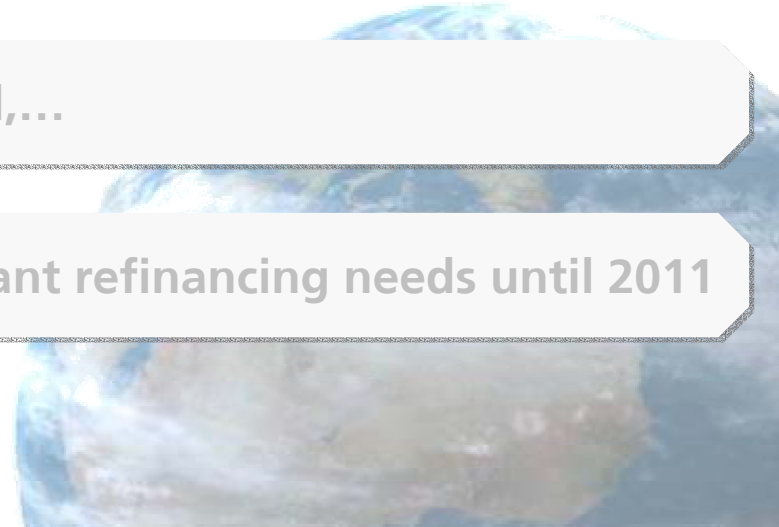
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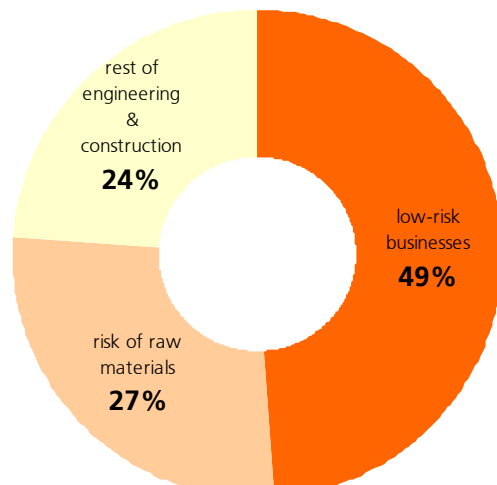
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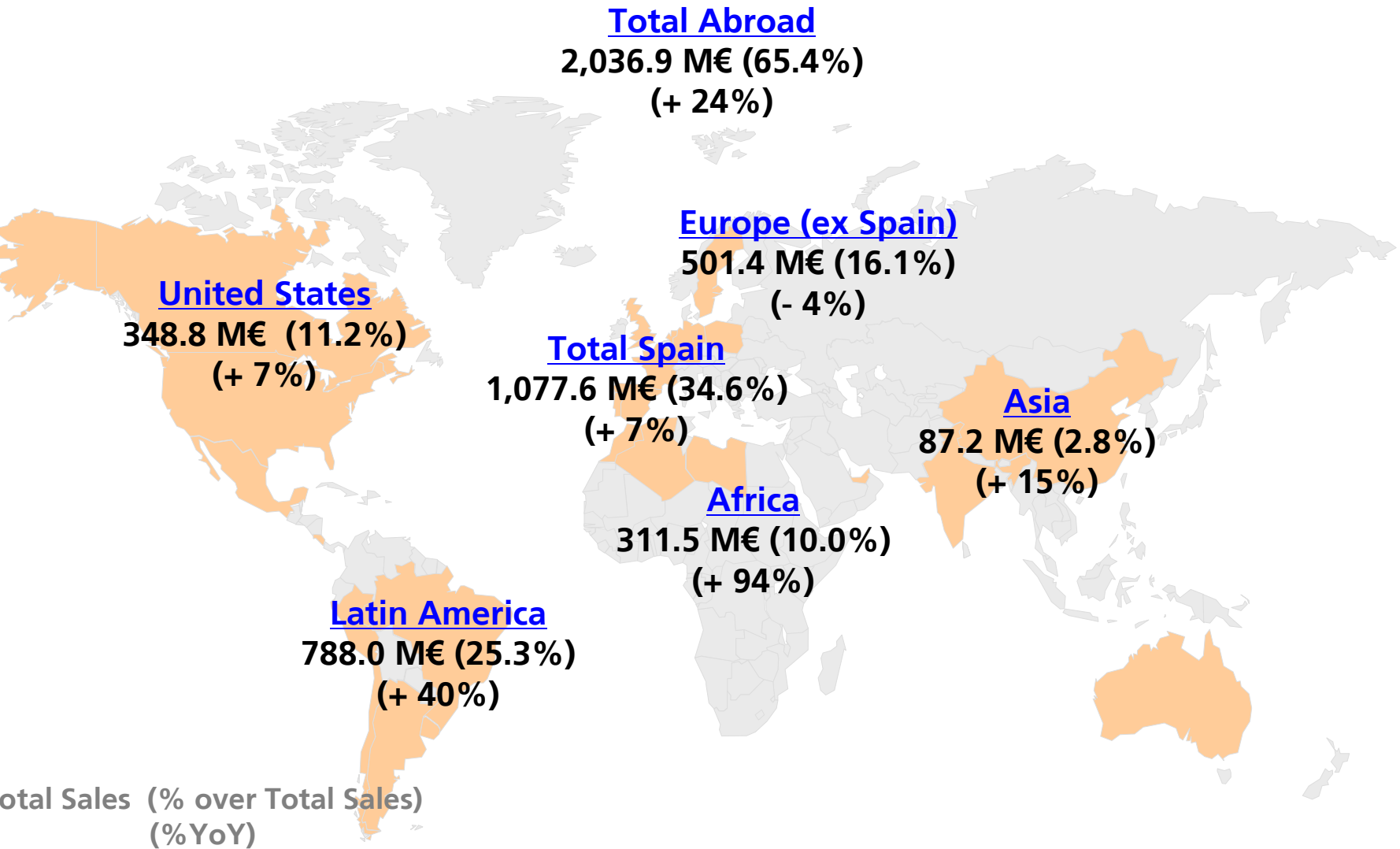


Abengoa maintains its profile of growth and cash flow generation with a low level of volatility:

- ❑ A highly diversified portfolio enables us to maintain a profile of growth and cash flow generation with a low level of volatility:
 - ✓ 49% of gross cash flow coming from recurrent, low-risk businesses: solar, water & desalination plants and electrical assets; no demand-risk through thirty years visibility.
 - ✓ 27% from businesses involving risk in terms of the price of raw materials: bioenergy and some metal recycling businesses.
 - ✓ 24% from rest of engineering and construction businesses.



International Activity represents 65.4% of total Sales



A global organization with more than 21,000 employees over 70 countries

2008: Profitable Growth continues

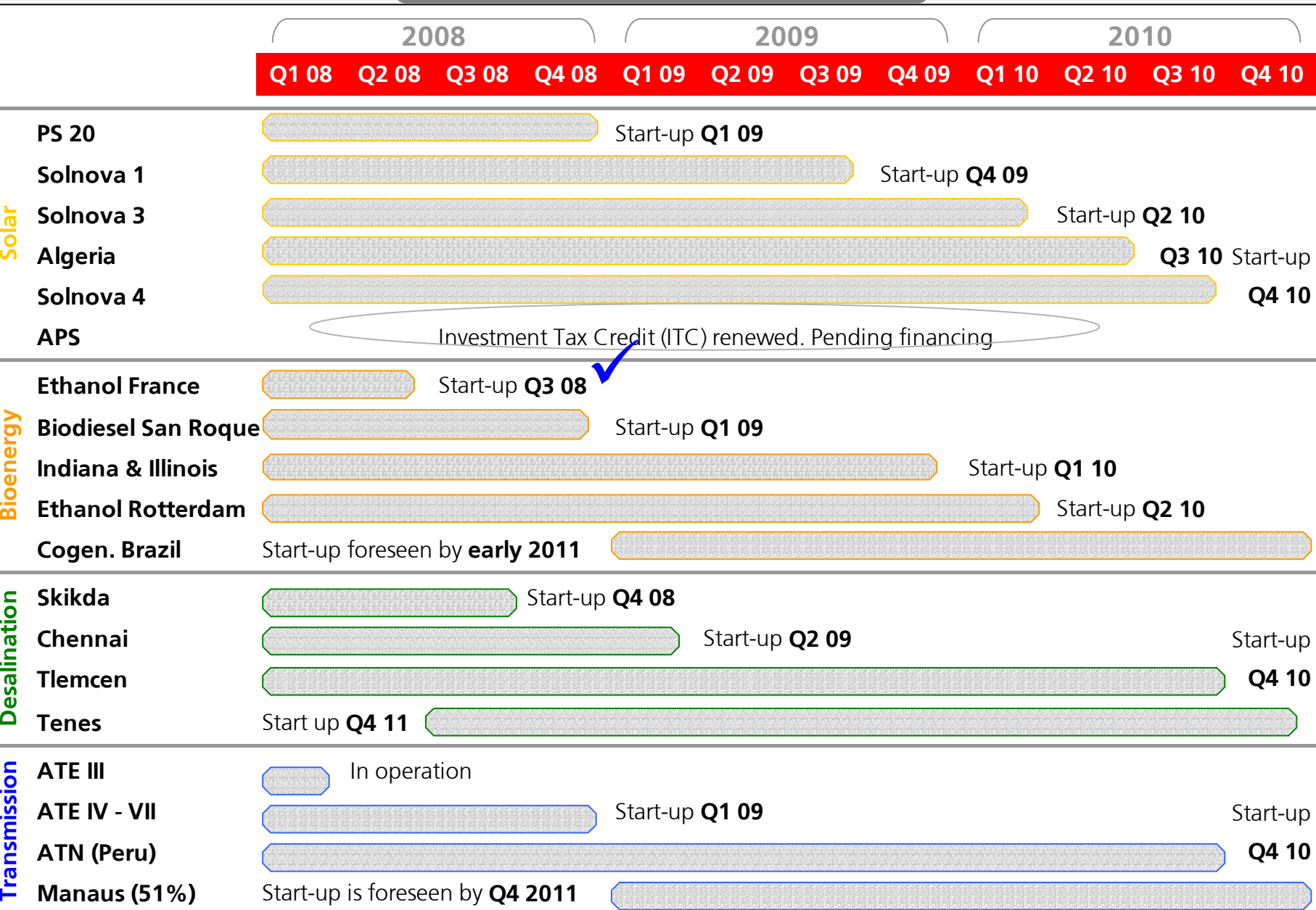
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		Capex (All figures in M€)
Solar		1.198
PS 20	20 MW	Financed
Solnova 1	50 MW	Financed
Solnova 3	50 MW	Financed
Algeria(51%)	150 MW	Financed
Solnova 4	50 MW	Financed
Bioenergy		1.167
Ethanol France (64%)		Financed
Indiana & Illinois		Financed
Ethanol Rotterdam		Internal
Biodiesel San Roque		Internal
Cogen Brazil (BNDES)		
Desalination		447
Skikda (34%)		Financed
Chennai (25%)		Financed
Tlemcen (51%)		Financed
Tenes (51%)		Committed ✓ Signed Jan '09
Transmission		1.130
ATE III		Financed
ATE IV - VII		Financed (bridge) + committed BNDES ✓
Manaus (51%)		In process: Bridge + BNDES ✓
ATN (Peru)		Mandated
Total capex		3.942

Project pipeline execution ensured (2008-2010):

- pending BNDES approval for Cogeneration.
- pending BNDES approval for Transmission (ATEIV and Manaus) with Bridge financing in place.
- ATN (Transmission) with commercial banks in Perú.

Financial Priorities for 2009

- ❑ **Protect liquidity in a very tough financial environment:**
 - ❑ **Reduce to minimum non-committed/non-funded capex**
 - ❑ **Cost reduction plan in place (general expenses, etc.)**
 - ❑ **Analyze potential partial divestments and partnerships**
- ❑ **Seek growth without new capital**
- ❑ **Profit from our leading market position to continue raising non-recourse Debt in a selective manner:**
 - ❑ **Transmission in Brazil**
 - ❑ **Solar in Spain**
- ❑ **New funding sources from "Green" stimulus package: Solar and 2G bioethanol.**
- ❑ **Extend, whenever possible, Corporate Debt maturities.**

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Abengoa: Our Business Plan



Solar



Bioenergy



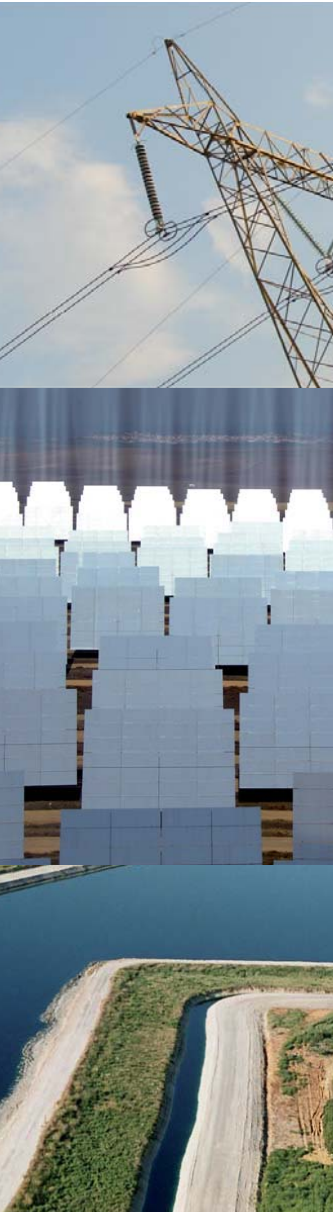
**Environment
(Water, Recycling)**

**Industrial Engineering and Construction
including concessions (transmission)**

Estimated percentage of Gross Cash Flow ^[1]	FY 2008	Mid Term
➤ Solar	7%	15%
➤ Bioenergy	21%	30%
➤ Environmental	29%	20%
➤ Industrial Engineering	43%	35%
❑ Transmission Concessions	24%	20%
❑ Projects	19%	15%
Total	100%	100%

[1] Gross Cash Flows: Earnings before interest, tax, depreciation and amortization, adjusted by the works flows done for own fixed assets.

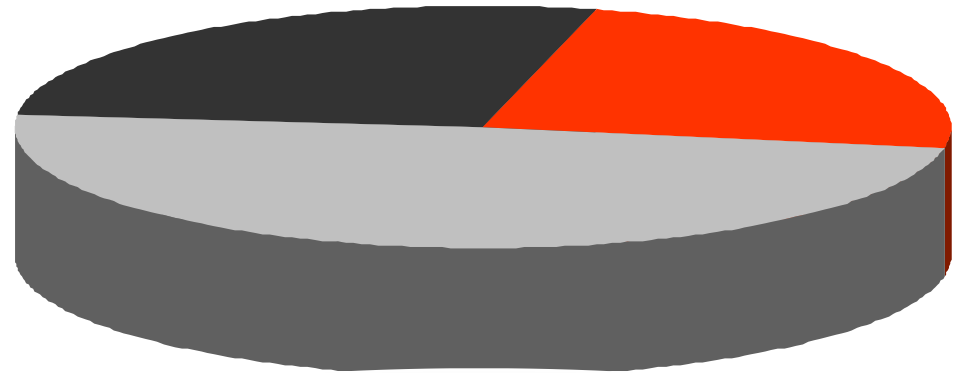
Estimated percentage of Revenues	FY 2008	Mid Term
➤ Spain	35%	25%
➤ Rest of Europe	16%	20%
➤ U.S.A.	11%	30%
➤ Latin America	25%	15%
➤ Africa and Asia	13%	10%
Total	100%	100%



Gross Cash Flows^[1] 2008

■ Commodity risk; 27%

■ Construction projects; 24%



■ Concessions and Recurrent
Businesses; 49%

[1] Gross Cash Flows: Earnings before interest, tax, depreciation and amortization, adjusted by the works flows done for own fixed assets.

- 1.- High growth markets supported by clear drivers and strong regulation
- 2.- Leading global position in our key markets with clear competitive advantages
- 3.- Strong growth through projects already financed and under execution; strong projects pipeline to be executed when fully financed



Solar

- **Next big thing in renewables**
- **Regulation in place in many geographies**
- **Costs decreasing steadily**

Bioenergy

- **Strong demand for clean and local sources of fuel**
- **Strong regulatory support in key markets**
- **2nd generation**

Water

- **Need for clean water in many geographies**
- **Costs decreasing as technology improves**

Recycling

- **More demanding regulation in most geographies**

**Industrial
engineering and
construction**

- **Strong pipeline (internal and external)**
- **Need to build power generation and transmission globally**

E.U.

- **European directive approved by Parliament (2020 20%)**
- **Feed-in tariffs in many European markets for PV and CSP**

U.S.A.

- **RPS in most states. Potential FRS in 2009**
- **ITC until 2016**

Other

- **Initiatives in several markets**
- **Feed-in tariff in some geographies**

Solar

- Only company building with the three key CSP technologies (trough, tower, hybrid)
- Leader in R&D for second generation technologies

Bioenergy

- Only company with leading position in terms of volume, commercial reach and operational expertise in three key geographies (U.S.A., Brazil and Europe)
- Leader in second generation R&D (cellulosic ethanol, algae)

Water

- One of the five global leaders in desalination

Recycling

- Leader in Europe in zinc and aluminum recycling

**Industrial
engineering and
construction**

- Ranked by ENR as the second largest international power contractor
- One of the largest transmission operators in Latin America



▪ **Cenit, Spain**

▪ **Five DoE projects, U.S.A.**





▪ Cenit, Spain

▪ DoE project, U.S.A.





- Own construction and operational capabilities (solar, bioenergy, transmission and desalination)




	Operation	Construction	Development
➤ Solar	23 MW	170 MW + 150 MW hybrid	900 MW
➤ Bioenergy	1,600 ML/year	1,050 ML/year	800 ML/year
➤ Water (desalination)	550 m ³ /day	650 m ³ /day	100 m ³ /day
➤ Transmission lines	4,450 km	1,000 km	3,050 km

➤ **Priority today: cash**

➤ **Start projects only when fully financed**

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