

ABENGOA

Innovative Solutions for Sustainability

Credit Update



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

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



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



With information technologies ... we manage business and operational processes in a secure and efficient way



With engineering ... we build and operate conventional and renewable energy power 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



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Business description

- Abengoa is a leading global technology company in energy and environment, and a large operator of power transmission, water concessions, and renewable energy - solar and biofuels – assets
- Abengoa develops its own technology in the fields of solar power, biofuels and water
- Abengoa companies provide “turnkey” engineering projects and IT services to the energy and environment sectors
- Founded in 1941, Abengoa has been active internationally for more than 40 years, and is currently present in over 70 countries around the world, with over 22,000 employees

	2008*	H1 2009
Sales	3,769 M€ (+17.3%)	1,814 M€ (+11.2%)
EBITDA	541 M€ (14.3% margin)	314.5 M€ (17.3% margin)

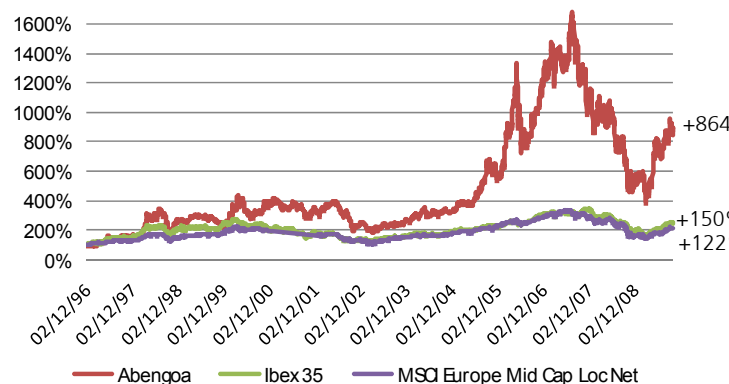
Strong Share Performance

Exchanges: Madrid and Barcelona
Ticker: ABG
IPO date: 29/11/96
IPO price: 2.13 €
Current price: 20.54€
Market cap: 1,858M€

Stock evolution: +864% since IPO
Ibex 35 evolution: +150 %

Shareholders: 56 % Founders
 5 % Management
 39% Free Float

Member of Ibex-35



From global trends...

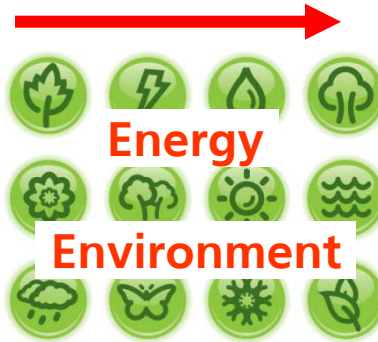
- Increased Energy Demand
 - Demand expected to increase between 40% and 150% by 2050⁽¹⁾
 - Oil scarcity (prices up)
- Population steady growth
- Water scarcity in quantity and quality
- Global warming and climate change
- Environmental consciousness

... to concrete business opportunities

- **Solar power global installed capacity will be growing at 13% per year from 2010 to 2050 reaching 3,700 Mw**
(Greenpeace, "EREC Energy Revolution")
- **Biofuels forecast to grow at 7% per year until 2030**
(Source: World Energy Outlook)
- **More restricted environmental regulation**
- **Desalination market growing at 7% per year up to 2015**
(Source: DB Wangnick & GWI Mercados Desalación 2005-2015)
- **\$880bn electric Transmission and Distribution investment spent in the US between now and 2030**
(Source: the Brattle Group)
- **Smart Grid Technologies Market will grow by 21% annually from \$6bn in 2009 to \$17bn in 2014**
(Source: SBI Research)

1 Unique Engineering capabilities

...Allows to build



2 Asset owned operations

- Solar CSP (1)
- Power Transmission lines
- Desalination
- Biofuels

...creates innovative solutions

...generates know-how from the ground up







3 Technology Development

- 84 M€ invested in R&D in 2008
- >900 People in R&D+i
- Own CSP Solar & 2nd generation bioethanol Technology
- New R&D lines in hydrogen, energy efficiency and other incipient renewable energies



Global Footprint

EPC ⁽¹⁾ of...	For third parties	For own assets	Cumulated experience (in the past 5 years)	
Renewable Energy	▪ CSP Solar plants	✓	▪ 31 Mw built; 150 Mw under construction	
	▪ ISCC⁽²⁾ Solar plants	✓	✓	▪ 150 Mw under construction
	▪ Biomass plants - Ethanol - Power	✓	✓	▪ 1.35 bnl capacity built (6 plants), and 1.15 bnl under construction (3 plants) ▪ 48 Mw of power biomass plants built, 2 x 70 Mw plants under construction
Power	▪ Combined cycles & cogeneration plants	✓	✓	▪ > 1,150 Mw in combined cycles / cogeneration built in the last 5 years; 300 Mw cogeneration plant awarded
	▪ Transmission Lines	✓	✓	▪ 13,300 km built, or under construction ▪ 1st T&D international contractor ⁽³⁾
	▪ Desalination plants	✓	✓	▪ 460 k m ³ /day desalination capacity built (5 plants) and 957 k m ³ /day capacity under construction (6 plants)
	▪ IT systems	✓		▪ More than 2,000 new projects every year ▪ Very active in the "smart grid" development

Power	Remarks	Locations	Assets
Renewable Energy Solar 	<ul style="list-style-type: none"> First two commercial CSP towers Largest CSP plant in the world under development (280 Mw, Solana) First hybrid gas-solar plant (ISCC) 	<ul style="list-style-type: none"> Spain US Rest of World Algeria 	<ul style="list-style-type: none"> 41 Mw in operation 150 Mw under construction Hundreds in development 150 Mw under construction
Bioethanol 	<ul style="list-style-type: none"> Bioethanol: Presence in the three main markets 	<ul style="list-style-type: none"> Europe, US, Brazil 	<ul style="list-style-type: none"> 3.05 bnl (15 plants) 320 Gwh from cogeneration
Cogeneration Plants 	<ul style="list-style-type: none"> 300 Mw cogeneration plant awarded by Pemex as concession 	<ul style="list-style-type: none"> Spain Mexico 	<ul style="list-style-type: none"> 156 Mw in operation 300 Mw awarded
Transmission Lines 	<ul style="list-style-type: none"> Large concession bids for Power Transmission lines in LatAm Regulated business 	<ul style="list-style-type: none"> Brazil, Chile, Peru 	<ul style="list-style-type: none"> 4,040 km in operation; 1,130 km construction + 4,450 km awarded
Desalination Plants 	<ul style="list-style-type: none"> 6th desalination company in the world (Water Intelligence magazine) 	<ul style="list-style-type: none"> Spain, Algeria, India, China 	<ul style="list-style-type: none"> 375 k m3/day in operation 500 k m3/day in construction
Metal Recycling Plants 	<ul style="list-style-type: none"> A European leader in steel dust recycling A European leader in salt slag recycling 	<ul style="list-style-type: none"> Spain, Ger, Fr, Sweden, UK 	<ul style="list-style-type: none"> 645 k tonnes of steel dust (6 plants) 230 k tonnes of salt slags (5 plants)

Technology development as growth generator in the field of sustainability in Energy and Environment

- 84 M€ invested in R&D in 2008, ca. 2.5% of sales
- >900 people in R&D+i
- >80 R&D projects initiated every year
- Collaborations with reputed research centers such as NREL (US), DLR (Germany) and CIEMAT (Spain)
- Grants received, mainly from US Department of Energy and European Commission



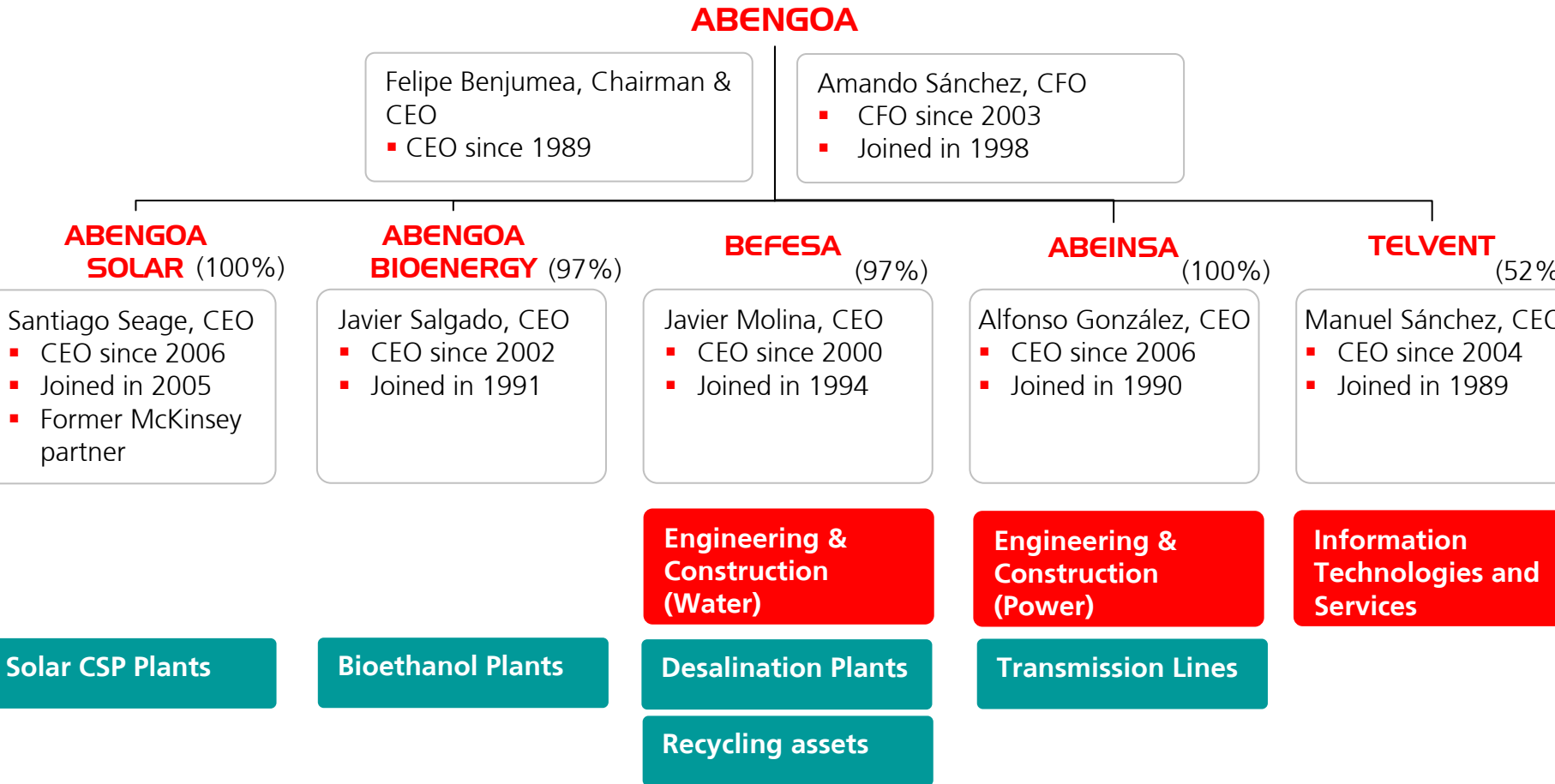
- World pioneer in CSP solar technologies

- World leader in development of 2nd generation (biomass) bioethanol

- Advances in hydrogen, energy efficiency and other incipient renewable energies

- 7th Spanish company by R&D investment, according to the European Commission ⁽¹⁾

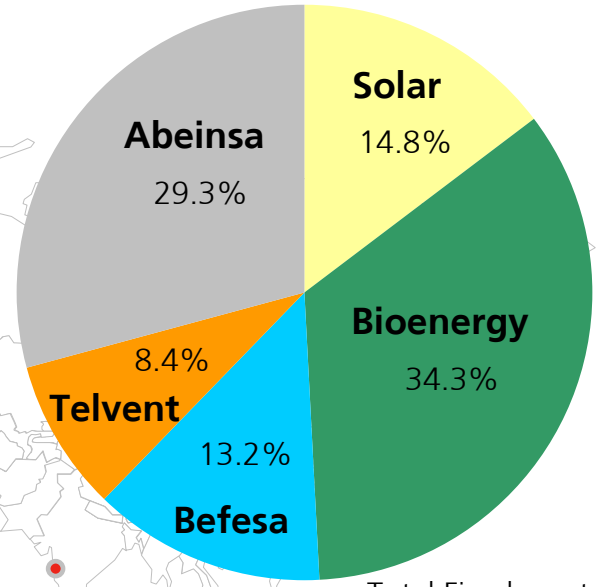
(1) 2008 Report



R&D

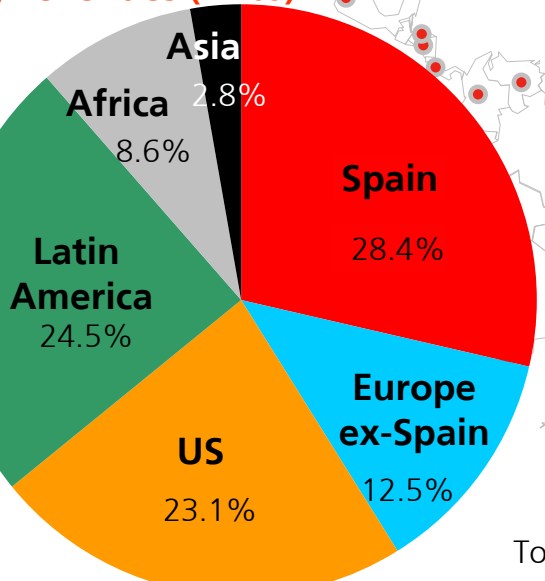
- ① ■ Engineering capabilities
- ② ■ Asset based businesses
- ③ ■ Technology Development

Business distribution by fixed assets* (1H'09)



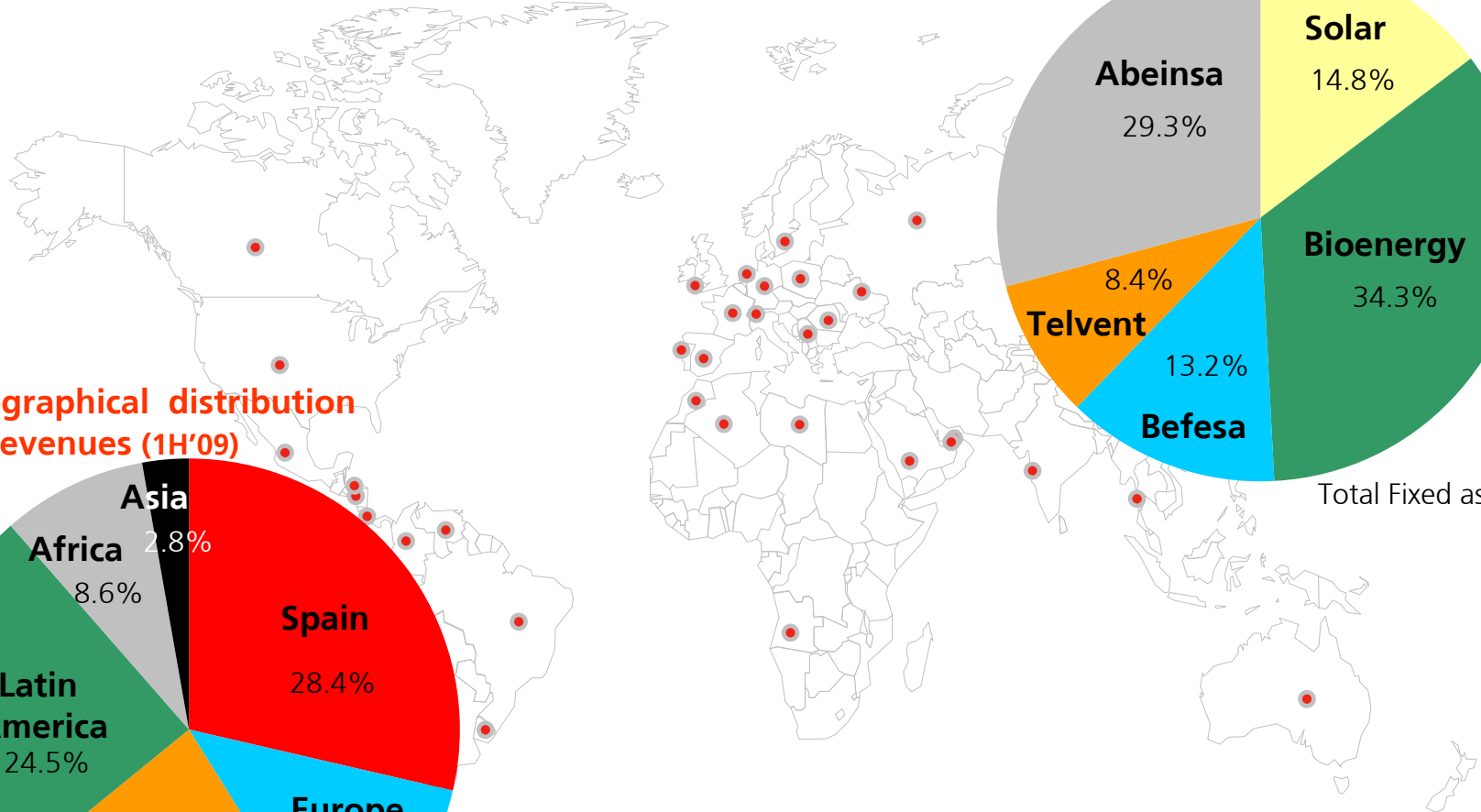
Total Fixed assets: 5,788

Geographical distribution by revenues (1H'09)



Total revenues 1H'09: 1,814 M€

*fixed assets = tangible fixed assets + intangible assets



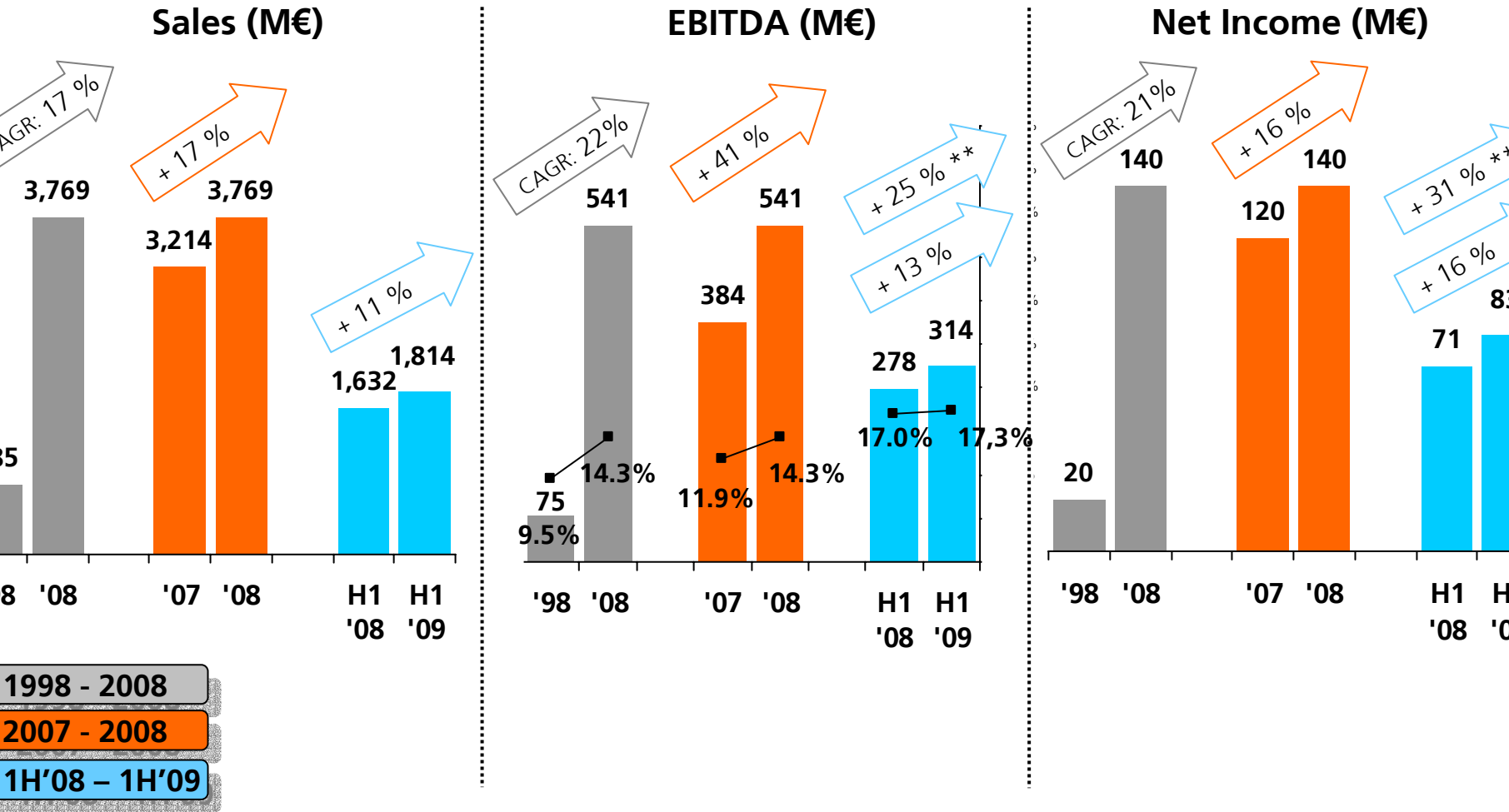
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Sustained historical two-digits growth with increased margins, even in current environment



Excluding the sale of a minority stake in Telvent (Ebitda 16.5 M€) in H1 09 and Excluding the effect of land divestment at Befesa (Ebitda 40M€) in H1 08

Financial highlights

M€	2004	2005	2006	2007	2008*	H1 09	CAGR% (04-08)
Sales	1,746	2,024	2,677	3,214	3,769	1,814	21.2%
EBITDA	180	216	288	384	541	315	31.6%
EBIT	127	163	219	286	363	207	30.0%
Net Interest	60	48	95	152	246	85	42.2%
Net Income	52	66	100	120	140	83	28.1%
<i>EBITDA mg</i>	<i>10.3%</i>	<i>10.7%</i>	<i>10.8%</i>	<i>11.9%</i>	<i>14.4%</i>	<i>17.3%</i>	

* 2008 figures show the activity of Telvent as continuing operations

M€	2004	2005	2006	2007	2008*	H109
Fixed assets	668	891	1,263	2,097	2,552	3,056
Fixed assets in non-recourse activities	491	682	1,146	1,638	2,292	2,741
Cash and short-term financial investments	563	815	1,510	2,294	2,089	1,520
Total assets	2,491	3,323	5,427	8,110	9,795	10,302
Total Equity	413	526	541	797	627	918
Non-recourse financing	365	671	1,254	1,689	2,302	2,616
Recourse Loans with credit entities	591	697	1,356	2,529	2,562	2,608
Total shareholder's equity and liabilities	2,491	3,323	5,427	8,110	9,795	10,302

*Note: 2008 figures show Telvent as continuing operations

+ 11 %

Positive sales performance in 1H2009 vs 1H2008

~20.9 bn€

Order backlog in concession activities (average life of 24 years)

~5.5 bn€

Order backlog from contracting activities (19 months of sales)

< 30%

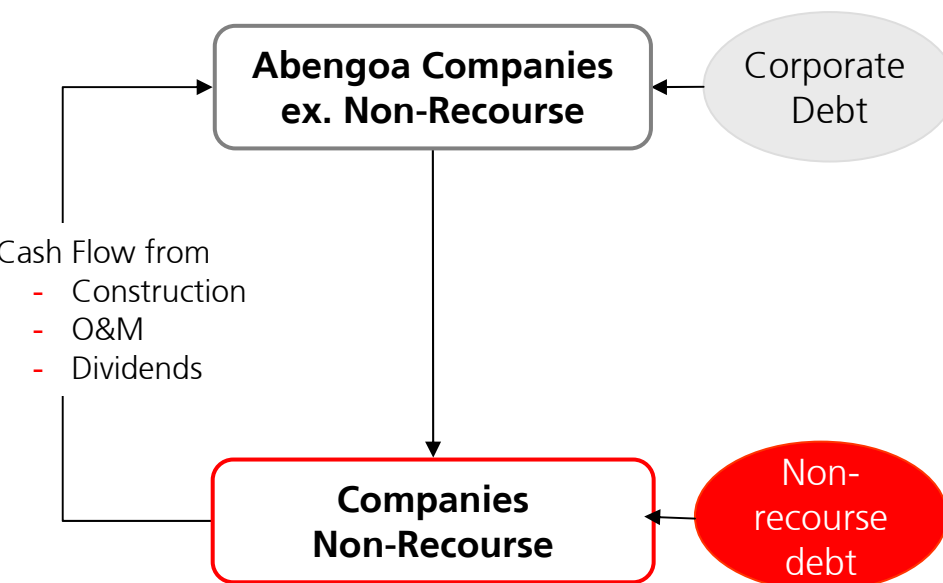
Revenue contribution of top 20 clients

- Excellent reputation in the International banking market:
 - More than 6 bn€ debt raised in the last 10 years
 - More than 50 stable relationships with Tier-1 international banks
- Recognized track-record as Project Sponsor
 - Non-recourse and Project Finance facilities
- Solid relationship with Multilaterals
 - Europe: ICO and EIB
 - Latin America: BNDES, IADB, Banobras
- Successful 200 M€ Convertible bond issued in June
- Committed to establish our name in debt capital markets

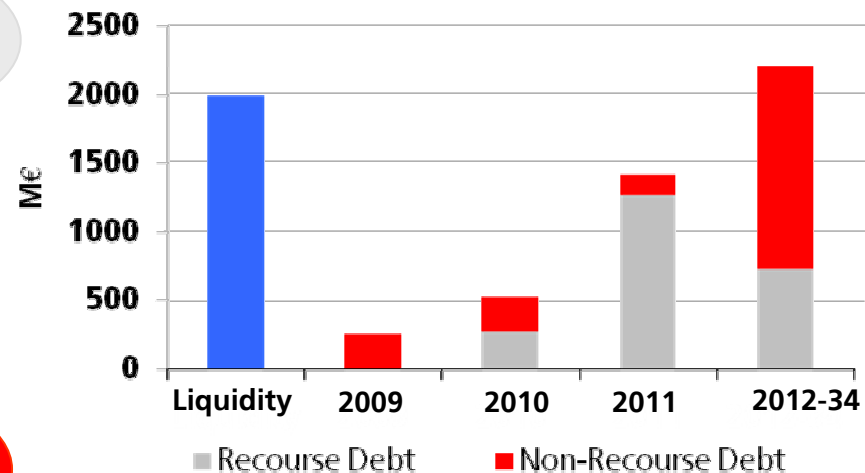
Equilibrium of non-recourse Project Financing and Corporate Debt keeps financial discipline

- **Non-recourse financing (NR)** on a project by project basis: used to fund significant investments. Capex commitments are subject to availability of long-term funding
- **Corporate Debt (ex NR):** to finance the company's investments, acquisitions and general purpose requirements.

Financial Model



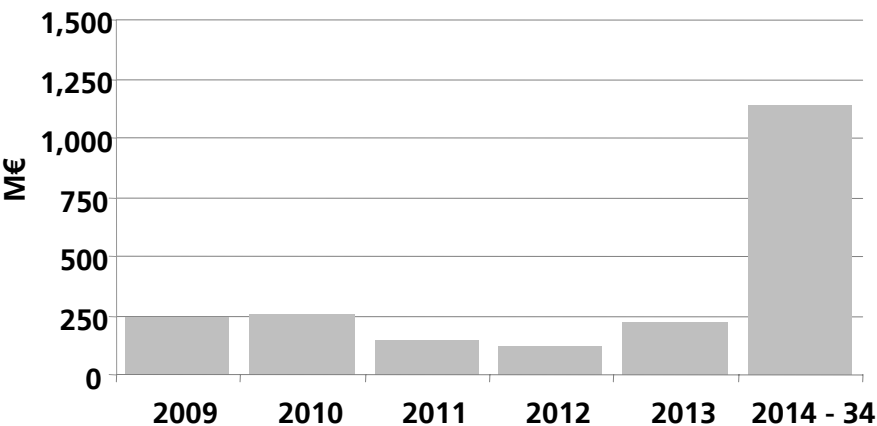
Liquidity and Debt Maturity Profile



Non-Recourse Debt

- Suited with cash-flow generation profile of projects and investments:
 - The Long-term concession / commercial agreements (15 to 30 years) of project finance is suitable to higher leverage of such projects
 - Repayment instalments follow project cash-flow generation profile
- Minimum risk in expected cash-flows:
 - Most debt related to projects developed under a concession scheme or fixed-tariff take-or-pay agreement

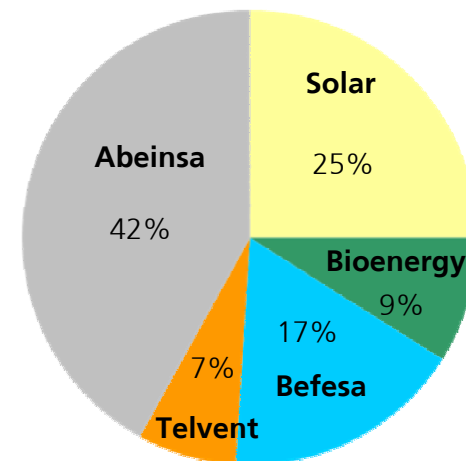
Amortization Calendar (average life > 8 years):



Maturities Include bridge loans for transmission lines in Brazil (long-term with BNDES): 135 M€ in 2009 and 125 M€ in 2010

Split of non-recourse debt per Business Unit

Total Non-Recourse debt 2008: 2.3 bn€



Long Term Corporate Debt

▪ **Credit facilities:**



- 1,800 M€ in three 600 M€ syndicated facilities (average pricing of E+67.5bps) due in 2011 and 2012: Santander, BNP Paribas, Societe Generale, ING, Citigroup, La Caixa, Caja Madrid as some of the MLA's.
- 150 M€ bilateral loan with ICO (pricing of E+60 bps) due in 2017
- 109 M€ bilateral loan with European Investment Bank due on 2014 to finance R&D&I (pricing of E+60 bps)
- 170 M€ bilateral committed credit facilities 1 to 3 years maturity regularly rolled over

- Ongoing discussions regarding extensions of Bank debt maturing 2011 and 2012.

- Convertible Notes: 200 M€ senior unsecured convertible notes due in 2014 issued by Abengoa SA

Long Term Corporate Debt

- Committed to maintain our corporate debt ratio ex. NR ("Net Leverage ex NR" or "Net Debt ex NR to EBITDA ex NR") below 3x
- This is the only covenant of our corporate credit facilities, as agreed with our banks since 2002

M€	2007	2008	2009	2010
Net Debt ex NR*	354	529		
EBITDA ex NR*	303 (+21% vs 2006)	412 (+36% vs 2007)	 In line with past years 	
Net Lev ex NR*	1.17x	1.29x	1.50-2.00x	—————→
Max. Covenant*	3.50x	3.25x	3.00x	—————→

*as defined in our Syndicated Facilities

- EBITDA ex NR expected to grow at similar rates in the near future based on our existing backlog of 5.5 bn€
- 1.6 bn€ of dividend from Non-Recourse Operations expected over the next 10 years

- **Reinforce liquidity**

- Partial divestment of Telvent
- Keep discipline in financing of new capex

- **Finance capex plan with strong cash generation at corporate level and funding already in place**

- **Seek growth with less capital**

- Partnerships with industrial (Sonatrach and Eletrobras) and financial players (GE)

- **Maintain Net debt excluding NR / EBITDA excluding NR below 3x**

- **Committed to establish a reputation in the debt capital markets**

- Successful convertible bond placed in June 2009

- **Adequate internal control systems in place to:**
 - Monitor and evaluate business risk
 - Guarantee the accuracy of financial information

- **Policy to hedge interest rates, FX and commodity price risks**

- **First European entity to undertake Sarbanes Oxley Audit voluntarily**
following our commitment to transparency despite not fully listed in the US

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Key Credit Highlights

- ✓ Well balanced, diversified and resilient business
- ✓ Activities supported by solid market trends
- ✓ Unique business model that boosts organic growth
- ✓ Experienced and committed management team
- ✓ Strong financial performance
- ✓ Healthy and predictable backlog
- ✓ A long history in the credit markets
- ✓ Solid operating policy and tight audit controls

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Ebitda at Corporate entities ("Corporate Ebitda") is growing rapidly based on solid drivers and large backlog

Based on current backlog, we expect Corporate Ebitda to total 1.8 bn€ in the next 3 years (2H'09 – 1H'10)

€ Corporate Ebitda			08 vs '07	1H'09	1H'09 vs 1H'08	LTM June '09	Description of activities
	'07	'08					
Abengoa Solar	9	31	249%	23	118%	44	<ul style="list-style-type: none"> ▪ Sale of technology, development and design services for solar plants ▪ Manufacturing of certain equipment (structures and mirrors)
% of total	3%	8%		8%		10%	
Abengoa Bioenergy	71	114	61%	62	17%	123	<ul style="list-style-type: none"> ▪ Sale of ethanol produced by nine plants in US, Europe and Brazil ▪ Biodiesel plant integrated in Cepsa refinery ▪ Rotterdam 480 Ml/yr ethanol plant online from Q2'10 ▪ LT contracts in Spain for ethanol and biodiesel ▪ Ethanol demand driven by approved mandates in US and EU ▪ Better pricing environment in the three markets
% of total	27%	31%		23%		27%	
Cefesa	46	51	13%	15	159% ⁽¹⁾ -67%	20	<ul style="list-style-type: none"> ▪ Industrial waste management ▪ Construction of water infrastructures and desalination facilities ▪ Backlog of 400 M€ in water infrastructure (as of Sept'09)
% of total	17%	14%		6%		5%	
Beinsa	75	101	35%	126	112%	167	<ul style="list-style-type: none"> ▪ Construction of renewable and conventional power and cogeneration, construction of transmission lines and other industrial and telecom infrastructure ▪ Backlog of 4.1 bn€ (21 months) as of Sept'09
% of total	29%	27%		47%		37%	
Elvent	61	73	20%	44	98%	95	<ul style="list-style-type: none"> ▪ IT systems and solutions for the energy, transport and environment sectors ▪ IT Consulting for a broad range of sectors ▪ Backlog of 1.1 bn€ (17 months) as of Sept'09, and visibility of a recurring base of customers.
% of total	23%	20%		16%		21%	
Total Corp. Ebitda	261	371	42%	271	41%	450	
plus R&D costs	42	42	0%	17	9%	43	
Total Corp. Ebitda *	303	412	36%	288	39%	493	

Order book covers 19 months of sales in contracting activities

Business Units	Portfolio Sept 09	% over Dec 08	
Industrial Engineering and Construction(*)	4,083 M€	+30%	21 months
Environmental Services(**)	399 M€	-26%	14 months
Information Technologies	1,068 M€	+81%	17 months
Total Contracting Portfolio (ex pipeline)	5,550 M€	+30%	19 months

Additionally, sales in concession backlog for non recourse activities represents 20,866 M€ with 24 years of average life.

(*) Contracting activities. 30-years concessional activity in Transmission lines not included

(**) Concessional activities not included. Environmental Services figure reflects Befesa Agua execution

- Most of corporate debt is incurred by Abengoa SA:
 - represents 80% of total corporate debt
 - benefits from the upstream guarantee of main operating subsidiaries
- Corporate debt is backed by corporate assets of 3,056M€ and corporate EBITDA of 450 M€ LTM June 09
- Additionally, expected dividends from Non Recourse companies for the next ten years represent 1.6bn€, out of which 270 M€ expected in 2H09-1H2012

Facility	Amount (M€)	Spread	Maturity	Borrower	Guarantor	Covenants
Indicated loan 2005	600	60 bp	amortising Jul-12	Abengoa SA	Main op.subs.	Net debt/EBITDA<3x
Indicated loan 2006	600	60 bp	amortising Jul-11	Abengoa SA	Main op.subs.	Same as above
Indicated loan 2007	600	70 bp	amortising Jul-12	Abengoa SA	Main op.subs.	Same as above
B loan	109	60 bp	aug-14	Abengoa SA	Main op.subs.	Same as above
Instituto Crédito Oficial (ICO)	150	60 bp	amortising Jul-17	Abengoa SA	Main op.subs.	Same as above
Credit lines at Abengoa S.A*	163	various	1-2 year (rolling)	Abengoa SA	none	none
Other loans at Corporate Entities	386	various	various	various	various	none
Total corporate bank debt*	2.608					
Unsecured convertible notes	200	6,875%	jul-14	Abengoa SA	none	none

- Committed Capex Programme: 4,271 M€
 - Non-recourse debt and partners: 3,128 M€
 - Funds from Abengoa Corporate: 1,143 M€
- 100% of non-recourse debt is committed

M€	Capacity	Abengoa (%)	Country	Entry in Operation	Financing	Total Capex*	Capex from Abengoa Corporate*
Solar						338	55
Solnova 1	50 MW	100%	Spain	Q4 09	financed European Banks, EIB		
Solnova 3	50 MW	100%	Spain	Q2 10	financed European Banks, EIB		
Solnova 4	50 MW	100%	Spain	Q4 10	financed European Banks, EIB		
Hassi R'mel	150 MW	51%	Algeria	Q3 10	financed local banks		
Bioenergy						674	477
Indiana&Illinois	670 MI	100%	USA	Q1 10	financed		
Ethanol Rotterdam	480 MI	100%	Holland	Q2 10	financed corporate		
Cogeneration Brazil	140 MW	100%	Brazil	Q1 11	committed BNDES		
Desalination						240	31
Tlenclem	55 000 m3/day	26%	Algeria	Q4 10	financed local banks		
Tenes	200 000 m3/day	51%	Algeria	Q4 11	financed local banks		
Quingdao	100 000 m3/day	92%	China	Q2 12	financed local banks		
Chennai	100 000 m3/day	25%	India	Q309	financed local banks		
Transmission / Cogeneration						3,019	580
Ate IV-ATE VII	463 Km	100%	Brasil	Q1 10 (partially in operation)	bridge+committed BNDES		
ATN	670 Km	100%	Perú	Q4 10	committed		
Amazonas	535 km	51%	Brasil	Q4 11	bridge+BNDES		
Rio madeira	2 375 km	51%	Brasil	2012-2013	BNDES		
Premadeira	1 474 km	26%	Brasil	preferred bidder	committed BNDES		
Cogen. Mexico (Pemex)	300 MW	60%	Mexico	Q4 12	committed Banobras		
Total						4,271	1,143

Funding of the capex programme to be contributed from Abengoa Corporate is covered by existing cash and Corporate Ebitda generation:

M€	
▪ Capex horizon 2H09-1H2012 :	4,271
▪ Financed by :	
- Committed Non-recourse debt and partners :	3,128
- Funds from Abengoa at corporate level	1,143
▪ Sources & Uses (in M€) 2H2009-1H2012:	
- Cash and equivalents at Corporate (as of 1H09) :	909
- Corporate Ebitda generation 2H2009-1H2012 :	1,800
- Convertible Bond proceeds*:	200
- Dividends expected from NR Companies 2H2009-1H2012 :	270
- Expected Payments of Dividends 2H2009-1H2012 :	(52)
- Expected Corporate net interest payments :	(450)
- Capex to be funded from Corporate:	(1,143)
- Maintenance capex at corporate companies:	(150)
- Taxes on corporate income:	(185)

	<u>Total life</u>	<u>Average remaining life of current projects</u>	<u>Characteristics</u>
Transmission Concession Lines in Brazil	30 years	24 years	<ul style="list-style-type: none"> Fixed price linked to inflation which is paid based on availability (no demand risk). The “off-taker” of the concessions is formed by a pool of all electricity distribution companies and major consumers, managed by ONS (the Brazilian National Power Grid Operator). All users, independently of the utilization of a specific transmission line, pay the electricity transmission companies. As a result, the payment default from a specific company has very limited impact in the revenues of each transmission company. Around 33% of total non recourse debt is sitting in concessions of transmission lines in Brasil.
Solar Plants	25 years with the initial tariff, and a different one thereafter	23 years	<ul style="list-style-type: none"> Long-term contract with a fixed tariff. The customer are the main utilities (Endesa, Iberdrola in Spain and Sonnatrach in Algeria). Around 28% of non recourse debt is sitting in solar projects.
Desalination Plants	30 years	30 years	<ul style="list-style-type: none"> Fixed price PPA agreement with state owned water/utility company, which is paid based on volume of water desalinated (no demand risk). The counterparty risk is therefore government risk (ie Sonnatrach and L’Algerienne des Eaux in Algeria, Chennai Metropolitan Water Supply in India)
Cogeneration Plants	25 years	25 years	<ul style="list-style-type: none"> Fixed price PPA with Pemex and Eletrobras