

# ABENGOA



## **Evolution of Business** **First Half 2012**

(January-June)

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## 1. Changes in consolidation and/or in accounting policies

### Sale of transmission lines in Brazil

On November 30 2011, Abengoa finalised an agreement with Compañía Energética Minas Gerais (CEMIG), through the entity Transmissora Aliança de Energia Eléctrica, S.A. (TAESA), to sell its 50% stake in the companies STE, ATE, ATEII and ATEIII, as well as 100% of the company NTE. The sale of these interests resulted in a cash inflow of €479 M and a gain of €45 M, recorded in the fourth quarter of 2011.

On the other hand, on March 16, 2012, the Company reached an agreement with Compañía Energética Minas Gerais (CEMIG) to sell the 50% stake that Abengoa S.A. still owned in four transmission line concessions in Brazil (STE, ATE, ATE II and ATE III). On June 30, 2012, all the conditions necessary to close the transaction were fulfilled, and on July 2, we received €354 M of cash proceeds corresponding to the total price agreed for the shares. The gain from this sale has amounted to €4 M and is recorded in "Other operating income" in the Consolidated interim income statements for the six months ended June 30, 2012.

## 2. Main Figures

### Financial Data

- Revenues of €3,691.1 M, an increase of 17% compared to H1 2011.
- Another successful quarter: 31th in a row.
- Ebitda of €562.6 M, an increase of 21% compared to Q1 2011.

<b>Consolidated P&amp;L (€M)</b>	<b>6m 2012</b>	<b>Var (%)</b>	<b>6m 2011</b>
Revenues	3,691.1	+17.4%	3,142.6
Ebitda	562.6	+21.3%	463.8
Operating Profit	15.2%		14.76%
Net Profit	110.4	+8.1%	102.1

<b>Statement of Financial Position (€M)</b>	<b>06/30/2012</b>	<b>Var (%)</b>	<b>06/30/2011</b>
Total Assets	19,398	+3.2%	18,793.7
Total Equity	1,850.8	+7.2%	1,726.2
Net Corporate Debt	(7,423.1)	+35.8%	(5,467.6)

<b>Share performance</b>	<b>6m 2012</b>	<b>Var (%)</b>	<b>6m 2011</b>
Last quote (June' 29th)	10.42	(50.2%)	20.91 €
Capitalization (June' 29th)	1,121.3	(40.7%)	1,891.3
Effective Volume (M€)			
Daily Effective Volume (M€)	8.8	(38.5%)	14.3

### Operating Data

- 72% of our revenues from international markets outside of Spain.
- 49% of revenues coming from the Americas (Latin America and US).
- E&C backlog up to €7,092 M, as of June 30, 2012

<b>Key Operational Metrics</b>	<b>6m 2012</b>	<b>Var (%)</b>	<b>6m 2011</b>
<b>Transmission Lines</b> (km)	1,771	(60%)	4,413
<b>Water Desalination</b> (Cap. ML)	560	+56%	360
<b>Cogeneration</b> (GWh)	393	+13%	347
<b>Solar Power Assets</b> (MW)	643	+87%	343
<b>Biofuels</b> (Prod. ML)	1,183	+9%	1,085
<b>Industrial Waste Treated</b> (Mt)	1.03	(4%)	1.07

## 3. Consolidated income statement

M€	6m 2012	6m 2011	Var (%)
Revenues	3,691.1	3,142.6	+17.4%
Operating expenses	(3,128.5)	(2,678.8)	+16.8%
Depreciation and amortization	(179.7)	(121.0)	+48.5%
<b>Net Operating Profit</b>	<b>382.8</b>	<b>342.8</b>	<b>+11.7%</b>
<b>Finance Cost, net</b>	<b>(325.8)</b>	<b>(258.9)</b>	<b>+25.8%</b>
<b>Share of (loss)/(profit) of associates</b>	<b>1.5</b>	<b>2.3</b>	<b>(36.0%)</b>
<b>Profit Before Income Tax</b>	<b>58.5</b>	<b>86.2</b>	<b>(32.1%)</b>
Income tax expense	73.3	30.6	+139.8%
<b>Profit for the year from continuing operations</b>	<b>131.8</b>	<b>116.8</b>	<b>+12.9%</b>
<b>Profit (loss) from discontinued operations, net of tax</b>	<b>0.0</b>	<b>(13.6)</b>	<b>n.a.</b>
<b>Profit for the year</b>	<b>131.8</b>	<b>103.2</b>	<b>+27.8%</b>
Non-controlling interests	(21.5)	(1.0)	+2021.5%
<b>Net income attributable to the parent company</b>	<b>110.4</b>	<b>102.1</b>	<b>+8.0%</b>

### Revenues

Abengoa's consolidated revenues for the first half ended June, 30 2012 reached €3,691 M, a 17% increase from the previous year, mainly due to:

- Revenues increase in Engineering and Construction due to the construction of thermosolar plants in Spain and US, the significant progress in the construction of the Tabasco Cogeneration Plant (Mexico) and high voltage lines and current transmission substations in Madeira (Brazil), as well as in the construction of Manaus high voltage line (Brazil).

### **Ebitda**

Abengoa's EBITDA figure to June, 30 2012, reached €562.6 M, a 21% increase from the previous year, mainly due to:

- Contribution of new Solar Power plants in Spain (Helioenergy 1&2, Solacor 1&2, Helios 2 and Solaben 3), as well as the operation of SPP1, the hybrid solar/gas plant in Algeria and the desalination plant in Honaine (Algeria).

### **Finance cost, net**

Net financial expenses increased from -€258.9 M in June, 30 2011 to -€325.8M in the first half of 2012, primarily due to new solar plants coming on line in this period with financial cost being taken to P&L.

### **Income Tax Expense**

Corporate income tax benefit reached €73.3 M, from € 30.6 M on first half of 2011. This figure was affected by various incentives for exporting goods and services from Spain, for investment and commitments to R&D+i activities, the contribution to Abengoa's profit from results from other countries, as well as prevailing tax legislation.

### **Profit for the year from continuing operations**

Given the above, Abengoa's income from continuing operations increased by 13% from €116.8 M in the first half of 2011 to €131.8 M in the same period of 2012.

### **Profit from discontinued operations, net of tax**

In June 2011 Telvent figures have been reclassified and are considered as discontinued operations for comparative purposes, as Telvent was effectively sold in 2011.

### **Profit for the year attributable to the parent company**

The profit attributable to Abengoa's parent company increased by 8% from €102.1 M achieved in the first half of 2011 to €110.4 M in 2012.

Excluding the impact from Telvent in both periods, the mark-to-market valuation of the derivatives and the contribution in 2011 from various transmission concession lines sold to CEMIG, net income would have increased by 38%.



### 4. Results by activities

M€	Revenues			Ebitda			Margin	
	6m 2012	6m 2011	Var (%)	6m 2012	6m 2011	Var (%)	6m 2012	6m 2011
<b>Engineering and Construction</b>								
E&C	1,972	1,569	26%	236	183	29%	12.0%	11.7%
<b>Total</b>	<b>1,972</b>	<b>1,569</b>	<b>26%</b>	<b>236</b>	<b>183</b>	<b>29%</b>	<b>12.0%</b>	<b>11.7%</b>
<b>Concession-type infrastructures</b>								
Solar	140	50	180%	99	38	161%	70.7%	76.0%
Water	18	8	125%	13	4	225%	72.2%	50.0%
Transmission	61	116	(47%)	46	92	(50%)	75.4%	79.3%
Cogeneration & Others	24	18	33%	2	1	100%	8.3%	5.6%
<b>Total</b>	<b>243</b>	<b>192</b>	<b>27%</b>	<b>160</b>	<b>135</b>	<b>19%</b>	<b>65.7%</b>	<b>70.3%</b>
<b>Industrial Production</b>								
Bioenergy	913	987	(7%)	5	67	(93%)	0.5%	6.8%
Recycling	342	324	6%	61	60	2%	17.8%	18.5%
Others	221	71	211%	101	19	432%	45.7%	26.8%
<b>Total</b>	<b>1,476</b>	<b>1,382</b>	<b>7%</b>	<b>167</b>	<b>146</b>	<b>14%</b>	<b>11.3%</b>	<b>10.6%</b>
<b>Total</b>	<b>3,691</b>	<b>3,143</b>	<b>17%</b>	<b>563</b>	<b>464</b>	<b>21%</b>	<b>15.3%</b>	<b>14.8%</b>

### Engineering and Construction

- Revenues in Engineering and Construction increased by 26% compared to the previous year, to €1,972 M (€1,569 M in the first six months of 2011), while EBITDA increased by 29% to €236 M compared to the figure recorded in the same period in 2011 (€183 M). This growth was mainly driven by:
  - Execution of the Solana solar plant in Arizona (USA) and the Mojave plant in California (USA).
  - Construction of thermosolar plants in Spain.
  - Higher volume of construction of transmission lines in Brazil and Peru.

## Concession-type infrastructures

- Revenues in the Concession-type Infrastructures area increased by 27% compared to the same period the previous year, to €243 M (€192 M in Q1 2011), while EBITDA rose by 19% to €160 M compared to €135 M in the same period in 2011. These increases were mainly due to:
  - Contribution of the new solar plants in Spain (Helioenergy 1 and 2, Solacor 1 and 2, Helios 2 and Solaben 3), which came into operation at different times during the last quarter of 2011 and the first half of 2012, as well as the contribution from the solar hybrid/combined cycle SPP1 plant in Algeria, which came into operation at the end of the first half of 2011.
  - Start-up of the ATN line in Peru and the desalination plant in Honaine (Algeria) during 2011.
  - The decline in the results from transmission concessions was due to the sale of part of the Brazilian transmission lines to CEMIG in the last quarter of 2011.

## Industrial Production

- Revenues by the Industrial Production activity rose by 7% compared to the same period of the previous year, to €1,476 M (€1,382 M in H1 2011), while EBITDA increased by 14% to €167 M compared to €146 M in the same period in 2011.

## 5. Consolidated statement of financial position

### Consolidated statement of financial position

Assets (€M)	06/30/2012	12/31/2011
Intangible assets	2,893	2,793
Fixed assets in projects	8,794	7,602
Financial investments	460	463
Deferred tax assets	1,130	992
<b>Non-current assets</b>	<b>13,277</b>	<b>11,850</b>
Inventories	487	385
Clients and other receivable accounts	1,917	1,806
Financial investments	1,129	1,014
Cash and cash equivalents	2,588	3,738
<b>Current assets</b>	<b>6,121</b>	<b>6,943</b>
<b>Total Assets</b>	<b>19,398</b>	<b>18,794</b>

Shareholders' Equity and Liabilities (€M)	06/30/2012	12/31/2011
Capital and reserves	1,199	1,318
Non-controlling interest	651	409
<b>Total Equity</b>	<b>1,851</b>	<b>1,726</b>
Long-term non-recourse financing	5,512	4,983
Corporate financing	4,789	4,150
Grants and other liabilities	257	224
Provisions and Contingencies	131	119
Derivative financial instruments	424	389
Deferred tax liabilities and Personnel liabilities	328	296
<b>Total non-current liabilities</b>	<b>11,441</b>	<b>10,161</b>
Short-term non-recourse financing	487	407
Corporate financing	587	919
Trade payables and other current liabilities	4,745	5,230
Current tax liabilities	208	256
Derivative financial instruments	64	79
Provisions for other liabilities and expenses	15	16
<b>Total current liabilities</b>	<b>6,106</b>	<b>6,906</b>
<b>Total Shareholders' Equity and Liabilities</b>	<b>19,398</b>	<b>18,794</b>

## Net debt composition


























M€	06/30/2012	12/31/2011	06/30/2011
Corporate Debt	5,140	4,830	4,951
Cash and corporate financial investments	(2,743)	(3,346)	(2,340)
<b>Total net corporate debt</b>	<b>2,397</b>	<b>1,484</b>	<b>2,611</b>
Non-recourse debt	6,000	5,390	4,542
Non-recourse cash and corporate financial investments	(974)	(1,406)	(1,201)
<b>Total non-recourse debt</b>	<b>5,026</b>	<b>3,984</b>	<b>3,341</b>
<b>Total net debt</b>	<b>7,423</b>	<b>5,468</b>	<b>5,952</b>
<b>Pre-operational debt</b>	<b>3,597</b>	<b>3,181</b>	<b>2,195</b>
LTM Ebitda	1,201	1,103	935
LTM Ebitda corporate entities	789	717	569
<b>Total net corporate debt / Ebitda Corporate</b>	<b>3.0</b>	<b>2.1</b>	<b>4.6</b>
<b>Non recourse net debt / non recourse Ebitda</b>	<b>12.0</b>	<b>8.7</b>	<b>8.4</b>
<b>Total Net debt / Ebitda</b>	<b>6.2</b>	<b>5.0</b>	<b>6.4</b>

## 6. Consolidated cash flow statement

M€	6m 2012	6m 2011
Consolidated profit after tax from continuing operations	131.8	116.8
Non-monetary adjustments to the profit	259.4	341.4
Variations in working capital	(360.7)	364.3
Discontinued activities		(98.2)
<b>Cash generated (used) by operations</b>	<b>30.5</b>	<b>724.2</b>
Income tax paid	(19.8)	(50.8)
Interest received/paid	(215.4)	(181.4)
Discontinued operations		23.6
<b>Net Cash Flows from operating activities</b>	<b>(204.7)</b>	<b>515.6</b>
Capex	(1,791.3)	(1,335.8)
Other investments/disposals	(22.7)	(146.2)
<b>Net Cash Flows from investing activities</b>	<b>(1,814.0)</b>	<b>(1,482.0)</b>
<b>Net Cash Flows from financing activities</b>	<b>876.7</b>	<b>821.0</b>
<b>Net increase/(decrease) of cash and equivalent</b>	<b>(1,142.0)</b>	<b>(145.4)</b>
Cash at beginning of year	3,738.1	2,983.2
Translation differences cash or equivalent	(8.4)	(30.6)
Discontinued operations		(56.2)
<b>Cash and cash equivalent at end of year</b>	<b>2,587.7</b>	<b>2,750.9</b>

## 7. Capex plan

### Main projects in execution

	Location	Capacity	Abengoa (Equity Ownership %)	2012	2013	2014	2015	Expected Start Up	Ann. EBITDAe (M€)	Fully Funded?
	Solacor 1-2	Spain	50 MW x2	74%				Q1 12	43	✓
	Solaben 2-3	Spain	50 MW x2	70%				Q3/Q2 12	41	✓
	Helios 1-2	Spain	50 MW x2	100%				✓ Q2/Q3 12	40	✓
	Solana	USA	280 MW	100%				Q3 13	65	✓
	Mojave	USA	280 MW	100%				Q2 14	55	✓
	Solaben 1-6	Spain	50 MW x2	100%				Q3/Q4 13	45	
	South Africa Trough	South Africa	100 MW	51%				Q3 14	79	
	South Africa Tower	South Africa	50 MW	51%				Q3 14	47	
	Tenes	Algeria	200 ML/day	51%				Q4 13	17	✓
	Qingdao	China	100 ML/day	92%				Q3 12	11	✓
	Ghana	Ghana	60 ML/day	51%				Q3 14	10	
	Zapotillo	Mexico	3,8 m <sup>3</sup> /sec	100%				Q4 15	12	
	Cogen. Pemex	Mexico	300 MWe	60%				Q3 12	60	✓
	Uruguay Wind	Uruguay	50 MW	50%				Q4 13	12	
	Manaus	Brazil	586 km	51%				Q4 12	38	✓
	Norte Brasil	Brazil	2,375 km	51%				Q1 13	66	✓
	Linha Verde	Brazil	987 km	51%				Q1 13	13	✓
	ATS	Peru	900 km	100%				Q4 13	30	✓
	ATE VIII	Brazil	108 km	100%				Q4 12	2	✓
	Quadra I	Chile	79 km	100%				Q3 13	7	✓
	Quadra II	Chile	50 km	100%				Q3 13	4	✓
<b>Total</b>									<b>697</b>	

### Capex committed by 06.30.12

Committed (M€)	Capacity	Abengoa (%)	Country	Entry in Operation	Investment	Total Pending Capex	Total		
							ABG Corporate	Partners	Debt
<b>Solar</b>					<b>3,799</b>	<b>1,410</b>	<b>347</b>	<b>6</b>	<b>1,057</b>
Solaben 2 and 3	100 MW	70%	Spain	Q3'12/Q2'12	580	53	15	6	32
Helios 1 y 2	100 MW	100%	Spain	Q2'12/Q3'12	555	21	12		9
Solana	280 MW	100%	US	Q3'13	1,468	573	159		414
Mojave	280 MW	100%	US	Q2'14	1,196	763	161		602
<b>Biofuels</b>					<b>476</b>	<b>232</b>	<b>85</b>	<b>45</b>	<b>102</b>
Hugoton	90 ML	100%	US	Q1'14	476	232	85	45	102
<b>Cogeneration</b>					<b>493</b>	<b>65</b>	<b>11</b>	<b>7</b>	<b>47</b>
Cogen. Pemex	300 MW	60%	Mexico	Q3'12	493	65	11	7	47
<b>Water</b>					<b>325</b>	<b>85</b>	<b>9</b>	<b>9</b>	<b>67</b>
Tenes	200,000 m <sup>3</sup> /day	51%	Algeria	Q4'13	178	85	9	9	67
Qingdao	100,000 m <sup>3</sup> /day	92%	China	Q3'12	147				
<b>Transmission</b>					<b>2,276</b>	<b>548</b>	<b>142</b>	<b>78</b>	<b>328</b>
Manaus	586 km	51%	Brazil	Q4'12	748	33	5	5	23
Norte Brasil	2,375 km	51%	Brazil	Q1'13	845	212	58	56	98
Linha Verde	987 km	51%	Brazil	Q1'13	230	95	18	17	60
ATS	900 km	100%	Peru	Q4'13	387	163	46		117
ATE VIII	108 km	100%	Brazil	Q4'12	27	12	8		4
Quadra I	79 km	100%	Chile	Q3'13	39	33	7		26
<b>Total Committed</b>					<b>7,369</b>	<b>2,340</b>	<b>594</b>	<b>145</b>	<b>1,601</b>

Committed (M€)	H2 2012				2013				2014			
	Total Capex	ABG Corporate	Partners	Debt	Total Capex	ABG Corporate	Partners	Debt	Total Capex	ABG Corporate	Partners	Debt
<b>Solar</b>	<b>501</b>	<b>129</b>	<b>6</b>	<b>366</b>	<b>774</b>	<b>185</b>		<b>589</b>	<b>135</b>	<b>33</b>		<b>102</b>
Solaben 2 and 3	53	15	6	32								
Helios 1 y 2	21	12		9								
Solana	294	80		214	279	79		200				
Mojave	133	22		111	495	106		389	135	33		102
Biofuels	69	50	19		157	35	24	98	6		2	4
Hugoton	69	50	19		157	35	24	98	6		2	4
<b>Cogeneration</b>	<b>65</b>	<b>11</b>	<b>7</b>	<b>47</b>								
Cogen. Pemex	65	11	7	47								
<b>Water</b>	<b>57</b>	<b>6</b>	<b>6</b>	<b>45</b>	<b>28</b>	<b>3</b>	<b>3</b>	<b>22</b>				
Tenes	57	6	6	45	28	3	3	22				
Qingdao												
Transmission	<b>417</b>	<b>101</b>	<b>69</b>	<b>247</b>	<b>131</b>	<b>41</b>	<b>9</b>	<b>81</b>				
Manaus	33	5	5	23								
Norte Brasil	194	49	47	98	18	9	9					
Linha Verde	95	18	17	60								
ATS (Perú)	74	19		55	89	27		62				
ATE VIII	12	8		4								
Quadra I	9	2		7	24	5		19				
<b>Total Committed</b>	<b>1,109</b>	<b>297</b>	<b>107</b>	<b>705</b>	<b>1,090</b>	<b>264</b>	<b>36</b>	<b>790</b>	<b>141</b>	<b>33</b>	<b>2</b>	<b>106</b>

## 8. Significant events reported to the CNMV

Details of the Relevant Event corresponding to the second quarter of 2012:

- Written Communication of 02/21/2012. Detail of the operations made under the Liquidity Agreement (from 11/20/2011 to 02/20/2012).
- Written Communication of 02/27/2012. Ordinary Shareholders Meeting Call.
- Written Communication of 02/27/2012. Changes in the composition of the Board of Directors and its committees.
- Written Communication of 02/27/2012. Annual Corporate Governance Report 2011.
- Written Communication of 02/27/2012. Half year Financial Information regarding the second half year of 2011. File in CNMV format.
- Written Communication of 03/16/2012. Agreement with the Energy Company Minas Gerai (Cemig), to sell the remaining 50% in four transmission lines concessions in Brazil.
- Written Communication of 04/02/12. Resolutions adopted by the General Ordinary Meeting of Shareholders held on April 1,2012.
- Written Communication of 04/03/12. Communication of payment of dividend corresponding to the fiscal year 2011.
- Written Communication of 05/02/12. Abengoa concludes successfully the process of refunding of the corporate bank long-term debt, for amount of 1,566 M€.
- Written Communication of 05/04/12. Quarterly Financial Information regarding the first quarter of 2012. Annex. Evolution of Business.
- Written Communication of 05/04/12. Mercedes Gracia Diez, designated president of the Audit Committee.
- 21/05/12 Written Communication 05/21/12. Detail of the operations made under the Liquidity Agreement (from 02/21/2012 to 05/20/2012).



## 9. Evolution of the Stock price

As of June 30, 2012, the company believes the free float to be 43.96% if the shareholding of Inversión Corporativa I.C.S.A. and its subsidiary Finarpisa (56.04%) is deducted.

According to the data supplied to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Securities Recording, Clearing and Settlement Management Company) for the last Ordinary General Meeting held on April 1, 2012, Abengoa, S.A. had 14,433 shareholders.

	Total	Daily
<b>Volume</b> (thousand of shares)	86.422	1.330
<b>Effective</b> (M€)	1.123	17

Quotes	Value	Date
<b>Last</b>	<b>13,69</b>	<b>29 jun</b>
Maximun	17,39	25 jan
Average	12,99	
Minimun	8,89	01 jun

As a historical reference, since Abengoa's Initial Public Offering on November 29, 1996, the company's shares have increased by 390% which is 5 times the initial price. During this same period, the select IBEX-35 has increased by 52%.

Share Performance since Nov, 29th 1996

