



ABENGOA

E&C: The backbone of Abengoa



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E&C Executive VP

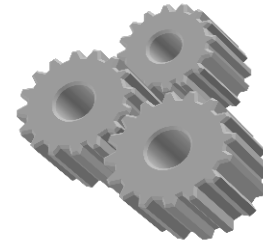
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E&C Capabilities



2

Credibility in the market



3

Business sustainability



4

Bright future ahead



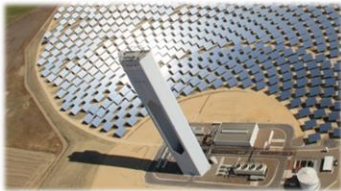
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Conclusions

70 Years of Experience in Carrying Out Turnkey Projects

Energy Generation

- **Renewable energy** Solar plants (tower, parabolic-trough, solar-gas hybrid, PV) and wind power.
- **Conventional generation** (combined cycle, cogeneration, biomass, etc.).
- **Biofuels** (bioethanol, biodiesel, ETBE).



Transmission and distribution (T&D)

Large scale transmission systems (AC and DC):

- Transmission lines.
- Electrical substations.

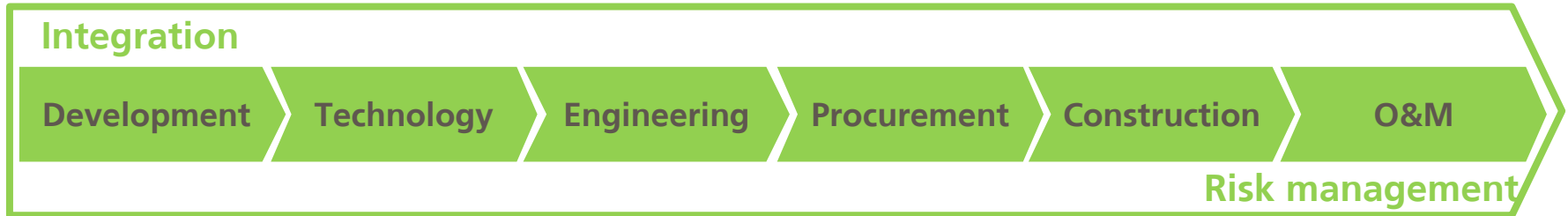


Water and environment

- Desalination plants.
- Water treatment and recycling.
- Water transport and distribution.



Covering entire EPC and O&M value chain



Competitive advantage through:

- **Standardization** of activities through clearly defined procedures
- **In-house capabilities:** Critical activities are executed by own resources or through stable strategic alliances
- **Solid engineering capacities** that enable us to capture growth opportunities.
 - **Design engineering network** with centres in USA, Mexico, Chile, India, Poland, and Spain.
- **Procurement global network** allow us to offer tailored made products.
- **Vertical integration on value added supplies** with own manufacturing facilities in USA, China, India, Israel, Mexico and Spain. (e.g. mirrors, structures, receiver tubes, control rooms...)



Technology and Innovation Are the Basis for Our Competitive Advantage

R&D creates innovative solutions and new products that...








...allow us to construct...



Investing 107 M€ in R&D programs and 319 M€ in R&D related to projects

...and the operation of assets retro-feeds the innovation.

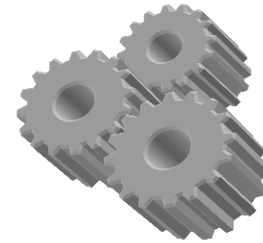
Proven Innovative Technologies Already in Commercial Phase

Sector	Type Project	Size	Date	
	> PS10 first commercial CSP Tower in the world	11 MW	2007	✓
	> PS20 second commercial CSP Tower in the world	20 MW	2009	✓
	> Khi Solar One first of its kind superheated CSP tower being built in Southafrica	50 MW	2014*	
	> Solana's molten salt storage system running efficiently, providing up to 6h of extra generation	280 MW	2013	✓
	> Ain Beni Mathar first hybrid solar-gas plant worilwide	470 MW (20 MW from CSP)	2010	✓
	> Hassi R Mel first hybrid solar-gas plant in Argelia	150 MW (20 MW from CSP)	2011	✓
	> Hugoton plant, the first Abengoa 2G biorefinery commercial-scale in Kansas.	100 ML	2014*	
	> Line Biswanath 800 kV in High voltage direct current	291 Km	2013	✓
	> Line Porto Velho-Araraquara 600 kV in Brazil	2,375 Km	2014*	



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Conclusions

Competitive Position Recognized Worldwide



Power Generation



#1 in electricity infrastructure (Power)



#1 in Solar



#4 in Cogeneration

Source: ENR Ranking 2013 of major international contractors

7th international contractor in the
USA (ENR 2013)



Transmission



#1 in T&D

Source: ENR Ranking 2013 of major international contractors



Water & Environment



#12 EPC company in the world by installed capacity

Source: Global Water Market 2014



5th international contractor in **Latin America and Caribbean** (ENR 2013)

Excellent Execution Track-record, for Both EPC and Concession Type Projects, Always on Budget, Cost and Performance



Power Generation

+ 7 GW of installed power in conventional generation plants



Nuevo Pemex
(Mexico) Cogeneration
300 MW



Stalowa Wola (Poland)
Combined Cycle
450 MW



Solar

1,700 MW completed and 450 MW under construction in Concentrated Solar Power (CSP)



Solana (USA)
CSP parabolic trough
280 MW



Khi Solar One (South Africa)
CSP Tower
50 MW



Transmission and distribution

+ 45,000 km (+28,000 mi) of T&D lines



Brazil
2,500 km



Peru
872 km



Water

+1,300 ML/day (+344 MGal/day) desalination capacity



Skikda (Algeria)
100,000 m³/ay



Qingdao (China)
100,000 m³/day



**Time
schedules**



Budget



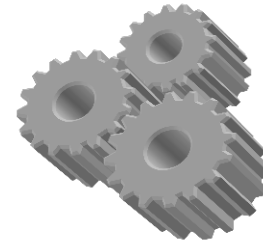
Performance

Diversified Client Base Across Geographies



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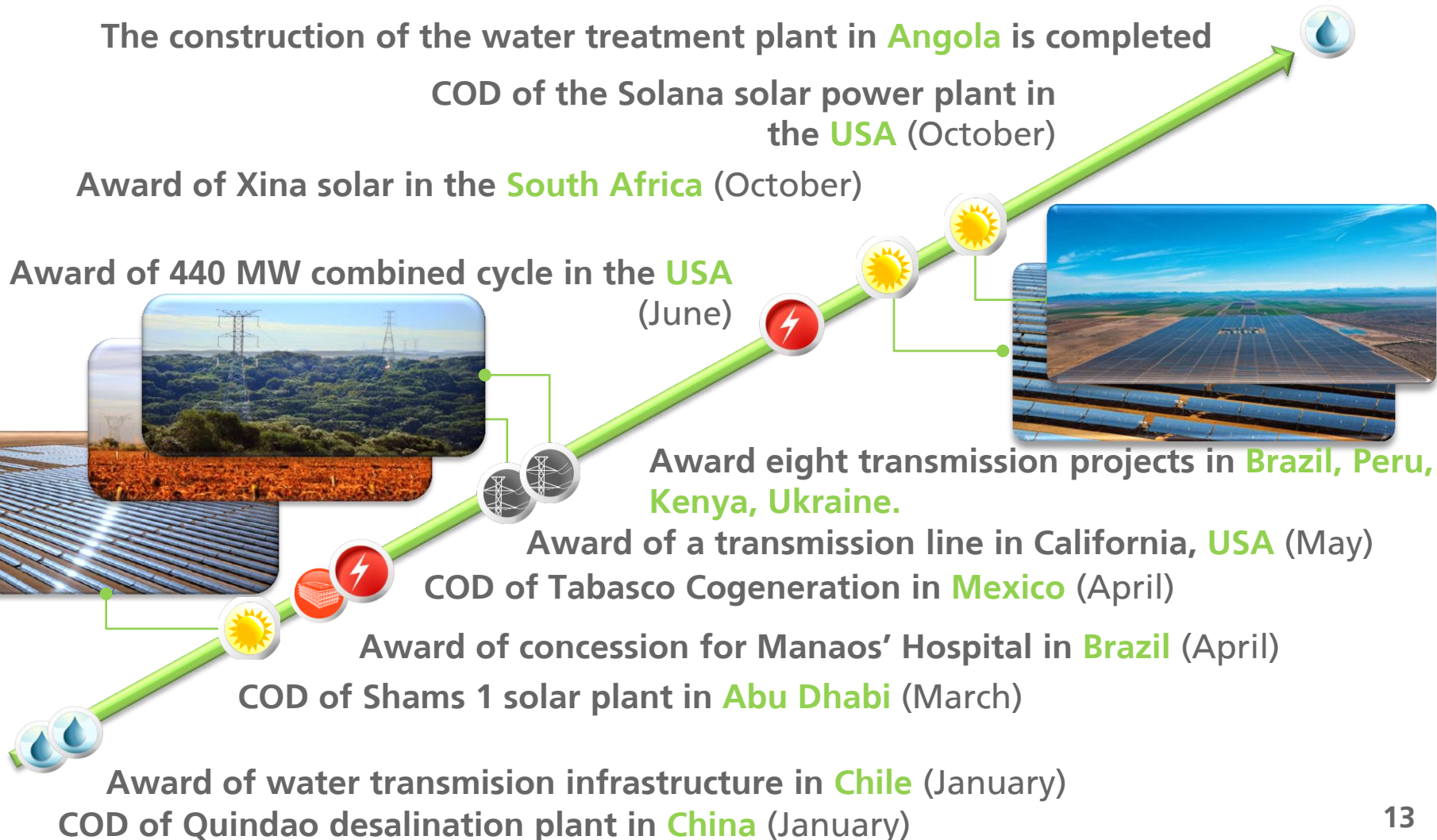
Bright future ahead



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Conclusions

2013: Another Year of Important Milestones



Assuring Sustainability of the Margins Through our Discipline at..

1

bidding phase...



Project pre-desing

- Complete definition of technical solution
- Firm proposal from **critical suppliers**
- Exhaustive risk analyses applying MC methodology and related contingencies



Contractual Model

- Quantified limits for responsibilities.
- Clear definition of acceptable terms.
- Transfer risk assessment to contract terms



Financial Model

- Guarantee **positive cash-flow**.
- Avoid **foreign currency risk** through hedging.
- Eliminate **collection risk**
- Other insurances to cover project specific risks.
- **EPC Margin \geq Equity Contribution**

2

...and at execution phase.



Monthly report per project

- Standardized format including:
 - Execution progress
 - Schedule, etc.
- Report by Project manager.



Budget & CF follow-up

- **Monthly budget achievement review** by independent controller providing guidance on year end.
- **Weekly forecast report on cash flow** for every month and the year end.



Critical projects follow-up

- Independent audit & follow-up of the risks detected in proposal phase by Chief risk manager.
- Every month the most critical projects are followed up by CEO & top management to measure progress and identify risks.

Same methodology applied for Turnkey & Concession-type projects.

Vertical Integration on Value Added Supplies Contribute to Assuring Margins and Commitments

Power structures

- Design, test and manufacturing of steel structures for transmission lines, substations, thermosolar and PV plants, wind power generation and telecommunication towers



Spain



Mexico



India

Rioglass



USA



Spain

- Manufacturing of parabolic mirrors for solar fields

Ancillary Manufacturing

- Electrical boards & cabinets, power electronics, and control electronics.
- Motor control centers, relay frames and electronic cards.

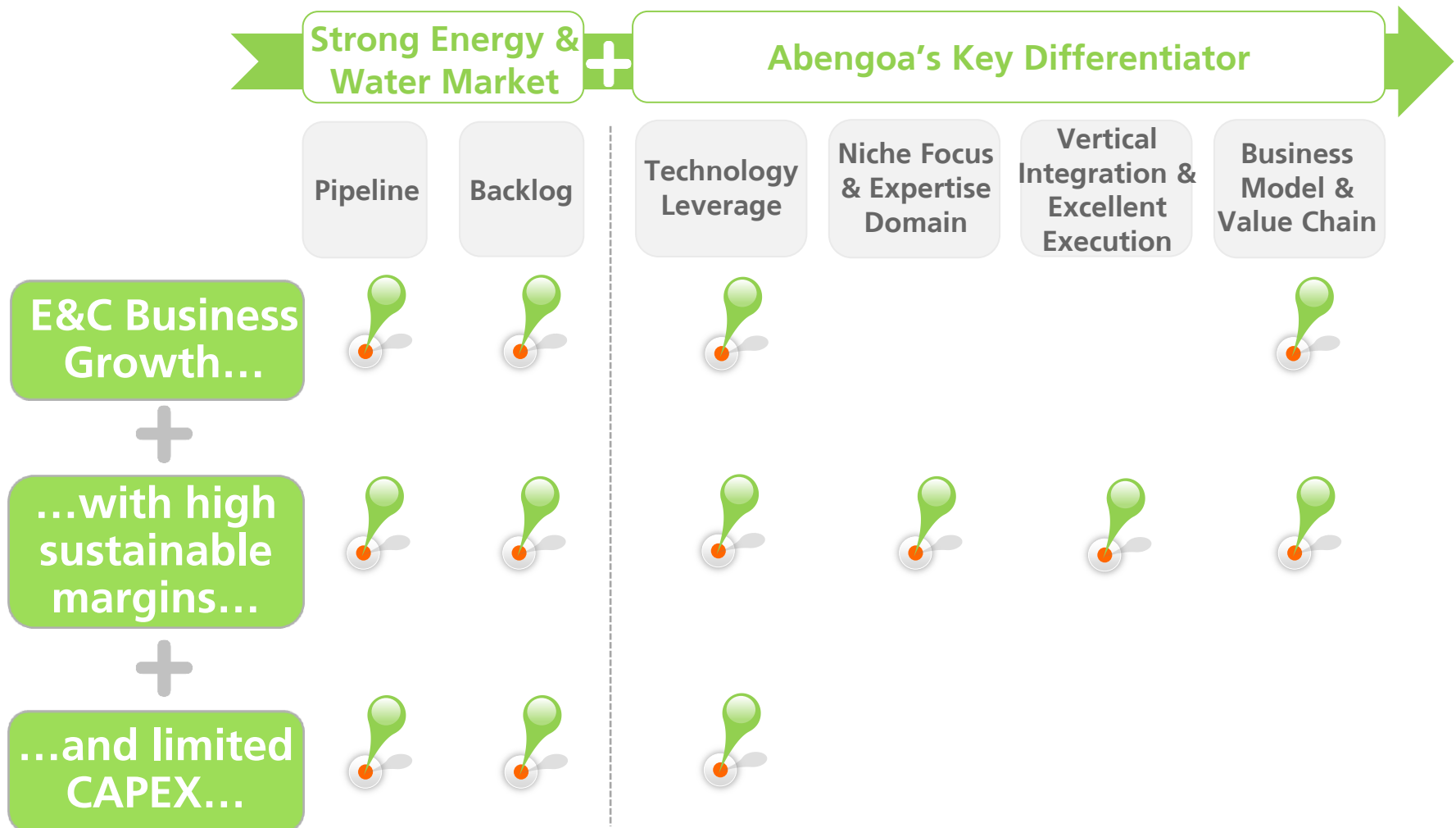


Spain



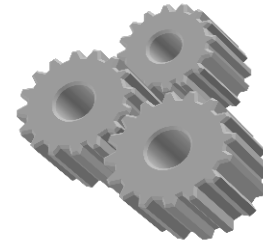
China

Sustainable Growth with Attractive Margins and Limited CAPEX Investments is a Reality



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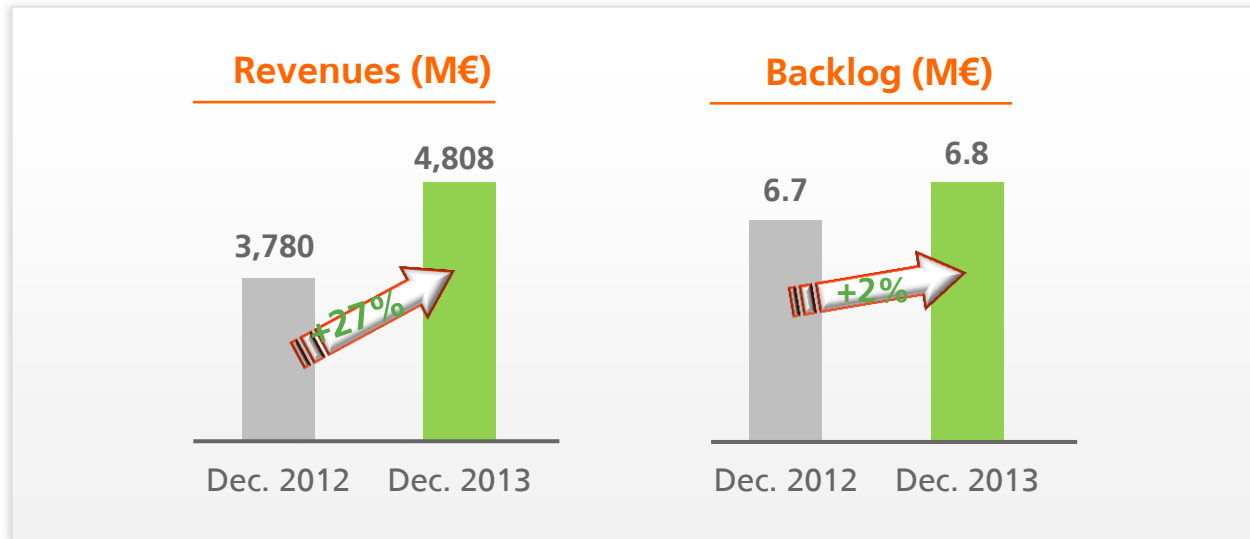
Bright future ahead



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Conclusions

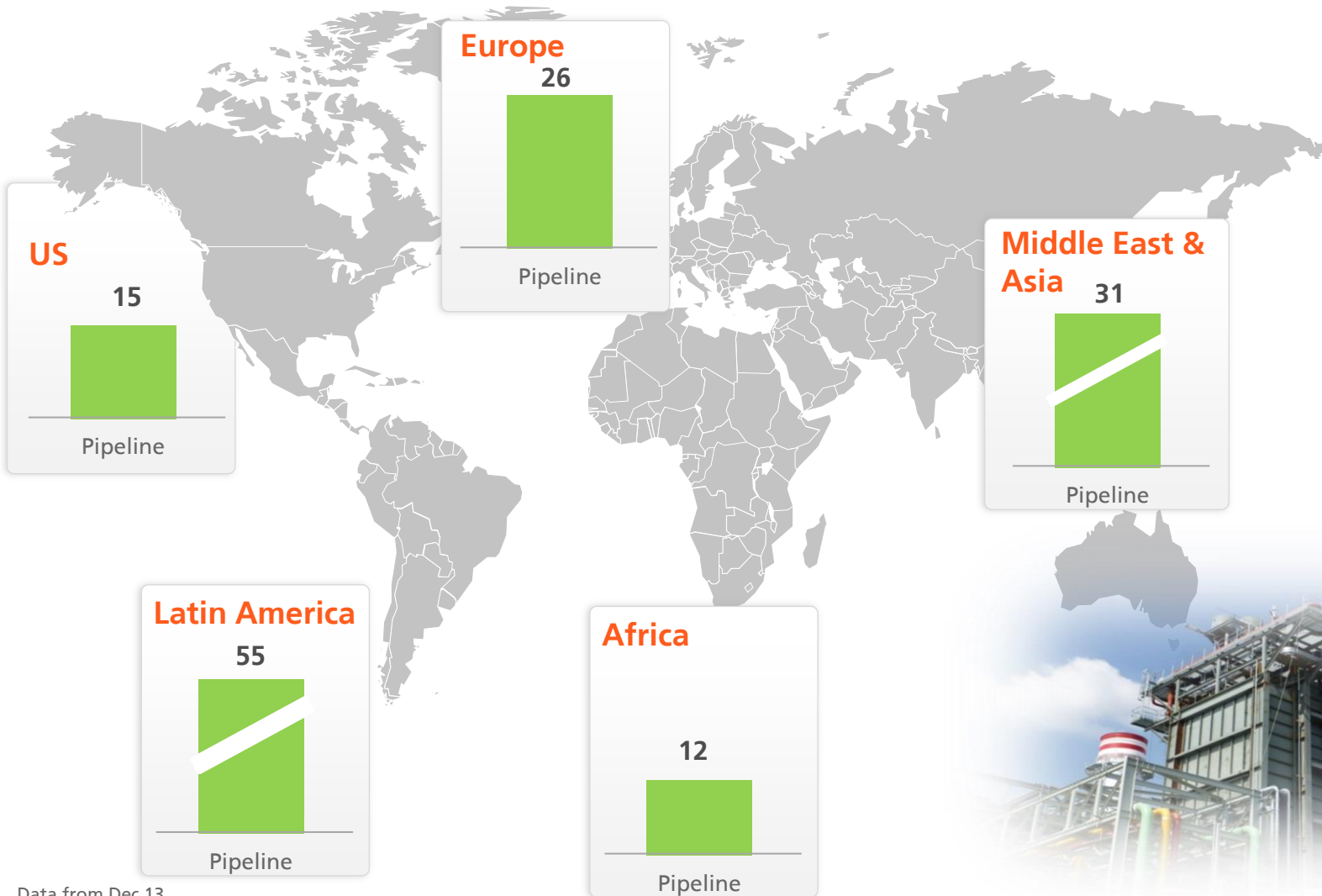
The Pipeline Conversion into New Projects Has Allowed us to Maintain our Backlog while Increasing Revenues by 27%



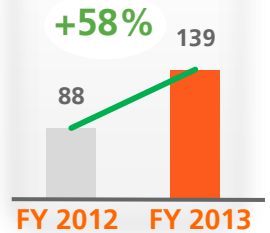
- > Approx. 54% of total backlog expected to convert into revenues in 2014E
- > Representing more than 17 months of E&C revenues
- > New significant awards in Q1 2014: CSP Chile, UK Railway, Desalination in Morocco



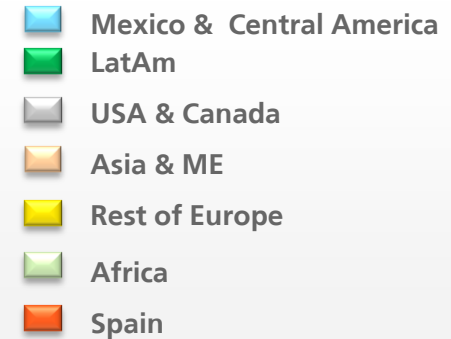
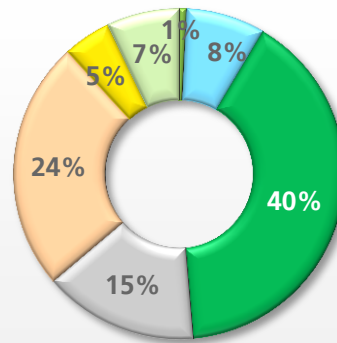
Growing Pipeline of Opportunities Spans Great Visibility on Future



Pipeline
Evolution (B€)



Transmission & Distribution

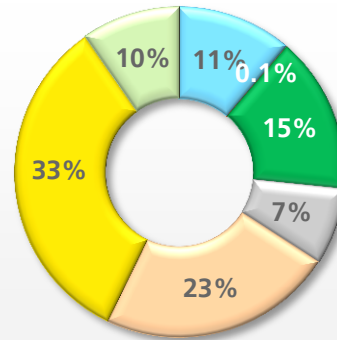


- **Brazil:** Grid expansion of ~ **42,000 km** in 2014 - 2022
- **Peru:** Grid expansion of more than **3,100 km** new lines in 2012 - 2022
- **Chile:** Important opportunities in T&D projects: **1,7 B\$ investment** till 2020



- **Asia:** Steady economic growth is fuelling a strong increase in energy, **creating large opportunities : more than 500 B\$** until 2020
- **~100 B\$ investments in T&D in India** until 2020
- **~30 B\$ investments in T&D in Middle East** until 2020

Power Generation



- **USA replacement of coal plants by shale gas and renewables. Coming opportunities in B2G**
- **Stable Abengoa presence** in USA, Brazil, Chile, Uruguay, Mexico, Peru, Colombia, Argentina
- **Mexico: strong relationship with CFE & Pemex** (long track record & strong pipeline of projects)

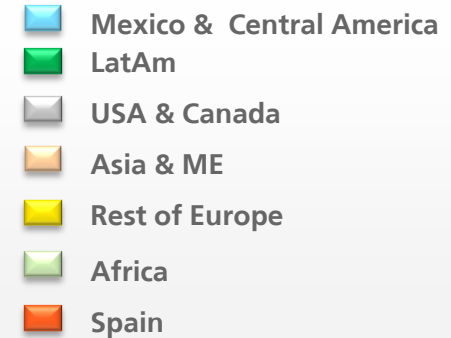
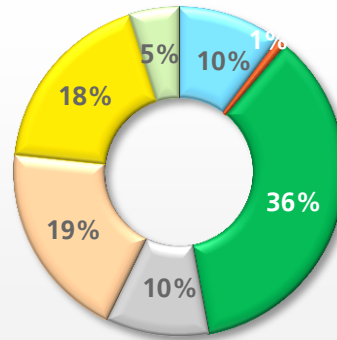


- **Strong need to reduce coal based generation in Eastern Europe** (focus on gas, biomass, etc.)
- Leverage our local **presence in Poland**
- **Africa: Huge potential for solar power plants** and conventional generation



- **Middle East: Titanic increase in power demand with special focus on renewables.**
- **Need for new energy infrastructures with special focus on hybrid solutions** (conventional/renewable plants).
- **South East Asia outstanding power demand based on coal & conventional** working on alliances with **Chinese and Korean partners**

Water



- **USA** brackish water type projects
- **Mexico & Brazil:** need of large water pipelines to bring water to the populated areas
- Desalinated water need for industrial use in **Chile, Peru and rest of Latam**



- **Africa:** relevant opportunities in desalination plant and IWRM projects in both North and Sub-Saharan Africa



- **Middle East & India:** opportunities in desalination and transmission water projects
- **Asia-Pacific:** Opportunities identified in **Brunei, Philippines, Indonesia** and **Singapore** for water treatment & waste water treatment plant

Strong E&C capabilities

- Wide product portfolio
- Covering entire EPC and O&M value chain
- Based on technology & innovation

Business Credibility & Sustainability

- Worldwide recognition & excellent track record
- Discipline at bidding & execution phases
- Same methodology applied to turnkey and Concession type projects

Bright future ahead

- Healthy backlog backed by a solid pipeline
- Pipeline increased by 58% in 2013
- Well diversified platform across products and geographies



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Thank you!