



ABENGOA

**Integrated Business Model:
Our Basis for Sustainable Growth**

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Analyst & Investor Day

May 2012

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Quick Glance to 2011

2

How did we do it? Abengoa's Principles

3

What to expect in 2012

4

What's next? 2013 and beyond

2011, a truly challenging year

Global recession

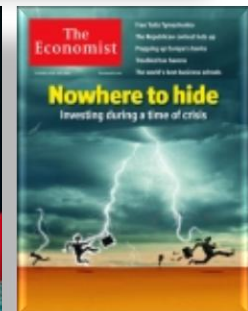
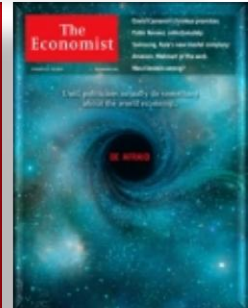
Eurozone crisis

Liquidity restrictions

Budgetary restrictions

Arab Revolution

Decreased support to
renewable energy



In that economic environment our strategic priorities were very clear

Continue pursuing sustainable growth by global reach and diversification

Continue delivery on proven execution track record

Protect liquidity, ensuring our obligations are met

Improve shareholder returns

Leverage and expand existing visibility of earnings

Increase financial flexibility

How did we do?

Revenues

7,089 M€

↑ **46%** (4,860 M€ FY 2010)
2.7x (2,656 M€ FY 2007)

EBITDA

1,103 M€

↑ **36%** (812 M€ FY 2010)
3.4x (323 M€ FY 2007)

Net Income

257 M€

↑ **24%** (207 M€ FY 2010 figure)
2.1x (120 M€ FY 2007)

Corporate Net Debt to Corporate EBITDA

2.1x

↓ **from 3.8x** at FY 2010

1. Delivery of good results, as anticipated
2. Significant improvement in balance sheet structure

During the asset investment phase we have significantly reduced Abengoa's risk profile

Asset Investment

2001

2010

2020

Industrial Production

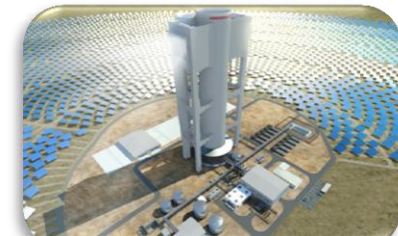


- «Internal» capex
- 100% promoter risk
- **Growth in corporate debt**
- Revenues exposed to **market risk**
- **Investment in 1G and recycling capacity completed**

Concession-type infrastructure

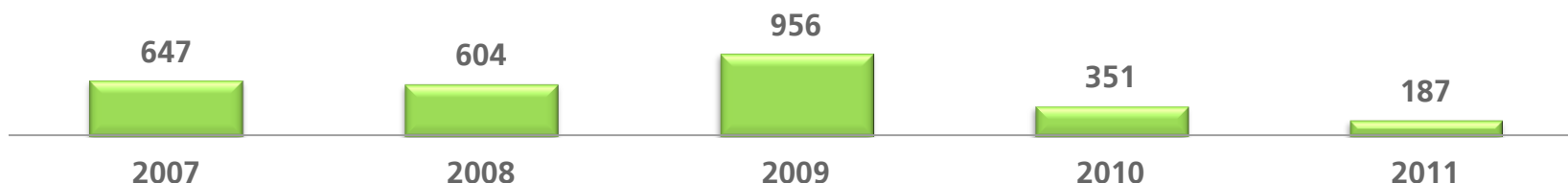


- «External» capex
- No promoter risk
- **↑ non-recourse debt, ↓ corporate debt**
- **Secured revenues**
- **Significant roll-out of projects in the next 18 months**



Reduced corporate risk through a change of equity investment profile towards concession-type assets ...

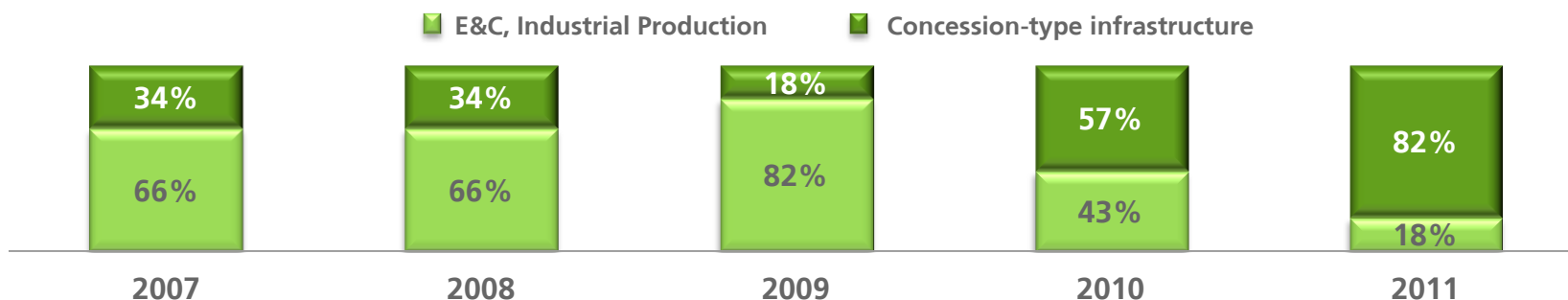
Equity investment: E&C, Industrial Production



Equity investment: Concession-type Infrastructure capex

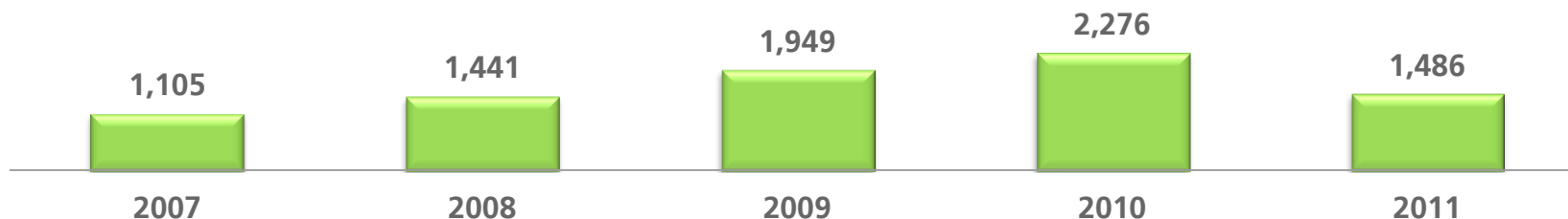


Corporate Capex Split Evolution – Equity investment

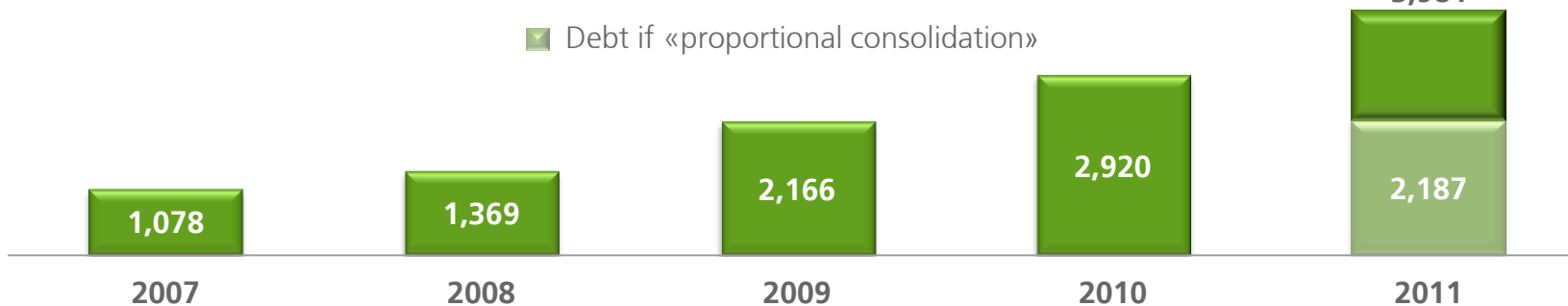


... financed with non-recourse debt at the project level

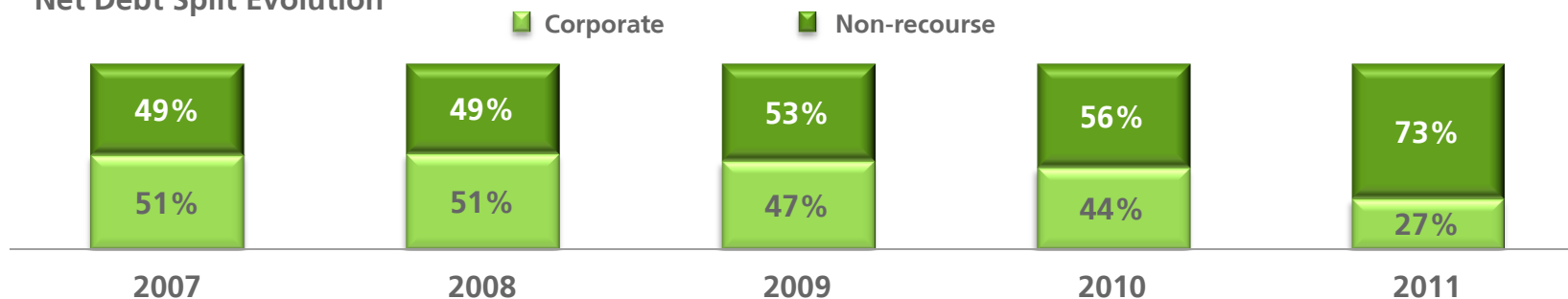
Corporate Net Debt (€M)



Non-recourse Net Debt (€M)



Net Debt Split Evolution



Understanding Abengoa's leverage profile requires a closer look

What does a 5.0x Consolidated Net Debt / EBITDA mean?

	2008	2011	
Corporate	3.9x	2.1x	✓ Reduced corporate risk
Non-recourse	8.0x	10.3x	✓ Higher ROE on project investment
Consolidated	5.2x	5.0x	

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Looking Back to 2011

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How did we do it? Abengoa's Business Model

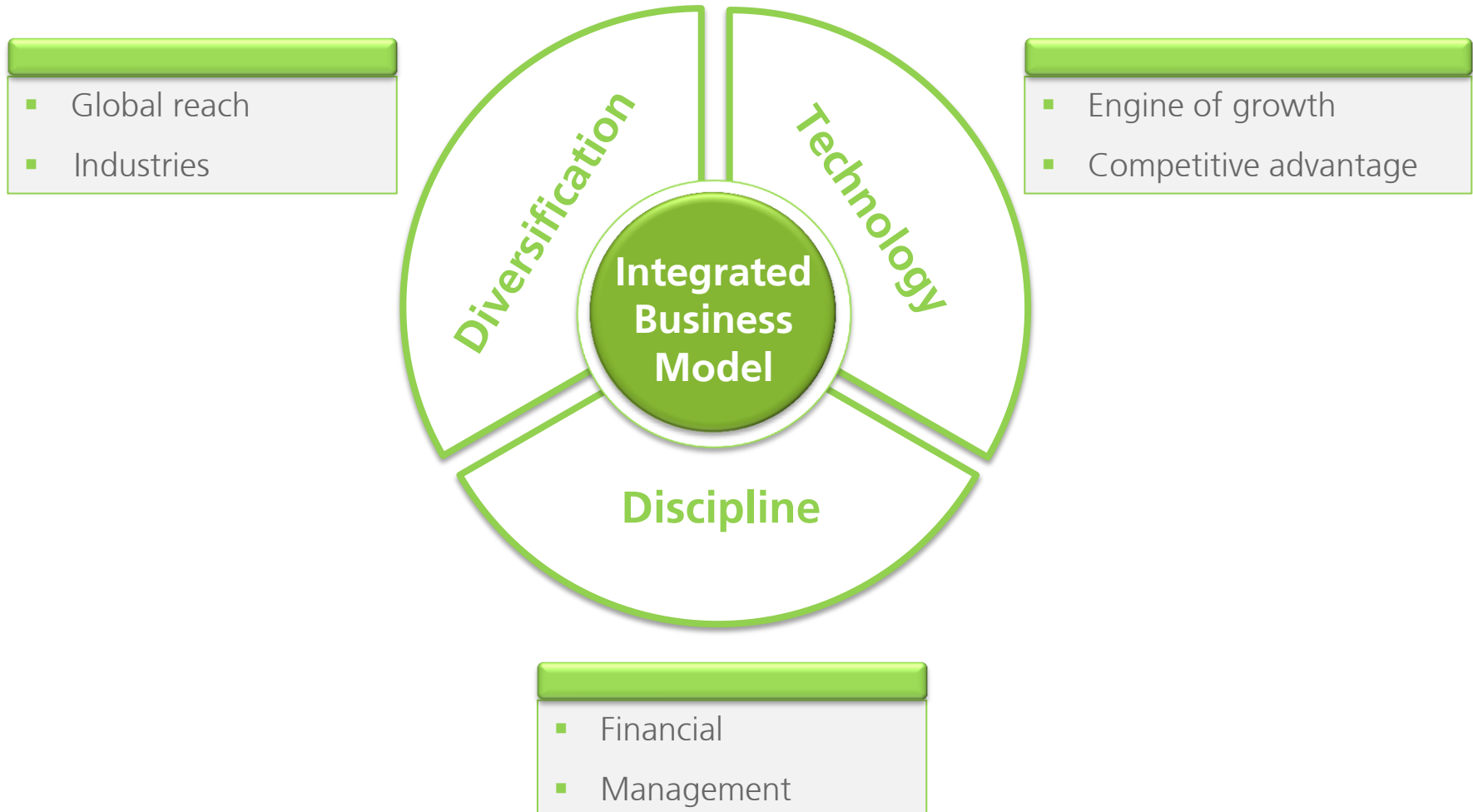
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What to expect in 2012

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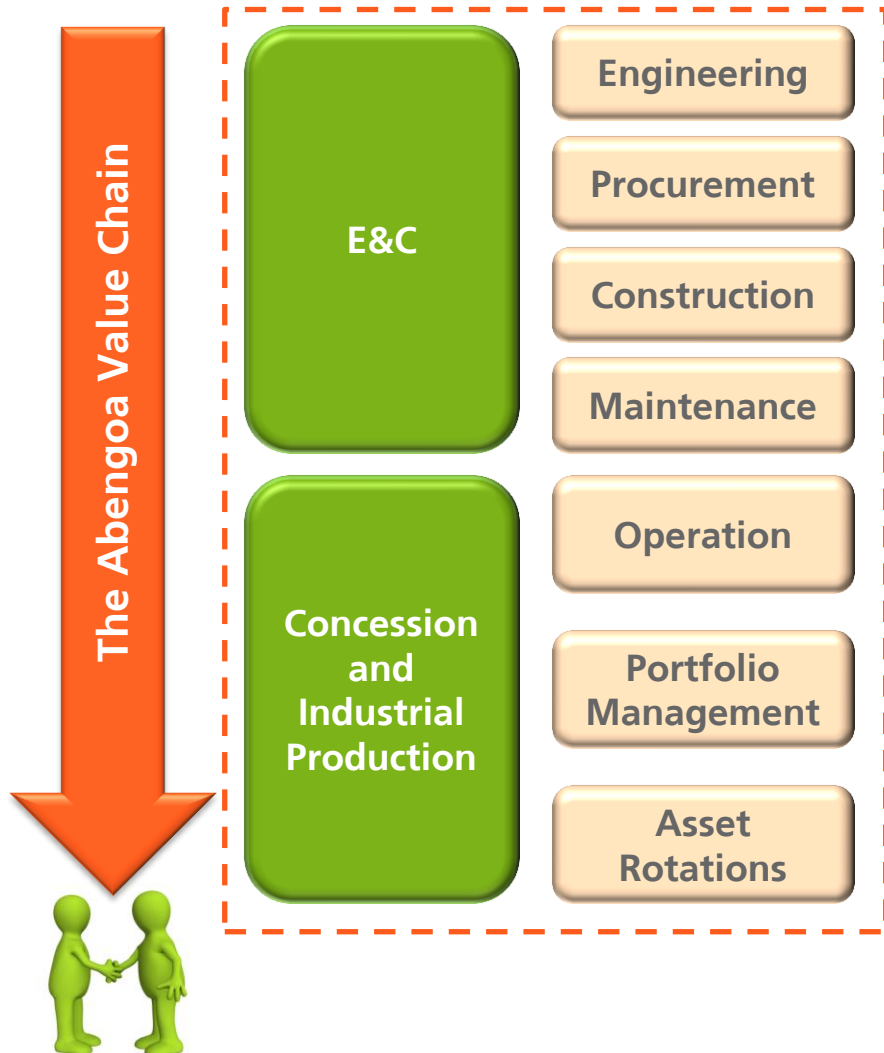
What's next? 2013 and beyond

Abengoa's success story is based on our integrated business model and 3 key principles





Integrated business model





Key Benefits

- ✓ **Standardisation** of activities through clearly defined procedures
- ✓ **In-house capabilities**
 - Critical activities are executed by own resources or through stable strategic alliances
- ✓ **Cross divisional learning benefits**
- ✓ **Improved visibility and growth profile** vs. pure players
- ✓ **Stronger financial profile** and flexibility
- ✓ Optimisation of maintenance activities
- ✓ Capital allocation managed to **optimise "global IRR"** whilst protecting key proprietary know-how

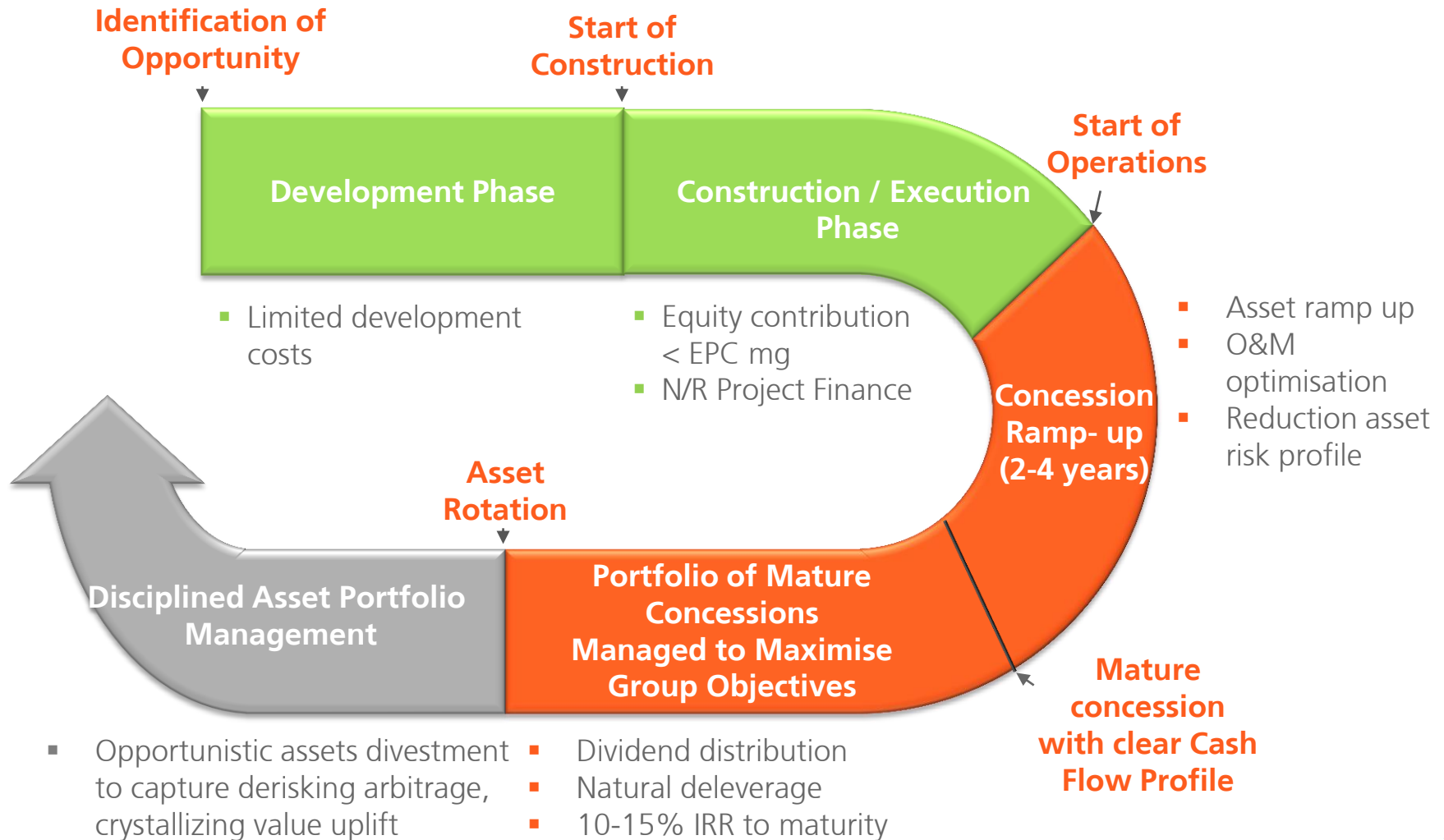


Allows to take advantage of different market opportunities

Abengoa Business	E&C	Concessions	Industrial Production
Sponsor	 External customer	 External customer	ABENGOA
Activity	EPC	EPC + Operation	Sale of product
Risk	Project Delivery	Regulation	Supply / Demand
Equity Source	none	EPC margin	ABENGOA
Debt Guarantee	none	Project	ABENGOA

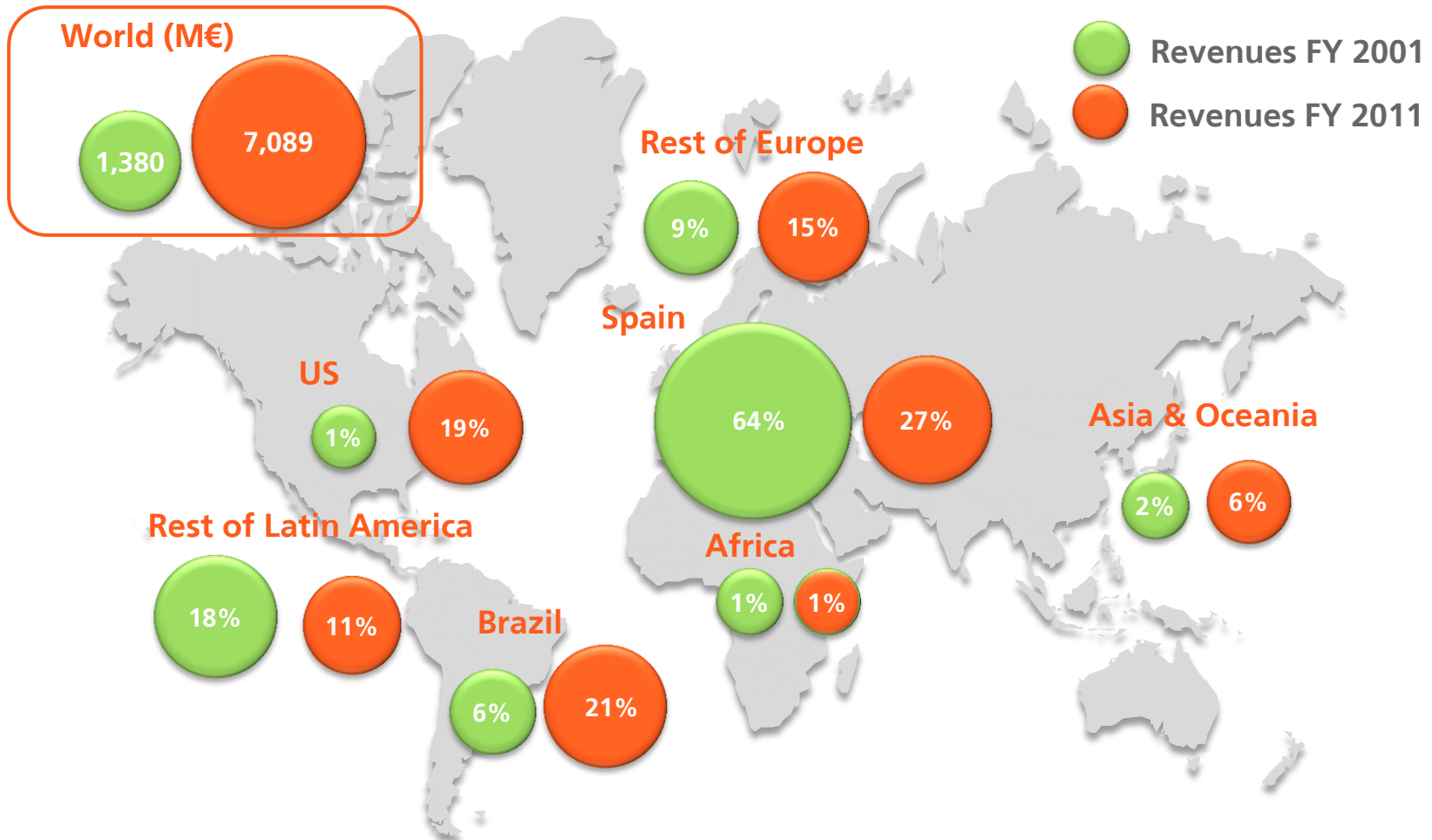


The concession model allows for superior returns and self-financing





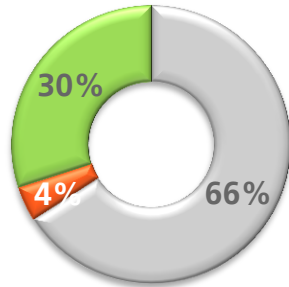
A truly global business



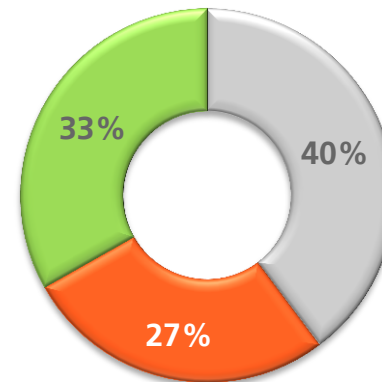


Well diversified platform provides a natural hedge to market cycles

EBITDA 2001: 157 M€



EBITDA 2011: 1,103 M€



Different industries – Different market and earnings drivers

E&C

- Backlog and EPC margin
- Internationalisation
- Infrastructure investment macro trends

Concession

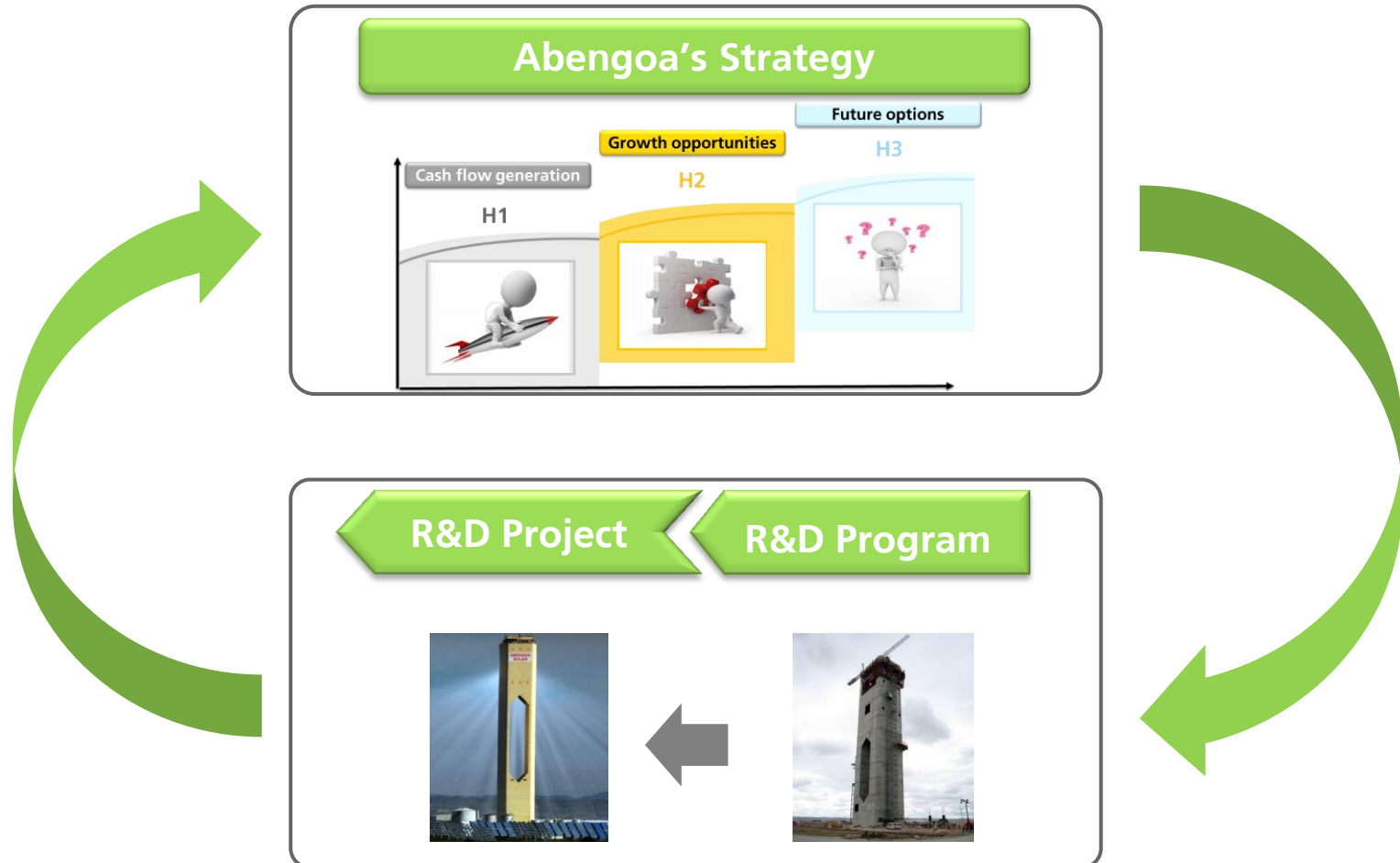
- Secured revenues/cash flows
- Average contract life of 25 years
- EBITDA recurrence

Industrial Production

- Revenue recurrence
- Demand & pricing risk / upside
- Market cycle

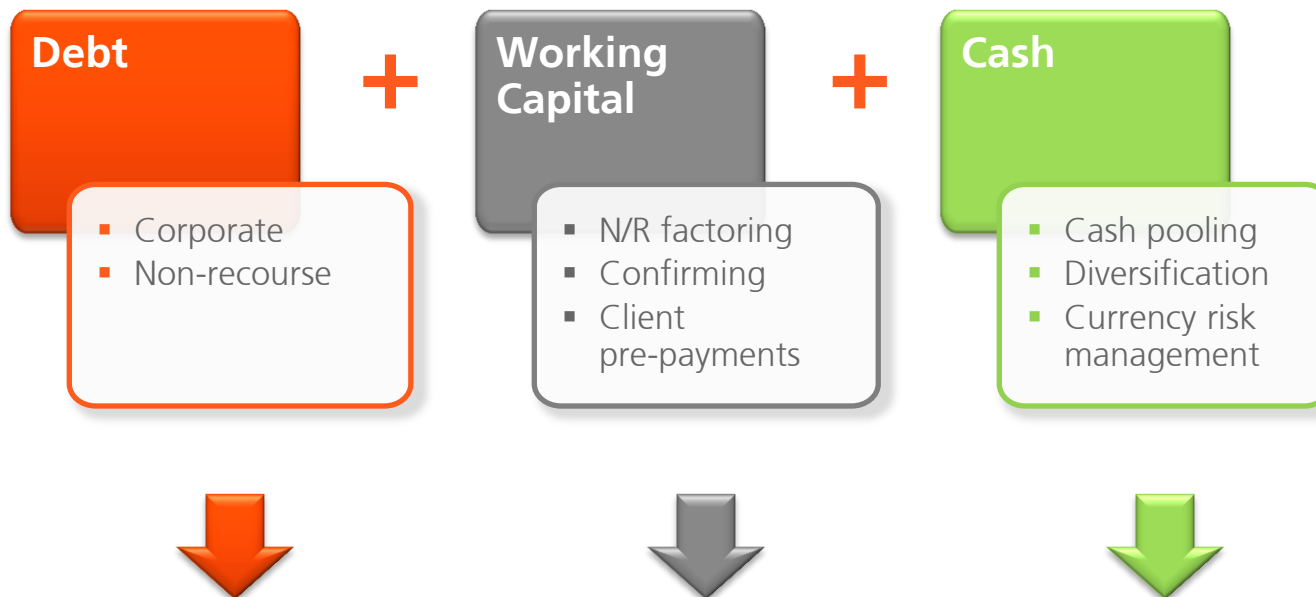


R&D is Abengoa's engine of growth





Conservative approach to liquidity



Abengoa's financial policy is focused on achieving maximum flexibility and resilience for the company



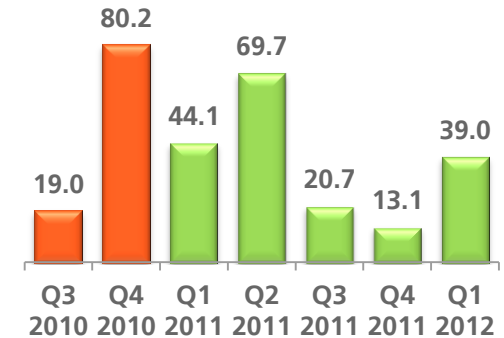
Liquidity ensures we maximise our options

High Yield issuance – EU (B\$)



- Positive trend since mid 2010
- Markets seemed to re-open in H1 2011 ...
- ... but quickly closed again

Equity issuance – EU (B\$)



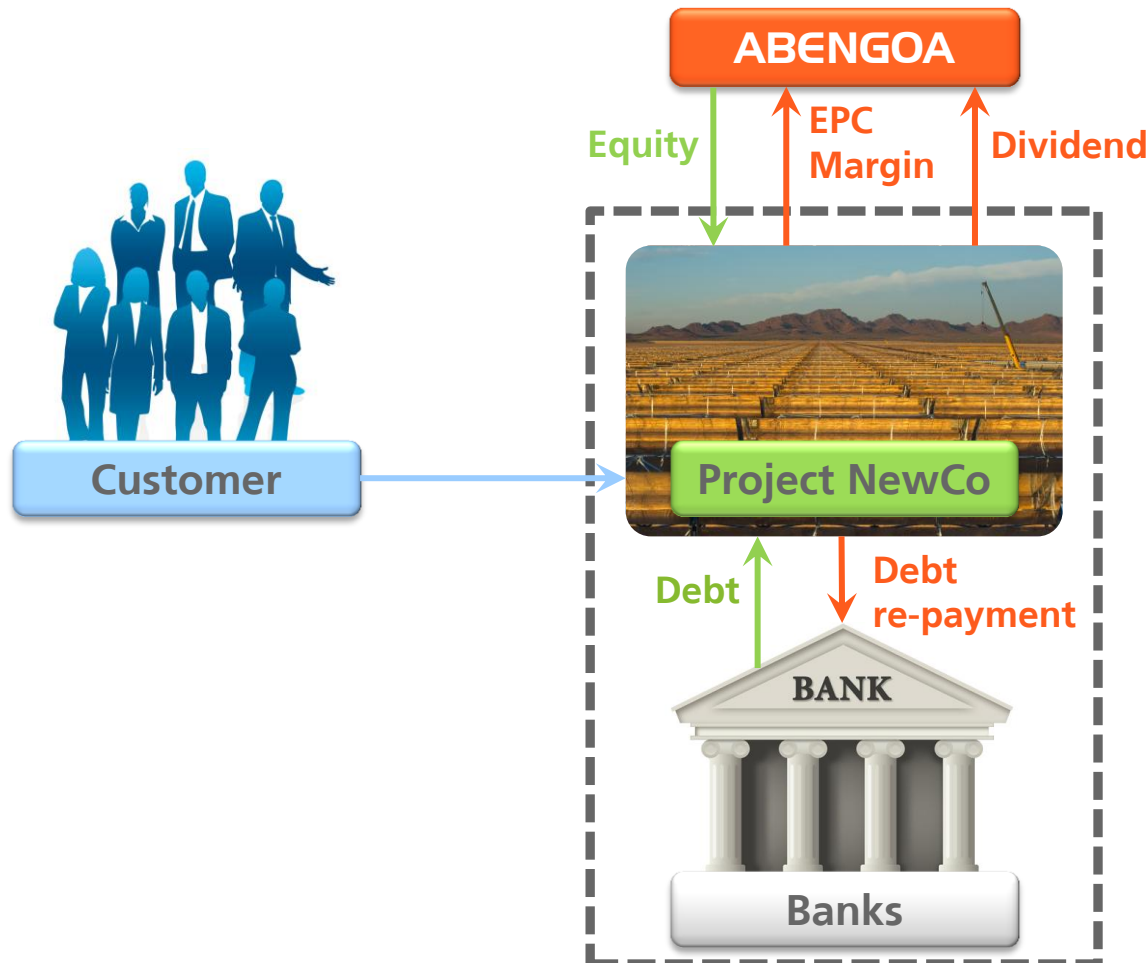
In the current market conditions, the benefits of our approach on liquidity clearly outweigh the financial cost



- ↑ Meet debt maturities
- ↑ Meet E&C payment obligations
- ↑ Execute committed capex plan
- ↑ Additional «room for maneuver» for management

Building up a liquidity «life-line» takes much longer than capital markets to reverse

Investment only after financial risk has been ringfenced at the project level



Abengoa Equity

- ✓ Limited equity at risk:
 $\text{Equity} < \text{EPC margin}$

Project Debt

- ✓ Limited responsibility to project debt
Non-recourse debt

Strict management procedures implemented accross the organisation



Strategic Planning & Control



- Strategic planning through McKinsey's «3 Horizons»



- 10-year strategic plan reformulated every 6 months
 - Review of KPIs



- Reporting & Control:
 - Monthly analysis and review of results (KPIs)
 - SOX compliant



- Common management procedures

Risk Management



Financial risk

Hedging

- Commodities
- FX
- Interests



Credit risk

- Non-recourse factoring
- Credit insurance



Operational risk

- At bidding
- At execution

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Same financial environment, so same strategic priorities

Continue pursuing sustainable growth by global reach and diversification

Continue delivery on proven execution track record

Protect liquidity, ensuring our obligations are met

Improve shareholder returns

Leverage and expand existing visibility of earnings

Increase financial flexibility

Guidance for 2012

How will we get there?

Revenue

7,550 – 7,750 M€
8%

EBITDA

1,275 - 1,325 M€
18%

Corp.
EBITDA

780 – 800 M€
10%

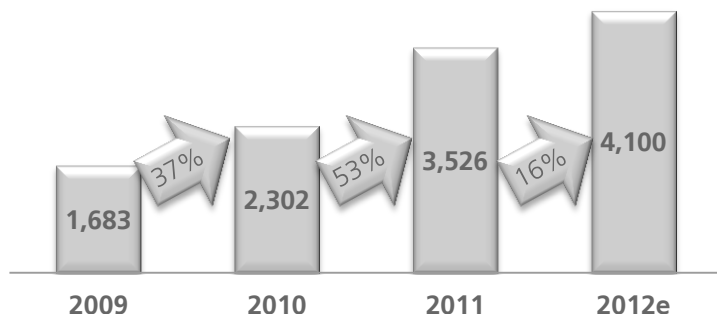
Corporate
Leverage

<3.0x

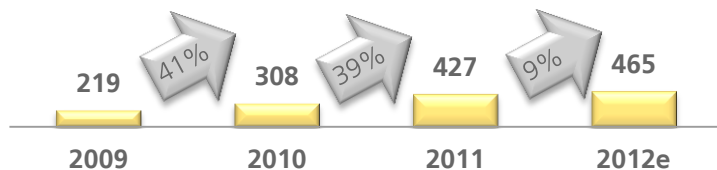
- ✓ E&C Backlog
- ✓ Excellence in operating out assets
- ✓ Roll-out of concession plan
- ✓ Extension of syndicated loan

M€

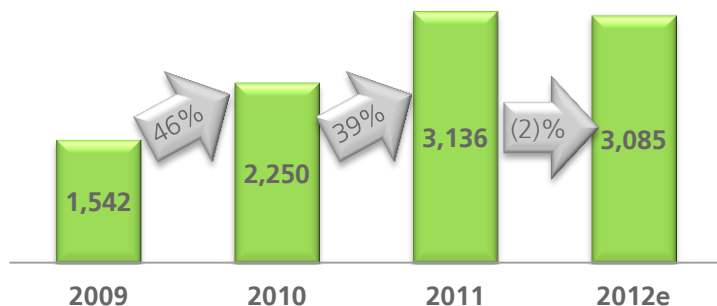
E&C Evolution



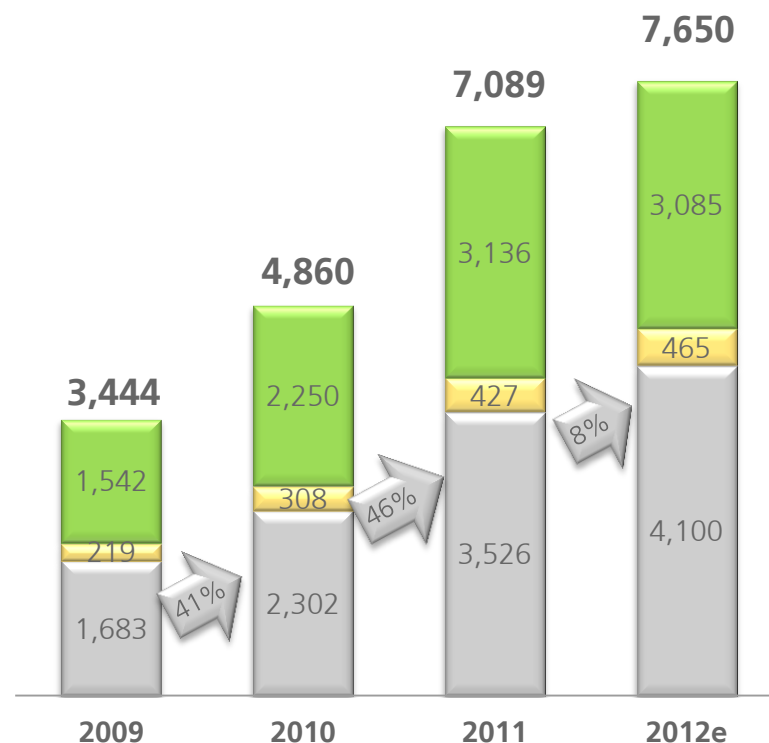
Concession-Type Infrastructure Evolution



Industrial Production Evolution



Total Revenues



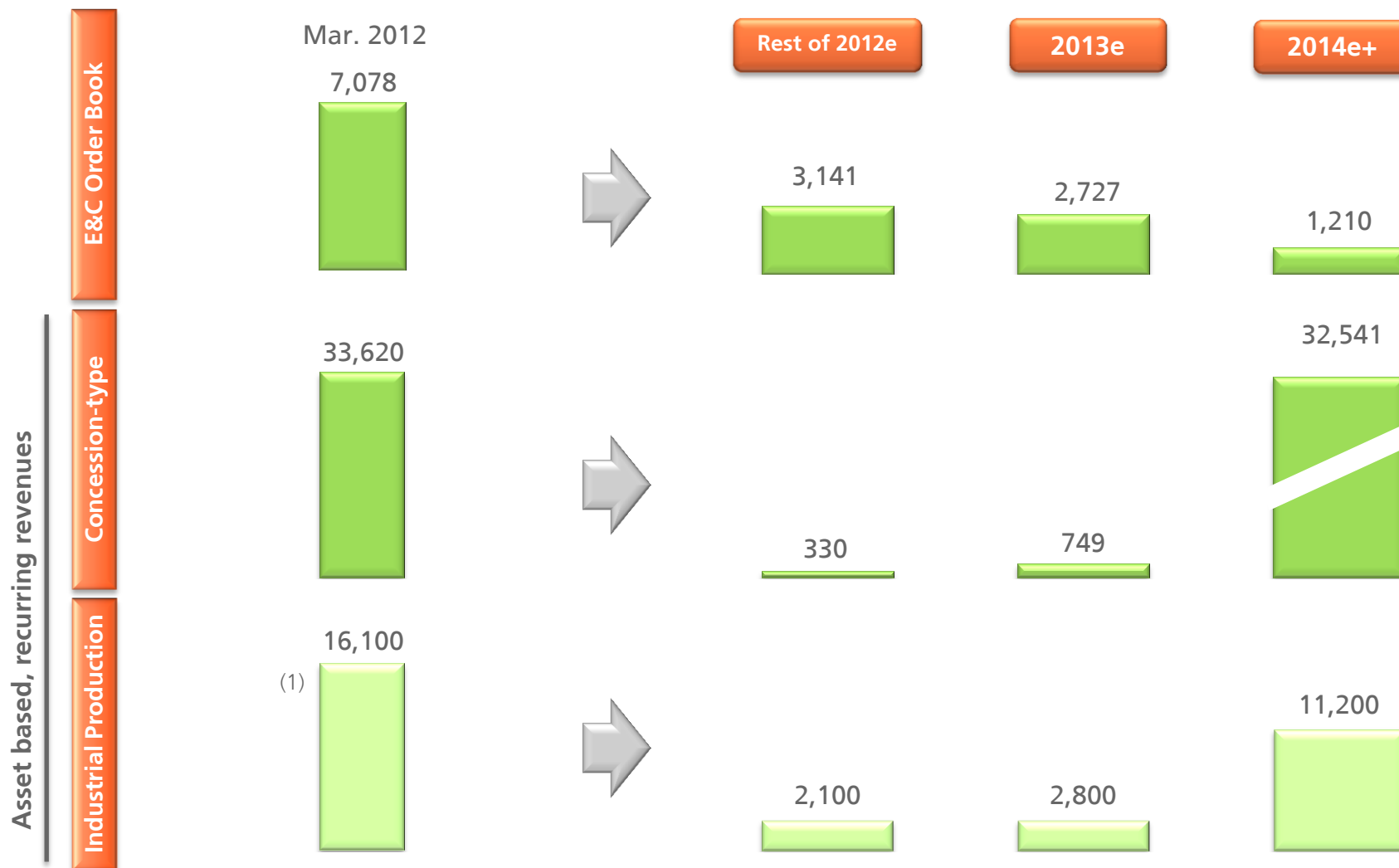
E&C

Concession-Type Infrastructures

Industrial Production

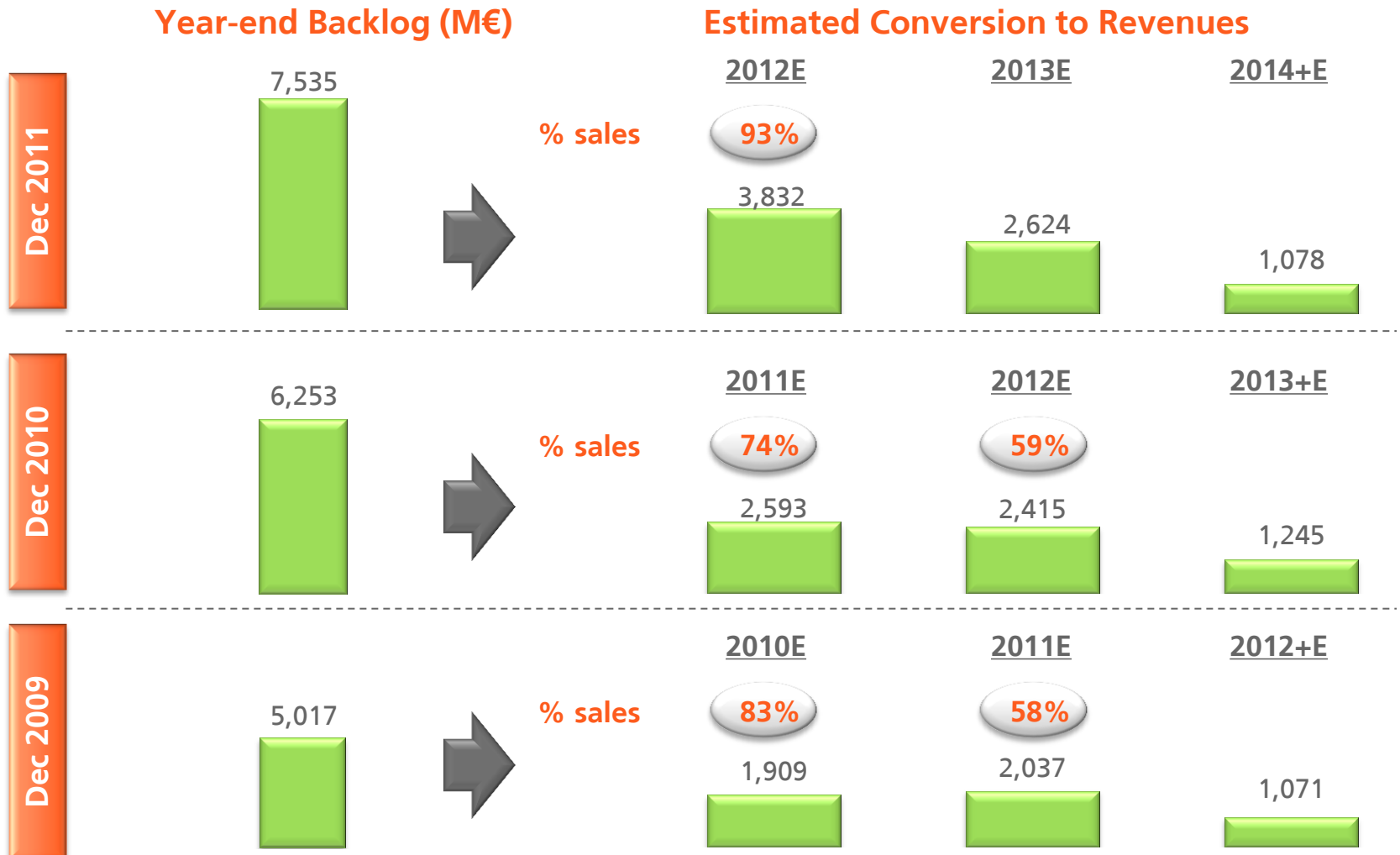
Backlog (M€)

Estimated Conversion to Revenues



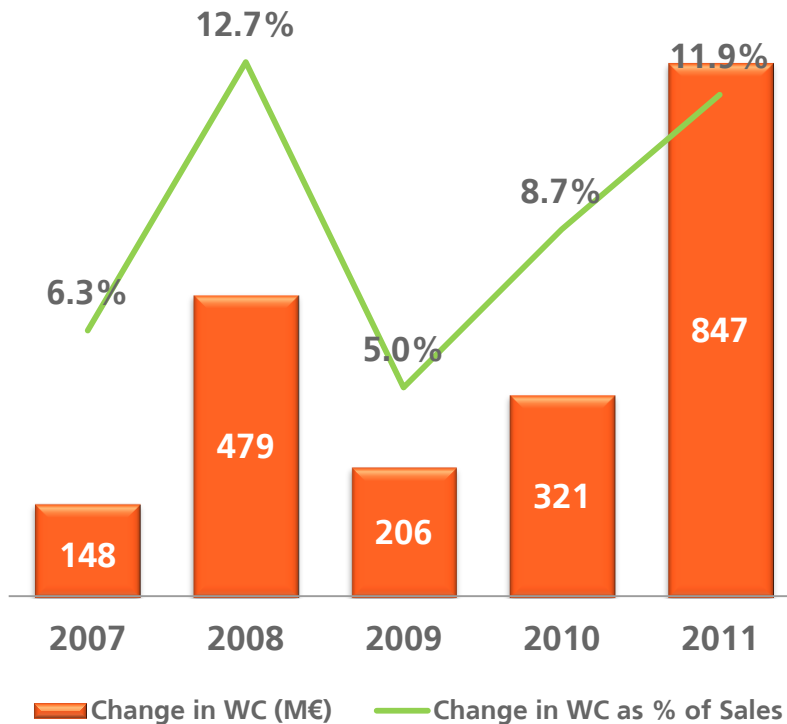
⁽¹⁾ Illustrative calculation according to estimated 12 months of revenues. 2014+e is calculated as 4 years of revenues.

Solid revenue visibility for E&C business



E&C backlog provides 18-month revenue visibility and ability to generate cash via working capital

Historical and Projected Working Capital Overview



Aggressive working capital policy:

Factoring

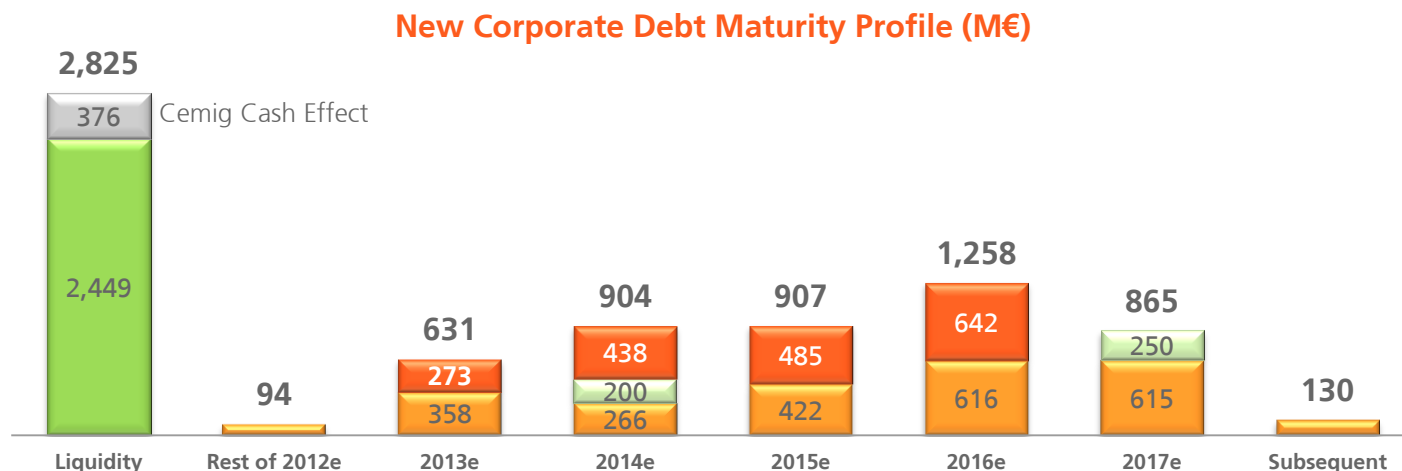
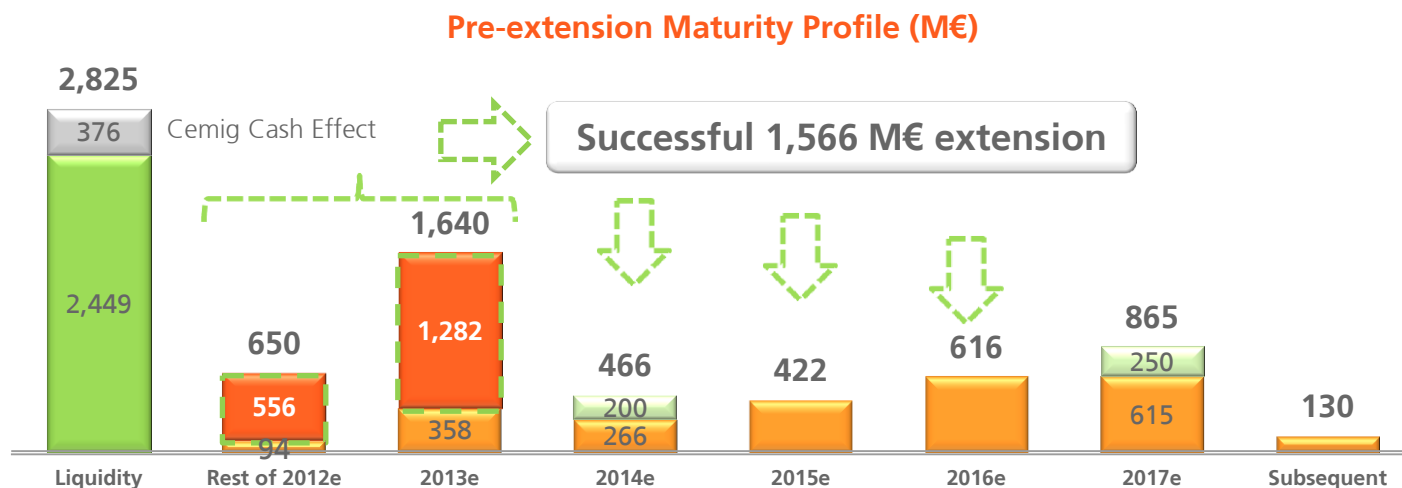
- ✓ n/r factoring with customers
- ✓ Removes credit risk

Confirming

- ✓ Bank Payment to Suppliers
90 + 90 days

- Abengoa has consistently been able to generate positive cash flows through **efficient management of working capital**

Improved maturity profile and liquidity position at March 31, 2012



■ Syndicated Loans
 ■ Convertible Bonds
 ■ Other Corp. Debt

Note: Maturities exclude revolving facilities

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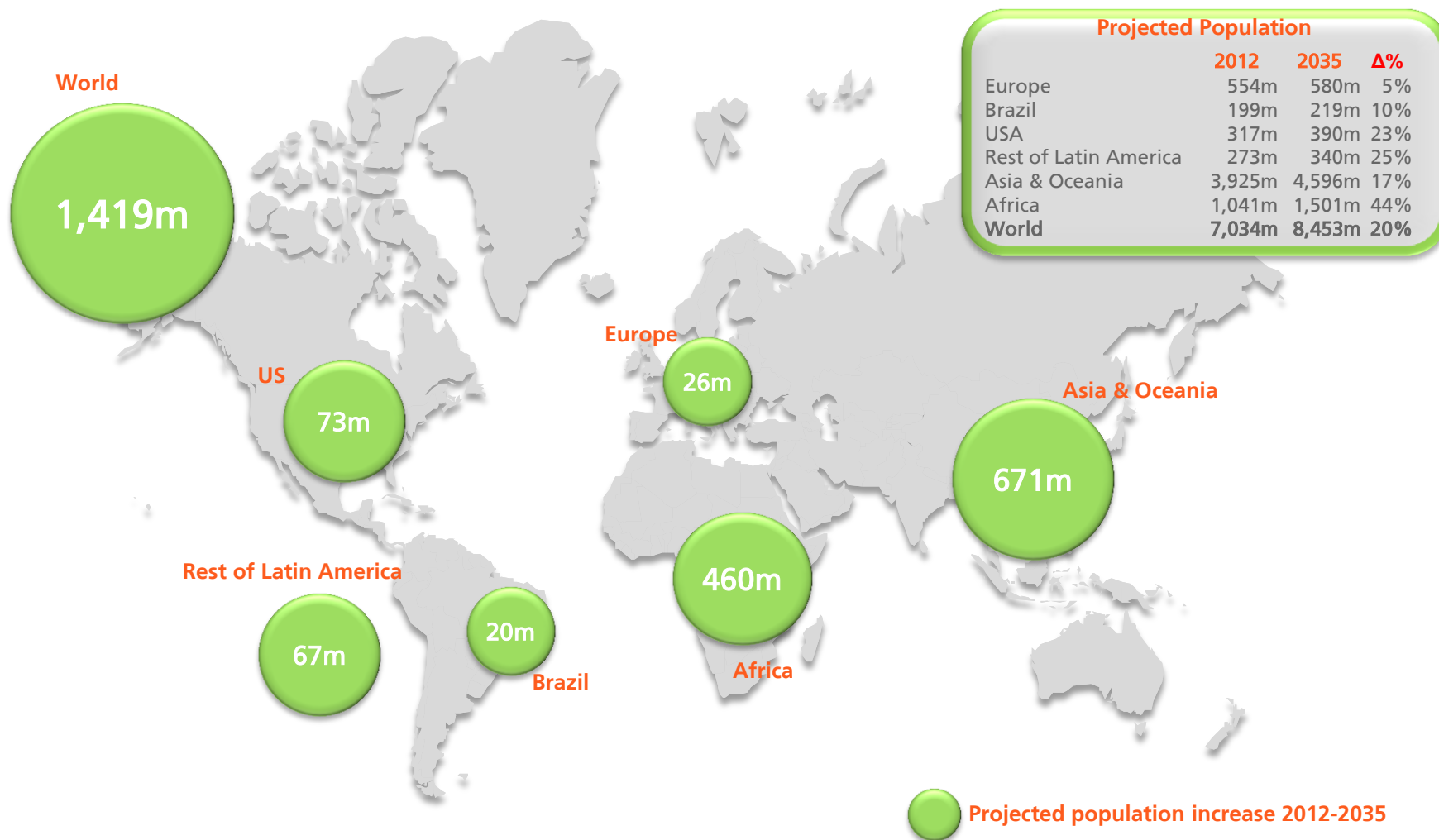
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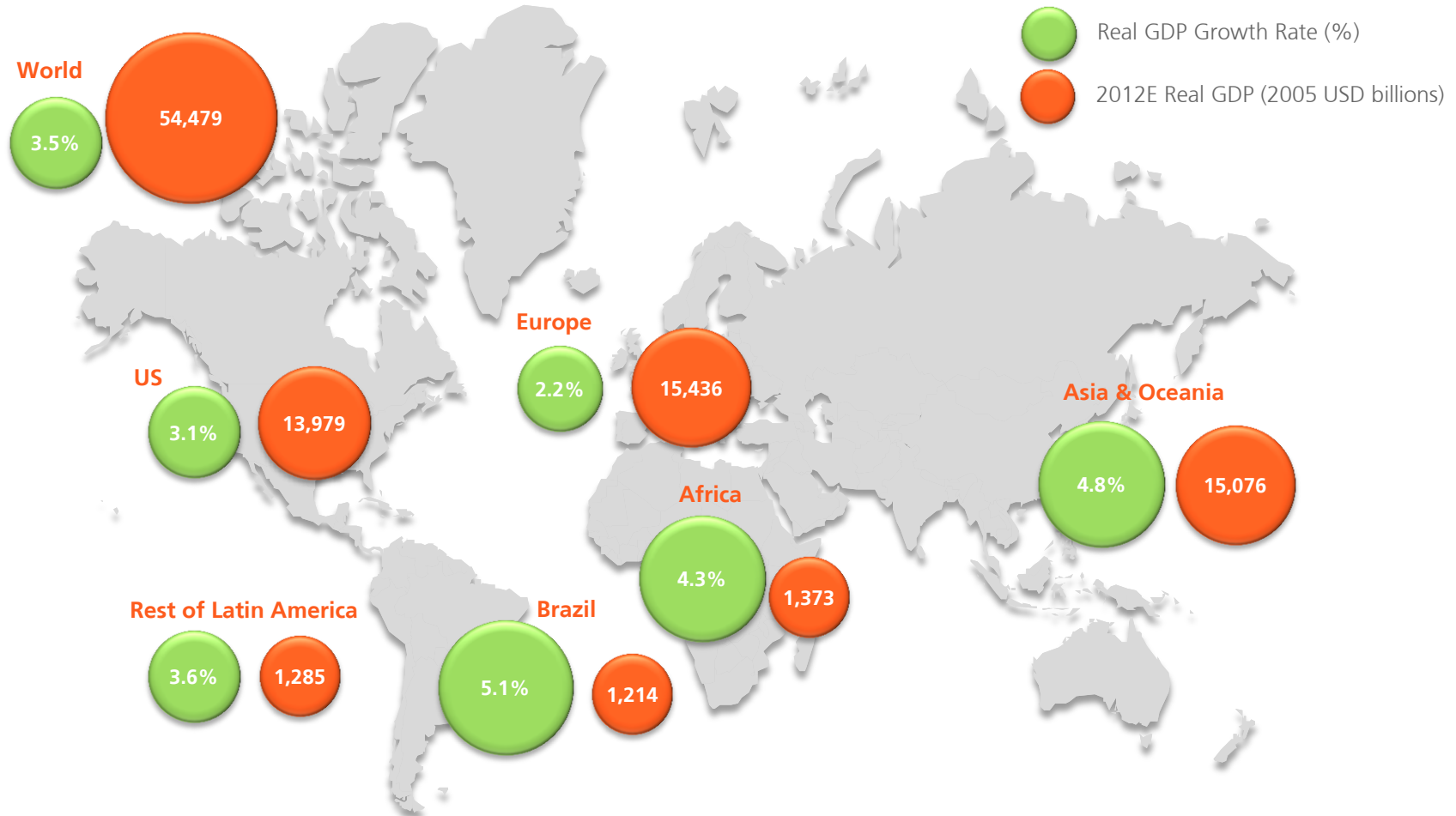
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What's next? 2013 and beyond

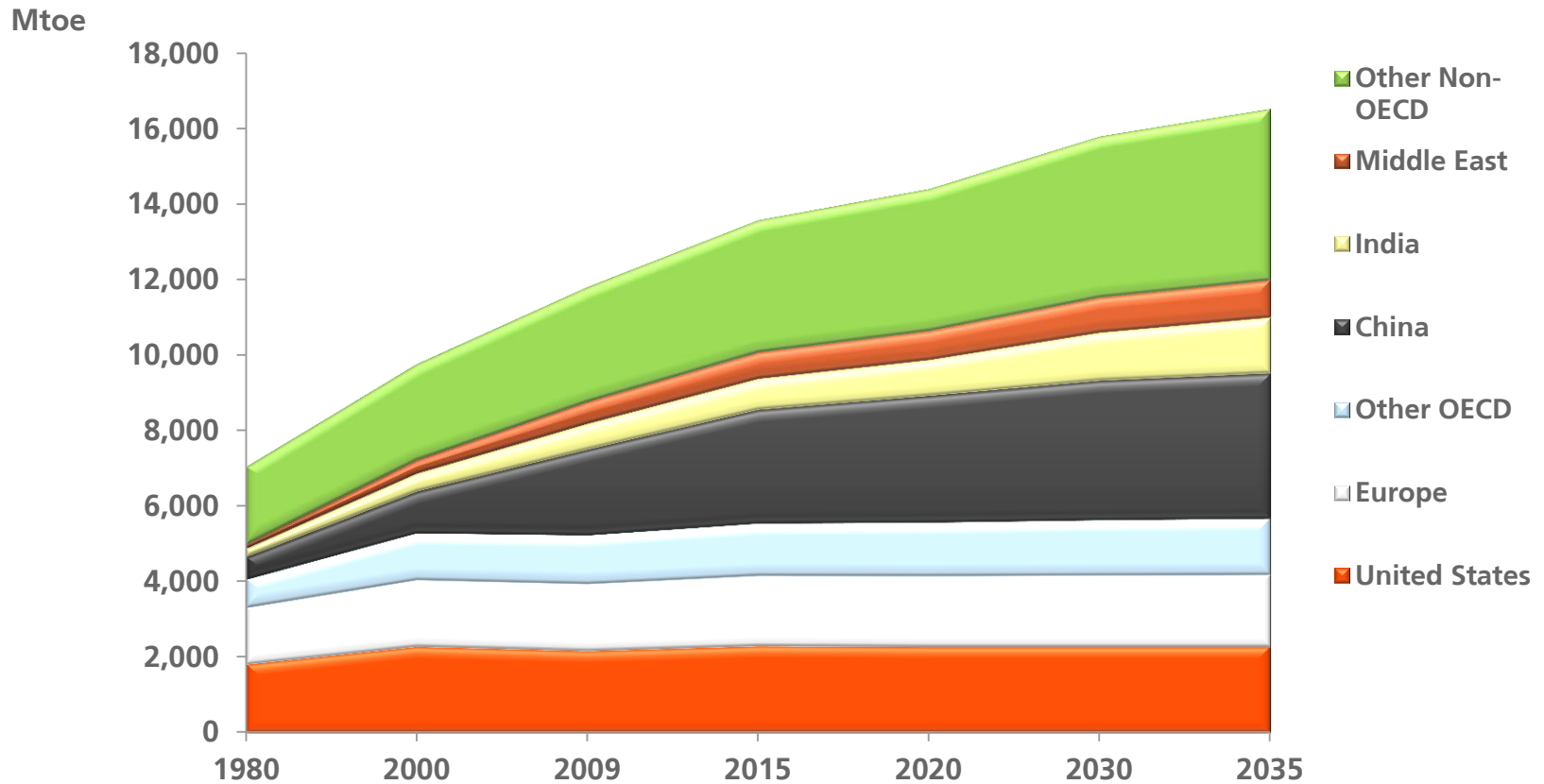
Population remains the key driver of energy demand



Global GDP growth is likely to accelerate, driven by emerging economies



Strong increase of primary energy demand



Source: WEO2011



T&D investment driven by new generation capacity additions and population growth

Latin America

- Strong economic growth
- Under developed infrastructure



10-yr Energy infrastructure plan

- 48 GW new generation capacity by 2019
- 37,000 km new lines 2009-19
- **43.0 B BRL planned investment**



Electricity Investment plan

- 5 GW new generation capacity by 2017
- >2,000 Km new lines 2012-17
- **670 M\$ planned investment**



8 Tenders

- 8 BOT concessions between 2011 and 2012
- **850 M\$ investment**

Asia

- Growing population
 - Consequent increase in the demand of energy
 - Huge potential market

Investment estimates:



- **~100 B\$** until 2020

Middle East



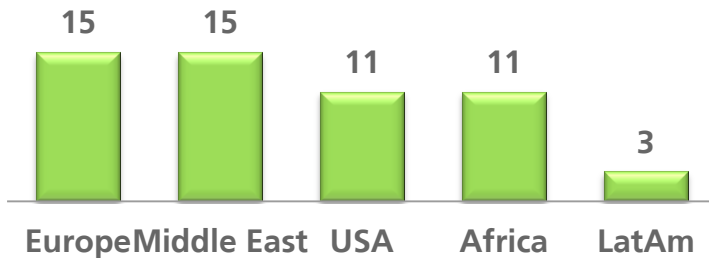
- **~30 B\$** until 2020



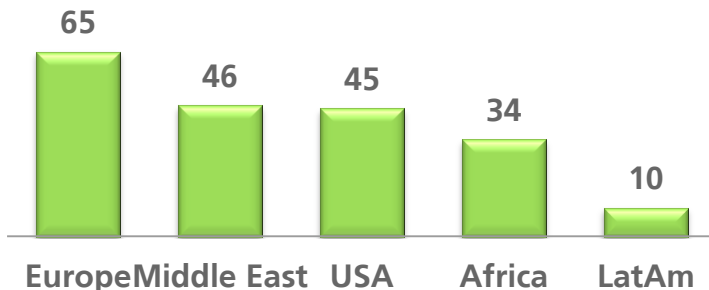
CSP will become a relevant technology in the global energy mix

World Energy Outlook estimates for 2035

- Global capacity additions: 81 GW



- Global investment: \$285 B (2010 prices)



CSP targets in most of the relevant regions



- Commitment to **Renewable Energy Directive targets**

- Nuclear «shutdown» promoting initiatives such as Desertec (first 22GW agreed by Algeria by 2030)



- \$9 billion** solar program, launched in 2009 for a total capacity of **2 GW between 2015-2020**



- South Africa's **2030 CSP target is 1GW** out of the country's target of 10,000 GWh from renewable energies



- Australia's CSP target: 1GW by 2020



- Saudi Arabia has a target of 15% from solar energy by 2020

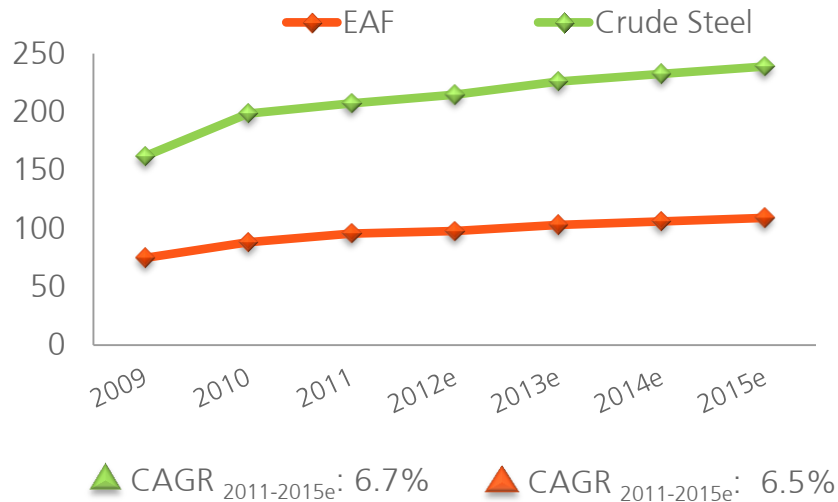


- Abu Dhabi has set a renewable target of 7% for 2020. The Masdar project, for the deployment of RE, accounts for 750 M\$



Increased industrial activity and tougher regulation on waste disposal

Stable growth expected in European steel production (Mt)



- **Zinc consumption is expected to increase by 3.8%** between in the next 2 years .

Stringent environmental regulation will increase demand for recycling capacity



- ✓ 2th largest EAF market, **500 – 600k tons steel dust per year**
- ✓ **Regulation converging to EU standards**
- ✓ **Abengoa already present**

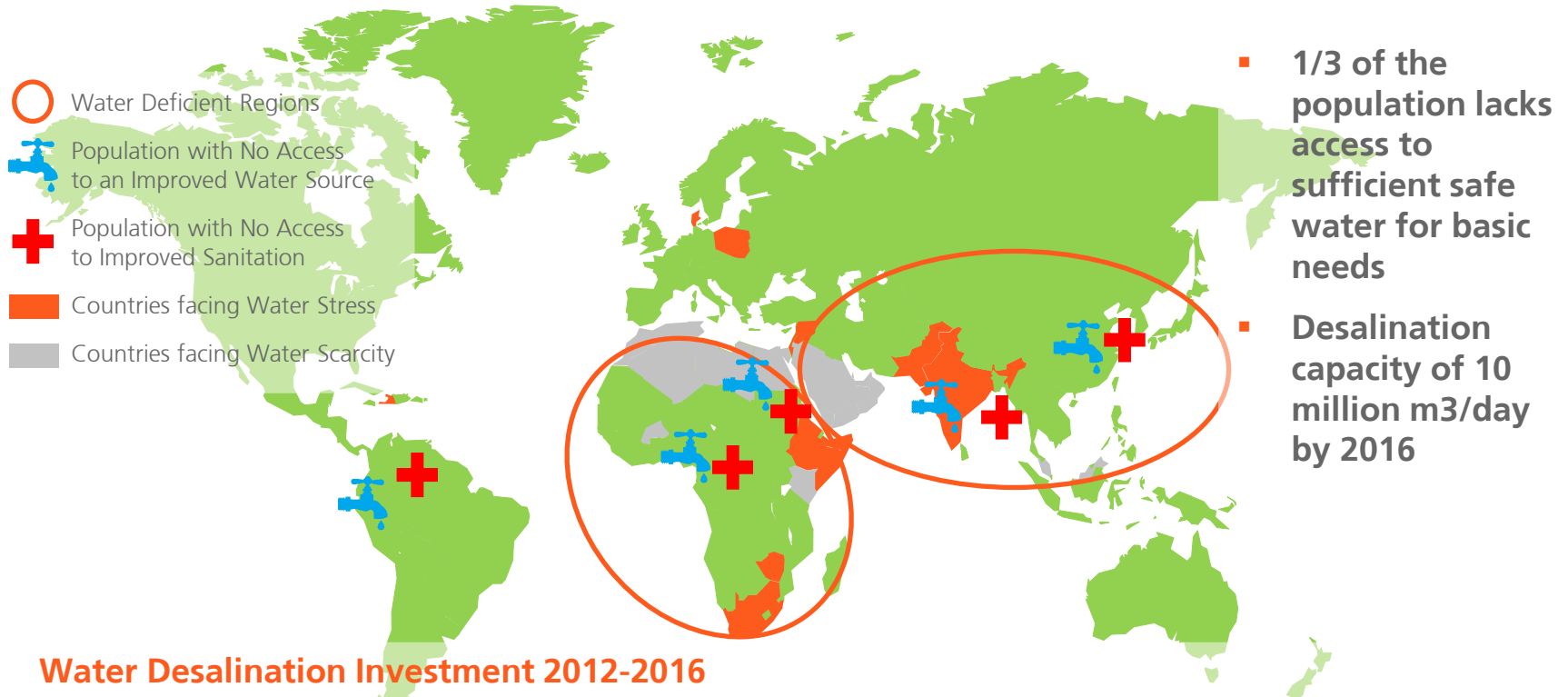


- ✓ 3rd largest EAF market, **~400k tons steel dust per year**
- ✓ **Increasingly strict environmental regulation**
- ✓ **High landfill cost**

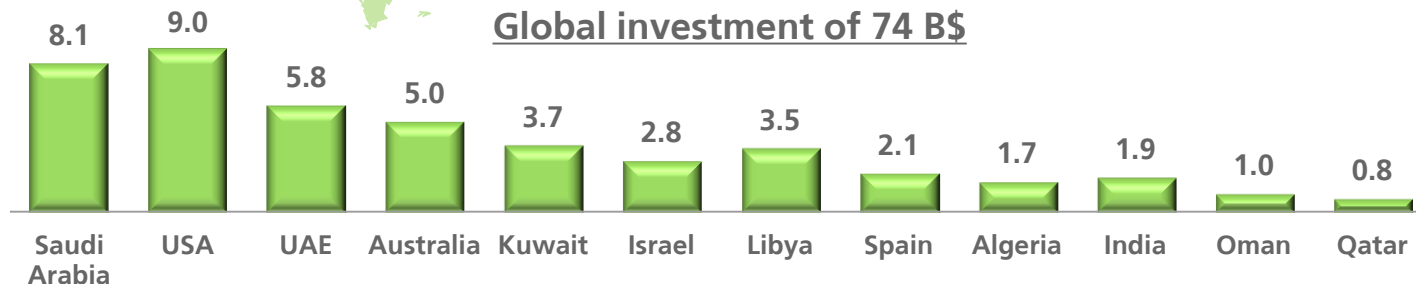
- Other large EAF markets with growing environmental regulation include Thailand, Brazil, Taiwan and Saudi Arabia



**Governments promoting investment in water infrastructure.
Desalination capacity expected to double in the next 5 years**

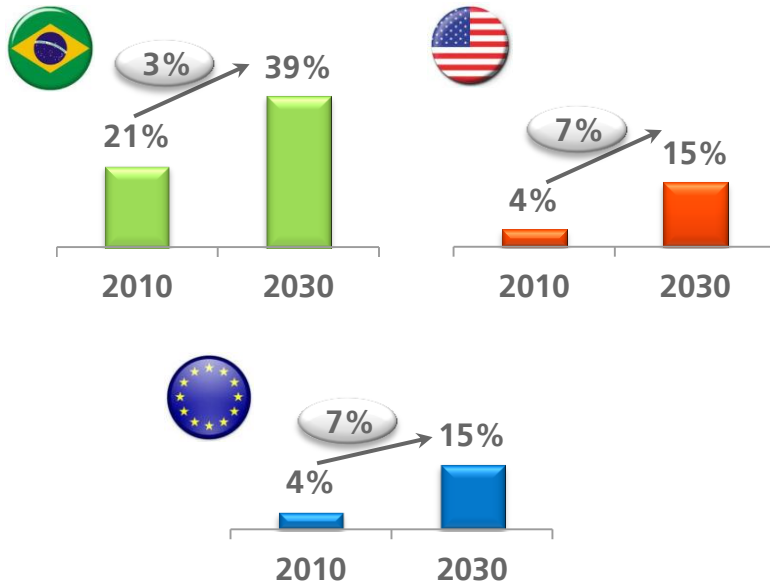


Water Desalination Investment 2012-2016



 **Compliance with renewable energy commitments and increase in transport fuel will drive industry in the mid and long term**

Penetration of biofuels in the 3 key markets



Share of fuel (% of energy use)

	1990	2030
Renewables	0,4%	6%
Nuclear	5%	6%
Hydro	6%	7%
Coal	27%	28%
Natural gas	22%	26%
Oil	39%	27%



Drivers for the key biofuels markets

US

- E15 roll-out
- RPF: 36 BGY in 2022
- Energy security

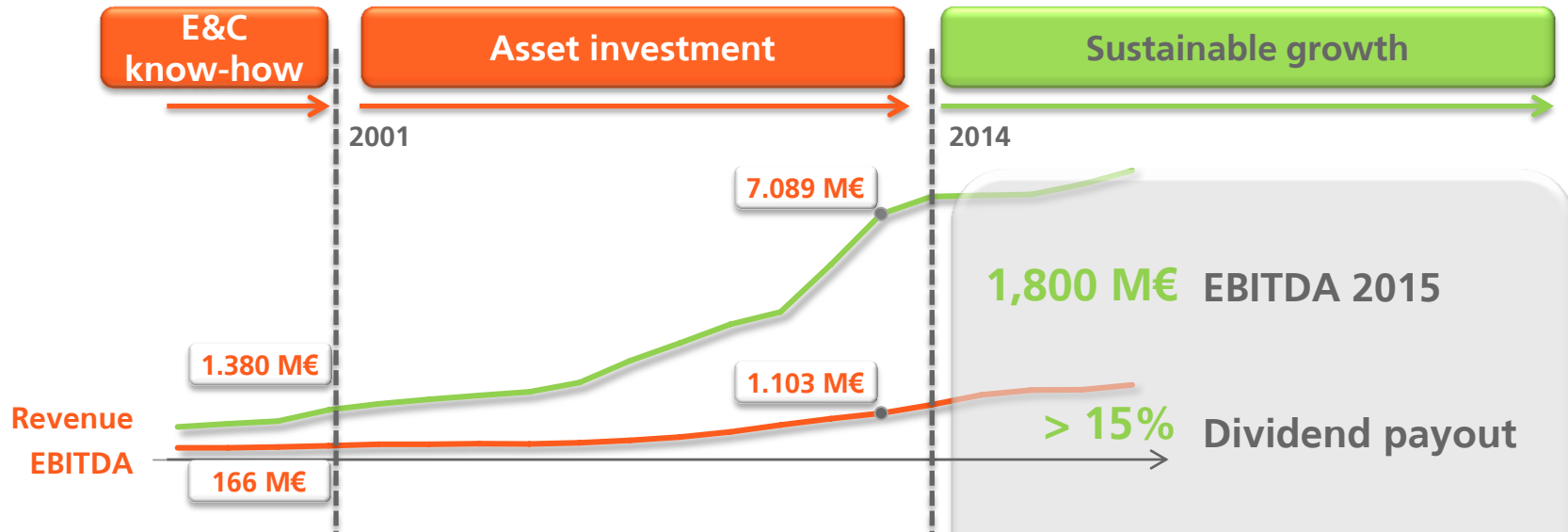
Brazil

- Price-driven market
- Energy security

Europe

- RED : 10% renewable energy in transportation by 2020
- Sustainability

Finalising asset investment, on track to continue to the phase of sustainable growth



- Solid E&C company
- Limited R&D investment
- No recurrent revenues
- Strong R&D commitment
- Capex >>> EBITDA
- Increase total debt
- Limited dividend

1,800 M€ EBITDA 2015
> 15% Dividend payout
≤ 3.0x Corporate leverage
Maximise N/R debt



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Thank you!

Analyst & Investor Day

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