

ABENGOA



Evolution of Business

First Quarter 2011

(January-March)

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Since January 1, 2010, the Group has applied IFRIC 12, "Service Concession Arrangements", retrospectively. This interpretation affects public – private service concession arrangements. IFRIC 12 allows for the separate accounting recognition of construction activities and subsequent operation and maintenance of the facilities. The retrospective application of IFRIC 12 has not had a significant impact on the consolidated annual accounts of Abengoa for 2010, since the Company was already applying a similar accounting policy for certain of its concession-type assets, mainly related to international concession arrangements for electricity transmission and desalination.

At the date of the first application of IFRIC 12, management carried out an analysis of other agreements in the Group and identified additional infrastructures that could potentially be classified as service concession arrangements, which included thermosolar power plants entered in the pre-assignment register in November 2009. In this respect, management concluded initially, based on legal and technical expert independent reports, that these thermosolar power plants met the requirements of IFRIC 12 to be considered concessionary assets, and therefore accounted for them as such in the unaudited interim financial statements that it filed with the Spanish market regulator (Comisión Nacional del Mercado de Valores) during the year 2010.

However, management has decided, in mutual agreement with the Spanish market regulator, to analyze deeper, and delay to the future if applicable, the application of IFRIC 12 to these Spanish thermosolar power assets, since at December 31, 2010, the arguments to support this treatment are still being evaluated by the regulator; in particular with respect to the public service nature in Spain of the services provided with this infrastructure.

Based on the foregoing, the information as of and for the first quarter ended March 31, 2010 previously published by the Company and filed with the CNMV has been restated to exclude the application of IFRIC 12 to the thermo-solar assets in Spain. This restatement has reduced the revenues, EBITDA and the profit attributable to the parent company by €48.7 million, €6.5 million and €2.0 million respectively, for the three month period ended March 31, 2010, from those previously published.

1. Main Figures

Financial Data

- Good results in a very adverse environment.
- YTD revenues of €1,656.3 M, an increase of 43%.
- Another successful quarter: 26th in a row.
- YTD Ebitda of €254.3 M, an increase of 30%.

Consolidated P&L (M€)	3m 2011	Var (%)	3m 2010
Revenues	1,656.3	+42.9%	1,159.0
Ebitda	254.3	+30.1%	195.4
Operating Profit	15.4%		16.9%
Net Profit	56.4	+8.4%	52.1

Statement of Financial Position (M€)	31/03/2011	Var (%)	31/12/2010
Total Asset	17,518.2	+3.2%	16,973.8
Total Equity	1,606.9	(1.4%)	1,630.3
Net Corporate Debt (ex Non-Recourse Financing)	(1,432.7)	+22.9%	(1,166.1)

Share Performance	3m 2011	Var (%)	2010
Last Quote (March, 31th)	23.37 €	+27.2%	18.38 €
Capitalisation (March, 31th) (M€)	2,114.3	+27.2%	1,662.4
Daily Effective Volume (M€)	13.9	+29.9%	10.7

Operating Data

- 74% of our revenues from international markets outside of Spain.
- 52% of revenues coming from the Americas (Brazil and US).
- E&C backlog up to €8,661 M, as of March 31, 2011.

Key Operational Metrics	3m 2011	Var (%)	3m 2010
Transmission lines (km)	4,413	+9%	4,041
Water Desalination (Cap. ML)	375	+36%	275
Cogeneration (GWh)	171	+8%	158
Solar Power (Net GWh)	49	+519%	8
Biofuels Production (ML)	547	+12%	489
Waste treated (Mt)	624	+15%	542

2. Consolidated Profit & Loss Account

Consolidated Profit & Loss Account

M€	3m 2011	3m 2010	Var (%)
Revenues	1,656.3	1,159.0	+42.9%
Operating Expenses	(1,402.0)	(963.6)	+45.5%
Depreciation and Amortization	(67.1)	(51.8)	+29.4%
Net Operating Profit	187.2	143.6	+30.4%
Financial Expense, Net	(131.8)	(65.3)	+101.9%
Share of Loss / (Profit) of associates	0.9	2.8	(67.5%)
Consolidated Net Income before-Tax	56.3	81.1	(30.5%)
Income Tax expense	5.1	(20.0)	(125.6%)
Income after tax and before minority interests	61.5	61.1	+0.6%
Proffit attributable to minority interests	(5.0)	(9.0)	(44.2%)
Net Income attributable to the Parent Company	56.4	52.1	+8.4%

Revenues

Abengoa's consolidated revenues to March, 31 2011 reached €1,656.3 M, a 43% increase on the previous year figure, mainly due to the:

- Contribution of new bioethanol plants in Indiana and Illinois (which became operational during the first quarter of 2011), as well as Netherlands (which came into operations during the second half of 2010).
- Beginning of operations of two cogeneration plants in the state of São Paulo.
- Beginning of construction on the 250 MW Solana concentrating solar power plant in Arizona.
- 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).
- Higher waste volume treated, and higher commodities prices.

Ebitda

Abengoa's Ebitda figure to March, 31 2011 reached €254.3 M, a 30% increase on the previous year figure, mainly due to the:

- Contribution of new Solar Power plants in Spain (Solnova 1, Solnova 3 and Solnova 4), which came into operations at different times during 2010.
- Higher waste volume treated, and higher margins.
- Contribution of new high voltage Transmissions Lines in Brazil (ATE IV-VII), which came into production at different times during 2010.

3. Results by Segment

M€	Revenues			EBITDA			Margin	
	3m 2011	3m 2010	Var (%)	3m 2011	3m 2010	Var (%)	3m 2011	3m 2010
Engineering and Construction								
Telvent	169	160	6%	22	23	-6%	12.8%	14.4%
Engineering	804	532	51%	107	80	34%	13.3%	15.0%
Total	973	691	41%	129	102	25%	13.2%	14.8%
Concession-type Infrastructure								
Solar	15	4	312%	10	2	428%	64.0%	49.8%
Water	5	3	75%	1	2	-25%	25.1%	58.6%
Transmission	58	46	25%	49	33	49%	85.0%	71.5%
Cogen. & other	9	8	4%	1	2	-60%	8.0%	20.7%
Total	87	61	42%	61	38	59%	70.2%	62.7%
Industrial Production								
Bioenergy	425	274	55%	33	31	6%	7.8%	11.4%
Recycling	172	132	30%	32	23	36%	18.5%	17.7%
Total	597	407	47%	65	55	19%	10.9%	13.4%
Total	1,656	1,159	43%	254	195	30%	15.4%	16.9%

4. Consolidated Statement of Financial Position

Consolidated Statement of Financial Position

Assets (M€)	March 31 2011	Dec 31 2010
Intangible Assets and Tangible Fixed Assets	3,281.8	3,433.8
Fixed Assets in Projects	6,158.1	5,744.8
Financial Investments	595.2	486.4
Deferred tax assets	918.2	885.7
Non-Current Assets	10,953.3	10,550.6
Inventories	462.9	385.0
Clients and Other Receivable Accounts	2,258.4	2,141.4
Financial Investments	1,233.3	913.6
Cash and Cash Equivalents	2,610.3	2,983.2
Current Assets	6,564.9	6,423.2
Total Asset	17,518.2	16,973.8

Shareholders' Equity and Liabilities (M€)	March 31 2011	Dec 31 2010
Capital and Reserves	1.138,8	1.189,7
Total Equity	1.606,9	1.630,3
Non-Recourse Financing (Project F.)	3.863,4	3.558,0
Loans and Borrowing	4.560,0	4.441,7
Provisions for Other Liabilities and Expenses	319,5	325,2
Derivative Financial Instruments	342,8	290,0
Deferred Tax Liabilities and Employee Benefits	356,4	336,9
Total Non-Current Liabilities	9.442,1	8.951,8
Non-Recourse Financing (Project F.)	510,6	492,1
Loans and Borrowing	792,8	719,9
Suppliers and Other Trade Accounts Payables	4.737,0	4.730,8
Current Tax Liabilities	347,6	343,0
Derivative Financial Instruments	64,3	91,4
Provisions for Other Liabilities and Expenses	17,0	14,5
Total Current Liabilities	6.469,2	6.391,7
Total Shareholders' Equity and Liabilities	17.518,2	16.973,8

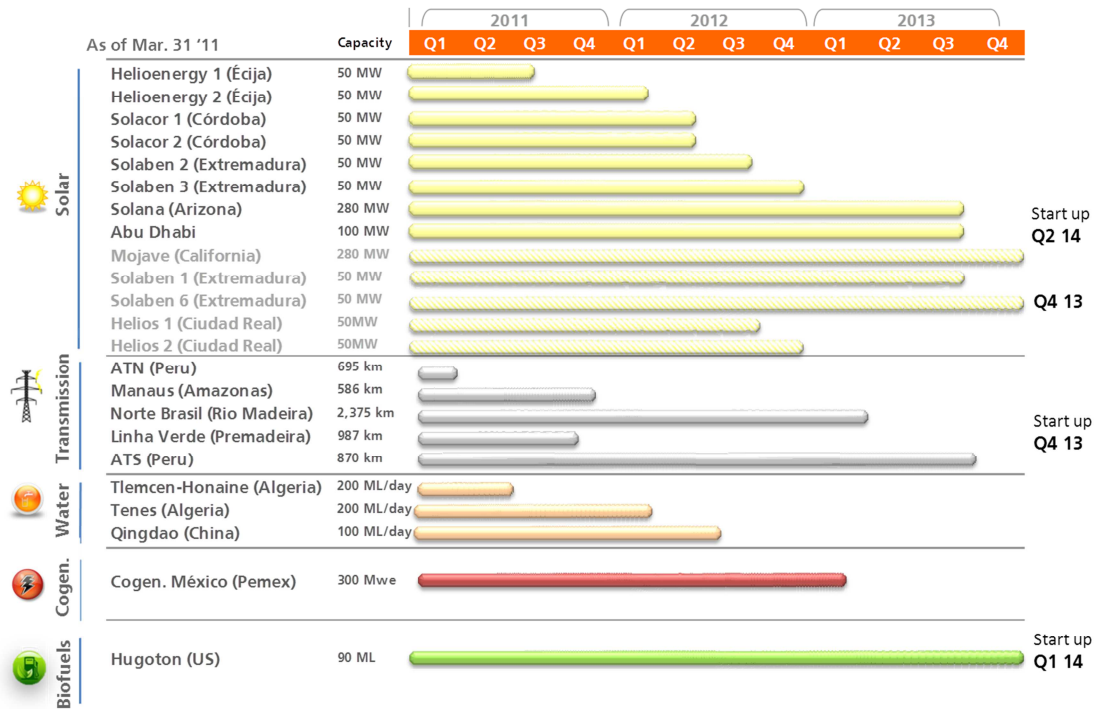
Composition of Net Debt

M€	31.03.2011	30.12.2010	31.3.2010
S-T & L-T Bank Loans	3,472	3,267	2,794
S-T & L-T Notes and Bonds	1,727	1,723	1,264
Obligations under financial leasing	77	73	89
Financial Investments	(1,233)	(914)	(502)
Cash and Cash Equivalents	(2,610)	(2,983)	(1,902)
Total Net Corporate Debt	1,433	1,166	1,744
LTM Ebitda Corporate entities ⁽¹⁾	668	606	660
LTM R&D Expense	53	52	50
Ebitda (Corporate)	720	658	710
Net Corporate Debt / Corporate Ebitda	1.99	1.77	2.45
Non-Recourse Debt	4,374	4,050	3,159
Total Net Debt	5,807	5,216	4,902
Total LTM Ebitda	1,001	942	770
Net Debt / Ebitda (Total)	5.8	5.5	6.4
Preoperational Debt ⁽²⁾	(2,297)	(2,094)	(2,531)
Total Net Debt adjusted by preop. Debt	3,510	3,122	2,372
Net Debt (adjusted) / Ebitda	3.5	3.3	3.1

⁽¹⁾ Ebitda figures referred as 'Ebitda for the last twelve months'

⁽²⁾ Net Debt drawn in projects under construction

Main Projects in Execution



5. Consolidated Cash Flow Statement

M€	3m 2011	3m 2010
Cash generated by operations	246.4	177.1
Variations in working capital	(59.6)	(217.4)
Receivables/ payments on taxes and interest	(105.9)	(107.9)
Net Cash Flows from Operating Activities	80.8	(148.2)
Capex	(599.8)	(505.8)
Other investments	(185.1)	(13.4)
Net Cash Flows from Investment Activities	(784.9)	(519.2)
Net Cash Flows from Finance Activities	363.5	995.1
Net Increase/Decrease of Cash and Equivalents	(340.7)	327.6
Cash or equivalents at the beginning of the period	2,983.2	1,546.4
Exchange rate differences Cash or equivalents	(32.2)	27.7
Cash in Banks at the Close of the Period	2,610.3	1,901.7

6. Significant events reported to the CNMV

Details of the Significant Events corresponding to the first quarter of 2011:

- Written Communication of 22/02/11. Operations' detail under the Liquidity Agreement (from 21/11/2010 to 20/02/2011)
- Written Communication of 24/02/11. Annual Corporate Governance Report 2010
- Written Communication of 24/02/11. Half year Financial Information regarding the second half year of 2.010. File in CNMV format
- Written Communication of 25/02/11. Befesa reported to the CNMV the possibility of delisting
- Written Communication of 04/03/11. Temporary suspension of the Contract of Liquidity with Santander Investment Bolsa, S.V.
- Written Communication of 08/03/11. Ordinary Shareholders Meeting Call
- Written Communication of 16/03/11. Complementary information to Abengoa's Annual Shareholders Meeting
- Written Communication of 17/03/11. Announcement of General Shareholders' Meeting in order to approve to delist the shares that represent Befesa's share capital from stock markets
- Written Communication of 23/03/11. Subscription of stock options

7. Evolution of the Stock price

As on March 31, 2011, 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 10, 2011, Abengoa, S.A. had 10,873 shareholders.

	Total	Daily
Volume (thousand of shares)	42,837	669
Effective (M€)	888	14

Quotes	Value	Date
Last	23.37	March 31st
Maximun	24.04	March 30th
Average	20.54	
Minimun	16.93	Jan 10th

As a historical reference, since Abengoa's Initial Public Offering on November 29, 1996, the company's shares have creased by 998% which is 11 times the initial price. During this same period, the select IBEX-35 has revalorized 127%.

