



11

	Page
Focus on New Products and Services to Meet Market Challenges	178
Socially Responsible Investment Indices	179
Investor Relations Department	180
Channels for Dialog with Investors and Shareholders	181
Abengoa's Economic and Financial Data	182
2010 Milestones	185
Areas of Improvement	185
Future Goals and Objectives	187

Abengoa has been reporting double-digit growth for more than a decade

Abengoa is committed to a business strategy focused on **creating sustainable** long-term value **for all of its stakeholders**. For shareholders, value is created mainly through the payment of dividends and by ensuring continuous growth in earnings, which in turn helps to push up the company's share value.

For over a decade now, Abengoa has seen **double-digit growth** rates in key figures, which has undoubtedly had a bearing on the increased value of the company's stock.



Focus on New Products and Services to Meet Market Challenges

The struggle against climate change requires solutions that champion sustainable development, such as renewable energies and improvements to energy efficiency. However, developing these solutions entails investment towards improving power transmission and developing smart grids in both advanced and emerging societies.

Innovative technological solutions for sustainable development enable Abengoa to keep growing through alliances with strategic partners and access to new markets. Abengoa continues to step up R&D+i investment, which is considered a prerequisite for creating long-term value.

Given the **current financial crisis, diversification of sources of funding** is critical to ensuring that the debit side of the balance sheet is structured properly. Abengoa combines structured long-term financing without recourse for new products, together with access to capital markets and public funding (financing, R&D investment subsidies and tax deductions), supplemented with funds secured from strategic alliances.

With a view to the future, the company is well on track to meet its targets of **profitable growth** and value creation and fully expects to report results similar to those obtained over the last decade.

Socially Responsible Investment Indices

For Abengoa, having the backing of socially responsible **investors is extremely important** as it underscores the company's business model and management, and the efforts dedicated to the realm of Corporate Social Responsibility (CSR).

The support Abengoa receives from these kinds of investors provides indisputable proof of the effectiveness of its socially and environmentally sustainable approach to management.

Abengoa renewed its rightful status as a component of the FTSEGood IBEX index of socially responsible investments, following the review conducted in May 2010. This index, promoted by the Spanish Stock Market and the FTSE Group in conjunction with the Fundación Ecología y Desarrollo (Foundation for Ecology and Development), seeks to develop responsible practices among companies, as well as assisting investors worldwide in identifying companies that are committed to CSR in their management policy and practices.

Abengoa also participated in the Carbon Disclosure Project 2010, an initiative aimed at gathering information on greenhouse gas (GHG) emissions and strategies geared towards climate change employed by many companies worldwide.



Abengoa's active involvement in initiatives aimed at combating climate change, as well as the company's presence on advanced sustainability indices, illustrate that the company's policies meet the stringent criteria imposed by international bodies. The company has thus launched a raft of initiatives to ensure that all of its processes comply with demanding **sustainability-related criteria**¹ through ongoing improvement and **innovation**².

¹ See chapter titled Sustainability, the Environment and Climate Change

² See chapter titled Committed to Innovation

Investor Relations Department

Abengoa has an Investor and Shareholder Relations Department, the purpose of which is to facilitate and encourage ongoing contact with groups of stakeholders, the media, employees, customers, suppliers and future collaborators. Department activity is governed by stringent national and international standards of **transparency, ethics and equity**.

Abengoa bondholders have now joined the ranks of the company's stakeholders, and are provided with any information they may require.



Abengoa turns possibilities into realities, thus enabling its shares and the company as a whole to appreciate in value, while also offering added value not only to shareholders and investors, but also to society as a whole.

The company's commitment to shareholders and financial analysts is essentially to provide them with **outstanding service**, and to **offer thorough and accurate information** within the framework of corporate governance practices in keeping with the most stringent standards. The key to accomplishing this objective is to strike up an ongoing and two-way relationship with other areas of the company in order to obtain updated information.

The core objectives of the department are as follows:

- To draw up a **program of activities** reflecting company strategy for analysts and investors.
- To obtain **added value** for the company by generating information that is useful to the Board of Directors and other governing bodies.
- To make it possible for company strategy and results to be directly reflected in its listed **stock price**.
- To provide the market with **clear, useful and current information** so that it can follow the company's performance.
- To increase share **value and liquidity** through fluid communication with the market and the company's shareholders.

Channels for Dialog with Investors and Shareholders

Transparent and fluid communication with investors and shareholders alike is key to ensuring long-lasting relationships of trust with both. The department head, in coordination with the Chief Financial Officer and the Director of Strategic Development, is charged with designing and implementing the communication program for national and international financial markets in order to disclose the company's main financial figures and strategic initiatives.



- During the year, Abengoa tightened relations with its investors by working to improve the service it provides and by addressing **suggestions and requests** through close and transparent channels of communication.
- Since 2006, quarterly earnings reports include, in addition to the basic required information, a comprehensive document that analyzes the performance of each of Abengoa's business units, and their key financial figures. In addition to traditional phone lines, presentations can be seen through an audiovisual system accessed from the company's website. Following the presentations, there is a **question and answer** session to address any doubts the listeners may have.
- Abengoa has attended numerous **seminars and meetings** with both private and institutional investors, and was particularly active in improving relations with those investors that focus exclusively on companies offering high levels of CSR.
- The company took part in a total of 15 national and international road shows in 2010, affording it the opportunity to address more than 400 institutional investors in person. This line of activity enabled the company to visit key marketplaces in Europe and the United States.
- The fifth edition of **Investors Day** was also held in Seville on July 13 and 14. The focus this year round was on environmental services and high-voltage power line transmission and concession. The event took place at Campus Palmas Altas and the Befesa R&D Center, and boasted the attendance of numerous national and international investors.
- As the result of Abengoa's issuance of corporate bonds, the Investor and Shareholder Relations Department held various events in conjunction with the Finance Department to enable bondholders to learn more about the company.
- Conference calls were therefore set up to present the main strategic lines behind the bond issuance, and all questions arising from this new source of funding were duly addressed. The company has also set up a segment on its **corporate web site to provide information on Abengoa's issuances of corporate bonds** (2014 convertible Bonds, 2015 Bonds, 2016 Bonds, 2017 Convertible Bonds). This information can be accessed through the [Investors section](#).

Abengoa's Economic and Financial Data

Share Structure

According to the information provided to Abengoa by the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Securities Registry, Compensation and Settlement Systems Management Company) on the occasion of the last Ordinary Shareholders' Meeting held on April 11, 2010, Abengoa, S.A. shareholders totaled 11,338.

As of December 31, 2010, the company understands that its free-float capital totals 43.96 %, after deducting shares held by Inversión Corporativa I.C.S.A. and its Finarpisa subsidiary (56.04 %).

Key Figures

Economic-Financial Data	2010	%Var. (10-09)	2009	2000	%CAGR (10-00) ⁽¹⁾
Income Statement (€M)					
Revenues	5,566	34.2	4,147	1,205	16.5
EBITDA ⁽²⁾	942	25.6	750	126	22.3
Net Income	207	21.6	170	36	19.1
Balance Sheet (€M)					
Total Assets	16.974	37.2	12,370	1,885	24.6
Equity	1.630	39.2	1,171	302	18.4
Net Debt (Cash) ex Project Finance	1.166	(7.2)	1,257	177	20.8
Significant Ratios (%)					
Operating Margin (Ebitda / Revenues)	16.9	-	18.1	10.5	-
Return on Equity (ROE) ⁽³⁾	16.1	-	17.3	12.0	-
Data per Share (€)					
Earnings per Share	2.29	21.6	1.88	0.40	19.1
Dividend per Share	0.20	5.3	0.19	0.12	5.2
Quotation on the last day of the year	18.38	(18.7)	22.60	8.50	8.0
Capitalization on the last day of the year (€M)	1,662	(18.7)	2,045	769	8.0
Daily Average Trading Volume (€M)	10.7	83.1	5.9	2.0	18.2

(1) CAGR: Compound Annual Growth Rate

(2) EBITDA: earnings before interest, tax, depreciation, and amortization

(3) Net earnings/ Shareholder's funds

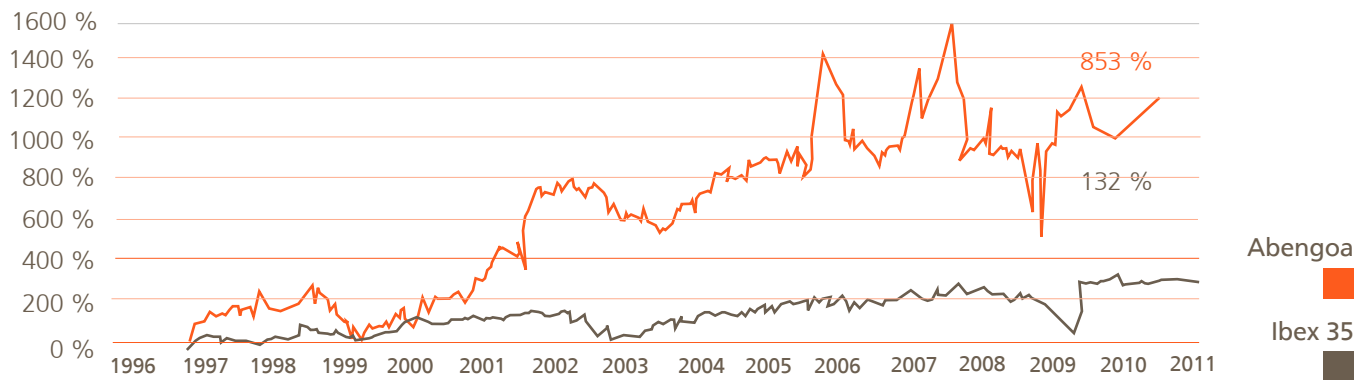
Share Performance

Abengoa’s shares ended fiscal year 2010 trading at €18,375, down 18.69 % from December 31, 2009 (€22.60), but up 763.2 % since the company was first listed on the stock market on November 29, 1996.

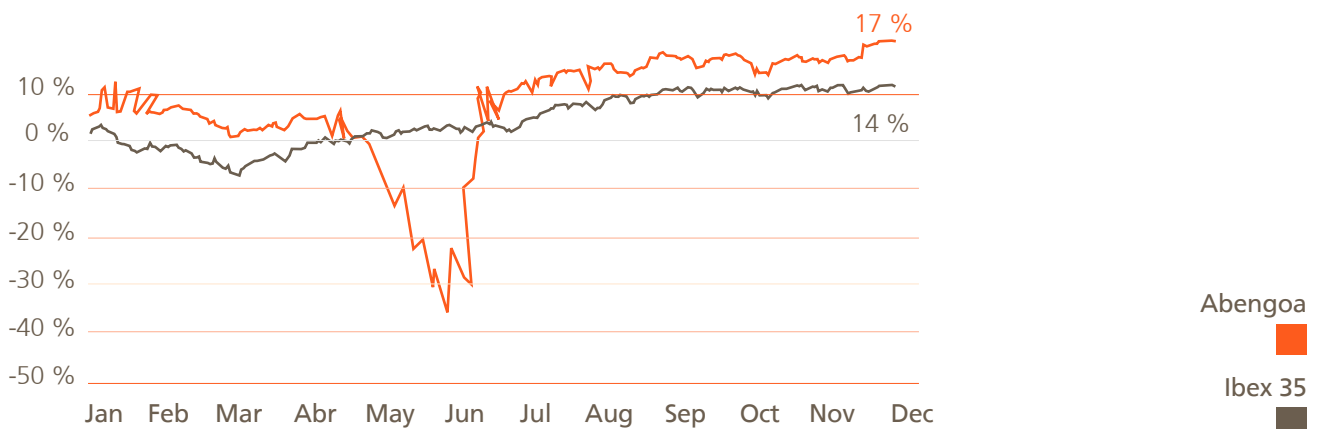
For the sixth consecutive year, the dividend paid out by Abengoa to its shareholders increased in 2010 to reach €0.19 per share.

For purposes of historical comparison, since Abengoa began trading shares on the stock market on November 29, 1996, the company’s stock has appreciated by 763.2 %, which is 8.6 times the initial share price. During this same period of time, the selective IBEX-35 Index has appreciated by 111.2 %.

Historic stock market performance of Abengoa (vs. Ibex-35) Since tender offer of 29/11/1996 Increase in value (%)



Stock market performance of Abengoa over 2010 (vs. Ibex-35) Increase in value (%)



Economic and Financial Information

In 2010, Abengoa undertook to improve the quality of the economic and financial information disclosed via the corporate [website](#) by setting up an area intended to provide all sorts of information on **Abengoa bond issuances** (2014 Convertible Bonds, 2015 Bonds, 2016 Bonds and 2017 Convertible Bonds), as well as a section devoted to the company's credit ratings. This information can be accessed through the Investors section.

As a result of this effort, Abengoa, for the second straight year, received an honorary mention at the 9th edition of the "[Spanish Company with the Best Financial Information on the Internet. Corporate Transparency and Reliability](#)" competition, organized by the Spanish Association of Accounting and Business Administration (AECA), in recognition of the quality of the financial information issued via the corporate website.



The judging panel acknowledged the improvement achieved by Abengoa with respect to the previous edition, awarding the company an **honorary mention** in the Ibex35 Corporations category.

Abengoa is aware of the importance of the stakeholders with whom the company interacts for company business and growth. Therefore, in addition to providing ongoing, **transparent and accurate information on company activities**, Abengoa seeks to foster stakeholder **dialog** through the channels in place, while developing other new means of more efficient communication.

Abengoa's website, which is published in both Spanish and English, constitutes the primary tool for communicating with stakeholders in general, and shareholders, investors and financial analysts in particular.

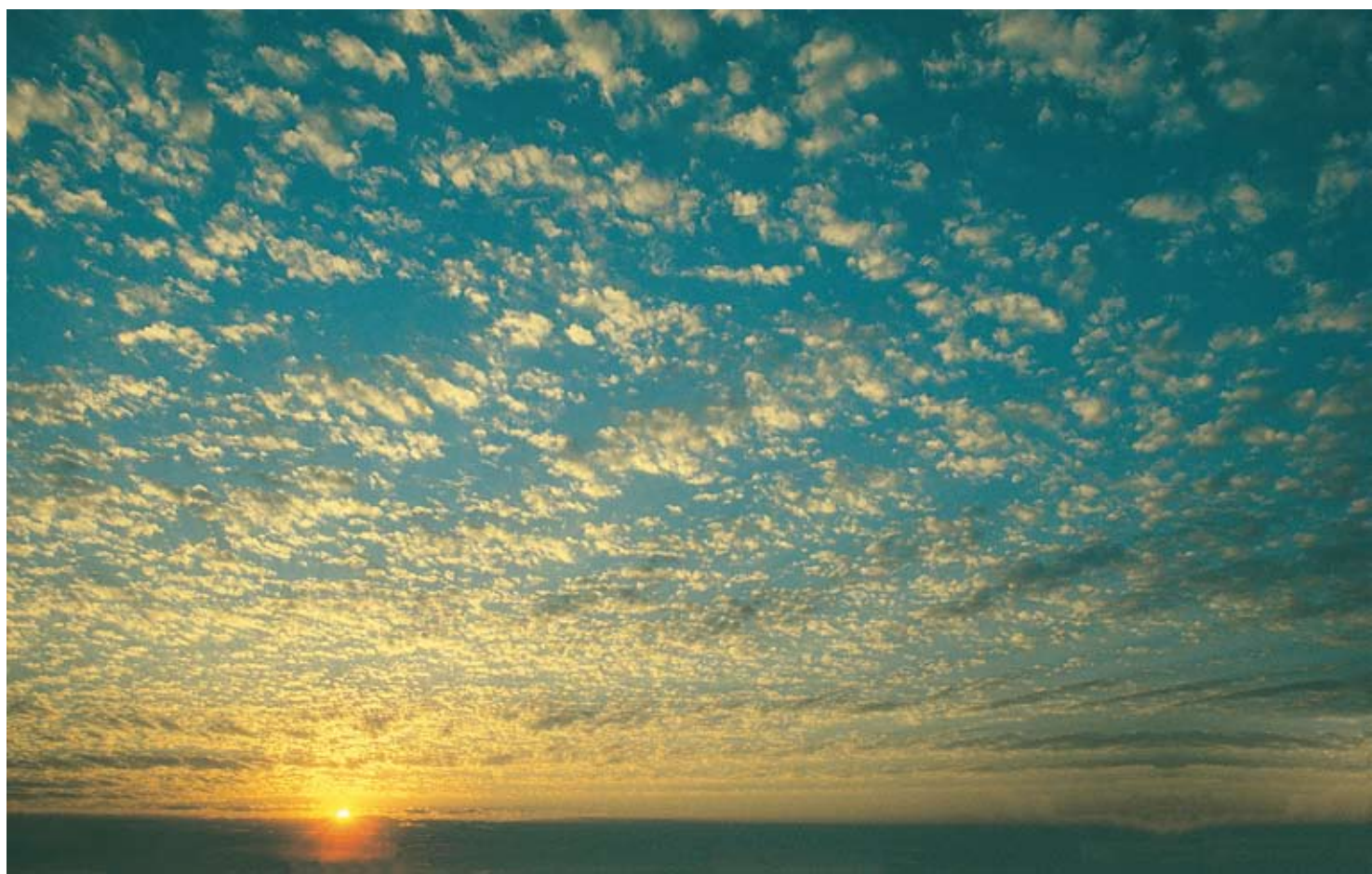
Milestones for 2010

- Abengoa continues to cement its position as a component company of the **Ibex 35** index. Company share value has appreciated by 763.2 % since going public in 1996.
- The department in charge of shareholder and investor assistance participated in a total of **15 national and international** road shows, affording it the opportunity to address **400 institutional investors** in person.
- Abengoa renewed its status as a component of the **FTSE4Good IBEX index** of socially responsible investments and also took part in the **Carbon Disclosure Project 2010**.
- The company held its 5th Annual Investors Day.
- Abengoa participated in seminars attended exclusively by CSR fund managers, in addition to holding private one-on-one meetings with these types of investors.
- For the second consecutive year, Abengoa received an **honorary mention** for the **quality of its financial information** disclosed on the Internet, thereby illustrating the standard of excellence achieved in relation to corporate transparency.

Areas of Improvement

In recent years, there has been a process in place for disseminating the paradigm of good corporate governance. This process, along with the duties entrusted to the investor relations departments, underscores the increasing importance within the value creation process of factors transcending mere financial variables that are associated with other aspects of corporate social responsibility; among these are aspects relating to environmental performance, strict observance of the law and the need to adopt ethical values.

Shareholders, investors, analysts and other stakeholders require increasingly more complex information in relation to corporate strategy, information that is more exhaustive and technical in nature, and in line with their varying operational needs and requirements.



Abengoa transmits suitable and **relevant information on the company's financial profile** in response to market demand, and provides further information on all other business dimensions.

Communication requires substantial prior planning to keep up with the increasing knowledge and awareness of investors, shareholders, analysts, and so on, and their growing demands for exhaustive and accurate information.

In light of all of this, it is essential for Abengoa to continuously improve the information it offers to its stakeholders **by providing fuller content in line with stakeholder needs**, and by creating more effective channels for dialog that are adapted to new technologies in order to facilitate the best possible flow of information between the company and the national and international financial community.



Future Goals and Objectives

Abengoa's commitment to its shareholders is reflected in its ongoing improvements to enable the company to establish **channels for reliable communication** aimed at responding to shareholder needs for information.

One of the core objectives is to make the company better known to its shareholders so that the company is not merely content with responding to their requests for information, but also, and insofar as possible, is able to anticipate their needs.

Abengoa thus remains at the complete disposal of its stakeholders and is open at all times to constructive contributions with a view to improving the service the company provides.

Meanwhile, the company will continue to address the needs of the most demanding investors by adapting to new legislation, handling constant pressure from the media and making technological advances in an effort to provide the best possible solutions, with the ultimate aim of continuing to increase the company's value, while guaranteeing maximum market exposure and transparency.