ABENGOA

03 | 02

Consolidated Financial Statements

f) Notes to the consolidated financial statements

Contents

Note 1.- General information and business overview 20
Note 2.- Significant accounting policies 21
Note 3.- Critical accounting policies 46
Note 4.- Financial risk management 50
Note 5.- Financial information by segment 55
Note 6.- Changes in the composition of the group 60
Note 7.- Discontinued operations 62
Note 8.- Intangible assets 63
Note 9.- Property, plant and equipment 67
Note 10.- Fixed assets in projects (project finance) 70
Note 11.- Investments in associates 75
Note 12.- Financial instruments by category 77
Note 13.- Available-for-sale financial assets 79
Note 14.- Derivative financial instruments 81
Note 15.- Clients and other receivable accounts 88
Note 16.- Inventories 92
Note 17.- Cash and cash equivalents 92
Note 18.- Shareholders' equity 93
Note 19.- Non-recourse financing (project financing) 99
Note 20.- Corporate financing 103
Note 21.- Grants and other liabilities 110
Note 22.- Provisions and contingencies 111
Note 23.- Third-party guarantees and commitments 113
Note 24.- Tax situation 114
Note 25.- Trade payables and other current liabilities 118
Note 26.- Construction contracts 119
Note 27.- Revenues 120

Note 28.- Other operating income and expenses 120
Note 29.- Employee benefit expenses....................121
Note 30.- Financial income and expenses....................123
Note 31.- Income tax 125
Note 32.- Earnings per share....................126
Note 33.- Other information....................127

Notes to the Consolidated Financial Statements

Note 1.- General information and business overview

Abengoa, S.A. is the parent company of the Abengoa Group (referred to hereinafter as "Abengoa", "the Group" or "the Company"), which at the end of 2011, was made up of 583 companies: the parent company itself, 529 subsidiaries, 18 associates and 35 joint ventures. Additionally, as of the end of 2011, certain group companies were participating in 241 temporary joint ventures (UTE) and, furthermore, the Group held a number of interests, of less than 20%, in several other entities.

Abengoa, S.A. was incorporated in Seville, Spain on January 4, 1941 as a Limited Partnership and was subsequently changed to a Limited Corporation ("S.A" in Spain) on March 20, 1952. Its registered office was at Avenida de la Buhaira, 2, Seville (Spain). On April 10, 2011, the Board of Directors agreed to move the registered office to Campus Palmas Altas, C/ Energía Solar nº 1, 41014 Seville, amending Article 2 of the Bylaws accordingly and recording the new address in the Companies Register.

The Group's corporate purpose is set out in Article 3 of the Articles of Association. It covers a wide range of activities, although Abengoa is principally an applied engineering and equipment manufacturer, providing integrated project solutions to customers in the following sectors: Engineering, Telecommunications, Transport, Water Utilities, Environmental, Industrial and Service.

All the shares are represented by book entries, and have been listed on the Madrid and Barcelona Stock Exchange and on the Spanish Stock Exchange Electronic Trading System (Electronic Market) since November 29, 1996. The Company regularly facilitates financial information on a six month and quarterly basis.

Abengoa is an international company that applies innovative technology solutions for sustainable development in the energy and environmental industries, generating energy from the sun, producing biofuels, desalinating sea water or recycling industrial waste.

During the 2011 fiscal year, the changes that occurred in the organization of the Group entailed, among other things, the re-definition of the activities and segments considered by the Group and the re-definition of its Chief Operating Decision Maker in the figures of the Chairman and CEO of the Company in line with the applicable accounting standards. As a result of these charges, 8 operating segments have been identified, which are grouped into 3 main business activities (Engineering and Construction, Concession-type Infrastructures and Industrial Production).

These activities are focused in the energy and environmental industries and integrate operations in the value chain including R+D+i, projects development, engineering and construction, operating and maintaining the assets of the company and of third parties.

Abengoa's activities are organized to take advantage of its presence worldwide and to use the experience in engineering and technology to strengthen its leadership position in the segments that it serves.

Based on the above, Abengoa's activity and the internal and external management of financial information is grouped under the following three activities which are in turn composed of operating segments as defined by the IFRS 8:

- Engineering and construction; relates to the segment that incorporates all of the company's traditional activities in engineering and construction in the energy and environmental sectors, with over 70 years of experience in the market, in which the Company specializes in executing complex turn-key projects for solar-thermal power stations; hybrid gas-solar power plants; conventional power plants and biofuel plants, hydraulic infrastructures, including complex desalination plants; electrical transmission lines, etc. This activity covers one operating segment.

- Concession-type infrastructures; relates to the activity that groups together the company's proprietary concession assets, in which revenues are regulated via long term sale contracts, such as take-or-pay agreements, or power or water purchase agreements. This activity includes the operation of electricity generation plants (solar, co-generation or wind) and desalination plants, as well as transmission power lines. These assets generate no demand risk and our efforts can therefore focus on operating them as efficiently as possible.

This activity is currently composed of four operating segments:

- Solar – Operation and maintenance of solar energy plants, mainly using solar-thermal technology;
- Transmission – Operation and maintenance of high-voltage transmission power line infrastructures;
- Water – Operation and maintenance of facilities for generating, transporting, treating and managing water, including desalination and water treatment and purification plants;
- Cogeneration – Operation and maintenance of conventional electricity plants.

- Industrial production; relates to the activity that groups Abengoa's businesses with a high technological component, such as biofuels, industrial waste recycling or the development of solar-thermal technology. The company holds an important leadership position in these activities in the geographical markets in which it operates.

  This activity is composed of three operating segments:

  - Biofuels – Production and development of biofuels, mainly bioethanol for transport, which uses cereals, sugar cane and oil seeds (soya, rape and palm) as raw materials.
  - Recycling – Industrial waste recycling, principally steel dust, aluminum and zinc.
  - Other – This segment includes those activities related to the development of solar-thermal technology, water management technology and innovative technology businesses such as hydrogen energy or the management of energy crops.

These Consolidated Financial Statements were approved by the Board of Directors on February 23, 2012.

All public documents on Abengoa may be viewed at www.abengoa.com.

Note 2.- Significant accounting policies

The significant accounting policies adopted in the preparation of the accompanying Consolidated Financial Statements are set forth below:

2.1. Basis of presentation

The Consolidated Financial Statements for the year ended December 31, 2011 have been prepared in accordance with International Financial Reporting Standards, as adopted for use within the European Union (herein, IFRS-EU).

Unless stated otherwise, the accounting policies as set forth below have been applied consistently throughout all periods shown within these Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of the Consolidated Financial Statements under IFRS-EU requires the use of certain critical accounting estimates. It also requires that Management exercises its judgment in the process of applying Abengoa's accounting policies. Note 3 provides further information on those areas which involved a greater degree of judgment or areas of complexity for which the assumptions or estimates made are significant to the financial statements.

The figures included within the components of the Consolidated Financial Statements (Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and these notes herein) are, unless stated to the contrary, all expressed in thousands of Euros (€).

Unless indicated otherwise, the percentage of the stake in the share capital of Group companies presented herein includes both direct and indirect stakes corresponding to the Group companies that are direct shareholders.

2.1.1. IFRIC12 - Service concession arrangements

As a result of IFRIC 12 on Service Concession Arrangements coming into effect on January 1, 2010, in accordance with IAS 8 as established in paragraph 29 of the aforementioned IFRIC 12, Abengoa began to apply this interpretation retrospectively with no significant impact on its Consolidated Financial Statements as at the end of 2010, since it had already been applying a similar accounting policy to the interpretation recurrently and in anticipation of the changes, for certain concession assets mainly related to the international concession business for electricity transmission, desalination and solar-thermal plants.

At the date of this application, the Company carried out an analysis of other agreements in the Group and identified further infrastructures, specifically solar-thermal plants in Spain included under the special arrangements of RD 661/2007 and recorded in the pre-assignment register in November 2009, which could potentially be classified as service concession arrangements.

Nevertheless, at the end of 2010, the company decided that it needed to carry out a more in-depth analysis of the issue since the reasons that justified the accounting application of the interpretation had not been sufficiently proven based on the information available at that date. The application of IFRIC 12 therefore had no significant impact on Abengoa's Consolidated Financial Statements for 2010.

In 2011, Abengoa has continued to analyse the possible accounting application of IFRIC 12 to its solar-thermal plants in Spain, having obtained numerous legal, technical and accounting reports from independent third parties during the course of the year. In September 2011, when the latest reports from accounting experts were received, the Company concluded that it was required to apply IFRIC 12 to its solar-thermal plants in Spain included under the special scheme of Royal Decree 661/2007 and recorded in the pre-assignment register in November 2009, just as it does for its other concession assets, based on these reports and the newly acquired knowledge from the analysis performed. Therefore, in accordance with paragraph 52 of IAS 8 on Accounting Policies, Changes in Accounting Estimates and Errors, the Company began to apply IFRIC 12 prospectively to these plants from September 1, 2011.

The application of IFRIC 12 to these assets produced an increase in revenues and in profits for the fiscal year 2011. The table below shows the impact of said application on the 2011 fiscal year's Consolidated Income Statement:

Concept	**Impact 12.31.11**
Revenue	648,992
Net Operating Profit	60,843
Profit before Income Tax	60,843
Income tax Expense	(18,253)
Profit for the year	42,590
Profit attributable to non-controlling interest	(10,290)
Profit attributable to the Parent Company	**32,300**

See Note 10.1 for details on amounts subject to the application of IFRIC 12 on Service Concession Agreements.

2.1.2. Recently issued accounting standards

The IASB recently approved and published certain Accounting Standards amending the existing standards, as well as IFRIC interpretations, from which the Group adopted the following measures:

a) Standards, interpretations and amendments thereto effective from January 1, 2011 applied by the Group:

- IAS 24 'Related party disclosures'

  The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. Early adoption is permitted partial or totally in relation with reduced disclosures for governmental related entities.

- IAS 32 (amendment) 'Classification of rights issues'.

  The amendment addresses the accounting for rights issues (redeemable stocks, options, or warrants) that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated.

- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'

  The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished the amendments should be applied retrospectively to the earliest comparative period presented.

- IFRS 1 (amendment), "Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters". (The amendments are effective for annual periods beginning July 1, 2010).

- IFRIC 14 (amendment), 'Prepayments of a minimum funding requirement'.

- Improvements to IFRSs published by the IASB in May 2010 adapted by the EU as of February, 2011. The improvements affect IFRS 1 ´First-time adoption of IFRS´, IFRS 3 ´Business Combination´, IFRS 7 ´Financial Instruments: disclosures´, IAS 1´Presentation of Financial Statements´, IAS27 ´Consolidated and separated financial statements´, IAS 34 ´Interim financial reporting´, and IFRIC 13 ´Customer loyalty programs'. These amendments are mandatory as from January 1, 2011 except amendments to IFRS 3 and IAS 27 that apply to periods starting as from July 1, 2010.

These standards, interpretations and amendments did not have a significant impact on the Group's Consolidated Financial Statements.

b) Standards, interpretations and amendments issued but not yet effective and not early adopted by the Group.

- IFRS 7 (amendment), ´Financial Instruments´. This amendment modified the required disclosures about the risk exposures relating to transfers of financial assets. Among others, these modifications could affect the sale transactions of financial assets, the factoring agreements, financial assets and the loan titles agreements.

This amendment is mandatory as from January 1, 2011, even though early adoption is permitted.

The Company does not expect that the revised standard will have a material impact on the Group's Consolidated Financial Statements.

c) Standards, interpretations and amendments that have not been adopted by the European Union:

- IFRS 9, ´Financial Instruments´. This Standard will be effective as from January 1, 2015.
- IFRS 10, ´Consolidated Financial Statements´. IFRS 10 establish principles for the presentation and preparation of Consolidated Financial Statements when an entity controls one or more other entity to present Consolidated Financial Statements. The standard defines the principle of control, and establishes controls as the basis for consolidation. This Standard will be effective as from January 1, 2013.
- IFRS 11 ´Joint Arrangements´. This Standard will be effective as from January 1, 2013.
- IFRS 12 ´Disclosures of interests in other entities´. This Standard will be effective as from January 1, 2013.
- IAS 27 (amendment) ´Consolidated and separated financial statements´. IAS 27 amendment is mandatory as from January 1, 2013.
- IAS 28 (amendment) ´Associates and joint ventures´. IAS 28 includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11. IAS 28 is mandatory as from January 1, 2013.
- IFRS 13 ´Fair value measurement´. This Standard will be effective as from January 1, 2013.
- IAS 1 (amendment) ´Financial statements presentation´. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially classifiable to profit or loss subsequently (reclassification adjustments). This Standard will be effective as from January 1, 2012.
- IAS 19 (amendment) ´Employee benefits´. IAS 19 amendment is mandatory as from January 1, 2013.
- IAS 32 (amendment) and IFRS 7 (amendment) 'Compensation of financial assets for financial liabilities'. IAS 32 amendment is mandatory as from January 1, 2014 and is to be applied retroactively. IFRS 7 amendment is mandatory as from January 1, 2013 and is to be applied retroactively.

The Group is analyzing the impact that the new regulations, modifications and interpretations may bear on the Consolidated Financial Statements of the group in case they are adopted.

2.2. Principles of consolidation

In order to provide information on a consistent basis, the same principles and standards as applied to the parent company have been applied to all other entities.

All subsidiaries, associates and joint ventures included in the consolidation for the years 2011 and 2010 that form the basis of these Consolidated Financial Statements are set out in Appendixes I (XII), II (XIII) and III (XIV), respectively.

Note 6 of this Consolidated Report reflect the information on the changes in the Group composition.

a) Subsidiaries

Subsidiaries are those entities over which Abengoa has the power to govern financial and operational policies to obtain profits from their operations.

It is assumed that a company has control if, directly or indirectly (through other subsidiaries),it holds more than half of the voting rights of another company, except in exceptional circumstances in which it may be clearly demonstrated that such possession does not entail control.

Control shall also be said to exist if a company holds half or less of the voting rights of another but holds certain participating rights:

- power over more than half of the voting rights under an agreement with other investors;
- power to manage the financial and operating policies of the company, by virtue of a legal provision, a bylaw or some kind of agreement with the aim of obtaining profits from its operations;
- power to appoint or dismiss the majority of the members of the Board of Directors or equivalent governing body that is actually in control of the company; or
- power to cast the majority of the votes in meetings of the Board of Directors or equivalent governing body that controls the company.

Subsidiaries are accounted for on a fully consolidated basis as of the date upon which control was transferred to the Group, and are excluded from the consolidation as of the date upon which control ceases to exist.

The group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquireer’s net assets.

Investments in subsidiaries are accounted for at cost less impairment, where applicable. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The value of non-controlling interest in equity and the consolidated results are shown, respectively, under 'Non-controlling Interest' of the Consolidated Statement of Financial Position and “Profit attributable to non-controlling interest” in the Consolidated Income Statement.

Profit for the year and each component of Other comprehensive income is attributed to the owners of the parent and non-controlling interest in accordance with their percentage of ownership. Total Comprehensive income is attributed to the owners of the parent and non-controlling interest even if this results in a debit balance of the latter.

Intercompany transactions and unrealized gains are eliminated and deferred until such gains are realized by the Group, usually through transactions with third parties.

Intercompany balances between entities of the Group included in the consolidation are eliminated during the consolidation process.

In compliance with Article 155 of Spanish Corporate Law, the parent company has notified to all these companies, either by itself or through another subsidiary, that it owns more than 10 per 100 of their capital.

b) Associates

Associates are entities over which Abengoa has a significant influence but does not have control and, generally, involve an interest representing between 20% and 50% of the voting rights. Investments in associates are consolidated by the equity method and are initially recognized at cost. The Group's investment in associates includes goodwill identified upon acquisition (net of any accumulated impairment loss).

The share in losses or gains after the acquisition of associates is recognized in the Consolidated Income Statement and the share in movements in reserves subsequent to the acquisition is recognized in the reserves. Movements subsequent to the acquisition are adjusted against the carrying value of the investment. When the share in an associate's losses is equal to or higher than the interest in the company, including any unsecured accounts receivable, additional losses are not recognized unless Abengoa has acquired any obligations or make any payments in the associate's name.

Results between the Group and its associates are eliminated to the extent of the Group's holding in the associate. Additionally, unrealized gains are eliminated, unless the transaction provides evidence of impairment to the asset being transferred. The accounting policies of the associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

In compliance with Article 155 of Spanish Corporate Law, the parent company has notified to all these companies, either by itself or through another subsidiary, that it owns more than 10 per 100 of their capital.

c) Joint ventures

Joint ventures exist when, by virtue of a contractual arrangement, an entity is jointly managed and owned by Abengoa and third parties outside the Group. These arrangements are based upon an agreement between all the parties that confer to those parties joint control over the financial and operating policies of the entity. Holdings in joint ventures are consolidated using the proportional consolidation method.

The Group consolidates the assets, liabilities, income and expenses, and cash flows of the joint ventures on a line-by-line basis with similar lines in the Group's accounts.

The Group recognizes its share of gains and losses arising from the sale of Group assets to the joint venture for the portion that relates to other investors. Conversely, the Group does not recognize its share in any gains or losses of the joint venture that result from the purchase of assets from the joint venture by a Group company until those assets have been sold to third parties. Any loss on the transaction is recognized immediately if there is evidence of a reduction in the net realizable value of current assets or an impairment loss. Where necessary, the accounting policies of the joint ventures are adapted so as to ensure consistency with those adopted by the Group.

A business combination involving entities or businesses under common control is a business combination in which all entities or businesses that are combined are controlled, ultimately, by the same party or parties, before and after combination takes place, and this control is not transitory.

When the group experienced a business combination under common control, the assets and liabilities acquired are recorded at the same book amount that were registered previously, and they are not valued at fair value. No goodwill related to the transaction is recognised. Any difference between the purchase price and the net book value of net assets acquired is recognized in equity.

There are no contingents liabilities in the Group's own shares in joint ventures, neither are there contingent liabilities in the joint ventures themselves.

d) Temporary joint ventures

"Unión Temporal de Empresas" (UTE) are temporary joint ventures generally formed to execute specific commercial and/or industrial projects in a wide variety of areas and particularly in the fields of engineering and construction and infrastructure projects.

They are normally used to combine the characteristics and qualifications of the UTE's investors into a single proposal in order to obtain the most favorable technical assessment possible.

UTEs are normally limited as standalone entities with limited action, since, although they may enter into commitments in their own name, such commitments are generally undertaken by their investors, in proportion to each investor's share in the UTE.

The investors' shares in the UTE normally depend on their contributions (quantitative or qualitative) to the project, are limited to their own tasks and are intended solely to generate their own specific results. Each investor is responsible for executing its own tasks and does so in its own interests, following specific organizational guidelines that comply with the general guidelines coordinated by all the participants in the project.

Overall project management and coordination does not generally extend beyond execution and preparation or presentation of all the technical and financial information and documentation required to carry out the project as a whole. The fact that one of the UTE's investors acts as project manager does not affect its position or share in the UTE.

The UTE's investors are collectively responsible for technical issues, although there are strict pari passu clauses that assign the specific consequences of each investor's correct or incorrect actions.

UTEs are not variable-interest or special-purpose entities. UTEs do not usually own assets or liabilities on a standalone basis. Their activity is conducted for a specific period of time that is normally limited to the execution of the project. The UTE may own certain fixed assets used in carrying out its activity, although in this case they are generally acquired and used jointly by all the UTE's investors, for a period similar to the project's duration, or prior agreements are reached by the investors regarding the manner and amounts of the assignment or disposal of the UTE's assets on completion of the project.

The proportional part of the UTE's Statement of Financial Position and Income Statement is integrated into the Statement of Financial Position and the Income Statement of the participating company in proportion to its interest in the UTE.

There are no contingent liabilities in relation to the Group's shareholdings in the UTE, nor contingent liabilities in the UTE themselves.

e) Transactions with non-controlling interests

The group treats transactions with non-controlling interests as transactions with equity owners of the group. When the Group acquires non-controlling interests, the difference between any consideration paid and the carrying value of the proportionate share of net assets acquired is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in Statement of Comprehensive Income are reclassified to profit or loss.

2.3. Property, plant and equipment

2.3.1. Presentation

For the purposes of preparing these Consolidated Financial Statements, property, plant and equipment has been divided into the following categories:

a) Property, plant and equipment

This category includes property, plant and equipment of companies or project companies which have been self-financed or financed through external financing with recourse facilities.

b) Property, plant and equipment in Projects

This category includes property, plant and equipment of companies or project companies which are financed through non-recourse project finance (for further details see Notes 2.4 and 10 on Fixed Assets in Projects).

2.3.2. Measurement

In general, items included within property, plant and equipment are measured at historical cost less depreciation and impairment losses, with the exception of land, which is presented at cost less any impairment losses.

The historical cost includes all expenses directly attributable to the acquisition of property, plant and equipment.

Subsequent costs are capitalized in the asset's carrying amount or are recognized as a separate asset when it is probable that future economic benefits associated with that asset can be separately and reliably identified.

All other repair and maintenance costs are charged to the Consolidated Income Statement in the period in which they are incurred.

Work carried out by the Group on its own property, plant and equipment is valued at production cost and is shown as ordinary income in the Consolidated Income Statement of the company which undertook the work.

In those projects in which the asset is constructed internally by the group and that are not under the scope of IFRIC 12 on Service Concession Agreements (see Note 2.24), the entire intragroup income and expenses are eliminated so that the assets are reflected at their acquisition cost.

In addition, such internal construction projects are capitalized as an increase in the carrying amount of the asset, with regard to both financing obtained specifically for each project and non-project-specific financing from financial institutions. The capitalization of borrowing costs ceases at the moment when a development process of an asset is suspended, applying such cessation during the extension of the suspension period.

Costs incurred during the construction period may also include gains or losses from foreign-currency cash-flow hedging instruments for the acquisition of property, plant and equipment in foreign currency, which have been transferred directly from equity.

With regard to investments in property, plant and equipment located on land belonging to third parties, an initial estimate of the costs of dismantling the asset and restoring the site to its original condition is also included in the carrying amount of the asset. Such costs are recorded at their net present value in accordance with IAS 37.

The annual depreciation rates of property, plant and equipment (including property, plant and equipment in projects) are as follows:

Items	% of depreciation
Lands and Buildings:	
Buildings	2% - 3%
Technical Installations and Machinery:	
Installations	3% - 4% - 12% - 20%
Machinery	12%
Other Fixed assets:	
Data processing equipment	25%
Tools and equipment	15% - 30%
Furniture	10% - 15%
Works equipment	30%
Transport elements	8% - 20%

Waste ponds and similar assets are depreciated on the basis of the volume of waste in the ponds.

The assets' residual values and useful economic lives are reviewed, and adjusted if necessary, at the end of the accounting period of the company which owns the asset.

When the carrying amount of an asset is greater than its recoverable amount, the carrying amount is reduced immediately to reflect the lower recoverable amount.

Gains and losses on the disposal of property, plant and equipment, calculated as proceeds received less the asset's net carrying amount, are recognized in the Consolidated Income Statement, within the caption "Other operating income".

2.4. Fixed assets in projects (project finance)

This category includes property, plant and equipment and intangible assets of consolidated companies which are financed through Non-recourse Project Finance, that are raised specifically and solely to finance individual projects as detailed in the terms of the loan agreement.

These non-recourse Project Finance assets are generally the result of projects which consist of the design, construction, financing, application and maintenance of large-scale complex operational assets or infrastructures, which are owned by the company or are under concession for a period of time. The projects are initially financed through non-recourse medium-term bridge loans and later by Non-recourse Project Finance.

In this respect, the basis of the financing agreement between the Company and the bank lies in the allocation of the cash flows generated by the project to the repayment of the principal amount and interest expenses, excluding or limiting the amount secured by other assets, in such a way that the bank recovers the investment solely through the cash flows generated by the project financed, any other debt being subordinated to the debt arising from the non-recourse financing applied to projects until the non-recourse debt has been fully repaid. For this reason, fixed assets in projects are separately reported on the face of the Consolidated Statement of Financial Position, as is the related non-recourse debt in the liability section of the same statement.

In addition, within the fixed assets in projects line item of the Consolidated Statement of Financial Position, assets are sub-classified under the following two sub-headings, depending upon their nature and their accounting treatment:

- Property, plant and equipment: includes tangible fixed assets which are financed through a non-recourse loan and are not subject to a concession agreement as described below. Their accounting treatment is described in Note 2.3.

- Intangible assets: includes fixed assets financed through non-recourse loans, mainly related to Service Concession Agreements, which are accounted for as intangible assets in accordance with IFRIC 12 (see Note 2.24). The rest of the assets shown under this heading are the intangible assets owned by the project company, the description and accounting treatment of which are set forth in Note 2.5.

Non-recourse project finance typically includes the following guarantees:

- Shares of the project developers are pledged.
- Assignment of collection rights.
- Limitations on the availability of assets relating to the project.
- Compliance with debt coverage ratios.
- Subordination of the payment of interest and dividends to meeting these ratios.

Once the project finance has been repaid and the non-recourse debt and related guarantees fully extinguished, any remaining net book value reported under this category are reclassified to the Property, Plant and Equipment or Intangible Assets line items, as applicable, in the Consolidated Statement of Financial Position.

2.5. Intangible assets

a) Goodwill

Goodwill is recognized as the excess of the sum of the considerations transferred, the amount of any non-controlling interest in the acquire and the fair value, on the date of acquisition, of the previously held interest in the acquiree over the fair value, at the acquisition date, of the identifiable assets acquired and the liabilities and contingent liabilities assumed. If the sum of the considerations transferred, the amount of any non-controlling interest in the acquiree and previously held interest in the acquiree is lower than the fair value of the net assets acquired and it represents a bargain purchase, the difference is recognized directly in the Income Statement.

Goodwill relating to the acquisition of subsidiaries is included in intangible assets, while goodwill relating to associates is included in investments in associates.

Goodwill is carried at cost less accumulated impairment losses (see Note 2.7). Goodwill is allocated to Cash Generating Units (CGU) for the purposes of impairment testing, these CGU's being the units which are expected to benefit from the business combination that generated the goodwill.

Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

b) Computer programs

Licenses for computer programs are capitalized on the basis of the original program, comprising purchase costs and preparation/installation cost directly associated with the program. Such costs are amortized over their estimated useful life. Development and maintenance costs are expensed to the Income Statement in the period in which they are incurred.

Costs directly related with the production of identifiable computer programs adapted to the needs of the Group and which are likely to generate economic benefit in excess of their costs for a period of one year are recognized as intangible assets if they fulfill the following conditions:

- It is technically possible to complete the production of intangible asset in such a way that it is available for use or sale;
- Management intends to complete the intangible asset for its use or sale;
- The Company is able to use or sell the intangible asset;
- There is availability of appropriate technical, financial or other resources to complete the development and to use or sell the intangible asset; and
- Disbursements attributed to the intangible asset during its development may be reliably measured.

Costs directly related to the production of computer programs recognized as intangible assets are amortized over their estimated useful lives which do not normally exceed 10 years.

Costs that fail to meet the criteria above are recognized as expenses when incurred.

c) Research and development cost

Research costs are recognized as an expense in the period in which they are incurred and they are identified on a project by project basis.

Development costs (relating to the design and testing of new and improved products) are recognized as an intangible asset when all the following criteria are met:

- It is probable that the project will be successful, taking into account its technical and commercial viability, so that the project will be available for its use or sale;
- It is probable that the project will generate future economic benefits, in terms of both external sales or internal use;
- Management intends to complete the project for its use or sale;
- The Company is able to use or sell the intangible asset;
- There is availability of appropriate technical, financial or other resources to complete the development and to use or sell the intangible asset; and
- The costs of the project/product can be estimated reliably.

Once the product is in the market, the capitalized costs are amortized on a straight-line basis over the period for which the product is expected to generate economic benefits, which is normally 5 years, except for development assets related to the thermo-solar plant using tower technology which are amortized over 25 years.

Any other development costs are recognized as an expense in the period in which they are incurred and are not recognized as an asset in later periods.

Grants or subsidized loans obtained to finance research and development projects are recognized in the Income Statement following the rules of capitalization or expensing which have been described above.

d) Emission rights of greenhouse gases for own use

This heading recognizes greenhouse gas emissions rights obtained by the Group through allocation by the competent national authority, which are used against the emissions discharged in the course of the Group's production activities. These emission rights are measured at their cost of acquisition and are derecognized from the Consolidated Statement of Financial Position when used, under the National Assignation Plan for Greenhouse Gas Permits or when they expire.

Emission rights are tested for impairment to establish whether their acquisition cost is greater than their fair value. If impairment is recognized and, subsequently, the market value of the rights recovers, the impairment loss is reversed through the Consolidated Income Statement, up to the limit of the original carrying value of the rights.

When emitting greenhouse gases into the atmosphere, the emitting company provides for the tonnage of CO2 emitted at the average purchase price per tone of rights acquired. Any emissions in excess of the value of the rights purchased in a certain period will give rise to a provision for the cost of the rights at that date.

In the event that the emission rights are not for own use but intended to be traded in the market, the contents of Note 2.12 will be applicable.

2.6. Borrowing costs

Interest costs incurred in the construction of any qualifying asset are capitalized over the period required to complete and prepare the asset for its intended use (at Abengoa a qualifying asset is defined as an asset for which the production or preparation phase is longer than one year).

Costs incurred relating to non-recourse factoring are expensed when the factoring transaction is completed with the financial institution.

Remaining borrowing costs are expensed in the period in which they are incurred.

2.7. Impairment of non-financial assets

On a quarterly basis, Abengoa reviews its property, plant and equipment, intangible assets with finite and indefinite useful life and goodwill to identify any indicators of impairment. In case any indicator of impairment is identified, Abengoa reviews the asset to determine whether there has been any impairment.

To establish whether there has been any impairment of asset, it is necessary to calculate the asset's recoverable amount.

The recoverable amount is the higher of its market value less costs to sell and the value in use, defined as the present value of the estimated future cash flows to be generated by the asset. In the event that the asset does not generate cash flows independently of other assets, Abengoa calculates the recoverable amount of the Cash-Generating Unit to which the asset belongs.

To calculate its value in use, the assumptions include a discount rate, growth rates and projected changes in both selling prices and costs. The discount rate is estimated by Management, pre-tax, to reflect both changes in the value of money over time and the risks associated with the specific Cash-Generating Unit. Growth rates and movements in prices and costs are projected based upon internal and industry projections and management experience respectively. Financial projections range between 5 and 10 years depending on the growth potential of each Cash Generating Unit (see Note 8.4.b).

In the event that the recoverable amount of an asset is lower than its carrying amount, an impairment charge for the difference between the recoverable amount and the carrying value of the asset is recorded in the Consolidated Income Statement under the item "Depreciation, amortization and impairment charges". With the exception of goodwill, impairment losses recognized in prior periods which are later deemed to have been recovered are credited to the same income statement heading.

2.8. Financial Investments (current and non-current)

Financial investments are classified into the following categories, based primarily on the purpose for which they were acquired:

a) financial assets at fair value through profit and loss;
b) loans and accounts receivable;
c) financial assets held to maturity; and
d) financial assets available for sale.

Management determines the classification of each financial asset upon initial recognition, with their classification subsequently being reviewed at each year end.

a) Financial assets at fair value through profit and loss

This category includes the financial assets acquired for trading and those initially designated at fair value through profit and loss. A financial asset is classified in this category if it is acquired mainly for the purpose of sale in the short term or if it is so designated by Management. Financial derivatives are also classified as acquired for trading unless they are designated as hedging instruments. The assets of this category are classified as current assets, if they are expected to be realized in less than 12 months after the year-end date. Otherwise, they are classified as non-current assets.

These financial assets are recognized initially at fair value, without including transaction costs. Subsequent changes in fair value of the assets are recognized under "Gains or losses from financial assets at fair value" within the "Finance income or expense" line of the Income Statement for the period.

b) Loans and accounts receivables

Loans and accounts receivables are considered to be non-derivative financial assets with fixed or determinable payments which are not listed on an active market. They are included as current assets except in cases in which they mature more than 12 months after the date of the Statement of Financial Position.

Following the application of IFRIC 12, certain assets under concession can qualify as financial receivables (see Note 2.24).

Loans and accounts receivables are initially recognized at fair value plus transaction costs. Subsequently to their initial recognition, loans and receivables are measured at amortized costs in accordance with the effective interest rate method. Interest calculated using the effective interest rate method is recognized under "Interest income from loans and debts" within the "Other net finance income/expense" line of the Income Statement.

c) Financial assets held to maturity

This category includes those financial assets which are expected to be held to maturity and which and are not derivatives and have fixed or determinable payments.

These assets are initially recognized at fair value plus transaction costs and subsequently at their amortized cost under the effective interest rate method. Interest calculated under the effective interest rate method is recognized under "Other finance income" within the "Other net finance income/expense" line of the Consolidated Income Statement.

d) Financial assets available-for-sale

This category includes non-derivative financial assets which do not fall within any of the previously mentioned categories. For Abengoa, they primarily comprise interests in other companies that are not consolidated. They are classified as non-current assets, unless Management anticipates the disposal of such investments within 12 months following the date of the company's Statement of Financial Position.

Financial assets available for sale are recognized initially at fair value plus transaction costs. Subsequent changes in the fair value of these financial assets are recognized directly in equity, with the exception of translation differences of monetary assets, which are charged to the Consolidated Income Statement. Dividends from available-for-sale financial assets are recognized under "Other finance income" within the "Other net finance income/expense" line of the Consolidated Income Statement when the right to receive the dividend is established.

When available-for-sale financial assets are sold or are impaired, the accumulated amount recorded in equity is transferred to the Income Statement. The amount of the cumulative gain or loss that is reclassified from equity to profit or loss in cases when the financial assets are impaired is the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss. To establish whether the assets have been impaired, it is necessary to consider whether the reduction in their fair value is significantly below cost and whether it will be for a prolonged period of time. The accumulated loss is the difference between the acquisition cost and the fair value less any impairment losses. Impairment losses recognized in the Income Statement are not later reversed through the Income Statement.

Acquisitions and disposals of financial assets are recognized on the trading date, i.e. the date upon which there is a commitment to purchase or sell the asset. The investments are derecognized when the right to received cash flows from the investment has expired or has been transferred and all the risks and rewards derived from owning the asset have likewise been substantially transferred.

The fair value of listed financial assets is based upon current purchase prices. If the market for a given financial asset is not active (and for assets which are not listed), the fair value is established using valuation techniques such as considering recent free market transactions between interested and knowledgeable parties, in relation to other substantially similar instruments, analyzing discounted cash flows and option price fixing models, using to the greatest extent possible, information available in the market.

At the date of each Statement of Financial Position, the Group evaluates if there is any objective evidence that the value of any financial asset or any group of financial assets has been impaired.

2.9. Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value on the date that the derivative contract is entered into, and are subsequently measured at fair value. The basis for recognizing the gain or loss from changes in the fair value of the derivative depends upon whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The relationship between hedging instruments and hedged items is documented at the beginning of each transaction, as well as its objectives for risk management and strategy for undertaking various hedge transactions.

Both at the start of the hedge and subsequently on a continued basis at each closing date, an effectiveness test is performed on each of the derivative financial instruments designated as a hedge to justify being offset against changes in the fair value or cash flows relating to the hedged items.

The most common methods that have been chosen by the Group to measure the effectiveness of financial instruments designated to be hedges, are the dollar offset and regression methods.

Either of these methods are applied by the Group to perform the following effectiveness tests:

- Prospective effectiveness test: performed at the designation date and at each accounting closing date for the purposes of determining that the hedge relationship continues to be effective and can be designated in the subsequent period.

- Retrospective effectiveness test: performed at each accounting closing date in order to determine the ineffectiveness of the hedge, which must be recognized in the Consolidated Income Statement.

On this basis there are three types of derivative:

a) Fair value hedge for recognized assets and liabilities

Changes in fair value are recorded in the Income Statement, together with any changes in the fair value of the asset or liability that is being hedged.

b) Cash flow hedge for forecast transactions

The effective portion of a change in the fair value of cash flow hedges is recognized in equity, whilst the gain or loss relating to the ineffective portion is recognized immediately in the consolidated Income Statement.

However, when designating a one-side risk as a hedged risk the intrinsic value and time value of the financial hedge instrument are separated, recording the changes in the intrinsic value on equity, while changes in the time value are recorded in the Consolidated Income Statement. The Group has financial hedge instruments with these characteristics, such as interest rate options (caps), which are described in Note 14.

Amounts accumulated in equity are transferred to the Income Statement in periods in which the hedged item impacts profit and loss. However, when the forecast transaction which is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in equity are included in the initial measurement of the cost of the asset or liability.

When the hedging instrument matures or is sold, or when it no longer meets the criteria required for hedge accounting, accumulated gains and losses recorded in equity remain as such until the forecast transaction is ultimately recognized in the Income Statement. However, if it becomes unlikely that the forecast transaction will actually take place, the accumulated gains and losses in equity are recognized immediately in the Income Statement.

c) Net investment hedges in foreing operation

Hedges of a net investment in a foreign operation, including the hedging of a monetary item considered part of a net investment, are recognized in a similar way to cash flow hedges:

- The part of the loss or gain of the hedging instrument that is determined to be an effective hedge is directly recognized in equity and

- The part that is ineffective is recognized in the Income Statement of the year.

The profit or loss of the hedging instrument in relation to the part of the hedge that is directly recognized in equity is recognized in the Income Statement for the year when the foreign operation is sold or disposed of.

The total fair value of hedging instruments is recorded as a non-current asset or liability when the hedged item is to mature at more than 12 months and as a current asset or liability if less than 12 months. Trading derivatives are classified as a current asset or liability.

Changes in the fair value of derivative instruments which do not qualify for hedge accounting are recognized immediately in the Consolidated Income Statement.

Contracts held for the purposes of receiving or making payment of non-financial elements in accordance with expected purchases, sales or use of goods ("own-use contracts") of the Group are not recognized as derivative instruments, but as executory contracts. In the event that such contracts include embedded derivatives, they are recognized separately from the host contract, if the economic characteristics of the embedded derivative are not closely related to the economic characteristics of the host contract. The options contracted for the purchase or sale of non-financial elements which may be cancelled through cash outflows are not considered to be own-use contracts.

2.10. Fair value estimates

The fair value of financial instruments which are traded on active markets (such as officially listed derivatives, investments acquired for trading and available-for-sale instruments) is determined by the market value as at the date of the Statement of Financial Position.

A market is considered active when quoted prices are readily and regularly available from stock markets, financial intermediaries, among others, and these prices reflect current market transactions regularly occur between parties that operate independently.

The fair value of financial instruments which are not listed and do not have a readily available market value is determined by applying various valuation techniques and through assumptions based upon market conditions as of the date of the Statement of Financial Position. For long-term debt, the market prices of similar instruments are applied. For the remaining financial instruments, other techniques are used such as calculating the present value of estimated future cash flows. The fair value of interest rate swaps is calculated as the present value of estimated future cash flows. The fair value of forward exchange rate contracts is measured on the basis of market forward exchange rates as at the date of Statement of Financial Position.

The nominal value of receivables and payables less estimated impairment adjustments is assumed to be similar to their fair value due to their short-term nature. The fair value of financial liabilities is estimated as the present value of contractual future cash outflows, using market interest rate available to the Group for similar financial instruments.

Detailed information on fair values is included in Note 12.

2.11. Inventories

Inventories are stated at the lower of cost or net realizable value. In general, cost is determined by using the first-in-first-out (FIFO) method. The cost of finished goods and work in progress includes design costs, raw materials, direct labor, other direct costs and general manufacturing costs (assuming normal operating capacity). Borrowing costs are not included. The net realizable value is the estimated sales value in the normal course of business, less applicable variable selling costs.

Cost of inventories includes the transfer from equity of gains and losses on qualifying cash-flow hedging instruments related with the purchase of raw materials or with foreign exchange contracts.

2.12. Carbon emission credits (CERs)

Several Abengoa entities are involved in a number of external projects to reduce CO_2 emissions through participation in Clean Development Mechanisms (CDM) and Joint Implementation (JI) programs with those countries/parties which are purchasing Carbon Emission Credits (CERs) and Emission Reduction Credits (ERUs), respectively. CDMs are projects in countries which are not required to reduce emission levels, whilst JIs are aimed at developing countries which are required to reduce emissions.

Both projects are developed in two phases:

1) Development phase, which, in turn, has the following stages:

- Signing an ERPA agreement (Emission Reduction Purchase Agreement), to which certain offer costs are associated.
- PDD (Project Design Document) development.
- Obtaining a certification from a qualified third party regarding the project being developed and submitting the certification to the United Nations, where it is registered in a database.

Thus, the Group currently holds various agreements for consultancy services within the framework of the execution of Clean Development Mechanisms (CDM). Costs incurred in connection with such consultancy services are recognized by the Group as non-current receivables.

2) Phase of annual verification of the reductions in CO2 emissions. After this verification, the company receives Carbon Emission Credits (CERs), which are registered in the National Register of Emission Rights. CERs are recorded as inventories and measured at market value.

Likewise, the company may hold Emission Allowances assigned by the competent EU Emission Allowance Authority (EUAs), which may also be measured at market price if held for sale. In case of the EUA are held for own use see Note 2.5.d.

Furthermore, there are carbon fund holdings aimed at financing the acquisition of emissions from projects which contribute to a reduction in greenhouse gas emissions in developing countries through CDM's and JI's, as discussed above. Certain Abengoa companies have holdings in such carbon reduction funds which are managed by an external Fund Management team. The Fund directs the resources of the funds to purchasing Emission Reductions through CDM's and JI's projects.

The company with holdings in the fund incurs in a number of costs (ownership commissions, prepayments and purchases of CER's). From the start, the holding is recorded on the balance sheet based upon the original Carbon Emission Credit (CER) allocation agreement; however this amount will be allocated over the life of the fund. The price of the CER is fixed for each ERPA. Based upon its percentage holding, and on the fixed price of the CER, it receives a number of CER's as obtained by the Fund from each project.

These contributions are considered as long-term investments and are recognized in the Consolidated Statements of Financial Position under the heading of "Other receivables accounts".

2.13. Biological assets

Abengoa recognizes sugar cane in production as biological assets. The production period of sugar cane covers the period from preparation of the land and sowing the seedlings until the plant is ready for first production and harvesting. Biological assets are classified as property, plant and equipment in the Statement of Financial Position. Biological assets are recognized at fair value, calculated as the market value less estimated harvesting and transport costs.

Agricultural products harvested from biological assets, which in the case of Abengoa are cut sugar cane, are classified as inventories and measured at fair value less estimated sale costs at the point of sale or harvesting.

The reference used for the market value of biological assets and agricultural products is typically the projected cane crop price in April, provided on a monthly basis by the Cane, Sugar and Alcohol Producers Board (Consecana).

Gains or losses arising as a result of changes in the fair value of such assets are recognized in Net operating profit in the Consolidated Income Statement.

To obtain the fair value of the sugar cane while growing, a number of assumptions and estimates have been made in relation to the area of land sown, the estimated TRS (Total Recoverable Sugar contained within the cane) per tonne to be harvested and the average degree of growth of the agricultural product in the different areas sown.

2.14. Clients and other receivables

Clients and other receivables relate to amounts due from customers for sales of goods and services rendered in the normal course of operation. These items are included under current assets, unless maturing in more than 12 months after the balance sheet date, in which case the items are recorded under non-current assets.

Clients and other receivables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment. Trade receivables falling due in less than one year are carried at their face value at both initial recognition and subsequent measurement, provided that the effect of not discounting flows is not significant.

A provision for impairment of trade receivables is recorded when there is objective evidence that the Group will not be able to recover all amounts due as per the original terms of the receivables.

The existence of significant financial difficulties, the probability that the debtor is in bankruptcy or financial reorganization and the lack or delay in payments are considered evidence that the receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate.

When a trade receivable is uncollectable, it is written off against the bad debt provision. Subsequent recovery of trade receivables which were previously written off is credited against "Other operating expenses" in the Income Statement.

Clients and other receivables which have been factored with financial entities are only removed from the Company's accounting records and excluded from receivable assets on the Consolidated Statement of Financial Condition if all risks and rewards of ownership of the related financial assets have been transferred, comparing the Company's exposure, before and after the transfer, to the variability in the amounts and the calendar of net cash flows from the transferred asset. Once the Company's exposure to this variability has been eliminated or substantially reduced, the financial asset has been transferred, and is derecognized from the Consolidated Statement of Financial Condition (See Note 4.b).

2.15. Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash in bank and other highly-liquid current investments with an original maturity of three months or less.

In the Consolidated Statement of Financial Position, bank overdrafts are classified as borrowings within current liabilities.

2.16. Share capital

Parent company shares are classified as equity.

Transaction costs directly attributable to new shares are presented in equity as a reduction, net of taxes, to the consideration received from the issue. Any amounts received from the sale of treasury shares, net of transaction costs, are classified in equity.

2.17. Government grants

Non-refundable capital grants are recognized at fair value when it is considered that there is a reasonable assurance that the grant will be received and that the necessary qualifying conditions, as agreed with the entity assigning the grant, will be adequately complied with.

Grants related to income are deferred in the Consolidated Statement of Financial Position and are recognized in "Other operating income" in the Income Statement based on the period necessary to match them with the costs they intend to compensate.

Grants related to fixed assets are recorded as non-current liabilities in the Consolidated Statement of Financial Position and are recognized in "Other operating income" in the Consolidated Income Statement on a straight-line basis over the estimated useful economic life of the assets.

2.18. Loans and borrowings

External resources are classified in the following categories:

a) Non-recourse financing applied to projects (project financing) (see note 19);

b) Corporate financing (see Note 20);

Loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost and any difference between the proceeds initially received (net of transaction costs incurred in obtaining such proceeds) and the repayment value is recognized in the Income Statement over the duration of the borrowing using the effective interest rate method.

Interest-free loans mainly granted for research and development projects are initially recognized at fair value. The difference between the cash-flow received and the fair value of the loan for development projects capitalized is recorded within "Grants and Other Liabilities" in the Consolidated Statement of Financial Position, allocating it to the income statement according to the useful life of the asset. The difference between the cash received and the fair value of the loan used as subsidies for research costs is recognized as income under "Grants" within the "Other operating income" in the Consolidated Income Statement when the costs are incurred. Where the loan is received before the costs are incurred, the difference is recognized as "Grants and other liabilities" of the Consolidated Statement of Financial Position.

Commissions paid for obtaining credit lines are recognized as transaction costs if it is probable that part or all of the credit line will be drawn down. If this is the case, commissions are deferred until the credit line is drawn down. If it is not probable that all or part of the credit line will be drawn down, commission costs are recorded as an advance payment for liquidity services and amortized over the period for which the credit line is available to the Group.

Loans and borrowings are classified as current liabilities unless an unconditional right exists to defer their repayment by at least 12 months following the date of the Consolidated Statement of Financial Position.

2.18.1.Convertible bonds

Pursuant to the Terms and Conditions of each of the convertible bond issues when the investors exercise their conversion right, the Company may decide whether to deliver shares of the company or a combination of cash for the nominal value and shares for the difference (for more information on convertible bonds, see Note 20.3).

In accordance with IAS 32 and 39 and the Terms and Conditions of the issue, since the bond grants the parties the right to choose the form of settlement, the instrument represents a financial liability. Because of Abengoa's contractual right to choose the type of payment and the possibility of paying through a variable number of shares, the conversion option qualifies as an embedded derivative. Thus, the convertible bond is considered a hybrid instrument, which includes a component of liability for financial debt and an embedded derivative for the conversion option held by the bondholder.

For convertible bonds that qualify as hybrid instruments, the Company initially measures the embedded derivative at fair value and classifies it under the derivative financial instruments liability heading. At the end of each period, the embedded derivative is re-measured and changes in fair value are recognized under "Other financial income or expense" within the "Financial income or expense" line of the Consolidated Income Statement. The financial liability component of the bond is initially calculated as the difference between the nominal value received for the bonds and the fair value of the aforementioned embedded derivative. Subsequently, the financial liability component is measured at amortized cost until it is settled upon conversion or maturity. In general, transaction costs are recognized as a deduction in the value of the debt in the Consolidated Statement of Financial Position and included as part of its amortized cost.

2.18.2.Ordinary bonds

In the case of ordinary bonds, the company initially recognizes the financial debt at its fair value, net of transaction costs incurred. Subsequently, the bond is measured at amortized cost until settlement upon maturity. Any other difference between the proceeds obtained (net of transaction costs) and the redemption value is recognized in the Income Statement over the term of the debt using the effective interest rate method. Ordinary bonds are classified as non-current liabilities unless they mature during the 12 months following the date of the Consolidated Statement of Financial Position (see Note 20.3).

2.19. Current and deferred income taxes

Income tax expense for the period comprises current and deferred taxes. Income tax is recognized in the Consolidated Income Statement, except to the extent that it relates to items recognized directly in equity. In these cases, income tax is also recognized directly in equity.

Current income tax charge is calculated on the basis of the tax laws in force or about to enter into force as of the date of the Consolidated Statement of Financial Position in the countries in which the subsidiaries and associates operate and generate taxable income.

Deferred income tax is calculated in accordance with the Statement of Financial Position liability method, based upon the temporary differences arising between the carrying amount of assets and liabilities and their tax base. However, deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined using tax rates and regulations which are enacted or substantially enacted at the date of the Statement of Financial Position and are expected to apply and/or be in force at the time when the deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is recognized on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is not probable that they will reverse in the foreseeable future.

All Spanish companies (with the exception of companies registered and domiciled in the Basque Country) applied a corporate tax rate of 30% in 2011 and 2010. Those domiciled in the Basque Country are subject to a corporate tax rate of 28% in 2011and 2010.

2.20. Employee benefits

a) Share plans

Certain Group companies have obligations in connection with certain share-based incentive plans for managers and employees. These plans are linked to the attainment of certain management objectives for the following years. When there is no active market for the shares granted by the plan, personnel expense is recognized on the basis of the repurchase price identified in the plan during the vesting period. When the shares have a market value, personnel expense is recognized during the vesting period based on their fair value at grant date. In either case, the impact of these share plans on Abengoa's Consolidated Financial Statements is not significant.

Share plans are considered a cash-settled share-based payment plans in accordance with IFRS 2, since the company compensates the participants for their services in exchange for the assumption of the market risk on the shares. By use of the guarantee on the loan, Abengoa guarantees participants, up to the end of the plan period, no personal losses in conjunction with a change in the price of the shares purchased. As such, Abengoa measures and recognizes at the end of each reporting period, a liability based on the value of the shares. Upon expiration of the Plan, the employee may sell the shares to repay the individual loan or may otherwise repay the loan as they wish.

b) Bonus schemes

In connection with such bonus schemes plan the Group recognizes a personnel expense in the Consolidated Income Statement for the amounts annually accrued in accordance with the percentage of compliance with the plan's established objectives.

Note 29 of this Consolidated Report reflect the information detailing the expenses incurred from employee benefits.

2.21. Provisions and contingencies

Provisions are recognized when:

- There is a present obligation, either legal or constructive, as a result of past events;
- It is more likely than not that there will be a future outflow of resources to settle the obligation; and
- The amount has been reliably estimated.

When there are a number of similar obligations, the likelihood that a cash outflow will be required in settlement is determined by considering the type of obligations as a whole. The provision is recognized even if the likelihood of an outflow with respect to certain items included within the same class is low.

Provisions are measured at the present value of the expected expenditure required to settle the obligation, recognizing any increases in the provision over time as an interest expense.

Contingent liabilities reflect possible obligations to third parties and known obligations which are not recognized due to the low probability of a future outflow of economic resources being required to settle the obligation or, if applicable, because the possible future value of the settlement cannot be reliably estimated. Such contingencies are not recognized in the Statement of Financial Position unless they have been acquired in a business combination. The balance of Provisions disclosed in the Notes reflects management's best estimate of the potential exposure as of the date of preparation of the Consolidated Financial Statements.

2.22. Trade payables and other liabilities

Trade payables and other liabilities are payment obligations arising from the purchase of goods or services from suppliers in the ordinary course of business and are recognized initially at fair value and are subsequently measured at their amortized cost using the effective interest method.

Other liabilities are payment obligations not arising from the purchase of goods or services and that are not treated as debt financing transactions. These accounts are classified as current liabilities if payment falls due within one year. Otherwise they are presented as non-current liabilities.

Advances received from customers are recognized as "Other current liabilities".

2.23. Foreign currency transactions

a) Functional currency

The components of the financial statements of each of the companies within the Group are measured and reported in the currency of the principal economic environment in which the company operates (the functional currency). The Consolidated Financial Statements are presented in euro, which is Abengoa's functional and reporting currency.

b) Transactions and balances

Transactions denominated in foreign currency are translated into the functional currency applying the exchange rates in force at the time of the transactions. Foreign currency gains and losses that result from the settlement of these transactions and the translation of monetary assets and liabilities denominated in foreign currency at the year-end rates are recognized in the Consolidated Income Statement, unless they are deferred in equity, as occurs with cash-flow hedges and net investment in foreign operations hedges.

c) Translation of the financial statements of foreign companies within the Group

The Income Statements and Statements of Financial Position of all Group companies with a functional currency other than the reporting currency (Euro) are translated into the reporting currency as follows:

1) All assets, rights and obligations are translated to the reporting currency using the exchange rate in force at the closing date of the Financial Statements.

2) The items on the Income Statement of each foreign company are translated into the reporting currency using the average annual exchange rate, which is calculated as the arithmetical average of the exchange rates in force at the end of each of the twelve months of the year that does not differ significantly from the day of transaction exchange rate.

3) The difference between equity, including the profit or loss calculated in accordance with the preceding point and translated at the historical exchange rate, and the net financial position that results from translating the assets, rights and obligations in accordance with point 1) above, is recorded as a positive or negative difference, as applicable, recorded in equity in the Consolidated Statement of Financial Position under the heading "Accumulated currency translation differences".

The results of companies carried under the equity method are, if applicable, translated at the average rate for the year, calculated as in point 2) above.

Adjustments to the goodwill and the fair value that arise on the acquisition of a foreign company are treated as assets and liabilities of the foreign company and are translated at the year-end exchange rate.

2.24. Service concession agreements

As established in IFRIC 12, Service Concession Agreements are public-to-private arrangements in which the public sector controls or regulates the service provided with the infrastructure and their prices, and it is contractually guaranteed to gain, at a future time, ownership of the infrastructure through which the service is provided. The infrastructures accounted for by the Group as concessions are mainly related to the activities concerning power transmission lines, desalination plants, cogeneration plants and certain thermo-solar electricity generation plants. The infrastructure used in a concession can be classified as a financial asset or an intangible asset, depending on the nature of the payment entitlements established in the agreement.

The Group recognizes an intangible asset within "fixed assets in projects" to the extent that it has a right to charge final customers for the use of the infrastructure. This intangible asset is subject to the provisions of IAS 38 and is amortizable, taking into account the estimated period of commercial operation of infrastructure. The Group recognizes and measures revenue, costs and margin for providing construction services during the period of construction of the infrastructure in accordance with IAS 11, "Construction Contracts" and revenue for other services in accordance with IAS 18, "Revenue".

Service Concession Agreements are accounted for in accordance with the following criteria:

1) Total construction costs, including associated financing costs, are recorded as intangible assets within "fixed assets in projects". Profits attributable to the construction phase of the infrastructure are recognized using the percentage of completion method, based on the fair value assigned to the construction phase and the concession phase.

2) The intangible asset is usually amortized on a straight-line basis over the period of the concession.

3) The amounts recognized in the Consolidated Income Statement during the period of the concession are as follows:

    - Ordinary income: The annual updated concession fee income is recognized in each period.

    - Operating costs: operating and maintenance costs and general overheads and administrative costs are charged to the Consolidated Income Statement in accordance with the nature of the cost incurred (amount due) in each period. Fixed assets are amortized as per point 2) above.

    - Financial costs: financing costs and exchange rate differences arising from repayable debt denominated in foreign currencies are charged to the Consolidated Income Statement.

4) At the end of each period, each project is tested for impairment if the invested costs are considered not recoverable.

In those concession agreements where the grantor of the concession is responsible for the payment of the operator's expenses and retains substantially all the legal risks associated with the concession, the asset arising from the construction phase of the project is reported as a non-current receivable within the line item Loans (non-current portion) under the non-current Financial accounts receivable caption of the Consolidated Statement of Financial Position, provided that it is possible to calculate the amount. The non-current receivable is measured at amortized cost in accordance with the effective interest rate method and gradually reduced during the term of the contract against the annual fees received (see also note 2.25 c). Interest calculated using the effective interest rate method is recognized within the line item "Interest income from loans and debt", under the "Finance income" caption of the Consolidated Income Statement.

2.25. Revenue recognition

a) Ordinary income

Ordinary income comprises the fair value of sales of goods or services, excluding VAT or similar taxes, any discounts or returns and excluding sales between Group entities.

Ordinary income is recognized as follows:

- Income from the sale of goods is recognized when the Group delivers the goods to the client, the client accepts them and it is reasonably certain that the related receivables will be collectible.

- Income from the sale of services is recognized in the period in which the service is provided, using the percentage of completion method based on the specific contractual terms and conditions of each service agreement, when the revenue of the service contract and the associated costs, as well as the percentage of completion can be estimated reliably and when it is reasonable certain that the related receivables will be collectible. When one or more of such elements of the service contract cannot be estimated reliably, ordinary income from the sale of service is recognized only to the extent of the expenses recognized that are recoverable.

- Interest income is recognized using the effective interest rate method. When a receivable is considered impaired, the carrying amount is reduced to its recoverable amount, discounting the estimated future cash flows at the original effective interest rate of the instrument and recording the discount as a reduction in interest income. Income from interest on loans that have been impaired is recognized when the cash is collected or on the basis of the recovery of the cost when the conditions are guaranteed.

- Dividend income is recognized when the right to receive payment is established.

b) Construction contracts

Costs incurred in relation to construction contracts are recognized when incurred. When the outcome of a construction contract cannot be reliably estimated, revenues are only recognized up to the amount of the costs incurred to date that are likely to be recovered.

When the outcome of a construction contract can be reliably estimated and it is probable that it will be profitable, revenue from the contract is recognized over the term of the contract. When it is probable that the costs of the project will be greater than its revenue, expected loss is recognized immediately as an expense. To determine the appropriate amount of revenue to be recognized in any period, the percentage of completion method is applied. The percentage of completion method considers, at the date of the Statement of Financial Position, the actual costs incurred as a percentage of total estimated costs for the entire contract. Costs incurred in the period which relate to future project activities are not included when determining the percentage of completion. Prepayments and certain other assets are recognized as inventories, depending upon their specific nature.

Partial billing that has not yet been settled by the clients and withholdings are included under the trade and other receivables heading.

Gross amounts owed by clients for ongoing works in which the costs incurred plus recognized profits (minus recognized losses) exceed partial billing are presented as assets under the heading of “Unbilled Revenue” within “Clients and other receivables” heading of the Statement of Financial Position.

On the other hand, amounts outstanding from customers for work in progress for which the billing to date is greater than the costs incurred plus recognized profits (less recognized losses) are shown as liabilities within the line item “Advance payments from clients” in the Trade payables and other current liabilities caption of the Consolidated Statement of Financial Position.

Lastly, as stated in point 2.3.2 on the measurement of property, plant and equipment in internal asset construction projects outside the scope of IFRIC 12 on Service Concession Arrangements (see Note 2.24), the totality of the revenues and profits between group companies is eliminated, meaning that said assets are shown at their acquisition cost.

c) Concession contracts

Concession contracts are public-private agreements for periods usually between 20 and 30 years including both the construction of infrastructure and future services associated with the operation and maintenance of assets in the concession period.

Revenues are obtained during the concession period via an annual charge payable by the grantor of the concession, which, in certain cases, is adjusted for inflation (see note 2.24 for revenue recognition). Typically the annual charge is updated based upon the official pricing index of the country and in the currency in which the fee is denominated and the fluctuations in local currency against a currency basket.

2.26. Leases

Lease contracts of fixed assets in which a Group company is the lessee and substantially retains all the risks and rewards associated to the ownership of the assets are classified as finance leases.

Finance leases are recognized at inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments over the contract term. Each lease payment is distributed between debt and financing costs, in a way which establishes a constant interest rate on the outstanding debt. The amounts to be paid over the lease term, net of financing costs, are recognized as non-current and current payables, as appropriate. The interest portion of the financing costs is charged to the Consolidated Income Statement over the period of the lease agreement, in order to obtain a constant periodic interest rate on the balance of the outstanding debt in each period. Assets acquired under finance lease agreements are depreciated over the shorter of the useful life of the asset and the lease term.

Lease agreements undertaken by the Group in which the entity entering into the agreement does not substantially retain all the risks and rewards associated with the ownership of the asset are classified as operating leases. Payments made under operating leases are charged to the Consolidated Income Statement (net of any incentives received from the lessor) on a straight-line basis over the lease term.

2.27. Dividend distribution

Dividends paid to the shareholders of the parent company of the Group are recognized as a liability in the period in which the dividend payment is approved by the shareholders of the company distributing the dividend.

2.28. Segment reporting

Information on the Group's operating segments is presented in accordance with the internal information provided to the Group's Chief Operating Decision Maker (CODM). The CODM, responsible for assigning resources and evaluating the performance of the operating segments, has been identified as the CEO and the Chairman.

The CEO and the Chairman analyze the business per activity and geographies. At the activity level, and as indicated in Note 1, the CODM review the business by grouping 8 operating segments into three activities: Engineering & Construction, Concession-type Infrastructures and Industrial Production.

Geographically, the 5 regions which are reported to the CODM are Spain (home market), USA, the European Union, Latin America (including Brazil) and other (the remaining overseas markets).

For detailed information on the business and geographical segments, see Note 5.

2.29. Environmental assets

Equipment, installations and systems used to eliminate, reduce or control possible environmental impacts are recognized applying analogous criteria to those applied to other similar assets.

The provisions made for environmental restoration, costs of restructuring and litigations are recognized when the company has a legal or constructive obligation as a result of past events and it becomes probable that an outflow of resources will be necessary to settle the obligation and the amount can be reliably estimated.

Note 33.6 gives additional information on the Group's environmental policies.

2.30. Severance payments

Severance payments are made to employees in the event that the company terminates their employment contract prior to the normal retirement age or when the employee voluntarily accepts redundancy in the terms offered by the employer. The Group recognizes severance payments when it is demonstrably committed to third parties to provide indemnities for leaving the company or to dismiss the current workers in accordance with a detailed formal plan, with no possibility of retracting.

2.31. Non-current Assets held for sale and discontinued operations

The Group classifies property, plant and equipment, intangible assets and disposal groups (groups of assets that are to be sold together with their directly associated liabilities) as non-current assets held for sale when, at the date of the Consolidated Statement of Financial Position, an active programme to sell them has been initiated by Management and the sale is foreseen to take place within the following twelve months.

The Group includes in discontinued operations those business lines which have been sold or otherwise disposed of or those that meet the conditions to be classified as held-for-sale. Discontinued operations also include those assets which are included in the same sale programme together with the business line. Entities which are acquired exclusively with a view for resale are also classified as discontinued operations.

Assets held for sale or disposal groups are measured at the lower of their carrying value or fair value less estimated costs necessary to sell them. They are no longer amortized or depreciated as from the moment they are classified as non-current assets held for sale.

Non-current assets held for sale and the components of disposal groups are presented in the Consolidated Statement of Financial Position as follows: assets are included under a single heading called "Assets held for sale and discontinued operations" and liabilities are also included under a single heading called "Liabilities held for sale and discontinued operations".

The after-tax profit or loss on discontinued operations is presented in a single line within the Consolidated Income Statement under the heading "Profit or loss for the year from discontinued operations, net of tax".

Note 3.- Critical accounting policies

The preparation of the Consolidated Financial Statements in conformity with IFRS-EU requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates on historical experience and on various other assumptions we believe to be reasonable under the specific circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

An understanding of the accounting policies for these items is critically important to understand the consolidated financial statements. The following discussion provides more information regarding the estimates and assumptions used for these items in accordance with IFRS-EU and should be considered in conjunction with the notes to the Consolidated Financial Statements.

The most critical accounting policies, which reflect significant management estimates and judgment to determine amounts in the Consolidated Financial Statements, are as follows:

- Impairment of intangible assets and goodwill.
- Consolidation through *de facto* control.
- Revenue from construction contracts
- Income taxes and recoverable amount of deferred tax assets
- Share-based payments
- Derivative financial instruments
- Concession agreements

Some of these accounting policies require the application of significant judgment by management to select the appropriate assumptions to determine these estimates. These assumptions and estimates are based on our historical experience, advice from experienced consultants, forecasts and other circumstances and expectations as of the close of the financial period. The assessment is considered in relation to the global economic situation of the industries and regions where the Group operates, taking into account future development of our businesses. By their nature, these judgments are subject to an inherent degree of uncertainty; therefore, actual results could materially differ from the estimates and assumptions used. In such cases, the carrying values of assets and liabilities are adjusted.

As of the date of preparation of these Consolidated Financial Statements, no relevant changes in the estimates made are anticipated and, therefore, no significant changes in the value of the assets and liabilities recognized at December 31, 2011 are expected.

Although these estimates and assumptions are being made using all available facts and circumstances, it is possible that future events may require management to amend such estimates and assumptions in future periods. Changes in accounting estimates are recognized prospectively, in accordance with IAS 8, in the consolidated income statement of the year in which the change occurs. The Group significant accounting policies are more fully described in Note 2.

Impairment of intangible assets and goodwill

Goodwill and intangible assets which have not yet come into operation or that have an indefinite useful life are not amortized and are tested for impairment on an annual basis or whenever there is an impairment indicator. Goodwill is tested for impairment within the Cash-Generating Unit to which it belongs. Other intangible assets are tested individually, unless they do not generate cash flows independently from other assets, in which case they are tested within the Cash-Generating Unit to which they belong.

For those cash generating units with high growth potential, the Group uses cash flow projections for a period of 10 years based on the cash flows identified in the Group's strategic plans, which are reviewed and approved every six months by the management of the Group. The residual value is calculated based on the cash flows of the latest year projected using a steady or nil growth rate. The use of a 10 year period is based on the consideration that this is the minimum period that needs to be used in order to appropriately reflect all the potential growth of these cash generating units. In addition, 10 years projections are prepared based on the historical experience within the Group in preparing long-term strategic plans, which are considered reliable and are prepared on the basis of the Group's internal control system. These cash flows are considered reliable since they can easily adapt to the changes of the market and of the business segment to which cash generating units belong, based on the Group's past experience on cash flows and margins and on future expectations.

For other cash generating units the Group uses cash flows projections based on a period of 5 years, calculating the residual value based on the cash flows of the latest year projected, using a growth rate which does not exceed the long term rate for the market in which the cash generating units operates.

Projected cash flows are discounted using a discount rate (see Note 8.4) based on the Weighted Average Cost of Capital, adjusted for the specific risks associated to the business unit to which the cash generating unit belongs.

Based on the calculations of value in use in accordance with the assumptions and hypotheses described above for the years 2011 and 2010 the recoverable amount of the cash generating units to which goodwill was assigned was significantly in excess of their carrying amount, even after having performed certain sensitivity analyses on discount rates and residual values.

During the years 2011 and 2010 there were no intangible assets with indefinite useful life or intangible assets not yet in use that were impaired.

Consolidation through de facto control

De facto control describes the situation where an entity does not hold majority of the voting shares in another entity, but is deemed to have control for reasons other than potential voting rights, contract or the Bylaws.

Judgment is required in applying the control concept to assess whether de facto control exists. The loss of de facto control in cases where applicable would not have a significant impact on the assets, liabilities, results of operations and cash flows of the Group.

Revenue from construction contracts

Revenue from construction contracts is recognized using the percentage-of-completion method for contracts whose outcome can be reliably estimated and it is probable that they will be profitable. When the outcome of a construction contract cannot be reliably estimated, revenue is recognized only to the extent it is probable that contract costs incurred will be recoverable.

The percentage of completion is determined at the date of every Statement of Financial Position based on the actual costs incurred as a percentage of total estimated costs for the entire contract. Costs incurred in the period which relate to future project activities are not included when establishing the percentage of completion. Prepayments and certain other assets are recognized as inventories, depending upon their specific nature.

Revenue recognition using the percentage-of-completion method involves the use of estimates of certain key elements of the construction contracts, such as total estimated contract costs, allowances or provisions related to the contract, period of execution of the contract and recoverability of the claims. The Company has established, over the years, a robust project management and control system, with periodic monitoring of each project. This system is based on the long-track experience of the Group in constructing complex infrastructures and installations. As far as practicable, the Group applies past experience in estimating the main elements of construction contracts and rely on objective data such as physical inspections or third parties confirmations. Nevertheless, given the highly tailored characteristics of the construction contracts, most of the estimates are unique to the specific facts and circumstances of each contract.

Although estimates on construction contracts are periodically reviewed on an individual basis, we exercise significant judgments and not all possible risks can be specifically quantified.

It is important to point out that, as stated in Note 2.3.2 on the measurement of property, plant and equipment, in the internal asset construction projects outside the scope of IFRIC 12 on Service Concession Arrangements (see Note 2.24), the totality of the revenues and profits between group companies is eliminated, meaning that said assets are shown at their acquisition cost.

Income taxes and recoverable amount of deferred tax assets

The current income tax provision is calculated on the basis of relevant tax laws in force at the date of the Consolidated Statement of Financial Position in the countries in which the subsidiaries and associates operate and generate taxable income. Subsidiaries which are not included in the tax group file income tax returns in numerous tax jurisdictions around the world.

Determining income tax payable requires judgment in assessing the timing and the amount of deductible and taxable items, as well as the interpretation and application of tax laws in different jurisdictions. Due to this fact, contingencies or additional tax expenses could arise as a result of tax inspections or different interpretations of certain tax laws by the corresponding tax authorities.

Group Management assesses the recoverability of deferred tax assets on the basis of estimates of the future taxable profit. In making this assessment, Management considers the foreseen reversal of deferred tax liabilities, projected taxable profit and tax planning strategies. This assessment is carried out on the basis of internal projections, which are updated to reflect the Group's most recent operating trends.

The Group's current and deferred income taxes may be impacted by events and transactions arising in the normal course of business as well as by special non-recurring items. Assessment of the appropriate amount and classification of income taxes is dependent on several factors, including estimates of the timing and realization of deferred tax assets and the timing of income tax payments.

Actual collections and payments may materially differ from these estimates as a result of changes in tax laws as well as unforeseen future transactions impacting the income tax balances.

Deferred income tax is determined using tax rates and regulations which are enacted or substantially enacted at the date of the Statement of Financial Position and, therefore, are expected to apply and/or be in force at the time when the deferred income tax liability is settled.

Share-based payments

The Group maintains various share-based incentive plans for some of its managers and employees at parent and subsidiary companies level. The most significant of these plans was granted in 2005 financial year making available to 99 managers of Abengoa linked to the achievement of certain business objectives. Based on its specific conditions, the share-based plan is considered a cash-settled share-based payment, by means of which the company rewards the services provided by the managers, incurring a liability for an amount based on the value of the shares.

Note 29 of this Consolidated Report reflects the information detailing the expenses incurred from employee benefits.

The fair value of the services received in exchange for the granting of the option is recognized as a personnel expense using the Black-Scholes valuation model. Certain inputs are used in the Black-Scholes model to generate variables such as the share price, the estimated return per dividend, the expected life of the option (5 years), the interest rates and the share market volatility, as appropriate.

The total amount charged to expenses during the vesting period is determined by reference to the fair value of a hypothetical option to sell ("put") granted by the company to the managers, excluding the effect of the vesting conditions that are not market conditions, and including in the hypotheses only the number of options that are expected will become exercisable. In this regard, the number of options it is expected will become exercisable is considered in the calculation.

The determination of the fair value of the services requires the use of estimates and certain assumptions. At the end of each financial year, the company revises the estimates of the number of options that are expected will become exercisable and recognizes the impact of this revision of the original estimates, where appropriate, in the Consolidated Income Statement. Changes in the estimates and assumptions used in the valuation model could impact the results of operations.

Derivatives and hedging

The Group uses derivatives in order to mitigate risks arising from foreign exchange, interest rates and changes in the prices of assets and commodities purchased (principally zinc, aluminum, grain, ethanol, sugar and gas). Derivatives are initially recognized at fair value on the date that the derivative contract is entered into, and are subsequently re-measured at fair value at each reporting date.

The basis of recognizing the resulting gain or loss depends upon whether the derivative is designed as a hedging instrument and, if so, the nature of the item being hedged. The Group documents at the inception of the transaction the relationship between the hedging instrument and the hedged item as well as its risk management objectives and strategy for undertaking various transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in the fair value of or cash flows of the hedged items.

The changes in the fair value of a fair value hedging instrument are recorded in the income statement, together with any changes in the fair value of the asset or liability that is being hedged. The changes in the fair value of a cash flow hedging instrument are recorded in equity for the effective portion and in the income statement for the ineffective portion. Hedges of net investments in a foreign business operation, including the hedging of a monetary item considered part of a net investment, are accounted for similarly to cash flow hedges. Changes in the fair value of derivative instruments which do not qualify for hedge accounting are recognized immediately in the Income Statement.

Contracts held for the purposes of receiving or making payment of non-financial elements in accordance with expected purchases, sales or use of goods (own-use contracts) of the Group are not recognized as financial derivative instruments, but as executory contracts. In the event that such contracts include embedded derivatives, they are registered separately to the original contract, if the economic characteristic of the embedded derivative is not closely related to the economic characteristics of the original host contract. The contracted options for the purchase or sale of non-financial elements which may be cancelled through cash outflows are not considered to be “own-use contracts".

During 2010 and 2009 the Group issued some convertible bonds to qualified investors and institutions for the amount of €450 M, maturing between five (5) and seven (7) years. In accordance with the terms and conditions of the issuance, the bonds qualify as hybrid instruments which are bifurcated into a liability component and an embedded derivative. Embedded derivatives are recognized initially at fair value and at each closing date they are re-measured at fair value, with the change in fair value being recorded in the Income Statement. The liability component is initially determined as the difference between the nominal value of the liability less the fair value of the embedded derivative. Subsequently, the liability component is measured at amortized cost.

Note 20.3 of this Consolidated Report reflects the information on the parent company convertible bonds.

The inputs used to calculate fair value of our derivatives are based on prices observable on not quoted markets, either based on direct prices or through the application of valuation models (Level 2). The valuation techniques used to calculate fair value of our derivatives include discounting estimated future cash flows, using assumptions based on market conditions at the date of valuation or using market prices of similar comparable instruments, amongst others. The valuation of derivatives and the identification and valuation of embedded derivatives and own-use contracts requires the use of considerable professional judgment. These determinations were based on available market information and appropriate valuation methodologies. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Concession agreements

The analysis on whether the IFRIC 12 applies to certain contracts and activities involves various complex factors and it is significantly affected by legal interpretation of certain contractual agreements or other terms and conditions with public sector entities.

Therefore, the application of IFRIC 12 requires extensive judgment in relation with, amongst other factors, (i) the identification of certain infrastructures (and not contractual agreements) in the scope of IFRIC 12, (ii) the understanding of the nature of the payments in order to determine the classification of the infrastructure as a financial asset or as an intangible asset and (iii) the recognition of the revenue from construction and concessionary activity.

Changes in one or more of the factors described above may significantly affect the conclusions as to the appropriateness of the application of IFRIC 12 and, therefore, the results of operations or our financial position (see Note 10.1).

Note 4.- Financial risk management

Abengoa’s activities are undertaken through its operating segments and are exposed to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk, liquidity risk and capital risk.

The risk management model attempts to minimize the potential adverse impact of such risks upon the Group’s financial performance. Risk is managed by the Group’s Corporate Finance Department, which is responsible for identifying and evaluating financial risks in conjunction with the Group’s operating segments, quantifying them by project, region and company.

Written internal risk management policies exist for global risk management, as well as for specific areas of risk, such as foreign exchange risk, credit risk, interest rate risk, liquidity risk, the use of hedging instruments and derivatives and the investment of cash surpluses.

In addition, there are official written management regulations regarding key controls and control procedures for each company and the implementation of these controls is monitored through internal audit procedures.

The Group is affected by the following financial risk:

a) Market risk

Market risk arises when group activities are exposed fundamentally to financial risk derived from changes in foreign exchange rates, interest rates and changes in the fair values of certain raw materials.

To hedge such exposure, Abengoa uses currency hedge forward contracts, options and interest rate swaps as well as futures contracts for the aforementioned commodities. The Group does not use derivatives for speculative purposes.

- Foreign exchange rate risk; the international activity of the Group generates exposure to foreign exchange rate risk. Foreign exchange rate risk arises when future commercial transactions and the assets and liabilities recognized are not denominated in the company's functional currency. The main exchange rate exposure for the Group relates to the US Dollar against the Euro and the Brazilian Real.

  To control foreign exchange risk, the Group purchases forward currency sale/purchase options. Such contracts are designated as fair-value or cash-flow hedges, as appropriate.

  In the event that the exchange rate of the US Dollar had risen by 10% against the Euro on December 31, 2011, with the rest of the variables remaining constant, the effect in the profit and loss accounts would have been a loss of €1,206 thousand (profit of €24,522 thousand in 2010) mainly due to the US Dollar net liability position of the Group in companies with Euro functional currency and an increase of €3,338 thousand (increase of €10,897 thousand in 2010) in other reserves as a result of the cash flow hedging effects on highly probable future transactions.

  In the event that the exchange rate of the US Dollar had risen by 10% against the Brazilian Real on December 31, 2011, with the rest of the variables remaining constant, the effect in the profit and loss accounts would have been a gain of €9,273 thousand (loss of €11,082 thousand in 2010) mainly due to the US Dollar net asset position of the Group in companies with Brazilian Real functional currency and an increase of €10,069 thousand (€9,437 thousand in 2010) in other reserves as a result of the cash flow hedging effects on highly probable future transactions.

  Approximately 95% of projected transactions which are not denominated in the company's functional currency qualify as highly probable forecast transactions for hedge accounting purposes.

  Details of the financial hedging instruments and foreign currency payments as of December 31, 2011 and 2010 are included in Note 14 of these Notes to these Consolidated Financial Statements.

- Interest rate risk arises mainly from financial liabilities at variable interest rates.

  Abengoa actively manages its risks exposure from variations in interest rates associated with its variable interest debt.

  In non-recourse financing (see Note 19), as a general rule, the Company enters into hedging arrangements for at least 80% of the amount and the timeframe of the relevant financing, through options and/or swaps contracts.

  In corporate financing (see Note 20), as general rule, a minimum of 80% of the debt is covered under hedging relationships throughout the term of the debt; in addition, in 2009 and 2010, Abengoa issued bonds at a fixed interest rate.

  The main interest rate exposure for the Group relates to the variable interest rate with reference to the Euribor.

To control the interest rate risk, the Group primarily uses interest rate swaps and interest rate options (caps), which, in exchange for a fee, offer protection against an increase in interest rates.

In the event that the Euribor interest rates had risen by 25 basic points on December 31, 2011, with the rest of the variables remaining constant, the effect in the income statement would have been a profit of €15,923 thousand (€13,324 thousand in 2010) , mainly due to the fair value increase due to the time value of the interest rate caps designated as hedges and an increase of €44,077 thousand (€40,692 thousand in 2010) in other reserves as a result of the fair value increase of interest rate swaps and caps designated as hedges.

A breakdown of the financial derivative instruments relating to interest rates as of December 31, 2011 are provided in Note 14 of these Notes to the Consolidated Financial Statements.

- Risk of change in commodities prices arises through both the sale of the Group's products and the purchasing of commodities for production processes. The main risk of change in commodities prices exposure for the Group is related to the price of zinc, aluminum, grane, ethanol, sugar and gas.

  In general, the Group uses forward purchase contracts and options listed on organized markets, as well as OTC (over-the-counter) contracts with financial institutions, to mitigate the risk of market price fluctuations.

  At December 31, 2011, if the price of zinc would have increased by 10%, with the other variables constant, the effect on the income statement would have been a profit of €2,174 thousand (€2,045 thousand in 2010) and an reduction in other reserves of €13,468 thousand (increase of €1,017 thousand in 2010), due to the effect of cash flow hedges that the Group maintains.

  A breakdown of the commodity derivative instruments as of December 31, 2011 is included in Note 14 of these Notes to the Financial Statements.

  In addition and independent of these transactions certain Group companies began during 2008 to engage in purchase and sale transactions in the grain and ethanol markets, in accordance with a management policy for trading transactions.

  These operations reflect the implementation of management-approved strategies for the purchase and sale of forward and swap contracts, mainly for grain and ethanol, which are controlled and reported on a daily basis, following the internal procedures established in the Transactions Policy. As a risk-mitigation element, the company sets daily limits or "stop losses" for each strategy, depending on the markets in which it operates, the financial instruments purchased and the risks defined in the transaction.

  These transactions are valued monthly at fair value through the income statement. In 2011, Abengoa recorded loss of €-4,593 thousand (gain of €12,305 thousand in 2010), €-4,567 thousand of which related to loss on settled transactions (€11,061 thousand in 2010) and €-26 thousand to potential losses based upon open derivative contracts valued at the year ended (€1,244 thousand in 2010).

b) Credit risk

The main financial assets exposed to credit risk derived from the failure of the counterparty to meet its obligations are trade and other receivables, current financial investments and cash.

a) Clients and other receivables (see Note 15).

b) Current financial investments and cash (see Notes 13, 14, 15 and 17).

- Clients and other receivables: Most receivables relate to clients operating in a range of industries and countries with contracts which require ongoing payments as the project advances, the service is rendered or upon delivery of the product. It is common practice for the company to reserve the right to cancel the work in the event of a material breach, especially non-payment.

In general, and to mitigate the credit risk, as prerequisite to any commercial contract or business agreement, the company generally holds a firm commitment from a leading financial institution to purchase the receivables without recourse (factoring). In these agreements, the company pays the bank for assuming the credit risk and also pays interest for the discounted amounts. The company always represents that the receivables are valid.

In this respect, Abengoa derecognizes the factored receivables from the Statement of Financial Position when all the conditions of IAS 39 for derecognition of assets are met. In other words, an analysis is made as to whether all risks and rewards of ownership of the related financial assets have been transferred, comparing the company's exposure, before and after the transfer, to the variability in the amounts and the calendar of net cash flows from the transferred asset. Once the company's exposure to this variability has been eliminated or substantially reduced, the financial asset has been transferred.

In general, Abengoa considers that the most significant risk to these assets within its activity is the risk of uncollectibility, since: a) trade receivables may be quantitatively significant during the progress of work performed for a project or service rendered; b) it would not be within the company's control. However, the risk of delays in payment is considered to be of little significance in these contracts and typically relates to technical problems, i.e. associated with the technical risk of the service provided and, therefore, within the company's control.

In any case, to cover those contracts in which the possibility of a payment delay from the client, with no commercial justification, could theoretically be identified as a risk associated to the financial asset, Abengoa establishes that, not only should the risk of legal insolvency (bankruptcy, etc.) be covered, but also that of de facto or evident insolvency (arising from the client's management of its own cash, even though there is no "general moratorium").

Consequently, if from the individual assessment of each contract it is concluded that the risk associated to the contract has been transferred to the financial institution, the receivable is derecognized in the Statement of Financial Position at the time it is transferred, in accordance with IAS 39.20.

As stated previously, Abengoa follows the policy of transferring the credit risk associated to the items included in trade and other receivables by using non-recourse factoring contracts. In addition, it would be necessary to exclude from the trade and other receivables balance, the potential effect of trade receivable balances for work completed pending certification for which factoring contracts are in place, the effect of other trade receivable balances that could be factored but have not yet been sent to the factoring entity at the year end, and assets that are covered by credit insurance and are included within trade and other receivables. Consequently, with this policy, Abengoa minimizes its credit risk exposure.

A trade receivables ageing analysis as of December 31, 2011 and 2010 is included in Note 15"Clients and other receivable accounts". The same note also outlines the credit quality of the clients and it analyses the client loyalty as well as the movement on provisions for receivables for the years ended December 31, 2011 and 2010.

- Financial investments: to control credit risk in the execution of financial investments, the Group has established corporate criteria to minimize such exposure assuring that counterparties are of recognized prestige and with high entidades financieras y deuda pública as well as establishing investing or hiring limits with periodic review.

c) Liquidity risk

Abengoa's liquidity and financing policy is intended to ensure that the company keeps sufficient funds available to meet its financial obligations as they fall due. Abengoa uses two main sources of financing:

- Non-recourse project financing, which is typically used to finance any significant investment (see Notes 2.4 and 19). The repayment profile of each project is established on the basis of the projected cash flow generation of the business, allowing for variability depending on whether the cash flows of the transaction or project can be forecast accurately. This ensures that sufficient financing is available to meet deadlines and maturities, which mitigates the liquidity risk significantly.

- Corporate Finance, used to finance the activities of the remaining companies which are not financed under the aforementioned financing model. This means of financing is managed through Abengoa S.A., which pools cash held by the rest of the companies so as to be able to re-distribute funds in accordance with the needs of the Group (see Notes 2.18 and 20) and to ensure that the necessary resources are obtained from the bank and capital markets.

To ensure there are sufficient funds available for debt repayment in relation to its cash-generating capacity, Abengoa has put in place the following criteria and actions:

- The Corporate Financial Department annually prepares and the Board of Directors reviews a Financial Plan that details all the financing needs and how such financing will be provided. Abengoa has maintained its financing needs covered for 2011 since it completed the 2010 recurrent issuance transactions on the capitals market, as well as new financing transactions in subsidiaries which have the support of export credit agencies.

In accordance with the foregoing, the sources of finance are diversified, in an attempt to prevent concentrations that may affect the working capital liquidity risk.

An analysis of the Group's financial liabilities classified into relevant maturity groupings based on the remaining period is included in the following Notes these consolidated Financial Statements:

Current and Non-current	Notes to the Financial Statements
Financial Debt	Note 19 Non-recourse financing and Note 20 Corporate Financing
Lease-Back	Note 20 Corporate Financing
Finance Lease	Note 20 Corporate Financing
Borrowings and Other Loans	Note 20 Corporate Financing
Trade and Other Accounts Payable	Note 25 Trade Payables and Other Current Liabilities
Derivatives and hedging instruments	Note 14 Financial derivatives instruments
Other Liabilities	Note 21 Grant and Other Liabilities

d) Capital risk

The Group manages its investments in equity to ensure the continuity of the activities of its subsidiaries from an equity standpoint by maximizing the return for the shareholders and optimizing the structure of equity and debt in the respective companies or projects.

The objective is the constant and sustained achievement of the Group's results through organic growth. To achieve these objectives, it is necessary to strike a correct balance in the businesses between control over the financial risks and the financial flexibility required to achieve the objectives.

Since the admission of its shares to trade on the stock market, the company has grown in the following ways:

- Cash flows generated by conventional businesses;
- Financing of new investments through non-recourse financing, which also generates induced business for conventional businesses;
- Corporate financing, either through banks or capitals markets;
- Issuance of new shares of subsidiaries through organized markets;
- Assets rotation or divestures, such as the wind activity divestiture, divestiture of Telvent or the sale of mature concessional shares, such as the sale of shares in projects relating to the transmission line concession activity in Brazil (for details see Note 6.2.b.).

The last capital increase has been carried out for €68 M during 2011 (see Note 18.1).

The leverage objective of the activities of the company is not measured based on the level of debt on own resources, but on the nature of the activities:

- For activities financed through Non-recourse Financing each project is assigned a leverage objective based on the cash and cash flow generating capacity, generally, of contracts that equip these projects with highly recurrent and predictable levels of cash flow generation. In general, the levels of leverage reached are relatively high.

- For activities financed with Corporate Financing, the objective is to maintain reasonable leverage, defined as three (3) times Ebitda over Net Corporate Debt (excluding the Ebitda and the non-recourse financing).

Note 5.- Financial information by segment

5.1. Information by business segment

As indicated in Note 1, the Abengoa's activity is grouped under the following three activities which are in turn composed of segments as defined by IFRS 8:

- Engineering and construction; relates to the segment that incorporates all of the company's traditional activities in engineering and construction in the energy and environmental sectors, with over 70 years of experience in the market, in which the Company specializes in executing complex turn-key projects for solar-thermal power stations; hybrid gas-solar power plants; conventional power plants and biofuel plants, hydraulic infrastructures, including complex desalination plants; electrical transmission lines, etc. This activity covers one operating segment.

- Concession-type infrastructures; relates to the activity that groups together the company's proprietary concession assets, in which revenues are regulated via long term sale contracts, such as take-or-pay agreements, or power or water purchase agreements. This activity includes the operation of electricity generation plants (solar, co-generation or wind) and desalination plants, as well as transmission power lines. These assets generate no demand risk and our efforts can therefore focus on operating them as efficiently as possible.

  This activity is currently composed of four operating segments:

  - Solar – Operation and maintenance of solar energy plants, mainly using solar-thermal technology;

  - Transmission – Operation and maintenance of high-voltage transmission power line infrastructures;

  - Water – Operation and maintenance of facilities for generating, transporting, treating and managing water, including desalination and water treatment and purification plants;

  - Cogeneration – Operation and maintenance of conventional electricity plants.

- Industrial production; relates to the activity that groups Abengoa's businesses with a high technological component, such as biofuels, industrial waste recycling or the development of solar-thermal technology. The company holds an important leadership position in these activities in the geographical markets in which it operates.

  This activity is composed of three operating segments:

  - Biofuels – Production and development of biofuels, mainly bioethanol for transport, which uses cereals, sugar cane and oil seeds (soya, rape and palm) as raw materials.

  - Recycling – Industrial waste recycling, principally steel dust, aluminum and zinc.

- Other – This segment includes those activities related to the development of solar-thermal technology, water management technology and innovative technology businesses such as hydrogen energy or the management of energy crops.

Prior period segment financial information has been restated to conform to this new structure, since at the beginning of fiscal year 2011, Abengoa's decision-making bodies had begun to assess the performance and assignment of resources according to the above identified segments.

In order to do so, the highest authority in the making decision process in Abengoa considers the revenues as a segment measure and the EBITDA (Earnings before interest, tax, depreciation and amortization) as measure of the performance of each segment.

a) The following table shows the Revenues and Segment EBITDA for the years 2011 and 2010:

Item	Eng. and Const.	Concession-type Infrastructure				Industrial Production			For the year ended 12.31.11
		Solar	Trans.	Water	Cog.	Bioenergy	Recycling	Other	
Revenue	3,525,634	131,526	237,618	21,041	37,404	2,224,970	629,903	281,061	7,089,157
Total	**3,525,634**	**427,589**				**3,135,934**			**7,089,157**

Item	Eng. and Const.	Concession-type Infrastructure				Industrial Production			For the year ended 12.31.11
		Solar	Trans.	Water	Cog.	Bioenergy	Recycling	Other	
Ebitda	437,294	92,916	193,218	10,327	2,481	152,140	121,272	92,873	1,102,521
Total	**437,294**	**298,942**				**366,284**			**1,102,521**

Item	Eng. and Const.	Concession-type Infrastructure				Industrial Production			For the year ended 12.31.10
		Solar	Trans.	Water	Cog.	Bioenergy	Recycling	Other	
Revenue	2,301,895	58,529	202,505	15,213	31,352	1,575,153	561,620	113,493	4,859,760
Total	**2,301,895**	**307,599**				**2,250,266**			**4,859,760**

Item	Eng. and Const.	Concession-type Infrastructure				Industrial Production			For the year ended 12.31.10
		Solar	Trans.	Water	Cog.	Bioenergy	Recycling	Other	
Ebitda	259,372	42,887	150,523	10,159	4,172	211,963	107,702	25,660	812,438
Total	**259,372**	**207,741**				**345,325**			**812,438**

The reconciliation of segment EBITDA with the profit attributable to owners of the parent is as follows:

Line ítem	For the year ended 12.31.11	For the year ended 12.31.10
Total Segment EBITDA	1,102,521	812,438
Amortization and Depreciation	(258,323)	(263,956)
Financial Cost Net	(695,027)	(347,670)
Share in Profits/ (Losses) of Associated Companies	4,229	9,043
Income Tax expense	28,829	5,513
Profit attributable to non-controlling interests	91,463	47,943
Profit attributable to non-controlling interests	(16,282)	(56,149)
Profit attributable to the Parent Company	**257,410**	**207,162**

b) The long term asset and liabilities by Segment at the end of 2011 and 2010 are as follows:

Item	Eng. and Const.	Concession-type Infrastructure				Industrial Production			Balance as of 12.31.11
		Solar	Trans.	Water	Cog.	Bioenergy	Recycling	Other	
Assets allocated									
Intangible Assets	150,662	-	-	-	-	547,581	540,365	51,919	1,290,527
Property plant and equipment	165,993	29,041	-	-	-	1,083,788	123,279	100,807	1,502,908
Fixed assets in projects	-	2,847,363	2,207,713	426,238	587,696	1,251,594	278,265	3,583	7,602,452
Current Financial Investments	174,935	439,144	226,946	338	10,931	39,372	62,959	59,279	1,013,904
Cash and Cash Equivalents	2,244,426	71,511	462,737	25,532	13,567	798,285	72,056	50,003	3,738,117
Subtotal allocated	**2,736,016**		**7,348,757**				**5,063,135**		**15,147,908**
Subtotal unallocated	-		-				-		**3,645,757**
Total Assets	-		-				-		**18,793,665**

Item	Eng. and Const.	Concession-type Infrastructure				Industrial Production			Balance as of 12.31.11
		Solar	Trans.	Water	Cog.	Bioenergy	Recycling	Other	
Liabilities located									
Long –term and Short-term Credit Ent. Debts	1,078,610	448,968	9,772	-	12,720	2,499,832	21,577	717,142	4,788,621
Long –term and Short-term non rec. financing	-	2,515,970	1,043,408	326,974	484,636	570,953	375,341	72,828	5,390,110
Subtotal allocated	**1,078,610**		**4,842,448**				**4,257,673**		**10,178,731**
Subtotal unallocated	-		-				-		**8,614,934**
Total Liabilities	-		-				-		**18,793,665**

Item	Eng. and Const.	Concession-type Infrastructure				Industrial Production			Balance as of 12.31.10
		Solar	Trans.	Water	Cog.	Bioenergy	Recycling	Other	
Assets allocated									
Intangible Assets	593,838	-	-	-	-	618,045	535,409	46,220	1,793,512
Property plant and equipment	236,890	254,841	-	-	-	1,040,397	96,112	12,047	1,640,287
Fixed assets in projects	-	1,460,400	2,110,356	344,144	402,507	1,166,416	260,973	-	5,744,796
Current Financial Investments	186,939	288,164	359,746	10	6,541	25,285	42,281	4,630	913,596
Cash and Cash Equivalents	2,183,395	180,296	19,649	16,647	6,681	481,210	54,424	40,853	2,983,155
Subtotal allocated	**3,201,062**		**5,449,982**				**4,424,302**		**13,075,346**
Subtotal unallocated	-		-				-		**3,898,480**
Total Assets	-		-				-		**16,973,826**

Item	Eng. and Const.	Concession-type Infrastructure				Industrial Production			Balance as of 12.31.10
		Solar	Trans.	Water	Cog.	Bioenergy	Recycling	Other	
Liabilities located									
Long –term and Short-term Credit Ent. Debts	2,150,122	54,390	33,802	-	14,973	1,918,482	184,806	633,250	4,989,825
Long –term and Short-term non rec. financing	-	1,558,230	1,152,652	267,286	325,717	477,931	268,294	-	4,050,110
Subtotal allocated	**2,150,122**		**3,407,050**				**3,482,763**		**9,039,935**
Subtotal unallocated	-		-				-		**7,933,891**
Total Liabilities	-		-				-		**16,973,826**

The criteria used to obtain the assets and liabilities per segment, are described as follows:

- Corporate Financing allocated to Abengoa, S.A. and Abengoa Finance, S.A. has been distributed by segments (see Note 20), as the main aim is that of financing investments in projects and in companies needing to expand the Group’s businesses and lines of activity.

c) The following table provides a detail of Corporate Net Debt by segment at the end of 2011 and 2010:

Item	Eng. and Const.	Concession-type Infrastructure				Industrial Production			Balance as of 12.31.11
		Solar	Trans.	Water	Cog.	Bioenergy	Recycling	Other	
Cred. Ent. Debt and Current/Non-curr. Bond	1,078,610	448,968	9,772	-	12,720	2,499,832	21,577	717,142	4,788,621
Obligations under Curr./Non-Curr. Financial Lease	18,747	-	-	-	-	18,403	3,713	42	40,905
Reserve acc. for Debt Serv. in Curr.	-	18,964	0	3,590	1,153	18,363	-	-	42,070
Financial investments	(174,935)	(439,144)	(226,946)	(338)	(10,931)	(39,372)	(62,959)	(59,279)	(1,013,904)
Cash and Cash Equivalents	(2,244,426)	(71,511)	(462,737)	(25,532)	(13,567)	(798,285)	(72,056)	(50,003)	(3,738,117)
Total Corporate Net Debt	**(1,322,004)**	**(755,539)**				**2,197,118**			**119,575**

Item	Eng. and Const.	Concession-type Infrastructure				Industrial Production			Balance as of 12.31.10
		Solar	Trans.	Water	Cog.	Bioenergy	Recycling	Other	
Cred. Ent. Debt and Current/Non-curr. Bond	2,150,122	54,390	33,802	-	14,973	1,918,482	184,806	633,250	4,989,825
Obligations under Curr./Non-Curr. Financial Lease	28,345	-	-	-	-	21,023	3,375	-	52,743
Reserve acc. for Debt Serv. in Curr.	-	7,222	0	-	400	12,570	50	-	20,242
Financial investments	(186,939)	(288,164)	(359,746)	(10)	(6,541)	(25,285)	(42,281)	(4,630)	(913,596)
Cash and Cash Equivalents	(2,183,395)	(180,296)	(19,649)	(16,647)	(6,681)	(481,210)	(54,424)	(40,853)	(2,983,155)
Total Corporate Net Debt	**(191,867)**	**(766,947)**				**2,124,873**			**1,166,059**

The criteria used to obtain the Corporate Net Debt, are described as follows:

1. Corporate Financing allocated to Abengoa, S.A. and Abengoa Finance, S.A. has been distributed by operating segments (see Note 20), as the main aim is that of financing investments in projects and in companies needing to expand the Group's businesses and lines of activity.

2. Financial investments have been included in the calculation as a decrease in net debt, since the items that form said heading are highly liquid.

d) The following table lists the details of investment in property, plant and equipment and intangible assets by segments at the end of 2011 and 2010:

Line item	For the year ended 12.31.11	For the year ended 12.31.10
Engineering and Construction	**77,083**	**157,284**
Concession-type Infraestructure	**2,530,966**	**1,507,934**
Solar	1,410,790	710,311
Transmission Lines	851,221	480,654
Water	69,356	98,371
Cogeneration	199,599	218,598
Industrial Production	**304,852**	**429,175**
Bioenergy	183,645	330,179
Recycling	54,989	72,318
Others	66,218	26,678
Total	**2,912,901**	**2,094,393**

5.2. Information by geographic areas

a) The following table shows analysis of revenues by geographical region for the years ending December 31, 2011 and 2010:

Geographical region	For the year ended 12.31.11	%	For the year ended 12.31.10	%
- USA	1,345,982	19.0	591,391	12.2
- Latin America (except Brazil)	771,043	10.9	779,431	16.0
- Brazil	1,471,670	20.8	1,052,703	21.7
- European Union (except Spain)	1,082,813	15.3	891,866	18.4
- Other countries	484,876	6.8	420,487	8.7
- Spain	1,932,773	27.3	1,123,882	23.1
Consolidated Total	**7,089,157**	**100**	**4,859,760**	**100**
Offshore amount	5,156,384	72.7	3,735,878	76.9
Spain amount	1,932,773	27.3	1,123,882	23.1

b) The following table shows analysis of the net book value of Property, plant and equipment by geographical region as of December 31, 2011 and 2010:

Geographic region	Balance as of 12.31.11	Balance as of 12.31.10
Domestic Market	**1,089,723**	**2,057,241**
- USA	829,647	787,106
- European Union	795,552	824,376
- Latin America	658,215	584,118
- Other countries	15,054	17,030
Foreign Market	**2,298,468**	**2,212,630**
Total	**3,388,191**	**4,269,871**

c) The following table shows analysis of the net book value of Intangible assets by geographic region as of December 31, 2011 and 2010:

Geographic region	Balance as of 12.31.11	Balance as of 12.31.10
Domestic Market	**2,471,818**	**880,168**
- USA	813,872	562,700
- European Union	14,587	10,677
- Latin America	2,963,454	2,818,721
- Other countries	743,965	636,458
Foreign Market	**4,535,878**	**4,028,556**
Total	**7,007,696**	**4,908,724**

Note 6.- Changes in the composition of the group

6.1. Changes in the consolidation group

a) In 2011 a total of 26 subsidiaries joined the Group (37 in 2010), 1 associate (3 in 2010) and 3 joint ventures (2 in 2010), which are identified in Appendices I, II, III, XII, XIII and XIV of these Consolidated Financial Statements.

The inclusion of these companies in 2011 and 2010 did not have a significant effect on the overall consolidated figures.

Also, during 2011, a further 39 UTEs (61 in 2010) which commenced their activity and/or have started to undertake a significant level of activity in 2011 or 2010 were included in the consolidation. These UTEs contributed € 160,429 thousand (€167,416 thousand in 2010) to the consolidated net sales.

The amounts set out below represent the Group's proportional interest in the assets, liabilities, revenues and profits of the integrated joint ventures in 2011 and 2010 which have been included in the Consolidated Financial Statements:

Concept	2011	2010
Non-current assets	1,320,212	428,412
Current assets	237,714	168,635
Non-current liabilities	1,399,471	442,807
Current liabilities	158,455	154,240
Revenue	161,855	161,427
Expenses	(116,323)	(138,700)
Profit/ (loss) after taxes	20,343	13,512

On the other hand, the amounts set out below represent the Group's proportional interest in the assets, liabilities, revenues and profits of the integrated UTEs in 2011 and 2010 which have been included in the Consolidated Financial Statements:

Concept	2011	2010
Non-current assets	18,862	66,511
Current assets	267,608	425,816
Non-current liabilities	21,579	59,269
Current liabilities	158,754	433,058
Revenue	44,284	274,078
Expenses	(44,194)	(61,055)
Profit/ (loss) after taxes	90	213,023

Funds provided by Group companies to the 3 temporary joint ventures excluded from the consolidation (123 in 2010) were €2 thousand (€241 thousand in 2010) and are included under "Financial Investments" in the Consolidated Statement of Financial Position. The net operating profit of the UTEs accounted for 0.02 % of the Group's consolidated operating profit (0.69% in 2010). The proportional aggregated net profit was zero (€898 thousand in 2010).

b) In 2011 a total of 84 subsidiaries are no longer included in the group consolidation (27 in 2010), 2 associates (3 in 2010) and 3 joint ventures (0 in 2010), which are identified in Appendix IV, V and VI of this consolidated report.

Companies excluded from the consolidation in 2011 and 2010 did not bear significant effects on incomes with the exception of what is indicated in note 6.2 b) on disposals.

During 2011 147 UTEs (40 in 2010) were excluded from the consolidated group because they had ceased their activities or the latter had become insignificant in relation to overall group activity levels. The proportional consolidated net sales of these UTEs in 2011 were €26,924 thousand (€2,783 thousand in 2010).

c) During 2011 no companies changed the method of consolidation due to a change in its shares with the exception of the Brazilian transmission line companies which were consolidated globally but became consolidated through proportional integration after their sale (see Note 6.2.b).

6.2. Main acquisitions and disposals

a) Acquisitions

- On March 17, 2011, the Board of Directors of Proyectos de Inversiones Medioambientales, S.L. (the bidding company), a subsidiary of Abengoa, S.A., agreed to formulate a public tender offer to acquire the shares in Befesa Medio Ambiente, S.A. (Befesa), in order to delist Befesa's shares from the Spanish official secondary markets on which it was listed, in accordance with Article 34.5 and subsequent articles of the Securities Market Act and Article 10 and subsequent articles of Royal Decree 1066/2007 and other applicable legislation.

  On April 25, 2011, the General Shareholders' Meeting of Befesa approved the resolution to delist the shares representing the share capital of the Affected Company from stock markets and the subsequent public tender offer for the shares. The offer was to acquire 710,502 Befesa shares, which represent 2.62% of its share capital at 23.78 Euros per share.

  On August 24, 2011 the Governing Body of the Bilbao Stock Exchange reported the delisting of the shares of Befesa Medioambiente, S.A. from trading, effective August 25, 2011, upon the forced sale of shares by Proyectos de Inversiones Medioambientales, S.L.. As of the date of issuance of these financial statements Befesa's shares have been delisted from trading due to the successful tender offer process.

- On November 2, 2011, Abengoa reached an agreement with Qualitas Venture Capital (QVC) to acquire its 38% stake in the aluminum recycling business for €34 M, which resulted in a final 98.25% ownership by Abengoa in the aluminum recycling company on November 24, 2011, date on which approval was obtained from the competent authorities. In 2007 Abengoa and QVC integrated their respective aluminum waste recycling activities in the Abengoa division responsible for this business. The transaction gave Abengoa a 60.25% stake in the company.

- On October 8, 2010, Abengoa concessoes Brasil Holding, S.A., a subsidiary in the Engineering and Construction segment, closed a purchase agreement, which became effective on December 31, 2010 once the contractual obligations between the parties were met, at a price of €117 M, for the remaining 49.9% of the company STE Transmissora de Energia, S.A. held by Control y Montajes Industriales - CYMI, S.A. and for 49.99% of the company NTE Transmissora de Energia, S.A. These companies are the operators of two Transmission Lines concessions in Brazil.

b) Disposals

- On September 5, 2011, Abengoa, S.A. closed an agreement with Schneider Electric, S.A. for the sale of 40% of its shares in Telvent GIT, S.A. The sale of said shares brought in cash proceeds of €391 M and a net profit from discontinued operations, including gain, of €91 M, reflected in the section "Profit (loss) from discontinued operations, net of tax" of the Consolidated Income Statement. For more information on the sale of the shares of Telvent GIT, S.A. see Note 7.

- Also, on November 30, 2011, Abengoa, S.A. closed an agreement with Compañía Energética Minas Gerais (CEMIG) through Transmissora Aliança de Energía Eléctrica, S.A. (TAESA) for the sale of 50% shares in the companies STE, ATE, ATE II and ATE III, and 100% in NTE. The sale of said shares brought in cash proceeds of €479 M and a gain of €45 M reflected in the section "Other Operating Income" in the Consolidated Income Statement (€43 M after tax).

- On July 27, 2010, Abengoa concessoes Brasil Holding, S.A., a subsidiary in the Engineering and Construction segment, concluded an agreement with the company State Grid International to sell its 25% shareholding in the companies ETEE (Expansión Transmisora de Energía Eléctrica, S.A.) and ETIM (Expansión Transmissão Itumbiara Marimbondo), which are responsible for the concession of the 794 kilometers of transmission lines that joins the power stations of the city of Itumbiara, in Soiás, and Marimbondo, in the state of Minas Gerais. The sale of these shareholdings resulted in cash proceeds of €102 M and a gain of €69 M, recognized under the "Other operating income" section of the consolidated income statement (€45 M after income taxes).

6.3. Business combinations

During the 2011 and 2010 fiscal years no significant business combinations have been carried out by the Group.

Note 7.- Discontinued operations

On June 1, 2011, our 40% owned subsidiary ,Telvent GIT, S.A., entered into an acquisition agreement with Schneider Electric S.A., or SE, under which SE launched a tender offer to acquire all Telvent shares. Concurrently with the signing of the acquisition agreement between SE and Telvent, Abengoa entered into an irrevocable undertaking agreement with SE under which we agreed to tender our 40% shareholding in Telvent into the tender.

SE launched the tender offer to acquire all Telvent shares at a price of $40 per share in cash, which represented a company value of €1,360 M, and a premium of 36% to Telvent's average share price over the previous 90 days prior to the announcement of the offer.

The transaction was closed in September 2011, following completion of the usual closing conditions and once all of the regulatory authorisations had been obtained. The sale generated cash proceeds of €391 M and a total gain from discontinued operations of €91 M for Abengoa, reflected under the heading of "Profit (loss) from discontinued operations, net of tax" in the income statement for the twelve months ending in December 2011.

Taking into account the significance of the activities carried out by Telvent GIT, S.A. to Abengoa, the sale of this shareholding is considered as a discontinued operation in accordance with the stipulations and requirements of IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, and therefore included under a single heading in the consolidated income statement for the twelve month period ending December 31, 2011.

Likewise, the Consolidated Income Statement for the twelve month period ending December 31, 2010, which is included for comparison purposes in Abengoa's Consolidated Financial Statements also includes the reclassification of the results generated by the activities that are now considered to be discontinued, under a single heading.

Below is the profit and loss accounts of Telvent GIT up to the date of sale and for the year 2010, including a list of the heading composition of the outcome of discontinued operations of the profit and loss accounts:

Concept	2011	2010
Revenues	435,622	706,389
Operating profit	14,506	73,313
Profit before income tax	(21,305)	53,015
Income tax rxpense (benefit)	3,446	(5,072)
Profit for the year	(17,859)	47,943
Non-controlling interest	(72)	(67)
Profit for the year attributable to the Parent Company	**(17,933)**	**47,876**

Concept	Impact 12.31.11
Gain on sale of Telvent	98,636
% result of Telvent integration	(7,173)
Profit from discontinued operations, net of tax	**91,463**

Note 8.- Intangible assets

8.1. The following table sets out the movement of intangible assets in 2011 broken down into those generated internally and other intangible assets:

Cost	Goodwill	Development Assets	Software and Other	Total
Total Cost as of December 31, 2010	1,427,312	171,843	326,479	1,925,634
Additions	-	50,828	45,691	96,519
Disposals	-	-	(6,841)	(6,841)
Translation Differences	(36,333)	558	153	(35,622)
Change in consolidation	(272,793)	(25,854)	(238,175)	(536,822)
Reclassifications	-	(37,832)	-	(37,832)
Other movements	-	(7,802)	-	(7,802)
Total Cost as of December 31, 2011	**1,118,186**	**151,741**	**127,307**	**1,397,234**

Accumulated Amortization	Goodwill	Development Assets	Software and Other	Total
Total Amort. as of December 31, 2010	-	(63,875)	(68,247)	(132,122)
Additions	-	(20,686)	(9,288)	(29,974)
Disposals	-	-	-	-
Translation Differences	-	(375)	42	(333)
Change in consolidation	-	1,384	54,338	55,722
Reclassifications	-	-	-	-
Other movements	-	-	-	-
Total Amort. as of December 31, 2011	-	**(83,552)**	**(23,155)**	**(106,707)**

Net Balance at December 31, 2011	**1,118,186**	**68,189**	**104,152**	**1,290,527**

The total decrease in the cost of intangible assets is mainly due to the changes that occurred in the consolidation after the sale of the shares in Telvent GIT, S.A. (see note 7) and due to the movement of the exchange rate differences caused mainly by the depreciation of the Brazilian Real and the appreciation of the US Dollars against the Euro.

During 2011 no significant losses for impairment of Intangible Assets were deemed necessary.

8.2. The following table sets out the movement of intangible assets in 2010 broken down into those generated internally and other intangible assets:

Cost	Goodwill	Development Assets	Software and Other	Total
Total Cost as of December 31, 2009	1,331,381	104,648	141,812	1,577,841
Additions	15,333	40,180	55,067	110,580
Disposals	-	-	(2,657)	(2,657)
Translation Differences	80,598	-	12,651	93,249
Change in consolidation	-	-	-	-
Reclassifications	-	27,015	119,657	146,672
Assets held for sale	-	-	-	-
Other movements	-	-	(51)	(51)
Total Cost as of December 31, 2010	**1,427,312**	**171,843**	**326,479**	**1,925,634**

Accumulated Amortization	Goodwill	Development Assets	Software and Other	Total
Total Amort. as of December 31, 2009	-	(55,858)	(31,099)	(86,957)
Additions	-	(8,017)	(13,483)	(21,500)
Disposals	-	-	-	-
Translation Differences	-	-	(6,761)	(6,761)
Change in consolidation	-	-	-	-
Reclassifications	-	-	(16,772)	(16,772)
Assets held for sale	-	-	-	-
Other movements	-	-	(132)	(132)
Total Amort. as of December 31, 2010	**-**	**(63,875)**	**(68,247)**	**(132,122)**
Net Balance at December 31, 2010	**1,427,312**	**107,968**	**258,232**	**1,793,512**

The increase in the cost of software and other programmes is mainly due to the reclassification made from “Intangible assets in projects” to “Intangible assets” after a subsidiary (DTN Company) cancelled its non-recourse financing during 2010. The movement of the exchange rate differences was mainly due to the appreciation of the Brazilian Real and the US Dollar against the Euro.

During 2010 no significant losses for impairment of Intangible Assets were deemed necessary.

8.3. Development assets

During 2011, Abengoa made significant Research, Development and Innovation (R&D&i) investment efforts, investing a total of €90,630 thousand (€92,628 thousand in 2010) through the development of new technologies in different areas of business (solar technology, biofuels, hydrogen, emissions management, energy efficiency and new renewable energies).

The following table summarizes the total investments made in R&D&i in 2011 and 2010:

	Assets as of 12.31.10	Investment during the Fiscal Year	Other movements	Assets as of 12.31.11
Development assets (Note 8.1)	171,843	50,828	(70,930)	151,741
Development assets in projects (Note 10.1)	53,280	10,765	-	64,045
Technological development research 2011	-	29,037	(29,037)	-
Total in the 2011 fiscal year	**225,123**	**90,630**	**(99,967)**	**215,786**

	Assets as of 12.31.09	Investment during the Fiscal Year	Other movements	Assets as of 12.31.10
Development assets (Note 8.1)	104,648	40,180	27,015	171,843
Development assets in projects (Note 10.1)	51,636	364	1,280	53,280
Technological development research 2010	-	52,084	(52,084)	-
Total in the 2010 fiscal year	**156,284**	**92,628**	**(23,789)**	**225,123**
Change in Consolidation (Telvent GIT, S.A.)	-	(23,373)	23,373	-
Total adjusted in 2010 R+D+i	**156,284**	**69,255**	**(416)**	**225,123**

The 2011 financial year was key since it marked the launching of Abengoa Research, a brainchild of the essential values of Abengoa, centralizing its R+D+i efforts, bearing its reflection on the greatest effort in Abengoa's R+D+i. Total investments made during 2011 in R+D+i amounted to €90,630 thousand, an increase of 31% from the €69,255 thousand invested in 2010 (excluding Telvent in both periods).

Advancement was also noted in the strategic technologies of the company: the main development assets stem from technologies intended for high performance thermo-electrical solar plants, for plants that produce bioethanol using cellulosic biomass, and from water treatment plants.

The CRS sales project may be highlighted in the solar technology, which consists in the engineering and manufacturing of a solar tower receiver prototype, in which the heat transfer fluid is a mixture of melted salts. We also invested in improvements in the Direct Super-heated Steam Generation plant, and in the Solugas project which aims at demonstrating the performance of towers at higher temperatures, using air as the heat transfer fluid, and gas cycle, instead of steam. With respect to Bioenergy, investments inclue the construction of a research station at Cartagena, Spain, to be used for testing various process set-ups and technologies within an ambitious algae program that includes insulation, characterization, development of lab-level techniques for cultivating and processing them into biofuels, optimizing the production systems to achieve feasibility, etc. and, finally, industrial integration of the process. In the desalination program, the Company developed a new post-treatment system for desalinated water remineralisation through reverse osmosis which permits the achievement of content quality in solids of the mineralized water required although with a savings in the consumption of around 15% in comparison with the conventional systems.

8.4. Goodwill

a) The table below shows the breakdown of Goodwill by subsidiaries as of December 31, 2011 and 2010:

Goodwill	Balance as of 12.31.11	Balance as of 12.31.10
Abener Engineering and Construction Services, LLC	27,254	26,436
Abengoa Bioenergía Sao Paulo, S.A.	467,738	505,041
Abengoa Bioenergy Corporation	34,335	33,307
Befesa Aluminio S.L.	38,131	38,131
Befesa Gest. Res. Ind, S.L.	57,666	57,666
Befesa Medio Ambiente, S.A.	176,848	176,848
BUS Group AG	263,442	263,442
Telvent GIT	-	277,515
Other	52,772	48,926
Total	**1,118,186**	**1,427,312**

The decrease registered in 2011 is mainly due to the disposal of Telvent GIT, S.A. (see note 7).

b) As mentioned in Note 2.7, Abengoa has year-end procedures to identify potential goodwill impairment. Goodwill is impaired when the carrying amount of the Cash Generating Unit to which it belongs is lower than its recoverable amount. The recoverable amount is the higher of the market value less related cost to sell and the value in use, which is the present value of estimated future cash flows.

To calculate the value in use of the major goodwill balances (Waste Recycling, Bioenergy and Information Technologies), the following assumptions were made:

- 10-year financial projections were used for those Cash-Generating Units (CGUs) that have high growth potential based on cash flows taken into account in the strategic plans for each business unit, considering a residual value based on the flow in the final year of the projection.

  The use of these 10-year financial projections was based on the assumption that it is the minimum period necessary for the discounted cash flow model to reflect all potential growth in the CGUs in each business segment showing significant investments.

  The aforementioned estimated cash flows were considered to be reliable due to their capacity to adapt to the real market and/or business situation faced by the CGU in accordance with the business's margin and cash-flow experience and future expectations.

  These cash flows are reviewed and approved every six months by Senior Management so that the estimates are continually updated to ensure consistency with the actual results obtained.

  In these cases, given that the period used is reasonably long, the Group then applies a zero growth rate for the cash flows subsequent to the period covered by the strategic plan.

- 5-year cash flow projections are used for all other CGUs, considering the residual value to be the cash flow in the final year projected and applying a growth rate that is in no case higher than the estimated long-term rate for the market in which the company operates.

- Taking into account that the majority of the financial structure of these companies is linked to the overall Group structure, a discount rate based on the weighted average cost of capital (WACC) for the type of asset, adjusted, if necessary, in accordance with the added risk associated to some types of activity, is used to calculate the present value of future cash flows.

- In any case, sensitivity analyses are performed, especially in relation with the discount rate used, residual value and fair value changes in some of the key variables, in order to ensure that possible changes in the estimates of these items do not impact the possible recovery of recognized goodwill.

- Accordingly, the following table provides a summary of the discount rates used (WACC) and growth rates to calculate the recoverable amount for Cash-Generating Units to which the goodwill has been allocated with the operating segment to which it pertains:

Operating segment	Discount rate	Growth Rate
Bioenergy	7% - 8%	0%
Recycling	6% - 7%	0%
Industrial Engineering and Construction	7% - 9%	0%

Under the basis of the calculations of the value of use, according to hyphothesis previoulsy described for the 2011 and 2010 financial years the recoverable amount for the cash flow generating units related to the Goodwill assigned, was significantly higher than its value in books, even after some sensibility analyzes were carried out over the discounts ratios and residual values.

The value-in-use calculations carried out according to the procedures and assumptions, did not indicate impairment of any of the existing goodwill within the Group, since the recoverable amount exceeds the carrying amount.

8.5. There are not other intangible assets with indefinite useful life other than goodwill. There are no intangible assets with restricted ownerships or that may be under pledge as liabilities guarantee.

Note 9.- Property, plant and equipment

9.1. The table below shows the movement on the different categories of Property, plant and equipment (PP&E) for 2011:

Cost	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Total Balance as of December 31, 2010	568,894	1,363,388	189,304	132,353	2,253,939
Additions	17,598	27,862	61,157	16,239	122,856
Disposals	-	(6,178)	-	(1,552)	(7,730)
Translation Differences	(2,880)	6,035	(76)	(233)	2,846
Change in consolidation	(7,554)	(90,624)	(2,878)	(34,485)	(135,541)
Reclassifications	(49,321)	24,427	(129,126)	11,814	(142,206)
Other movements	837	181	-	-	1,018
Total Balance as of December 31, 2011	**527,574**	**1,325,091**	**118,381**	**124,136**	**2,095,182**

Accumulated Depreciation	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Total Accum. Deprec. as of December 31, 2010	(78,367)	(405,397)	-	(129,888)	(613,652)
Additions (changes)	(7,859)	(56,472)	-	(7,229)	(71,560)
Disposals	-	-	-	41,816	41,816
Translation Differences	21	(2,454)	-	185	(2,248)
Change in consolidation	1,948	26,628	-	30,783	59,359
Reclassifications	(2,936)	1,100	-	-	(1,836)
Other movements	(3,384)	(185)	-	(584)	(4,153)
Total Accum. Deprec. as of December 31, 2011	**(90,577)**	**(436,780)**	**-**	**(64,917)**	**(592,274)**
Net Balance at December 31, 2011	**436,997**	**888,311**	**118,381**	**59,219**	**1,502,908**

The total decrease in the cost of fixed assets is mainly due to changes in the consolidation which occurred after the sale of the shares of Telvent GIT, S.A. (see note 7) and to the reclassification of €123 M from "PP&E" to "Intangible fixed asset in projects" of the fixed assets related with the solar plant in the USA (Solana) upon obtaining the Federal Guarantee-backed non-recourse financing for US$1,450 M upon the completion of the previously established conditions.

The decrease in the accumulated depreciation is mainly due to the reversal of an impairment for €42 M recognized in past fiscal years on the lands acquired in the US in connection with the Mojave Solar Projects. Such impairment was reversed during the year 2011 as the US government, through its Department of Energy (DOE), granted Abengoa Solar a Conditional Commitment to issue a Federal Guarantee for US$1,202 M in relation to said project upon completing a series of previously established conditions. Included in these conditions was the obtainment of permits necessary to start the construction, documenting the various contracts with the EPC (turnkey), operation and maintenance, final approval of the Power Purchase Agreement by the California Public Utility Commission, and having obtained financing for the equity contribution in this project.

During 2011, no significant losses from impairment of PP&E were deemed necessary.

9.2. The table below shows the movement on the different categories of Property, plant and equipment (PP&E) for 2010:

Cost	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Total Balance as of December 31, 2009	391,832	1,120,249	775,424	296,076	2,583,581
Additions	22,311	21,243	27,673	16,055	87,282
Disposals	-	-	-	(6,951)	(6,951)
Translation Differences	11,109	20,489	5,801	3,972	41,371
Change in consolidation	1,421	3,074	881	499	5,875
Reclassifications	140,886	199,193	(619,767)	(177,157)	(456,845)
Other movements	1,335	(860)	(708)	(141)	(374)
Total Balance as of December 31, 2010	**568,894**	**1,363,388**	**189,304**	**132,353**	**2,253,939**

Accumulated Depreciation	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Total Accum. Deprec. as of December 31, 2009	(99,192)	(441,563)	-	(178,627)	(719,382)
Additions (changes)	(7,404)	(60,687)	-	(5,080)	(73,171)
Disposals	10,089	-	-	-	10,089
Translation Differences	(767)	(9,905)	-	(5,263)	(15,935)
Change in consolidation	(81)	(1,652)	-	833	(900)
Reclassifications	17,503	111,679	-	58,267	187,449
Other movements	1,485	(3,269)	-	(18)	(1,802)
Total Accum. Deprec. as of December 31, 2010	**(78,367)**	**(405,397)**	**-**	**(129,888)**	**(613,652)**
Net Balance at December 31, 2010	**490,527**	**957,991**	**189,304**	**2,465**	**1,640,287**

The total decrease in the costs of PP&E was mainly due to the reclassification from “PP&E” to “PP&E assets in projects” of €-515 M related to bioenergy assets in Brazil for which non-recourse financing was obtained (see Note 10.2). Also, the movements of the exchange rate differences were mainly due to the appreciation of the Brazilian Real against the Euro.

The net decrease in the accumulated depreciation was mainly due to the impairment reversion carried out in past fiscal years on lands acquired in the United States for €28 M in connection with the Solana Solar Project given that the Management of the Group considered that the reasons for which the value impairment of the acquired assets was deemed probable had disappeared. In addition, the Company recorded during the year 2010 an impairment of €-11 M on its Mojave Solar Project, since at the end of 2010 it was not deemed probable that US DOE financing would be obtained for such project. Market value was determined based on the recent purchase price adjusted to take into consideration recent market trends, mainly the downturn of U.S. real estate market in the recent years.

9.3. Property, plant and equipment not assigned to operating activities at the year end is not significant.

9.4. The companies’ policy is to contract all insurance policies deemed necessary to ensure that all property, plant and equipment is covered against possible risks that might affect it.

9.5. The amount of capitalized interest costs included in PP&E at December 31, 2011 was €1,669 thousand (€21,857 thousand in 2010).

9.6. At the end of 2011 and 2010, Property, Plant and Equipment include the following amounts where the group is a lessee under a finance lease:

Concept	Balance as of 12.31.11	Balance as of 12.31.10
Capitalized finance-lease cost	25,000	64,473
Accumulated depreciation	(1,237)	(8,655)
Net carrying amount	**23,763**	**55,818**

9.7. The cost of lands included in the lands and building subcategory amounted to €93,878 thousand at December 31, 2011 (€130,194 thousand in 2010).

Note 10.- Fixed assets in projects (project finance)

As indicated in Note 2.4 included in the Group are several companies which engage in the development of projects including the design, construction, financing, operation and maintenance of owned assets or assets under concession-type agreements which are financed through non-recourse financing.

This note provides a breakdown of the tangible and intangible fixed assets within such companies. Non-recourse financing details related to such companies are disclosed in Note 19 of these Notes to the Consolidated Financial Statements.

10.1. Intangible assets in projects.

a) The following table shows the movements of intangible assets included in the heading "Fixed Assets in Projects" for 2011:

Cost	Concessions	Development Assets	Software and Others	Total
Total as of December 31, 2010	3,137,308	53,280	118,583	3,309,171
Additions	1,643,953	10,765	20,484	1,675,202
Disposals	(2,651)	-	-	(2,651)
Translation Differences	(28,930)	-	(3,868)	(32,798)
Change in consolidation	(714,591)	-	-	(714,591)
Reclassifications	1,666,032	-	176	1,666,208
Other movements	(1,360)	-	-	(1,360)
Total as of December 31, 2011	**5,699,761**	**64,045**	**135,375**	**5,899,181**

Accumulated Amortization	Concessions	Development Assets	Software and Others	Total
Total Accum. Amort. as of December 31, 2010	(169,207)	(7,583)	(17,169)	(193,959)
Additions	(68,790)	(2,121)	(3,636)	(74,547)
Disposals	-	-	-	-
Translation Differences	5,397	-	206	5,603
Change in consolidation	80,929	-	-	80,929
Reclassifications	-	-	(38)	(38)
Other movements	-	-	-	-
Total Accum Amort. as of December 31, 2011	**(151,671)**	**(9,704)**	**(20,637)**	**(182,012)**
Net Balance at December 31, 2011	**5,548,090**	**54,341**	**114,738**	**5,717,169**

The increase in the cost of concession-type assets is mainly due to the advancement in the construction of infrastructure concession assets, mainly the Solana thermosolar Solar plant in the US (€475 M), the Cogeneration plant in Mexico (€164 M) and various transmission lines in Brazil and Peru (€696 M). In addition, as the Company began to apply IFRIC 12 to its thermosolar plants in Spain starting September 1, 2011, the carrying amount of such assets of €1,644 M was transferred from "PP&E in projects" to "Intangible assets in projects" (see Note 2.1.1).

On the other hand, intangible assets in projects decreased mainly due to the changes that occurred in the consolidation after the sale of the shares the Brazilian transmission lines (see Note 6.2.b) and due to the movement of the exchange rate differences after the depreciation of the Brazilian Real and the appreciation of the US Dollar against the Euro.

During 2011, no significant losses from impairment of "Intangible assets in projects" were deemed necessary.

b) The following table shows the movements of intangible assets included in the heading "Fixed Assets in Projects" for 2010:

Cost	Concessions	Development Assets	Software and Others	Total
Total as of December 31, 2009	2,066,251	51,636	158,749	2,276,636
Additions	883,839	364	15,617	899,820
Disposals	-	-	-	-
Translation Differences	181,469	-	3,564	185,033
Change in consolidation	8,361	-	2	8,363
Reclassifications	-	62	(59,349)	(59,287)
Transfer to Continued operations	-	-	-	-
Other movements	(2,612)	1,218	-	(1,394)
Total as of December 31, 2010	**3,137,308**	**53,280**	**118,583**	**3,309,171**

Accumulated Amortization	Concessions	Development Assets	Software and Others	Total
Total Accum. Amort. as of December 31, 2009	(117,880)	-	(16,500)	(134,380)
Additions	(39,714)	(7,088)	(1,867)	(48,669)
Disposals	-	-	-	-
Translation Differences	(15,875)	-	(351)	(16,226)
Change in consolidation	(32)	-	-	(32)
Reclassifications	5,304	(495)	1,549	6,358
Transfer to Continued operations	-	-	-	-
Other movements	(1,010)	-	-	(1,010)
Total Accum. Amort. as of December 31, 2010	**(169,207)**	**(7,583)**	**(17,169)**	**(193,959)**
Net Balance at December 31, 2010	**2,968,101**	**45,697**	**101,414**	**3,115,212**

The increase in the cost of the concession-type assets was mainly due to advancement in the construction of Solar assets (SPP1 for €50 M), the Transmission Lines of Brazil, Peru and Mexico and the desalinating plants in Algeria for €745 M. In addition, the movement of the exchange rate differences produced an increase mainly from the appreciation of the Brazilian Real against the Euro.

During 2010, no significant losses from impairment of "Intangible assets in projects" were deemed necessary.

c) The amount of the capitalized interest cost during the year 2011 totals to €156,185 thousand (€44,866 thousand in 2010).

d) There are no intangible assets with indefinite useful lives. There are no intangible assets whose title is restricted or that are pledged as security for liabilities.

e) Appendix VII to these Consolidated Financial Statements include certain information on project companies included within the scope of IFRIC 12.

10.2. Property, plant and equipment in projects

a) The table below shows a breakdown of the movement in "Property, plant and equipment assets in projects"for 2011:

Cost	Land and Buildings	Technical Installations and Machinery	Advances and Fixes Assets in Progress	Other Fixed Assets	Total
Total as of December 31, 2010	463,536	2,236,952	223,549	242,927	3,166,964
Additions	35,248	7,969	878,580	96,527	1,018,324
Disposals	-	-	-	-	-
Translation Differences	(5,222)	(25,513)	3,199	(19,613)	(47,149)
Change in consolidation	-	-	-	-	-
Reclassifications	(34,245)	(710,224)	(878,145)	(30,319)	(1,652,933)
Transfer to Continued operations	-	-	-	-	-
Other movements	-	-	-	-	-
Total as of December 31, 2011	**459,317**	**1,509,184**	**227,183**	**289,522**	**2,485,206**

Accumulated Depreciation	Land and Buildings	Technical Installations and Machinery	Advances and Fixes Assets in Progress	Other Fixed Assets	Total
Total Accum. Deprec. as of December 31, 2010	(79,752)	(352,714)	-	(104,914)	(537,380)
Additions (changes)	(41,533)	(44,047)	-	(26,639)	(112,219)
Reserve for loss due to impairment	-	-	-	-	-
Disposals	-	-	-	-	-
Translation Differences	783	8,824	-	8,271	17,878
Change in consolidation	-	-	-	-	-
Reclassifications	31,798	-	-	-	31,798
Transfer to Continued operations	-	-	-	-	-
Other movements	-	-	-	-	-
Total Accum. Deprec. as of December 31, 2011	**(88,704)**	**(387,937)**	**-**	**(123,282)**	**(599,923)**
Net Balance at December 31, 2011	**370,613**	**1,121,247**	**227,183**	**166,240**	**1,885,283**

The decrease in the total of the cost of the tangible assets is mainly due to the reclassification of the thermosolar plants in Spain amounting € -1,644 M from tangible fixed assets to intangible fixed assets by virtue of it being the initial application of the IFRIC 12 (see Note 2.1.1), as well as for the movement of the exchange rate differences after the depreciation of the Brazilian Real and the appreciation of the US Dollar against the Euro.

In addition, there was an increase in assets for the amount of €105 M following the start of the construction of the first commercial plant for biofuel from biomass, after Federal Guarantee was granted by the US Department of Energy (DOE) for its financing.

During 2011, no significant losses from impairment of PP&E in projects were deemed necessary.

b) The table below shows a breakdown of the movement in "Property, plant and equipment assets in projects" for 2010 :

Cost	Land and Buildings	Technical Installations and Machinery	Advances and Fixes Assets in Progress	Other Fixed Assets	Total
Total as of December 31, 2009	209,127	661,083	681,320	150,151	1,701,681
Additions	104,625	312,166	545,998	37,712	1,000,501
Disposals	-	-	-	-	-
Translation Differences	7,396	34,271	98,506	21,795	161,968
Change in consolidation	4,068	5,516	31,816	22	41,422
Reclassifications	138,561	1,221,497	(1,136,605)	33,846	257,299
Transfer to Continued operations	-	-	-	-	-
Other movements	(241)	2,419	2,514	(599)	4,093
Total as of December 31, 2010	**463,536**	**2,236,952**	**223,549**	**242,927**	**3,166,964**

Accumulated Depreciation	Land and Buildings	Technical Installations and Machinery	Advances and Fixes Assets in Progress	Other Fixed Assets	Total
Total Accum. Deprec. as of December 31, 2009	(27,708)	(181,252)	-	(11,703)	(220,663)
Additions (changes)	(36,753)	(40,852)	-	(34,236)	(111,841)
Reserve for loss due to impairment	-	-	-	-	-
Disposals	-	-	-	-	-
Translation Differences	(1,763)	(17,947)	-	(8,955)	(28,665)
Change in consolidation	-	-	-	(5)	(5)
Reclassifications	(13,265)	(112,528)	-	(49,906)	(175,699)
Transfer to Continued operations	-	-	-	-	-
Other movements	(263)	(135)	-	(109)	(507)
Total Accum. Deprec. as of December 31, 2010	**(79,752)**	**(352,714)**	**-**	**(104,914)**	**(537,380)**
Net Balance at December 31, 2010	**383,784**	**1,884,238**	**223,549**	**138,013**	**2,629,584**

The increase in PP&E assets in projects was mainly due to the advancement in the construction of Solar assets in Spain and Algeria (€618 M), Bioenergy assets in the US (€82 M) and recycling and water assets in Spain and China (€82 M). In addition, the increase is due to the reclassification from "PP&E" to "PP&E in projects" of €515 M related to Bioenergy assets in Brazil for which non-recourse financing was obtained (Note 9.2). Finally, the appreciation of the Brazilian Real against the Euro caused an increase of €161 M.

During 2010, no significant losses from impairment of PP&E were deemed necessary.

c) Capitalized financial costs during the year 2011 amounts to Euro €5,881 thousand (€78,316 thousand in 2010).

d) The fixed assets in projects have no mortgage warranty or similar, in addition to the ones assigned by its non-recourse financing (see Note 19).

e) It is the policy of the Group to enter into a number of insurance policies to cover risks relating to property, plant and equipment.

f) In cases of property plant and equipment over third party land, the company has estimated the dismantling costs of affected items, as well as the rehabilitation costs of the place where they are settled. See Note 22.1.

10.3. Assets constructed by group

The table below sets out the information related to those assets constructed by the Group during years 2011 and 2010 classified under the heading fixed assets in projects of the Statement of Financial Position (intangible assets and property plant and equipment):

Item	12.31.11	12.31.10
Fixed assets in projects constructed by the Group (Accumulated)	7,077,894	5,180,407
Revenue generated by Fixed asset in Project constructed by the Group	1,164,059	939,851
Operating result of Fixed assets in Project constructed by the Group	153,329	168,584

Note 11.- Investments in associates

11.1. The table below shows the breakdown and the movement of the investments held in associated companies for 2011 and 2010:

Investment in Associates	Balance as of 12.31.11	Balance as of 12.31.10
Initial Balance	48,585	60,452
Translation differences	(295)	949
Changes in consolidation	3,677	(20,176)
Distribution of dividends	(4,926)	(1,683)
Share of (loss)/profit	4,229	9,043
Final Balance	**51,270**	**48,585**

The most significant variations that occurred in the 2011 financial year are mainly due to the capital increase by Evacuación Valdecaballeros 2009, S.L. and to the disposal of Telvent DMS LLC, as consequence of the sale of the shares of Telvent GIT, S.A.

The most significant variations in 2010 correspond to the sale of the 25% shareholding in Expansion Transmissão de Energía Eléctrica, Ltda. and Expansion Transmissão Itumibiara Marimbondo, Ltda.

11.2. The table below shows a breakdown of assets, revenues and operating profit as well as other information of interest for the year 2011 of the associated companies:

Company	% Shares	Assets	Revenues	Operating Profit
Abenor, S.A.	20.00	5,096	1,619	822
Agua y Gestión de Servicios Ambientales, S.A.	37.38	31,901	3,562	(110)
Araucana de Electricidad, S.A.	20.00	5,263	1,111	651
Betearte	33.33	18,421	2,591	388
Chennai Water Desalination Limited	25.00	5,600	13	(3)
Cogeneración Motril, S.A.	19.00	24,180	5,561	5,561
Concesionaria Hospital del Tajo, S.A.	20.00	58,927	7,630	(252)
Consorcio Teyma M&C	49.85	65	-	-
Ecología Canaria, S.A. (Ecansa)	45.00	5,575	5,945	563
Evacuación Valdecaballeros, S.L.	33.97	25,348	-	-
Explotadora Hospital del Tajo, S.L.	20.00	1,335	4,257	-
Green Vision Holding B.V.	24.00	11,932	7,413	1,548
Huepil de Electricidad, S.L.	20.00	38,235	3,646	2,439
Inversiones Eléctricas Transam Chile Limitada	20.00	27,177	-	(11)
Red eléctrica del Sur, S.A.	23.73	50,655	3,833	3,833
Shams One Company LLC (*)	20.00	-	-	-
Shams Power Company PJSC	20.00	392,618	-	(814)
TSMC Ing. y Contrucción	33.30	65	-	-
Total		**702,393**	**47,181**	**14,615**

(*) The company was liquidated during the financial year

Note 12.- Financial instruments by category

The Group's financial instruments are primarily deposits, trade and other receivables, derivatives and loans. Financial instruments by category (current and non-current), reconciled with the Statement of Financial Position, are as follows:

Category	Notes	Loans and receivables / payables	Assets / Liabilities at fair value	Hedging Instruments	Available for sale	Balance as of 12.31.11
Available-for-sale financial assets	13	-	-	-	61,401	61,401
Financial assets at fair value	-	-	-	-	-	-
Derivative financial Instruments	14	-	41,239	146,225	-	187,464
Financial receivables	15	1,176,436	-	-	-	1,176,436
Trade and other receivables	15	1,806,293	-	-	-	1,806,293
Cash and cash equivalents	17	3,738,117	-	-	-	3,738,117
Total Financial Assets		**6,720,846**	**41,239**	**146,225**	**61,401**	**6,969,711**
Non-recourse financing	19	5,390,110	-	-	-	5,390,110
Corporate Financing	20	5,068,617	-	-	-	5,068,617
Trade and other current liabilities	25	5,230,496	-	-	-	5,230,496
Derivative financial instruments	14	-	107,755	359,549	-	467,304
Total Financial Liabilities		**15,689,223**	**107,755**	**359,549**	**-**	**16,156,527**

Category	Notes	Loans and receivables / payables	Assets / Liabilities at fair value	Hedging Instruments	Available for sale	Balance as of 12.31.10
Available-for-sale financial assets	13	-	-	-	80,335	80,335
Financial assets at fair value	-	-	-	-	-	-
Derivative financial Instruments	14	-	47,243	101,631	-	148,874
Financial receivables	15	1,122,157	-	-	-	1,122,157
Trade and other receivables	15	2,141,443	-	-	-	2,141,443
Cash and cash equivalents	17	2,983,155	-	-	-	2,983,155
Total Financial Assets		**6,246,755**	**47,243**	**101,631**	**80,335**	**6,475,964**
Non-recourse financing	19	4,050,110	-	-	-	4,050,110
Corporate Financing	20	5,161,597	-	-	-	5,161,597
Trade and other current liabilities	25	4,730,822	-	-	-	4,730,822
Derivative financial instruments	14	-	135,443	235,470	-	370,913
Total Financial Liabilities		**13,942,529**	**135,443**	**235,470**	**-**	**14,313,442**

On January 1, 2009 the Group adopted the amendment to IFRS 7 for financial instruments measured at fair value, which requires a breakdown of the fair value measurements based on the following classifications:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Measured at observable market prices, other than quoted prices, either directly, derived from prices, or indirectly, by application of valuation models.
- Level 3: Measured on the basis of non-observable market data.

The following is a breakdown of the Group's assets and liabilities measured at fair value at December 31, 2011 and 2010 (except assets and liabilities with a carrying amount close to their fair value, non-quoted equity instruments measured at cost and contracts with components that cannot be measured reliably):

Category	Level 1	Level 2	Level 3	Balance as of 12.31.11
Loans and Items receivable/payable	-	-	-	-
Assets/Liabilities at fair value	-	(66,516)	-	(66,516)
Derivative Financial Instrument	-	(213,324)	-	(213,324)
Inst. maintained until mat.	-	-	-	-
Available-for-sale	22,267	-	39,134	61,401
Total	**22,267**	**(279,840)**	**39,134**	**(218,439)**

Category	Level 1	Level 2	Level 3	Balance as of 12.31.10
Loans and Items receivable/payable	-	-	-	-
Assets/Liabilities at fair value	-	(88,200)	-	(88,200)
Derivative financial instrument	-	(133,839)	-	(133,839)
Inst. maintained until mat.	-	-	-	-
Available-for-sale	29,868	-	50,467	80,335
Total	**29,868**	**(222,039)**	**50,467**	**(141,704)**

The following table shows the changes in the fair value of level 3 assets for the years ended December 31, 2011 and 2010:

Movements	Amount
Beginning balance as of January 1, 2010	59,406
Transfers to Level 3	-
Gains and losses recognized in the Income Statement (see Note 13.1)	-
Gains and losses recognized in Equity (see Note 13.1)	1,207
Other movements	(10,146)
Total as of December 31, 2010	**50,467**
Transfers to Level 3	-
Gains and losses recognized in the Income Statement (see Note 13.1)	-
Gains and losses recognized in Equity (see Note 13.1)	(2,547)
Other movements	(8,786)
Total as of December 31, 2011	**39,134**

Note 13.- Available-for-sale financial assets

13.1. The following table shows the detail and the movement on available-for-sale financial assets during 2011 and 2010:

Available for sale Financial assets	Balance
At January 1, 2010	**97,964**
Additions	12,206
Gain/Losses transferred to equity	1,207
Derecognitions	(31,042)
At December 31 , 2010	**80,335**
Additions	21,168
Gain/Losses transferred to equity	(2,568)
Derecognitions	(37,534)
At December 31, 2011	**61,401**
Less: Non-current portion	39,134
Current portion	22,267

The decrease in available for sale financial assets during 2011 relates to the minor investments in public debt securities (€-12 M) and the assets sold as part of the sale of Telvent GIT, S.A. shares (€-5.6 M) (Note 7).

The most significant variations during 2010 were in the reduced taxes on the cash surpluses.

13.2. The following table shows those entities which, in accordance with the then current legislation, were not consolidated in the years 2011 and 2010 and in which the parent company's direct and indirect shareholding is higher than 5% and lower than 20%. The net carrying amount of these holdings is €7,986 thousand at December 31, 2011(€14,126 thousand in 2010).

Non-current Financial Assets	2011 (% Holding)	2010 (% Holding)
Banda 26, S.A.	10.00	10.00
Dyadic Investment	10.00	10.00
Fundación Soland	16.67	16.67
Nextell Communication Solutions, S.A.	10.00	10.00
02 Diesel	-	13.80
Soc. Con. Canal Navarra	10.00	10.00
Sociedad Andaluza de Valoración Biomasa	6.00	6.00
S21 SEC Gestión	-	15.00
Viryanet, Ltd.	15.10	15.10

Current Financial Assets	2011 (% Holding)	2010 (% Holding)
Banda 26, S.A.	10.00	10.00
BC International Corp.	9.00	9.90
Chekin	14.28	14.28
Operador Mercado Ibérico (OMIP)	5.00	6.08
Medgrid, SAS	5.00	5.00
Mediación Bursátil, S.V.B., S.A.	8.00	8.00

13.3. All necessary notifications have been made to the companies in which the Group holds an interest of over 10%, as required under Article 155 of the Capital Societies Law (Ley de Sociedades de Capital).

13.4. There are no known substantive circumstances which have a material impact on the financial assets on the Group's portfolio, such as litigations, attachments, etc.

13.5. There are no firm agreements in place regarding the sale or purchase of these investments which could be considered material in relation to the Group's Financial Statements.

13.6. The amount of interest accrued but not yet collected is not material.

13.7. There are no fixed-yield securities in arrears. The average rate of return on fixed-yield securities is in line with the market.

13.8. As of December 31, 2011 and 2010, Abengoa, S.A. held a 3% interest in Yoigo, S.A, a Spanish telecom operator, recorded at a cost of €32,997 thousand and held in the Group through the ownership of Siema Investments, S.L. (a holding company owned 100% by Abengoa, S.A.). Additionally the shareholders of Yoigo have granted this company several "participative" loans in accordance with a pre-established plan, which involved a total disbursement of €21,030 thousand in 2011 (€21,030 thousand in 2010), equivalent to 3% of the total loan made to the company by its shareholders in said years.

To value this holding, as in prior periods, once Yoigo's activities had commenced, the principal reference point taken is the company's future cash-flow generation on the basis of its current Business Plan, discounted at a rate appropriate to the sector in which this company operates.

The result of said valuation method does not significantly differ from the fair value at December 31, 2011 and 2010, as there is no quoted market price for this security.

As a result of the purchase of its holding in Yoigo, Siema Investment, S.L. became responsible, for furnishing guarantees to the Spanish Administration as security for compliance with the commitments relating to investment, commercialization, employment and network development acquired by Yoigo, together with other guarantees relating to the Radioelectronic Spectrum Rate, which the Group is required to counter-guarantee, for a total amount of €12,085 thousand (€12,085 thousand in 2010).

13.9. The Group applies IAS 39 to determine whether the carrying amount of an available-for-sale financial asset has been impaired. This process requires significant judgement. To make this judgement, the Group assesses, among other factors, for how long and to what extent the fair value of an investment will be below its cost, considering the financial health and short-term prospects of the company issuing the securities, including factors such as the industry and sector return, changes in the technology and cash flows from operating and financing activities.

Note 14.- Derivative financial instruments

14.1. The fair value of derivative financial instruments as of December 31, 2011 and 2010 is as follows:

Concept	12.31.11		12.31.10	
	Assets	Liabilities	Assets	Liabilities
Exchange rate Derivatives – Cash flow hedge	5,499	15,757	1,790	35,245
Exchange rate Derivatives – Fair value hedge	15,190	-	5,398	76
Exchange rate Derivatives – non-hedge accounting	-	-	9,171	6,899
Interest rate Derivatives – Cash flow hedge	63,767	309,602	83,974	145,914
Interest rate Derivatives – Fair value hedge	-	-	-	-
Interest rate Derivatives – non-hedge accounting	-	5,463	339	7,360
Commodity Derivatives – Cash flow hedge	61,769	34,190	6,357	50,579
Commodity Derivatives – Fair value hedge	-	-	-	-
Commodity Derivatives – non-hedge accounting	-	-	-	-
Implicit Derivatives of convertible bonds and shares options (Note 20.3)	41,239	102,292	41,845	135,367
Total	**187,464**	**467,304**	**148,874**	**381,440**
Non-current part	120,115	388,700	127,553	289,997
Current part	67,349	78,604	21,321	91,443

The Company has financial instrument derivatives that, although obtained for the purpose of covering specific market risks (interest rates, foreign currency and cash), do not meet all the requirements specified by IAS 39 to be qualified as hedging instruments for accounting purposes.

The fair value amount taken to the income statement of the 2011 and 2010 fiscal year for the financial instruments derivatives designated as hedging instruments is €-7,578 M (€-35,744 M in 2010).

The net increase that occurred in the financial assets derivatives during 2011 is mainly due to the obtaining of new financial instruments derivatives of interest rates, the favourable evolution of commodity derivative hedging instruments, the designing of new stock options for the hedging of convertible bonds, partially netted by the decrease in the fair value of the stock options that had been obtained at previous times described in Note 20.3.

The net increase that occurred in the financial liabilities derivatives during 2011 is mainly due to the increase due to unfavorable changes in the fair value of the interest rates hedging instruments derivatives (partially netted by the favourable changes in the fair value of the commodity hedging instruments derivatives), by the decrease in the fair value of the liability components of the implicit derivatives of the convertible bonds issued during 2009 and 2010 described in Note 20.3 and by the decrease brought by the financial liability derivatives of Telvent GIT, S.A., when was sold in September 2011 (Note 7).

14.2. Exchange rate hedges

The following table shows a breakdown of the notional amounts of the financial instruments relating to amounts receivable and payable in foreign currencies as of December 31, 2011 and 2010:

Exchange Rates	Collection Hedges		Payment Hedges	
	2011	2010	2011	2010
Dirhams (Morocco)	-	2,047	90	134
Dollar (Canada)	354	4,864	233	3,466
Dollar (USA)	81,920	229,748	349,858	655,489
Euro	6,374	1,834	54,663	18,539
Franc (Switzerland)	-	-	-	2,795
Pound Sterling (UK)	-	-	3	386
Yuan (China)	-	-	-	-
Kuwaiti Dinar (Kuwait)	-	1,679	-	-
Mexican Peso (Mexico)	-	260	-	-
Peruvian Sol (Peru)	-	243	29,111	48,715
Australian Dollar	-	6,888	-	-
Total	**88,648**	**247,563**	**433,959**	**729,524**

The following table shows a breakdown of the fair values of exchange rate derivatives relating to amounts receivable and payable in foreign currencies as of December 31, 2011 and 2010:

Exchange Rates	Collection Hedges		Payment Hedges	
	2011	2010	2011	2010
Dirhams (United Arab Emirates)	-	211	-	-
Dirhams (Morocco)	-	-	3	-
Dollar (Canada)	3	-	7	-
Dollar (USA)	(2,848)	(196)	7,938	2
Euro	133	137	(2,312)	(79)
Franc (Switzerland)	-	3,736	-	(38,556)
Pound Sterling (UK)	-	4,017	-	(836)
Real (Brazil)	-	(8)	-	-
Yuan (China)	-	-	-	(14)
Dinar (Kuwaiti)	-	(14)	-	85
Mexican Peso	-	5,260	-	-
Peruvian Sol	-	-	2,008	-
Australian Dollar	-	-	-	394
Total	**(2,712)**	**13,143**	**7,644**	**(39,004)**

a) Cash flow hedges

The table below shows a breakdown of the maturities of notional amounts of exchange rate derivatives designated as cash flow hedges at the end of 2011 and 2010:

Notionals	12.31.11		12.31.10	
	Collections	Payments	Collections	Payments
Up to 1 year	86,014	243,765	108,501	268,520
Between 1 and 2 years	2,079	59,509	21,220	152,082
Between 2 and 3 years	556	329	19,395	35,171
Subsequent years	-	-	-	-
Total	**88,648**	**303,604**	**149,116**	**455,773**

The table below shows a breakdown of the maturities of fair value amounts of exchange rate derivatives designated as cash flow hedges at the end of 2011 and 2010 year end:

Fair value	12.31.11		12.31.10	
	Collections	Payments	Collections	Payments
Up to 1 year	(2,470)	(6,094)	2,475	(21,041)
Between 1 and 2 years	(162)	(1,462)	1,564	(14,942)
Between 2 and 3 years	(80)	11	1,368	(2,879)
Subsequent years	-	-	-	-
Total	**(2,712)**	**(7,546)**	**5,407**	**(38,862)**

The net amount of the fair value of exchange rate derivatives designated as cash flow hedges transferred to the Income statement in 2011 and 2010 has been of €-1,163 and €206 thousand respectively (see Note 18.3).

The ineffective amount recognized in the income statement for the years 2011 and 2010 with respect to exchange rate derivatives designated as cash flow hedges amounts to €2,225 and €434 thousand respectively.

The after-tax gains/losses accumulated in equity in connection with exchange rate derivatives designated as cash flow hedges at December 31, 2011 amounted to €45,708 thousand (€-9,807 thousand in 2010). See note 18.3.

b) Fair value hedges

The table below shows a detail of the maturities of notional amounts of exchange rate derivatives designated as fair value hedges as at the end of 2011 and 2010:

Notionals	12.31.11		12.31.10	
	Collections	Payments	Collections	Payments
Up to 1 year	-	125,961	8,935	18,250
Between 1 and 2 years	-	4,394	-	140,897
Between 2 and 3 years	-	-	-	-
Subsequent years	-	-	-	-
Total	**-**	**130,355**	**8,935**	**159,147**

The table below shows a detail of the maturities of fair value amounts of exchange rate derivatives designated as fair value hedges at the end of 2011 and 2010:

Fair value	12.31.11		12.31.10	
	Collections	Payments	Collections	Payments
Up to 1 year	-	14,817	155	(427)
Between 1 and 2 years	-	373	5,594	-
Between 2 and 3 years	-	-	-	-
Subsequent years	-	-	-	-
Total	**-**	**15,190**	**5,749**	**(427)**

The net amount of the fair value of exchange rate derivatives designated as fair value hedges transferred to the Income statement in 2011 and 2010 has been of €7,561 thousand and €-18,261thousand respectively (see Note 30.2).

c) Non hedge accounting derivatives

At the end of 2011 the Group does not hold any exchange rate non hedge accounting derivatives instruments.

The table below shows a detail of the maturities of notional amounts of non-hedge accounting exchange rate derivatives as at the end of 2010:

Notionals	12.31.10	
	Collections	Payments
Up to 1 year	84,901	111,264
Between 1 and 2 years	2,547	3,340
Between 2 and 3 years	-	-
Subsequent years	-	-
Total	**87,448**	**114,604**

The table below shows a detail of the maturity of fair values of non-hedge accounting exchange rate derivatives as at the end of 2010:

Fair value	12.31.10	
	Collections	Payments
Up to 1 year	2,117	-
Between 1 and 2 years	155	-
Between 2 and 3 years	-	-
Subsequent years	-	-
Total	**2,272**	**-**

At the end of 2010, the net amount of the fair value of exchange rate derivatives charged directly to the Income Statement as a result of not meeting all the requirements of IAS 39 to be designated as accounting hedges represented losses of €11,694 thousand (see Note 30.2).

14.3. Interest rate hedges

As stated in Note 4 to these Consolidated Financial Statements, the general hedging policy for interest rates is to purchase future call options for a fixed fee, through which the company can ensure a fixed maximum interest rate cost. Additionally, in certain circumstances, the company also uses floating to fixed interest rate swaps.

As a result, the notional amounts hedged, strikes contracted and maturities, depending on the characteristics of the debt on which the interest rate risk is being hedged, are very diverse, including the following:

- Corporate Financing: hedging 75% and 100% of the notional amount, with maturities up to 2022 and average guaranteed interest rates of between 1.52% and 4.75% for loans pegged to the 1-month and 3-month Euribor rates.

- Non-recourse financing;

  - Non-recourse financing in Euros: hedging 75% and 100% of the notional amount, maturities until 2032 and average guaranteed interest rates of between 2.00 % and 5.25%.

  - Non-recourse financing in US Dollars: hedging 75% and 100% of the notional amount, including maturities until 2028 and average guaranteed interest rates of between 2.93% and 8%.

a) Cash flow hedges

The table below shows a breakdown of the maturities of notional amounts of interest rate derivatives designated as cash flow hedges at the 2011 and 2010 year end:

Notionals	12.31.11		12.31.10	
	Cap	Swap	Cap	Swap
Up to 1 year	1,028,726	983,136	465,256	812,722
Between 1 and 2 years	336,193	822,475	251,942	988,734
Between 2 and 3 years	2,808,131	30,237	85,595	689,749
Subsequent years	7,290,053	1,028,597	1,956,820	756,795
Total	**11,463,103**	**2,864,445**	**2,759,613**	**3,248,000**

The table below shows a breakdown of the maturity of the fair values of interest rate derivatives designated as cash flow hedges at the 2011 and 2010 year end:

Fair value	12.31.11		12.31.10	
	Cap	Swap	Cap	Swap
Up to 1 year	881	(42,747)	308	(26,917)
Between 1 and 2 years	831	(43,284)	80	(32,539)
Between 2 and 3 years	6,575	(10,550)	308	(17,914)
Subsequent years	51,369	(208,910)	74,011	(59,277)
Total	**59,656**	**(305,491)**	**74,707**	**(136,647)**

The net amount of the fair value of interest rate derivatives designated as cash flow hedges transferred to the Income statement in 2011 and 2010 has been of €-49,775 thousand and €45,899 thousand respectively (see Note 18.3).

The after-tax gains/losses accumulated in equity in connection with derivatives designated as cash flow hedges at the end of 2011 and 2010 amounts to €-254,028 and €-85,729 thousand respectively (see Note 18.3).

The net amount of the time value component of the cash flow derivatives fair value recognized in the income statement for the years 2011 and 2010 has been €-64,324 and €-3,332 thousand respectively.

b) Fair value hedges

The Group does not have any interest rate derivatives designated as fair value hedges at the end of 2011 and 2010.

c) Derivatives not designated as hedges for accounting purposes

The table below shows a detail of the maturities of notional amounts of non-hedge accounting interest rate derivatives at the end of 2011 and 2010:

Notionals	12.31.11		12.31.10	
	Cap	Swap	Cap	Swap
Up to 1 year	-	-	-	-
Between 1 and 2 years	-	9,444	-	-
Between 2 and 3 years	-	-	167,430	71,756
Subsequent years	-	-	11,700	-
Total	**-**	**9,444**	**179,130**	**71,756**

The table below shows a detail of the maturities of fair values of non-hedge accounting interest rate derivatives at the end of 2011 and 2010:

Fair value	12.31.11		12.31.10	
	Cap	Swap	Cap	Swap
Up to 1 year	-	-	5	(19)
Between 1 and 2 years	-	(5,463)	-	-
Between 2 and 3 years	-	-	172	(7,341)
Subsequent years	-	-	162	-
Total	**-**	**(5,463)**	**339**	**(7,360)**

At the end of 2011 and 2010, the net amount of the fair value of interest rate derivatives charged directly to the Income Statement as a result of not meeting all the requirements of IAS 39 to be designated as hedges represented losses of €2,104 and €-1,883 thousand, respectively (see Note 30.1).

Additionally, a series of interest rate swaps and caps were liquidated in 2008, generating a positive cash flow upon liquidation. These contracts had been designated as cash flows hedge as a result of the respective effectiveness tests performed. Therefore, applying IAS 39, when the hedging instrument no longer exists and the hedged transaction continues to be probable, the cumulative gain or loss on the hedging instrument that remains recognized in equity from the period when the hedge was effective should remain in equity until the forecast transaction occurs. This amount will be reclassified to profit or loss in the same period or periods in which the hedged forecast transaction affects profit or loss. In the present case, it will be reclassified to profit or loss as the finance expense originated by the loan hedged is recognized in the Income Statement. As a result, Abengoa will reclassify the profit recognized in equity to the Income Statement following the swaplet method, where each interest rate calculation period of the swap is called a swaplet. The basis of this method is that the amount recognized in equity will be equivalent to the sum of the present value of the cash flows of each swaplet (i.e. the difference between the fixed rate and the forward rate calculated for each swaplet at the last date on which the hedge was effective, discounted to the date when hedge accounting was discontinued).

The balance calculated for each swaplet is recognized in the Income Statement in the period of each swaplet. The amounts transferred from equity to the Income Statement in 2011 and 2010 were a gain of €10,095 and €8,082 thousand, respectively, with an amount of €8,727 thousand (€18,822 thousand in 2010) yet to be transferred to the Income Statement in the following years.

14.4. Commodity price hedges

In relation to hedges of commodity prices, as stated in Note 2.9 of the Consolidated Financial Statements of Abengoa for the year ended on December 31, 2011, the different activities carried on by Abengoa through its different business groups (Bioenergy, Recycling services and Industrial engineering and construction) expose the group to risks derived from the fair value of certain commodity prices (zinc, aluminum, grain, ethanol and gas).

To hedge these risks, Abengoa uses derivative contracts and OTC derivatives for commodity prices.

a) Cash flow hedges

The table below shows a breakdown of the maturities of notional amounts for the commodity price derivatives designated as cash flow hedges at the 2011 and 2010 year end:

2011	Ethanol (Gallons)	Gas (MWh)	Grain (Bushels)	Zinc (Tons)	Aluminum (Tons)	Other (Gallons)
Up to 1 year	1,800,735	5,700,000	16,090,000	62,400	25,772	283,178
Between 1 and 2 years	-	-	-	67,920	-	-
Between 2 and 3 years	-	-	-	-	-	-
Subsequent years	-	-	-	-	-	-
Total	**1,800,735**	**5,700,000**	**16,090,000**	**130,320**	**25,772**	**283,178**

2010	Ethanol (Gallons)	Gas (MWh)	Grain (Bushels)	Zinc (Tons)	Aluminum (Tons)	Other (Gallons)
Up to 1 year	621,288	5,580,000	52,909,635	70,026	22,171	300,004
Between 1 and 2 years	-	-	-	62,400	17,231	-
Between 2 and 3 years	-	-	-	-	-	-
Subsequent years	-	-	-	-	-	-
Total	**621,288**	**5,580,000**	**52,909,635**	**132,426**	**39,402**	**300,004**

The table below shows a breakdown of the maturities of the fair value of commodity price derivatives designated as cash flow hedges at the 2011 and 2010 year end:

2011	Ethanol (Gallons)	Gas (MWh)	Grain (Bushels)	Zinc (Tons)	Aluminum (Tons)	Other (Gallons)
Up to 1 year	750	(5,319)	3,090	15,653	(4,902)	4,367
Between 1 and 2 years	-	-	-	13,940	-	-
Between 2 and 3 years	-	-	-	-	-	-
Subsequent years	-	-	-	-	-	-
Total	**750**	**(5,319)**	**3,090**	**29,593**	**(4,902)**	**4,367**

2010	Ethanol (Gallons)	Gas (MWh)	Grain (Bushels)	Zinc (Tons)	Aluminum (Tons)	Other (Gallons)
Up to 1 year	702	(523)	52	(20,460)	(3,176)	(9,002)
Between 1 and 2 years	-	-	-	(10,168)	-	-
Between 2 and 3 years	-	-	-	-	(1,647)	-
Subsequent years	-	-	-	-	-	-
Total	**702**	**(523)**	**52**	**(30,628)**	**(4,823)**	**(9,002)**

The net amount of the fair value of commodity price derivatives designated as cash flow hedges transferred to the Income statement in 2011 and 2010 has been of €58,516 and €-10,361 thousand respectively (see Note 18.3)

The after-tax gains/losses accumulated in equity in connection with derivatives designated as cash flow hedges at December 31, 2011 amounted to €28,286 thousand (€-5,747 thousand in 2010) (see Note 18.3).

b) Fair value hedges

At the end of 2011 and 2010, the Group does not hold fair value hedging financial instruments of commodity prices.

c) Derivatives not designated as hedges (non-hedge accounting derivative financial instruments)

At the end of 2011 and 2010, the Group does not hold non-hedge accounting derivative financial instruments of commodity prices.

Note 15.- Clients and other receivable accounts

15.1. The breakdown of Clients and Other Receivable Accounts as of December 31, 2011 and 2010 is as follows:

Item	Balance as of 12.31.11	Balance as of 12.31.10
Trade receivables	577,102	735,217
Unbilled revenues	493,371	711,382
Bad debt provisions	(29,077)	(23,366)
Tax Receivables	618,028	492,392
Other debtors	146,869	225,818
Total	**1,806,293**	**2,141,443**

At the end of 2011 and the 2010 there were no existing balances with related parties (see Note 33.2).

15.2. The fair value of Clients and Other Receivable Accounts does not differ significantly from its carrying value.

15.3. The list of Clients and Other Accounts Receivable according to foreign currency as at December 31, 2011 and 2010 are as follows:

Currency	Balance as of 12.31.11	Balance as of 12.31.10
Canadian Dollar	-	21,011
American Dollar	112,837	158,645
Brazilian Real	142,706	152,888
Mexican Peso	49,332	48,874
Argentinian Peso	9,209	24,156
Chilean Peso	21,389	11,780
New Peruan Sol	36,609	15,471
Dirhams (Morocco)	13,196	27,785
Peso (Uruguay)	12,993	9,342
Others	47,276	50,916
Total	**445,547**	**520,868**

15.4. The following table shows the maturity detail of trade receivables as of December 31, 2011 and 2010:

Maturity	Balance as of 12.31.11	Balance as of 12.31.10
Up to 3 months	444,780	499,954
Between 3 and 6 months	64,227	137,282
Over 6 months	68,095	97,981
Total	**577,102**	**735,217**

15.5. The credit quality of outstanding Trade receivables, that are neither past due nor impaired, may be assessed under the following categories:

Categories	Balance as of 12.31.11	Balance as of 12.31.10
Receivables subjet to non-recourse factoring by the bank	263,288	378,799
Receivables subject to recourse factoring by the bank	11,062	13,332
Receivables covered by credit insurance	34,225	28,813
Receivables in cash or by transfer	103,400	116,963
Clients and UTE/Public Entities/Other accounts	165,127	197,310
Total clients and other accounts receivable	**577,102**	**735,217**

15.6. The movement in the bad debt provision for 2011 and 2010 is the following:

Concept	Balance as of 12.31.11	Balance as of 12.31.10
Initial Balance	(23,366)	(21,377)
Provision for receivables impairment	(4,897)	(13,360)
Receivables written off during the year as uncollectible	35	5,946
Reversal of unused amounts	8,450	231
Change in consolidation	4,046	-
Reclassifications and other movements	(13,345)	5,194
Total	**(29,077)**	**(23,366)**

15.7. The Company maintains a number of non-recourse factoring lines of credit. The Company enters into these factoring agreements with certain financial institution by selling the Company's credit rights in certain commercial contracts. The factoring agreements are entered into on a non-recourse basis, meaning that the financial institutions undertake the credit risk associated with the Company's customers. The Company is responsible for the existence and legitimacy of the credit rights being sold to the financial institutions. Credit rights from recurring customers or with terms of up to one year are supported by annual revolving factoring lines of credit. Credit rights from non-recurring customers or with terms longer than a year are supported with global transfer agreements commencing on the date when the underlying commercial contract comes into force and expiring when the contracted works are completed.

At the end of the 2011 financial year, approximately €346 M (€568M in 2010) were factored and derecognized pursuant to the provisions of IAS 39. Of this amount, €12 M (€35 M in 2010) correspond to entities with non-recourse financing.

The financial expenses in the 2011 fiscal year derived from factoring operations amounted to €20 thousand (€23 thousand in 2010).

15.8. The breakdown of Tax receivables as of December 31, 2011 and 2010 is as follows:

Item	Balance as of 12.31.11	Balance as of 12.31.10
VAT receivable	309,744	267,665
Social Security debtors	544	2,738
VAT charged	221,368	123,572
Witholdings tax and income tax advance	86,372	98,417
Total Tax receivables	**618,028**	**492,392**

15.9. The following table shows a breakdown of Financial accounts receivable as of December 31, 2011 and 2010:

Description	Balance as of 12.31.11	Balance as of 12.31.10
Loans	168,821	187,937
Fixed-term deposits	9,365	1,000
Down payments and lease deposits	39,158	67,542
Other financial assets	34,804	3,271
Total non-current portion	**252,148**	**259,750**
Loans	4,147	8,612
Fixed-term deposits	889,510	710,095
Down payments and lease deposits	25,230	143,494
Other financial assets	5,401	206
Total current portion	**924,288**	**862,407**

This heading includes the loans and other accounts receivable considered as non-derivative financial assets not listed in an active market, with a maturity period of less than twelve months (current assets) or exceeding that period (non-current assets). The market value of these assets does not differ significantly from their carrying amount.

As of December 31, 2011 the amount corresponding to entities with non-recourse financing is €890 M (€736 M in 2010).

Fixed-term investments are invested in financial entities with a high credit quality as stated in Note 4.

Loans for an amount of €173 M in 2011 (€197 M in 2010), mainly includes note receivables with third parties and local administrations for a total amount of €93 M (€98 M in 2010), and includes certain loans to group companies associates and other related parties, not eliminated in consolidation for a total amount of €46 M (€84 M in 2010).

Fixed-term investments for an amount of €899 M (€711 M in 2010) mainly includes primarily restricted investments in fixed-income securities and bank deposits with a maturity greater than 3 months that are held as cash collateral for confirming financing. These investments are held with financial institutions and receive floating interest. Current fixed term investments also include impositions in the amount of €439 M as guarantee for confirming operations undertaken between companies of the group (€262 M in 2010).

Deposits mainly include bank deposits with maturity periods generally over a year (non-current) and under 3 months (current) in the amount of €64 M (€211 M in 2010). Guarantee deposits consist mainly of balances to cover performance guarantees of debt payments for an amount of €4 M (€61 M in 2010).

Also, under the heading of Impositions and Deposits there are reserve accounts for debt servicing in the amount of €42 M in current asset (see Note 19.3) and €33 M in non-current asset.

Other financial assets include other receivable amounts considered as non-derivative financial assets not listed in an active market, which are not classified in any of the other categories.

Note 16.- Inventories

16.1. Inventories as of December 31, 2011 and 2010 were as follows:

Item	Balance as of 12.31.11	Balance as of 12.31.10
Goods for resale	19,871	16,232
Raw materials and other supplies	138,534	154,744
Work in progress and semi-finished products	18,117	7,103
Projects in progress	57,644	44,606
Finished Products	87,854	69,756
Agricultural Products	-	16,074
Advance Payments	62,874	76,501
Total	**384,894**	**385,016**

Inventories for entities located outside Spain were €233,034 thousand (€239,099 thousand in 2010).

16.2. There are no restrictions on the availability of inventories, with the exception of guarantees provided for construction projects in the normal course of business, which are released as the contractual milestones of the project are achieved.

Note 17.- Cash and cash equivalents

The following table set out the detail of Cash and cash equivalents at December 31, de 2011 and 2010:

Concept	Balance as of 12.31.11	Balance as of 12.31.10
Current account/cash flow	1,224,153	1,211,736
Public Debt	1,272,998	650,569
Bank Deposit	357,350	283,121
Promissory Notes	883,616	837,717
Bonds	-	12
Total	**3,738,117**	**2,983,155**

The following breakdown shows the main currencies in which cash and cash equivalent balances are denominated:

Currency	12.31.2011		12.31.2010	
	Resident Companies	Non-Resident Companies	Resident Companies	Non-Resident Companies
Euro	1,326,679	215,246	2,326,201	164,834
US Dollar	1,057,552	421,703	93,155	245,094
Canadian Dollar	-	-	-	12,414
Swiss Franc	7,120	99	2,759	139
Sterling Pound	557	203	367	275
Argentinian Peso	-	3,981	479	917
Chilean Peso	-	7,140	-	8,316
Mexican Peso	141	3,716	33	5,506
Brazilian Real	938	626,039	-	87,482
Others	10,403	56,600	7,215	27,969
Total	**2,403,390**	**1,334,727**	**2,430,209**	**552,946**

The balance of cash and cash equivalents of entities with non-recourse financing (see Note 19) was €654,547 thousand (€565,893 thousand in 2010).

Note 18.- Shareholders' equity

18.1. Share capital

On December 31, 2011 the share capital is Ninety Million Six Hundred and Forty-one Thousand One Hundred and Nine Euros (€90,641,108.58) represented by two distinct classes of One Hundred Seven Million Six Hundred Twelve Thousands Five Hundred Thirty-eight (107,612,538) shares completely subscribed and disbursed:

- Ninety Million Four Hundred Sixty-nine Thousands Six Hundred Eighty (90,469,680) Class A shares at the nominal value of One (1) Euro each, all in the same class and series, with each granting the holder a total of One Hundred (100) voting rights and which are ordinary shares of the Company (Class A Shares).

- Seventeen Million One Hundred Forty-two Thousands Eight Hundred Fifty-eight (17,142,858) Class B shares at the nominal value of One hundredth part (0.01) of a Euro each, all in the same class and series, each of which grants One (1) voting right and which afford its holder the privileged economic rights established in Article 8 of the Articles of Association (Class B Shares and, together with Class A shares, Shares with Voting Rights).

The shares are represented through book entries and governed by the provisions set forth in the Stock Exchange Laws and other applicable legal provisions.

Shares A are listed on the stock exchanges of Madrid, Barcelona and the Network Stock Exchange System (Sistema de Interconexión Bursátil SIB) (a continuous stock market) since November 29, 1996.

In accordance with notifications received by the company and in compliance with reporting requirements to communicate shareholding percentages and the information received from relevant parties, shareholders with a significant holding as of December 31, 2011 and 2010 are as follows:

Shareholders	Share % 2011	Share % 2010
Inversión Corporativa IC, S.A. (*)	49.90 (class A shares)	50.000 (A share)
Finarpisa, S.A. (*)	6.02 (class A shares)	6.041 (A share)

(*) Inversión Corporativa Group.

The Ordinary Shareholders' Meeting held on April 10, 2011 agreed on share capital increase, previously set at Twenty-two Million Six Hundred Seventeen Thousands Four Hundred Twenty Euros (€22,617,420) represented with Ninety Million Four Hundred Sixty-nine Thousands Six Hundred Eighty (90,469,680) shares at the nominal value of Twenty-five hundredth (€0.25) of One Euro each, all in a single class and series, in Sixty-seven Million Eight Hundred Fifty-two Thousands Two Hundred Sixty Euros (€67,852,260), by increasing the unit nominal value from Twenty-five hundredth (€0.25) of One Euro to One Euro (€1.00) per share, charged against freely disposable profits, setting it at Ninety Million Four Hundred Sixty-nine Thousands Six Hundred Eighty Euros (€90,469,680) represented by Ninety Million Four Hundred Sixty-nine Thousands Six Hundred Eighty (90,469,680) shares completely subscribed and disbursed, of a unique class and series, of at a unit nominal value of One Euro (€1.00), numbered correlatively from One (1) to Ninety Million Four Hundred Sixty-nine Thousands Six Hundred Eighty (90,469,680) inclusive.

On October 4, 2011, Abengoa, S.A. reached an investment agreement with First Reserve Corporation (through a specific affiliate) hereinafter, First Reserve or FRC, a US Investment Fund specialized in Private Capital and Investments within the energy sector, by virtue of which it made a commitment to invest €300 M in Abengoa's stock capital under the terms and conditions set forth in an investment agreement (hereinafter, the Investment Agreement).

The main economic terms of the investment agreement are as follows:

- Abengoa issued 17,142,858 new class B shares at a nominal value of €0.01 per share, at a nominal price plus a premium of €17.50 per share through an exclusively class B shares stock capital split completely subscribed by FRC, but without any pre-emptive rights. These Class B shares make up 0.19% of the stock capital.

- FRC subscribes the Initial Increase for the equivalent of €300 M, payable in cash.

- FRC assumes the commitment not to sell the shares subscribed in the initial increase in Abengoa's stock capital for a period up to two and a half years, rendering the investment as strategic, reinforcing Abengoa's equity and supporting the development of its current strategic plan. At the end of the period various formulas shall be established for the sale of its shares or the eventual exchange for Class A shares, at the option of Abengoa.

- Meanwhile, Abengoa issues 4,020,124 warrants of Class B Shares, at an exercise price of €0.01, which are transmissible, and which shall afford FRC the right to subscribe a Class B share from Abengoa for each warrant and to receive a cash sum equivalent to the dividend per share and other distributions, for a period of 5 years.

- The participation of FRC on the Board of Directors of Abengoa. FRC shall be empowered to propose the appointment of a Board Member in the company, which will strengthen the Board of Directors of Abengoa.

The Class B Shares, authorized by the General Assembly of the Shareholders of Abengoa held on April 10, 2011, are afforded the same economic rights as the Class A ordinary Shares, and a political voting right proportional to the nominal value of the share, €0.01/per share, that is 1/100 in comparison to that of Class A shares at a nominal value of €1.00 and 100 voting rights per share.

The aforementioned capital increase, the per-share price or issuance rate, the issuance of the warrants and the exclusion of the pre-emptive rights received a favourable report from the Board of Directors of Abengoa (which holds the faculty of issuance by virtue of specific bestowment by the General Shareholders' Assembly held on April 10, 2011) and was the object of a report issued by Kpmg S.L., an external auditor different from the Company's financial statements auditor as required by the Capital Societies Law.

The FRC transaction was closed on November 4, 2011, following the completion of the conditions precedent and after obtaining the preliminary authorizations required.

On the other hand, as of July 25, 2011 Abengoa's Board of Directors accepted the resignation presented by D. Daniel Villalba Vilá as member of the Board of this company, as independent member, (as well as president of the Appointment and Retribution Committee and vocal of the Audit Committee) due to the intensification of his other professional occupations which includes the appointment as member of the Board of Directors of Abengoa Solar, S.A. as vice-president, in attention to his experience and knowledge in the energy sector and the company itself. This appointment and resignation comply with Corporate Governance standards, not being compatible both responsibilities.

Additionally, as of October 24, 2011 Abengoa's Board of Directors agreed to appoint Mr Ricardo Martínez Rico as an independent director and Mr Alberto Aza Arias to the company's international advisory board.

Dividends paid in July 2011 and 2010 were €18,094 thousand (€0.20 per share) and €17,189 thousand (€0.19 per share), respectively. In the next Ordinary Shareholders Meeting for the year 2012 a dividend in respect of the year ended December 31, 2011 of €0.35 per share, amounting to a total dividend of €37,664 thousand is to be proposed, as approved by the Board of Directors. These financial statements do not reflect this proposed dividend.

18.2. Parent company reserves

The following table shows the amounts and movements of the Parent Company Reserves in 2011 and 2010:

Concept	Balance as of 12.31.10	Distribution of 2010 Profits	Capital increase	Other Movements	Balance as of 12.31.11
Share Premium	110,009	-	278,743	-	388,752
Revaluation reserve	3,679	-	-	-	3,679
Other Reserves of the Parent Company:					
- Unrestricted Reserves	203,716	93,024	(46,767)	(47,795)	202,178
- Legal Reserves	4,607	-	-	-	4,607
Total	**322,011**	**93,024**	**231,976**	**(47,795)**	**599,216**

Concept	Balance as of 12.31.09	Distribution of 2009 Profits	Capital increase	Other Movements	Balance as of 12.31.10
Share Premium	110,009	-	-	-	110,009
Revaluation reserve	3,679	-	-	-	3,679
Other Reserves of the Parent Company:					
- Unrestricted Reserves	173,991	31,800	-	(2,075)	203,716
- Legal Reserves	4,607	-	-	-	4,607
Total	**292,286**	**31,800**	**-**	**(2,075)**	**322,011**

The amount corresponding to "Other Movements" for 2011 and 2010 is part of operations carried out with treasury shares.

The Legal Reserve is created in accordance with Article 274 of the Law on Public Limited Companies, which states that in all cases an amount of at least 10% of the earnings for the period will be allocated to this reserve until at least 20% of the share capital is achieved and maintained. The Legal Reserve may not be distributed and, if used to compensate losses in the event that there are no other reserves available to do so, it should be replenished from future profits.

On November 19, 2007, the company entered into an agreement with Santander Investment Bolsa, S.V. (liquidity agreement) for the purpose of backing the liquidity of the transactions with shares, the regularity in trading and the avoidance of variations caused by any factor other than the market trend, without interfering in the normal development of the market and in strict compliance with the Stock Market Regulations. Although said agreement fails to meet the conditions set forth in CNMV Circular 3/2007 of December 19, Abengoa has ensured voluntary compliance with the information requirements of set forth in Circular 3/2007. The CNMV has always been informed of the operations carried out under this agreement on a quarterly basis and these operations have always been published on the company's website.

As of December 31, 2011 treasury stock under the liquidity agreement amounted to 2,913,435 shares (225,250 shares in 2010).

Regarding the operations carried out during the year, the number of treasury stock purchased amounted to 7,784,190 shares (10,276,598 shares in 2010) and treasury stock transferred amounted to 5,096,005 shares (10,196,803 shares in 2010), with a gain of €-2,144 thousand recognized in equity (€-1,144 thousand in 2010).

The proposed distribution of 2011 and 2010 profits and other reserves of the Parent Company as approved by the General Shareholders Meetings, is set out in the following table:

Distribution Bases	Balance as of 12.31.11	Balance as of 12.31.10
Profit for the year	71,399	111,118
	71,399	**111,118**

Distribution	Balance as of 12.31.11	Balance as of 12.31.10
Legal Reserve	7,140	-
Unrestricted Reserves	26,595	93,024
Dividends proposed	37,664	18,094
Total	**71,399**	**111,118**

18.3. Other reserves

Other Reserves include the impact upon reserves of the valuation of derivative instruments and available for sale investments at the end of the year.

The following table shows the balances and movements of Other Reserves by item for and between 2011 and 2010:

Concept	Hedging Reserves	Inv. Available-for-Sale Reserves	Total
Balance as of December 31, 2010	(101,283)	2,336	(98,947)
- Gains/ (losses) on fair value for the year	(123,437)	(2,547)	(125,984)
- Transfer to profit and loss	7,578	-	7,578
- Tax effect	33,747	764	34,511
- Transfers between Other reserves and Retained Earnings	3,361	91	3,452
Balance as of December 31, 2011	**(180,034)**	**644**	**(179,390)**

Concept	Hedging Reserves	Inv. Available-for-Sale Reserves	Total
Balance as of December 31, 2009	(82,338)	1,185	(81,153)
- Gains/ (losses) on fair value for the year	(82,590)	1,207	(81,383)
- Transfer to profit and loss	35,744	(59)	35,685
- Tax effect	15,206	18	15,224
- Transfers between Other reserves and Retained Earnings	12,695	(15)	12,680
Balance as of December 31, 2010	**(101,283)**	**2,336**	**(98,947)**

For further information on hedging activities, see Note 14.

18.4. Accumulated currency translation differences

The amount of accumulated currency translation differences for fully and proportionally consolidated companies and associates at the end of 2011 and 2010 is as follows:

Concept	Balance as of 12.31.11	Balance as of 12.31.10
Currency translation differences:		
- Fully and proportionally consolidated companies	42,943	265,041
- Associated entities	(1,589)	1,455
Total	**41,354**	**266,496**

The decrease in the accumulated currency translation differences is mainly due to the depreciation of the Brazilian Real against the Euro, to the sale of the 50% shares held in various Electricity Transmission Lines companies in Brazil (see Note 6.2) and to the deconsolidation of Telvent GIT, S.A. after the sale of its shares.

18.5. Retained earnings

The breakdown and movement of Retained Earnings during the 2011 and 2010 fiscal years are as follows:

Concept	Balance as of 12.31.10	Dist. Of 2010 Profit	2011 Profit	Other Movements	Balance as of 12.31.11
Reserves in full & proportionate consolidated entities	461,984	87,001	-	(57,875)	491,110
Reserves in equity method investments	8,352	9,043	-	(72)	17,323
Parent company dividends and reserves	-	111,118	-	(111,118)	-
Total Reserves	**470,336**	**207,162**	-	**(169,065)**	**508,433**
Consolidated profits for the year	263,311	(263,311)	273,692	-	273,692
Profit attributable to non-controlling interest	(56,149)	56,149	(16,282)	-	(16,282)
Profit attributable to the Parent Company	**207,162**	**(207,162)**	**257,410**	-	**257,410**
Total Retained Earnings	**677,498**	-	**257,410**	**(169,065)**	**765,843**

Amounts included under "Other movements" mainly refer to the acquisition of various non-controlling interests during the financial year (see Note 6.2), the effects of which have been entered in the net equity as required by the revised IFRS 3.

Concept	Balance as of 12.31.09	Dist. Of 2009 Profit	2010 Profit	Other Movements	Balance as of 12.31.10
Reserves in full & proportionate consolidated entities	360,857	110,071	-	(8,944)	461,984
Reserves in equity method investments	3,351	11,246	-	(6,245)	8,352
Parent company dividends and reserves	-	48,989	-	(48,989)	-
Total Reserves	**364,208**	**170,306**	-	**(64,178)**	**470,336**
Consolidated profits for the year	202,738	(202,738)	263,311	-	263,311
Profit attributable to non-controlling interest	(32,432)	32,432	(56,149)	-	(56,149)
Profit attributable to the Parent Company	**170,306**	**(170,306)**	**207,162**	-	**207,162**
Total Retained Earnings	**534,514**	-	**207,162**	**(64,178)**	**677,498**

Amounts included under "Other movements" mainly refer to the acquisition of the remaining percentage in STE Transmissora de Energía, S.A. and NTE Transmissora de Energía, S.A. whose effect has been recorded in equity as set out by the revised IFRS 3.

The Reserves in full and proportionate consolidated entities and equity method investments are as follows:

Business Unit	Balance as of 12.31.11		Balance as of 12.31.10	
	F.C/P.C.	E.M.	F.C/P.C.	E.M.
Engineering and Construction	473,566	(2,361)	326,516	(4,206)
Concession-type Infraestructure	(50,595)	7,189	(64,388)	5,051
Industrial Production	68,139	12,495	199,857	7,507
Total	**491,110**	**17,323**	**461,984**	**8,352**

18.6. Non-controlling interests

The movements of the heading Non controlling interest for the years 2011 and 2010 are as follows:

Non-Controlling Interests	Balance as of 12.31.11	Balance as of 12.31.10
Initial balance	440,663	368,274
Translation differences	(14,736)	20,949
Charges in consolidation	(33,628)	(4,709)
Fiscal Year Income Recognized	16,282	56,149
Total	**408,581**	**440,663**

Appendix VIII lists the Companies external to the Group which have a shareholding equal to or greater than 10% of a subsidiary of the parent company under consolidation.

Note 19.- Non-recourse financing (project financing)

As indicated in Note 2.4, in the consolidation there are certain entities for which, in general, the main commercial purpose is the long-term development of integrated products which are financed through non-recourse project finance.

This note outlines the non-recourse financing linked to the assets included in Note 10 of these consolidated financial statements.

Non-recourse financing is generally used for constructing and/or acquiring an asset, exclusively using as guarantee the assets and cash flows of the company or group of companies carrying out the activities financed. In most of the cases, the assets and/or contracts are set up as guarantee to ensure the repayment of the related financing.

Compared to corporate financing, non-recourse financing holds certain key advantages, including a greater leverage period permitted and a clearly defined risk profile.

19.1. The balances and movement for 2011 and 2010 of non-recourse financing are set out in the table below:

Concept	Non-recourse financing - Long Term	Non-recourse financing - Short Term	Total
Balance as of 12.31.10	3,557,972	492,139	4,050,111
Increases	1,932,493	34,613	1,967,106
Decreases (reimbursement)	(222,192)	(142,127)	(364,319)
Currency translation differences	2,754	(16,062)	(13,308)
Changes in consolidation	(217,642)	(31,838)	(249,480)
Reclassifications	(70,410)	70,410	-
Balance as of 12.31.11	**4,982,975**	**407,135**	**5,390,110**

The increase that occurred during the 2011 fiscal year was due mainly due to new financing obtained for the development of new projects in connection with the solar activity for €1,046 M (€439 M for a thermosolar project in the US and €607 M for thermosolar projects in Spain), to the transmission line activities (Brazil) for €232 M, to the cogeneration activities for €147 M and to the zinc recycling activities for €300 M (see Note 19.9).

A decrease also occurred mainly due to the financing of the Brazilian Lines companies in the proportional part of the percentage sold for €-249 M (see Note 6.2.b), for the cancellation of the debt previously owed by Befesa Zinc, S.A. with the new financing obtained as indicated above (€-185 M) and to the effect of the exchange rate differences brought about by the depreciation of the Brazilian Real and the appreciation of the US Dollar against the Euro (€-13 M).

Concept	Non-recourse financing - Long Term	Non-recourse financing - Short Term	Total
Balance as of 12.31.09	2,748,015	185,352	2,933,367
Increases	676,761	123,063	799,824
Decreases (reimbursement)	(57,203)	(86,592)	(143,795)
Currency translation differences	140,162	15,823	155,985
Changes in consolidation	58,521	96,854	155,375
Reclassifications	(8,285)	157,639	149,354
Balance as of 12.31.10	**3,557,971**	**492,139**	**4,050,110**

The increase that occurred during the 2010 fiscal year was mainly due to the new financing obtained for specific projects in connection with the Engineering and Construction activity (€338 M for the energy transmission lines in Brazil and Peru), with the Solar activity for projects in Spain (€381 M), with the Bioenergy activity (€81 M for cogeneration projects in Brazil) as well as due to the effect of an increase of €156 M produced mainly from the effect of the exchange rate differences brought about by the revaluation of the Brazilian Real and the US Dollar against the Euro.

19.2. The fair value of non-recourse financing is in line with the book value, given that the impact of discounting is insignificant.

19.3. Within the assets on the Statement of Financial Position and under the Cash and Cash equivalent and Financial Receivables (Current) headings, there are debt service reserve accounts in the amount of €42 M relating to project finance in 2011 (€20 M in 2010).

19.4. Appendix IX of this Consolidated Report details the Project companies as of the end of 2011 which are financed by non-recourse project finance.

19.5. The anticipated repayment schedule for non-recourse project financing, at the end of 2011 that will be made with the projected cash flows of the related projects, is as follows.

2012	2013	2014	2015	2016	Subsequent Years
407,135	480,849	346,955	243,676	273,588	3,637,907

Included within the amounts repayable there are balances relating to operations financed through non-recourse bridge loans (see Note 19.7) which will be repaid upon granting long-term non-recourse project financing.

19.6. Non-recourse financing projects entered into in 2011 and 2010 (in Millions of Euros) is as follows:

Project	Year	Country	Amount committed	Amount drawn
Abengoa Transmisión Norte II, S.A.	2011	Peru	39	-
Abengoa Transmisión Sur, S.A.	2011	Peru	265	-
ATE XI, Manaus Transmissora de Energía	2011	Brazil	331	263
Helios I Hyperion Energy Investments, S.L.	2011	Spain	144	109
Helios II Hyperion Energy Investments, S.L.	2011	Spain	145	94
Hugoton (Abengoa Bioenergy Biomass of Kansas, LLC)	2011	USA	102	-
Mojave Solar, LLC	2011	USA	927	-
Total year 2011			**1,953**	**466**
Abengoa Agroindustria Ltda.	2010	Brazil	198	76
Abengoa Cogeneración Tabasco S. de R.L. de C.V.	2010	Mexico	344	183
Arizona Solar One Llc	2010	USA	1,085	-
Concecutex, S.A. de C.V.	2010	Mexico	45	11
Helioenergy Electricidad Uno, Dos, S.A.	2010	Spain	320	138
Solaben Electricidad Dos, Tres, S.A.	2010	Spain	340	-
Solacor Electricidad Uno, Dos, S.A.	2010	Spain	353	238
Total year 2010			**2,685**	**646**

19.7. Non-recourse project finance applied to projects also includes Non-Recourse Finance in Process. This relates to certain operations which are financed in a similar manner to non-recourse projects, generally by financial entities, and which are earmarked to be future development projects which typically will eventually be financed through non-recourse project finance. Receiving finance in process is in effect similar to receiving traditional customer prepayments during various early phases of construction of a project; Non-Recourse Finance in Process varies slightly from traditional prepayments, however, in that it is not received from customers but from a financial entity. Such funding typically relates to transitional financing phases of a project (typically periods of less than 2-3 years) during the launch and construction phase of goods/projects which once completed and ready for operation become financed under the non-recourse project finance model (See Note 2.4).

However, if during the transitory period there is a risk of non-compliance with the debt repayment schedule necessary for the formalization of Project Finance (or of construction, which will ultimately require financing), this would be reclassified to elsewhere on the Statement of Financial Position, depending upon the nature of the arrangement, typically being Loans with Financial Entities.

The table below lists projects with non-recourse financing in progress as of December 31, 2011 (amount in thousands of euros):

Concept	Norte Brasil Transmissora de Energía S.A	Linha Verde Transmissora de Energía S.A	Abengoa Transmisión Sur, S.A.	Palmatir, S.A.
Project Start Date	February 2009	November 2009	July 2010	June 2011
Planned End Date	March 2013	April 2013	July 2013	December 2013
Contract Price (EPC)	806,938	147,762	291,473	99,418
Execution as of 12/31/11	152,307	47,080	102,257	-
ST Financing Start Date	November 2010	February 2011	August 2010	June 2011
ST Financing Maturity Date	October 2012	June 2012	May 2012	June 2012
Anticipated LT Financing Start Date	July 2012	June 2012	March 2012	June 2012
LT Financing Duration	To 16 years	To 14 years	To 7 years	To 20 years
Total amount of LT Financing (€ thousands)	448,499	110,925	265,396	88,727

19.8. Current and non-current loans with credit entities includes amounts in foreign currencies for the total of €2,913,128 thousand (€2,281,917 thousand in 2010), all of which belong to companies resident abroad.

The equivalent in euros of the most significative foreign-currency-denominated debts held by the Group is as follows:

Currency	12.31.11 Companies		12.31.10 Companies	
	Non Resident	Resident	Non Resident	Resident
Dirhams (Morocco)	-	-	457,370	-
Dinar (Algeria)	477,442	-	-	-
Dollar (Canada)	-	-	-	-
Dollar (USA)	1,361,714	-	634,255	-
Lira (Turkey)	-	-	-	-
Peso (Argentina)	-	-	-	-
Peso (Chile)	-	-	8,243	-
Peso (Mexico)	21,281	-	12,798	-
Peso (Uruguay)	-	-	-	-
Real (Brazil)	959,037	-	1,129,350	-
Sol (Peru)	-	-	-	-
Yuan (China)	93,654	-	39,901	-
Total	**2,913,128**		**2,281,917**	-

19.9. On May 6, 2011, the Group, through Zinc Capital, S.A. started a process to issue €300 M of ordinary bonds to qualified investors and European institutions. Zinc Capital, S.A. is a special purpose vehicle, unrelated to the Group, with no assets or operations related with the aforementioned transaction. All financing received has been lent to Befesa Zinc, which is a subsidiary of Befesa Medio Ambiente, S.A., which in turn is part of Abengoa. The borrower is a parent company of a group of companies linked to specific zinc recycling projects (Befesa Zinc, S.A.U.). The amount obtained by this company has primarily been allocated to cancel the syndicated loan with Barclays, which had an outstanding amount of €185.2 million (as part of the non-recourse financing obtained for the acquisition of Aser Zinc, and the definition established in the syndicated loan signed by the Group), and to improve liquidity for activities by the Zinc group. The bond issue has similar guarantees to those offered in the initial financing, mainly comprised of the joint and several guarantee of Befesa Zinc's subsidiaries, as well as shares in Befesa Zinc, with no additional guarantees from Abengoa.

In summary, the final terms and conditions of the Issuance are as follows:

a) Bonds are issued for €300 M and set to mature in 7 years.

b) The fixed annual interest on the Bonds is 8.875% annually.

c) Bonds guaranteed jointly by certain subsidiaries of Befesa Zinc, as well as by the shares of Befesa Zinc, without any additional external guarantees provided by Abengoa.

d) The Group reserves the right to amortize them from the third year onwards.

Note 20.- Corporate financing

20.1. The breakdown of the corporate financing as of December 31, 2011 and 2010 is as follows:

Non-current	**Balance as of 12.31.11**	**Balance as of 12.31.10**
Borrowings	2,281,496	2,633,751
Notes and Bonds	1,625,763	1,690,816
Finance lease liabilities	32,064	36,250
Other loans and borrowings	210,535	80,882
Total Non-Current	**4,149,858**	**4,441,699**

Current	**Balance as of 12.31.11**	**Balance as of 12.31.10**
Borrowings	850,353	632,757
Notes and Bonds	31,009	32,501
Finance lease liabilities	8,841	16,493
Other loans and borrowings	28,556	38,147
Total Current	**918,759**	**719,898**
Total Corporate Financing	**5,068,617**	**5,161,597**

The 2011 increase is mainly due to the new financing subscribed for the purchase of industrial equipments for various projects under construction amounting to €279 M. In addition, there is decrease due to the amortization of the period for the syndicated loan of Abengoa, S.A. (€-274 M) and for the deconsolidation of the corporate financing of Telvent GIT, S.A. (€-233 M) as a result of the sale of its shares.

20.2. Borrowings

a) The amount of current and non-current borrowings with financial entities includes debts denominated in foreign currencies in the amount of €301,893 thousand, which €247,024 correspond to non-resident companies (€117,121 thousand in 2010) and €54,869 thousand to Spain resident companies (€0 thousand in 2010).

The most significant value of exchange for currencies of debts in foreign currencies owed by companies of the Group to financial entities is as follows:

Currency	12.31.11 Companies		12.31.10 Companies	
	Non Resident	Resident	Non Resident	Resident
Dirhams (Morocco)	-	-	1,240	-
Dollar (Canada)	-	-	2,228	-
Dollar (USA)	22,696	54,869	30,493	-
Lira (Turkey)	-	-	296	-
Peso (Argentina)	-	-	156	-
Peso (Chile)	385	-	197	-
Peso (Mexico)	19,012	-	4,187	-
Peso (Uruguay)	-	-	-	-
Real (Brazil)	202,757	-	76,349	-
Sol (Peru)	2,174	-	723	-
Yuan (China)	-	-	1,252	-
Total	**247,024**	**54,869**	**117,121**	**-**

b) The following table shows a list of borrowings with financial entities:

Loan Details	Year Granted	Granted Amount	Outstanding	Expiry
Syndicated Loan 2005 *	2005	600	166	jul-12
Syndicated Loan 2006 *	2006	600	100	jul-12
Syndicated Loan 2007 *	2007	600	-	jul-11
Loan with Official Credit Institute	2007	150	150	jul-17
Loan with the European Investment Bank (R&D&i)	2007	109	109	ago-14
Forward Start Facility Section A	2010	1,217	1217	jul-13
Forward Start Facility Section B	2010	355	355	jul-13
Inabensa Financing	2010	376	307	2020
Abener Energía S.A. Financing	2010	300	163	2021
Brasil Ltda. Financing	2009/2011	187	187	2013
Other Borrowings	Various	378	378	Various
Total			**3,132**	

* Extended with the Forward Star Facility

With the aim of minimizing the volatility in interest rates of financial operations, specific contracts are signed to hedge the possible variations that may occur (See Note 14).

The long-term syndicated financing loans are raised for the purposes of financing investments and general financing requirements of Abengoa, S.A. and all the companies of the group without non-recourse financing. The syndicated loans for the years 2005, 2006 and 2007 were structured as lines of credit available to the group for 2005 and 2006 and under a multi-currency credit line for 2007 and were financed by over 50 financial entities. The necessary individual guarantees have been provided by certain entities of the Industrial Engineering and Construction, Recycling and Bioenergy Business units.

Financing contracts of Abengoa S.A. and those of Abener and Inabensa, which are backed by guarantee of Abengoa S.A., include a corporate financial Net Debt/corporate Ebitda ratio as a performance condition. The Net Debt is calculated excluding debt amounts registered in the non-recourse financing and the ebitda excluding the ebitda generated by companies linked to non-recourse financing.

The maximum limit of this ratio for the financing contracts for 2011 and subsequent years is 3.0. On December 31, 2011, this ratio complied with the conditions stipulated in the respective financing agreements.

The bilateral loans with the Official Credit Institute (ICO) and the European Investment Bank (EIB) are aimed at financing specific investment programs, more notably overseas programs, as well as R&D&i programs.

At the end of the 2011 financial year, Abengoa, S.A. has available a total of €136,175 thousand (€183,766 thousand in 2010) in short-term borrowing facilities, of which €127,934 thousand is totally available at the end of the period (€174,578 thousand in 2010). These credit lines are intended primarily for financing short-term working capital requirements of the Group, and are managed together with the Group's cash-pooling arrangement (see Note 4 on financial risk management).

In addition, some subsidiaries of Abengoa S.A. undersigned long-term loans with various entities, including two financing agreements signed with a group of financing entities backed by an EKN (Swedish Export Credit Agency) guarantee to finance industrial machinery in various projects:

- A credit undersigned in March 2010 by Instalaciones Inabensa S.A. for €247 M, then increased by €129 M in December 2010. These loans, guaranteed by Abengoa S.A. will mature in ten years and the repayment timeframe is tiered. The price agreed upon is Euribor with an-all in approximated cost of 6.52% .

- A credit undersigned in December 2010 by Abener Energía S.A. worth €300 M, at a cost equal to Euribor , with an all-in approximated cost of 6.00% and is tiered credit payable within ten years.

The fair value of non-current third-party loans is in line with the book value recorded, given that the discounting impact is insignificant.

c) The debt repayment calendar is set out in the following table:

	2012	2013	2014	2015	2016	2017	Subsequent Years	Total
Syndicated Loans and FSF	556,170	1,281,679	-	-	-	-	-	1,837,849
BEI Financing	-	-	109,000	-	-	-	-	109,000
ICO Financing	-	30,000	30,000	30,000	30,000	30,000	-	150,000
Abengoa SA Credit Lines	127,934	-	-	-	-	-	-	127,934
Abener Energia SA Financing	16,347	20,184	20,655	20,655	20,655	20,655	44,241	163,392
Instalaciones Inabensa SA Financing	29,994	43,655	43,655	43,655	43,655	43,655	58,427	306,696
Abengoa Brasil Ltda. Financing	40,007	120,039	26,904	-	-	-	-	186,950
Remaining Loans	79,901	61,454	25,617	13,015	10,396	10,072	49,573	250,028
Total	**850,353**	**1,557,011**	**255,831**	**107,325**	**104,706**	**104,382**	**152,241**	**3,131,849**

The exposure of the Group to movements in interest rates and the dates at which prices are revised is specified in Note 4 on the management of financial risks. The fair value of the current third-party loans is equal to their book value, given that the discounting impact of is insignificant. The fair value is based on discounted cash flows, applying a discount rate being that of the third-party loan.

d) The balance of interest payable is €11,588 thousand as of 2011 (€15,413 thousand in 2010) and is included under "Short-term borrowings".

e) Real estate pledged against mortgages corporate financing as of December 31, 2011 is not significant.

f) The average interest rates associated with the debt facilities reflect normal levels in each of the regions and areas in which the facility was agreed upon.

g) The average cost of corporate financing during 2011 was 6.90%.

20.3. Notes and bonds

The notional of notes and bonds are expected to be cancelled according to the following schedule:

Concept	2014	2015	2016	2017
Convertible bonds Abengoa	200,000	-	-	250,000
Ordinary bonds Abengoa	-	300,000	500,000	501,505
Total	**200,000**	**300,000**	**500,000**	**751,505**

Convertible bonds 2014

On July 24, 2009, Abengoa, S.A. completed the process of issuing Convertible Bonds in class A shares to qualified investors and institutions in Europe for the amount of €200 M, including the right to exercise the option of increasing by €50 M.

In summary, the final terms and conditions of the issuance are as follows:

a) The Bonds were issued for two hundred M Euros (€200,000,000) with maturity set at five (5) years.

b) The Bonds will accrue a fixed annual interest of 6.875% payable biannually.

c) The Bonds are exchangeable, at the choice of bondholders, for the Company's existing shares. The bondholders would receive a maximum number of 9,469,697 ordinary shares (equivalent to 10.47% of class A shares of the Capital Stock) in case they elect to convert the bond and the conversion is settled in ordinary share.

d) Pursuant to the Terms and Conditions, the Company may decide to issue Company shares and give the combination of the nominal cash value with shares for the difference, in the event that investors decide to exercise their right of conversion.

e) The price of the initial exchange of the Bonds (Exchange Price) is twenty-one Euros and twelve cents of a Euro (€21.125) for each share of the Company.

As defined in Note 2.18.1, and pursuant to the terms of IAS 32 and 39, the fair value of the liability component of the convertible bonds in class A shares as of December 31, 2011 amounts to €175,647 thousand (€168,192 thousand in 2010).

In addition, the initial valuation of the component of the liability embedded derivative generated in the issuance of the convertible bonds amounted to €46,101 thousand and at the end of 2010 was valued at €50,461 thousand with an effect in the 2011 Income Statement (see Note 34) for the difference between the two previous values and which amounts to €4,360 thousand.

The key data for the model of valuation were the share price, the estimated profitability of the dividend, an envisaged option maturity life, an interest rate and market quota volatility as set out in the table below:

	12.31.2011	12.31.2010
"Spot Abengoa" Price (euros)	16.4	18,4
"Strike" Price (euros)	21.1	21,1
Maturity	07/24/2014	07.24.2014
Volatility	43%	34%
Number of shares	9,469,697	9,469,697

The total number of shares that bondholders shall receive in the event that they decide to convert the bonds into shares amounts to 9,469,697shares.

On the other hand, in order to provide partial coverage for the liabilities of the previous issuance of convertible bonds in class A shares for the possible exercise of the option of conversion by the bondholders, the company undersigned during 2010 two call options on a total of 4,000,000 of its own shares, executable at €21.125 per share set to mature on July 24, 2014.

During 2011 and, in addition to what is indicated below, the company subscribed two call options, on a total of 3,000,000 of its own shares and could be exercised at a price of €21.125 per share with maturity date set for July 24, 2014.

These options represent coverage of around 74% of the bonds generated in the event of conversion; the underlying number of shares in the convertible bond is 9,469,697.

The initial valuation of the total options at the moment of the signing surpassed €39,480 thousand of Euros, which was the fair value, calculated through the Black-Scholes model, at the end of the financial year 2011 €20,034 thousand (see Note 14.1), with an impact on the outcome account reaching €19,466 thousand in finance expense (€21 thousand in financial income in 2010), see Note 30.3.

The key data for the valuation model included the share price, the estimated profitability of the dividend, the envisaged life of maturity, an interest rate and market quota volatility as set forth in the table below:

	12.31.2011	12.31.2010
"Spot Abengoa" Price (euros)	16.4	18,4
"Strike" Price (euros)	21.1	21,1
Maturity	07/24/2014	07/24/2014
Volatility	43%	40%
Number of shares	7,000,000	4,000,000

Convertible bonds 2017

On February 3, 2010, Abengoa, S.A. completed the process of issuing Convertible Bonds in class A shares to qualified investors and institutions for the amount of €250 M.

In summary, the final terms and conditions of the issuance are as follows:

a) The Bonds were issued for two hundred million Euros (€250 M) with maturity set at seven (7) years.

b) The Bonds will accrue a fixed annual interest of 4.5% payable biannually.

c) The bonds are exchangeable, at the choice of bondholders, for the Company's existing shares. The bondholders would receive a maximum number of 8,259,002 ordinary shares in case they elect to convert the bond and the conversion is settled in ordinary share.

d) Pursuant to the Terms and Conditions, the Company may decide to issue Company shares or give the combination of the nominal cash value with shares for the difference, in the event that investors decide to exercise their right of conversion.

e) The price of the initial exchange of the Bonds (Exchange Price) is thirty Euros and twenty seven cents of a Euro (€30.27) for each share of the Company; it represents a conversion premium to 32.5% over the reference price (€22.84).

The total number of shares that bondholders shall receive in the event that they decide to convert the bonds into shares amounts to 8,259,002 shares.

Pursuant to the terms of IAS 32 and 39, the fair value of the liability component of the convertible bonds in class A shares as of December 31, 2011 amounts to €196,115 thousand (€164,682 thousand in 2010).

In addition, at the end of 2011, the valuation of the component of the liability embedded derivative generated in the issuance of the convertible bonds calculated through Black Scholes model, was valued at €56,191 thousand with its effect in the Income Statement on said date being an income of €3,194 thousand due to the difference between its value at the end of the 2011 financial year and the close of the 2010 (€59,385 thousand).

The key data for the valuation model included the share price, the estimated profitability of the dividend, an envisaged option maturity lifevencimiento, an interest rate and a market quota volatility as set forth in the table below:

	12.31.2011	12.31.2010
"Spot Abengoa" Price (euros)	16.4	18,4
"Strike" Price (euros)	30.3	30,3
Maturity	02/03/2017	02/03/2017
Volatility	43%	34%
Number of shares	8,259,002	8,259,002

On the other hand, in order to provide partial coverage for the liabilities of the previous issuance of the convertible bonds in class A shares for the possible exercise of the conversion option by the bondholders, the company undersigned a call option during 2010 on the total of 4,000,000 of its own shares, executable at €30.27 per share, set to mature on February 3, 2017.

During 2011 and, in addition to what is indicated below, the company subscribed three call options for a total of 3,100,000 of its own shares and could be exercised at a price of €30.27 per share with maturity date set for February 3, 2017.

These options represent a coverage of around 86% of the bonds generated in the event of conversion; the underlying number of shares in the convertible bond are 8,259,002.

The initial valuation of the total options at the moment of the signing surpassed €40,733 thousand, which was the fair value at the end of the financial year €21,204 thousand (see Note 14.1), with an impact on the outcome account reaching €17,812 thousand in financial expenses (€1,717 thousand of financial expense in 2010), see Note 30.3.

The key data for the valuation model included the share price, the estimated profitability of the dividend an envisaged option maturity life, an interest rate and market quota volatility as set forth in the table below:

	12.31.2011	12.31.2010
"Spot Abengoa" Price (euros)	16.4	18,4
"Strike" Price (euros)	30.3	30,3
Maturity	02/03/2017	02/03/2017
Volatility	44%	48%
Number of shares	7,100,000	4,000,000

Ordinary bonds Abengoa 2015

On December 1, 2009, Abengoa S.A. completed the process of issuing ordinary Bonds for the amount of €300 M, with maturity set at five (5) years. These Bonds will accrue a fixed annual interest of 9.625% payable six-monthly.

The interest rate of the bonds is set to increase by 1.25% if, by December 1, 2010, they have not received any credit rating from at least two agencies. Since Abengoa S.A. obtained credit rating from three agencies before the aforementioned date, the payable coupon of the bonds remains at 9.625% until the maturity of the bonds.

Said bonds are jointly guaranteed by some subsidiaries of the group.

Ordinary bonds Abengoa 2016

On March 31, 2010, Abengoa S.A. completed the process of issuing ordinary Bonds to qualified investors and institutions in Europe for the amount of €500 M.

In summary, the final terms and conditions of the issuance are as follows:

a) The Bonds were issued for three hundred M Euros (€500,000,000) with maturity set at six (6) years.

b) The fixed annual payable twice-yearly interest on the Bonds is 8.50% annually. The interest rate of the bonds is set to increase by 1.25% if, by December 1, 2010, they have not received any credit rating from at least two agencies. Since Abengoa SA obtained credit rating from three agencies before the aforementioned date, the payable coupon of the bonds remains at 8.5% until the maturity of the bonds.

c) The bonds are guaranteed jointly by certain subsidiaries of the group.

Ordinary bonds Abengoa 2017

On October 19, 2010, Abengoa Finance, S.A. Unipersonal, a subsidiary of Abengoa, S.A., completed the process of placing a ordinary bond issue for US$ 650 M among qualified and institutional investors in accordance with Rule 144A of the Securities Act of 1933 and subsequent amendments thereto.

In summary, the terms and conditions of the issue that were established definitively are:

a) The bond issue is for an amount of six hundred and fifty Milion United States dollars and matures at seven (7) years.

b) The bonds will accrue fixed annual interest of 8.875%, payable every six months.

c) The bonds are jointly and severally guaranteed by Abengoa, S.A. and certain group subsidiaries.

20.4. Finance lease liabilities

Finance lease creditors as of the end of 2011 and 2010 were:

Finance Lease	Balance as of 12.31.11	Balance as of 12.31.10
Present values of future payments for finance lease	40,905	52,743
Liabilities: minimum payments for finance lease:		
Less than 1 year	10,382	17,198
From 1 to 5 years	30,274	26,085
More than 5 years	4,521	10,709
Net book value:		
Technical Installations and Machinery	34,093	72,874
Information processing equipment	22,412	13,754
Other tangible assets	18,295	7,825

20.5. Other loans and borrowings

The following table sets out the movement of Other loans and borrowings at the 2011 and 2010 year end:

Concept	Balance as of 12.31.11	Balance as of 12.31.10
Sale and Lease back	15,749	20,418
Bonus options on shares pending payment	99,761	-
Interest-free loans	12,942	13,967
Loans with public organs and others	110,639	84,644
Total	**239,091**	**119,029**

Note 21.- Grants and other liabilities

Grants and Other Liabilities as of December 31, 2011 and 2010 are shown in the following table:

Concept	Balances as of 12.31.11	Balances as of 12.31.10
Grants	113,544	56,818
Suppliers of non-current assets	7,946	3,184
LT Trade payables	102,412	111,400
Grants and other non-current liabilities	**223,902**	**171,402**

Note 22.- Provisions and contingencies

22.1. Provisions for other liabilities and charge

The following table shows the movement of the non-current heading of "Provisions for Other Liabilities and charges" for the years 2011 and 2010:

Item	Taxes	Liabilities	Dismantling	Total
Balance as of 01.01.10	54,274	69,813	11,384	135,471
Increases (expenses)	5,971	7,797	324	14,092
Decreases (income)	(5,107)	(4,869)	(1,526)	(11,502)
Translation differences	3,005	459	32	3,496
Changes in consolidation	198	356	-	554
Reclassifications	(1,823)	5,289	8,212	11,678
Transfer to Continued operations	-	-	-	-
Other movements	-	-	-	-
Balance as of 12.31.10	**56,518**	**78,845**	**18,426**	**153,789**
Increases (expenses)	2,930	3,712	2,177	8,819
Decreases (income)	(669)	(13,729)	(141)	(14,539)
Translation differences	(1,625)	(224)	474	(1,375)
Changes in consolidation	(2,650)	(4,317)	-	(6,967)
Reclassifications	(14,796)	(22,052)	16,471	(20,377)
Transfer to Continued operations	-	-	-	-
Other movements	-	-	-	-
Balance as of 12.31.11	**39,708**	**42,235**	**37,406**	**119,349**

The most significant variations of the 2011 financial year are mainly related to to the increase brought about by the payment of €9 M during the financial year, for the purpose of acquiring the necessary coverage for the tax risks, liabilities and dismantling and due to the reduction caused by the reversal of €15 M of provisions, set up during previous financial years since the reversal was considered advisable given its current classification as remote contingent liabilities or since the risk for which they were set up had materialized. In addition, there was an entry of provisions amounting to €16 M due to dismantling mainly in connection with the operating segment of Solar.

Provision set aside for other liabilities in 2010 for the amount of €14 M was for the purpose of underwriting the coverage necessary against tax risks, responsibilities and dismantling mainly related to Industrial Engineering and Construction activity, Bioenergy and Environmental Services respectively. Also, there was a reversion of provisions in the amount of €-12 M set aside in previous fiscal years since its reversion was thought advisable given in current classification as remote contingent liabilities or since the risk for which it was set up had materialized.

Provision for tax and legal contingencies

This provision represents the Group's best estimates in connection with risks relating to tax contingencies arising during the normal course of the Group's business, fundamentally in Latin America, when it is considered probable that there will be an outflow of resources in the medium or long term (which has been estimated being comprised in a period between 2 to 5 years or over 5 years), although the development of the contingencies and the new facts and circumstances that may arise overtime could change such estimated settlement period.

There are also provisions recorded by Group companies in relation with court rulings and unfavorable tax inspections that are under appeal but have not be resolved, yet. For these tax disputes the Group considers that it is probable that there will be an outflow of resources in the medium term (between 2 and 5 years).

Provision for liabilities

This provision includes the Group's best estimates of probable cash outflows in connection with litigation, arbitration and claims in progress in which the various group companies are defendants as a result of the activities they carry out. Management considers that these liabilities will likely be settled in the medium or long term (which has been estimated being comprised in a period between 2 to 5 years).

Dismantling provision

This provision is intended to cover future expenditures related to the dismantlement of the solar and environmental plants and those expenses deriving from the sealing and closing of waste safety deposits that are operated by several companies in the Environmental Services segment and it will be likely to be settled an outflow of resources in the long term (over 5 years).

22.2. Contingent liabilities

As of December 31, 2011 Abengoa and its Group of companies are involved in certain claims and litigations both against and in their favor. Such matters arise during the Group's normal course of business and represent the technical and economic claims that the contractual parties tipically invoke.

We have briefly summarized below the most significant of these proceedings:

- In May 2000, Abengoa Puerto Rico S.E., a subsidiary of Abengoa S.A, brought a lawsuit against the Electricity Power Authority (Autoridad de Energı´a Eléctrica, "AEE") of Puerto Rico and terminated the agreement that both parties had entered into in relation to an EPC project for the construction of an electricity power station in Puerto Rico, in which the AEE was the Principal Contractor. The referred lawsuit contained different claims such as, inter alia, withholding payments, default invoices, loss of future profits damages and several other costs, which tentatively amounted to US$ 40 M.

  As a reaction to the lawsuit brought by Abengoa Puerto Rico, S.E., the AEE brought a counterclaim based on the agreement against Abengoa Puerto Rico, S.E. and, at the same time, brought an additional lawsuit for the same amount against Abengoa and its insurer, American International Insurance Co. of Puerto Rico. The amount claimed by the AEE is approximately US$450 M. We believe this litigation will be resolved in the short term and we do not consider it a probable obligation to be recognized as a liability in the financial accounts.

- Abengoa, S.A. has initiated an arbitration procedure before the CIADI arbitration court in Washington, D.C. against the Mexican State for an alleged breach of the international treaty between Mexico and Spain for the reciprocal protection of investments. The arbitration procedure is in its early stages and concerns the nonrenewal of a license for an industrial waste landfill plant in Mexico. This claim provisionally amounts to $96 M plus interest. At the 2011 year-end any amount of impairment has been recorded because Abengoa's management considers that there is ground to expect a favourable resolution to the interests of the company, which would lead the company to recoup the assets cost and interest on.

22.3. Contingent assets

Below is a summary of the most significant contingent assets:

- As of July 14, 2011 Abengoa Bioenergy US Holding received a favourable jury verdict in a case against Chicago Title Insurance Company in the amount of $48.4 M. The case was filed made by Chicago Title in 2006 which delayed the opening of ABUS's plant in Colwich, Kansas by 15 months. Chicago Title has filed an appeal on the verdict but does maintain the right to do so for a period of time. Therefore following the applicable rules regarding contingencies assets defined in IAS 37, Abengoa has not recorded in these consolidated condensed financial statements any amount regarding to this situation. Management depending on the evolution of the sentences, they will evaluate the need to record any amount in the Consolidated Financial Statements.

- November 21, 2011, International Chamber of Commerce has awarded ASA Bioenergy Holding with 90% of the amount claimed to Adriano Ometto, previous owner of Abengoa Bioenergy Brasil.

  The amount which has been awarded to Abengoa totals US$ 151 M plus interest and law costs associatted in the process. The tribunal has found dolo and damages caused in most of the actions claimed and consecuently has awarded the company for several damages and losses that Abengoa has incurred as a consequence of some contracts, agreements and contingences since Abengoa Bioenergy Brasil acquisition took place in previous year.

  As of today, defendant has appealed for overturning the award based on some law and formal procedures and counterclaim must claim for the approval of the decision in the Brazilian's Supreme Court to execute the final award received. According IAS 37 of Contingent Assets, Abengoa has not recorded any amount in the Consolidated Financial Statements. The Directors will evaluate whether some amount should be recorded according new stages and status during the process.

Note 23.- Third-party guarantees and commitments

23.1. Third-party guarantees

At the close of 2011 the overall sum of Bank Bond and Surety Insurance directly deposited by the group companies and all that the parent company deposited to any company in the group as guarantee to third parties (clients, financial entities, Public Entities and other third parties) amounted to €1,033,219 thousand (€1,133,688 thousand in 2010) out of which €136,910 thousand (€123,284 thousand in 2010) are attributed to operations of financial nature and €896,309 thousand (€1,010,404 thousand in 2010) to those of technical nature.

In addition, the declarations of intent and commitments undertaken by the Group companies and what the parent company undertook to any company in the group as guarantee to third parties (clients, financial entities, Public Organs and other third parties) amounted to €3,682,848 thousand (€2,876,221 thousand in 2010) out of which €167,620 thousand (€91,165 thousand in 2010) are attributed to operations of financial nature and €3,515,229 thousand (€2,785,055 thousand in 2010) to those of technical nature.

23.2. Third-party commitments

The following table shows the breakdown of the third-party commitments as of December 31, 2011 and 2010 (in thousands of Euros (€)):

2011	Total	To one year	Between one and three years	Between three and five years	Subsequent
Loans with Credit Institutions	8,521,959	1,257,489	2,640,645	729,295	3,894,530
Notes and Bonds	1,656,772	31,009	167,277	789,598	668,888
Liabilities due to Financial Leases	40,905	8,841	19,121	8,599	4,344
Other loans and borrowings	239,091	28,556	158,614	19,831	32,090
Obligations operating Leases	19,518	4,982	7,343	5,484	1,709
Purchase Commitments	1,690,843	1,619,799	51,870	2,345	16,829
Accrued Interest Estimate during the Useful Life of Loans	2,503,295	219,300	468,575	400,038	1,415,382

2010	Total	To one year	Between one and three years	Between three and five years	Subsequent
Loans with Credit Institutions	7,316,618	1,124,896	2,813,849	1,029,151	2,348,722
Notes and Bonds	1,723,317	32,501	103,534	451,892	1,135,390
Liabilities due to Financial Leases	52,743	16,493	18,983	6,578	10,689
Other loans and borrowings	119,029	38,147	37,798	19,200	23,884
Obligations operating Leases	28,702	8,788	13,239	4,539	2,136
Purchase Commitments	1,696,935	1,366,658	330,277	-	-
Accrued Interest Estimate during the Useful Life of Loans	2,331,195	288,764	609,465	519,602	913,364

Note 24.- Tax situation

24.1 Application of rules and tax groups in 2011

Abengoa, S.A. and 238 and 280 consolidated subsidiaries (see Appendixes XI and XVI of these Consolidated Financial Statements) filed income taxes in 2011 and 2010, respectively, following the rules for tax consolidation in Spain under the "Special Regime for Tax Consolidation" Number 2/97. The main consequence of being taxed as a group is that companies do not pay taxes individually but as a consolidated group, whereby the parent company is responsible for the tax obligations of the consolidated subsidiaries.

Proyectos de Inversiones Medioambientales, S.L. and 11 consolidated subsidiaries (see Appendixes XI and XVI of these Consolidated Financial Statements) filed taxes in 2011 and 2010 under "Special Regime 13/05/B of the Basque Country for Tax Consolidation".

Befesa Reciclaje de Residuos de Aluminio, S.L. and other consolidated subsidiary (see Appendix XI and XVI to this Report) filed taxes in 2011 and 2010 under "Special Regime of Tax Consolidation of the Biscay Tax Regulation", Number 0109BSC.

The remaining Spanish and overseas companies that make up the Group file taxes on a stand alone basis under the tax regime of the applicable jurisdiction.

The applicable law for the payment of corporate income tax in the Historic Territory of Biscay is Provincial Law 3/1996 of June 26, as amended by Provincial Law 6/2007 of March 27, which is in force, although various appeals have been filed against it. The Court of Justice of the European Communities ruled, and the High Court of Justice of the Basque Country dismissed several appeals of the Company in December 2008 against the Foral Law. The appeals have been filed at the Supreme Court against the High Court of Justice of the Basque Country decision. At the date of these Consolidated Financial Statements, the appeals against the Foral Law continue to be pending.

The Directors of the companies that make up Befesa have calculated the amounts corresponding to this tax for 2011, and for the years they have open to inspection in accordance with the provincial laws and regulations in force at the end of each year, and consider that the final outcome of the various legal proceedings and appeals filed in this respect will not have a significant impact on these Consolidated Financial Statements taken as a whole.

In order to calculate the taxable income of the consolidated tax Group and the consolidated entities individually, the accounting profit is adjusted for temporary and permanent differences. At each Income Statement date, a current tax asset or liability is recorded, representing income taxes currently refundable or payable. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, as determined under enacted tax laws and rates.

Income tax payable is the result of applying the applicable tax rate in force to each tax-paying entity, in accordance with the tax laws in force in the territory and/or country in which the entity is registered. Additionally, tax deductions and credits are available to certain entities, primarily relating to inter-company trades and tax treaties between various countries to prevent double taxation. Certain entities taxed under special regimes may receive given tax breaks and deductions due to the nature of their main commercial activity.

The Tax Inspection verification exercise ended on January 26, 2012 through the signing of an Acceptance document in relation with:

- Company Tax – Consolidated Declaration System (Group number 2/97), financial years 2005-2008.
- Value Added Tax:
  a) Individual taxation, from April 2006 to December 2007.
  b) VAT System for Groups of Companies (Group number 284/08), financial year 2008.
- Individual Income Tax, withholdings and annual statement of employment and professional activities tax, capital gains tax and property lease tax, from April 2006 to December 2008.

Pursuant to the applicable rules and regulations, liquidations shall be understood as dictated and notified in accordance with the proposals recorded in the minutes if after one month, counting from the day following that of the minutes, the compulsory tax payer has not been notified on the decision of the competent organ to liquidate following some of what is envisaged in Article 156.3 of Law 58/2003, dated December 17, General Taxation. Therefore, and save for any contrary decision, the aforementioned documents shall be signed on February 27, without any expected impact in the profit and loss accounts.

24.2. Deferred tax assets and liabilities

At the end of 2011 and 2010 the analysis of deferred tax assets and deferred tax liabilities is as follows:

Concept	Balance as of 12.31.11	Balance as of 12.31.10
Tax Credits for Tax Loss Carryforwards	290,413	305,253
Tax Credits for Deductions pending Application		
Tax Credits for Operation	259,683	218,592
Tax Credits for R+D+i	70,899	61,750
Other Deductions	137,940	82,345
Temporary Differences		
Provisions	36,596	22,500
Impairment	9,579	12,950
Transactions not Involving Third Parties	-	18,008
Share based payments plan	21,518	6,726
Derivatives financial instrument	129,592	61,241
Unrealized Exchange Differences	66	59,833
Others	35,617	36,468
Total Assets due to Differed Taxation	**991,903**	**885,666**

Concept	Balance as of 12.31.11	Balance as of 12.31.10
Business Combination	45,181	106,494
Accelerated Tax Amortization	65,623	44,243
Goodwill	22,363	40,242
Unrealized Exchange Differences	16,620	40,956
Others	82,322	80,336
Total Liabilities due to Differed Taxation	**232,109**	**312,271**

The Company has recognized Spanish government incentives for export activities calculated as a percentage of investments which are effectively made in the acquisition of interest in foreign companies or the incorporation of subsidiaries established abroad. This percentage, which was initially at 25% was gradually reduced since 2007 to reach 3% in 2010, disappearing the deduction on 2011. To benefit from this tax credit, among other requirements, the acquisition or incorporation of companies should be directly related to the export of services and solutions from Spain.

In accordance with the Tax Laws governing Spanish companies on the export deductions (DAEX) because of export-related activities, and after the comprehensive analysis done in previous financial years on documents supporting claims to the right to DAEX deductions, the Group has claimed a 2008 tax deduction of €259.6 M resulting in the recognition of a deferred tax asset of €259,6 M and €218 M in 2011 and 2010 (the amount for Telvent is included in 2010 but it is excluded in 2011), respectively.

The DAEX export tax deduction meets the definition of an investment tax credit, which is not specifically in the scope of IAS 12 or IAS 20. Both paragraph 4 of IAS 12 (which considers the accounting treatment of corporate tax), as well as IAS 20 (which considers the accounting treatment of government grants in paragraph 2.b) exclude from their scope the accounting treatment of investment tax credits. IAS 20.19 indicates the possibility that there may exist the concept of a grant in certain tax packages with certain characteristics of "investment tax credits" and recognizes that on occasions it is difficult to distinguish whether the underlying components of an economic transaction are grants.

In order to determine if the DAEX export tax is within the scope of IAS 12 or IAS 20, the Company analyzes each investment on a case-by-case basis to determine if treatment as a government grant under IAS 20 or as a tax under IAS 12 is appropriate. The result is that DAEX export tax deductions are considered government grants under IAS 20 where the deduction is directly fundamental to the decision to make an investment in an asset (€50 M in 2011 and €73 M in 2010). In all other cases the DAEX export tax deduction is considered to be to be a tax under the scope of IFRIC 12. This policy of reviewing each investment individually is applied consistently for all export tax deductions under the DAEX program of the Spanish Company Tax Law (LIS), (€15 M in 2011 and €0 M in 2010).

The modifications introduced regarding the tax loss carryforwards in Corporate Tax through Article 9 of Royal Decree-Law 9/2011, of August 19, on measures for improving quality and cohesion of the national health system, the contribution to tax consolidation, and the raising of the maximum amount of the State guarantees for 2011, bear no negative impact on Abengoa.

The movements in deferred tax assets and liabilities during 2011 and 2010 were as follows:

Deferred tax assets	Amount
As of January 1, 2010	672,088
Increase / Decrease through income statement	78,587
Increase / Decrease through other comprehensive income	24,604
Change in consolidation, various reclassifications and conversion dif.	37,096
Other movements	73,291
As of December 31, 2010	**885,666**
Increase / Decrease through income statement	63,809
Increase / Decrease through other comprehensive income	56,936
Change in consolidation and various reclassifications.	(64,451)
Other movements	49,943
As of December 31, 2011	**991,903**

Deferred tax liabilities	Amount
As of January 1, 2010	246,725
Increase / Decrease through income statement	69,017
Increase / Decrease through other comprehensive income	7,726
Change in consolidation, various reclassifications and conversion dif.	(11,197)
As of December 31, 2010	**312,271**
Increase / Decrease through income statement	1,350
Increase / Decrease through other comprehensive income	22,425
Change in consolidation, various reclassifications and other movements	(103,937)
As of December 31, 2011	**232,109**

Note 25.- Trade payables and other current liabilities

25.1. Trade Payable and Other Current Liabilities as of the close of 2011 and 2010 are shown in the following table:

Item	Balance as of 12.31.11	Balance as of 12.31.10
Trade suppliers	3,429,983	2,854,605
Services rendering credits	1,049,516	824,364
Down payments from clients	290,227	539,355
Remuneration pending payment	38,233	52,965
Suppliers of intangible assets at short-term	392,885	295,329
Purchase Commitment	-	116,839
Other accounts payable	29,652	47,365
Total	**5,230,496**	**4,730,822**

25.2. The There is no significant effect on the fair values of Trade Payables and Other Current Liabilities. Nominal values are considered to approximate fair values and the effect of discounting them is not significant.

25.3. The table above includes amounts payable of €767 M at December 31, 2011 (€651 M in 2010) being "Confirming without recourse" relating to various such agreements entered into with a number of financial entities in which the Group receives "confirming" services to thereby bring forward the timing of cash receipts from receivables. There are deposit guarantees for an amount of €439 M (€262 M in 2010) over said amount itemized under the "Financial accounts receivable" heading of the Statement of Financial Position, as well as restricted cash to guarantee the payment of suppliers through confirming in the amount of €638 M (€210 M in 2010) itemized under the heading "Cash and cash equivalents" of the asset of Statement of Financial Position.

25.4. Details on supplier maturities are provided in the following table:

Maturity	2011	2010
Up to 3 months	3,083,546	1,070,056
Between 3 and 6 months	343,428	1,407,714
Over 6 months	3,009	376,835
Total	**3,429,983**	**2,854,605**

25.5. Pursuant to the Decision dated December 29, 2010, of the Institute of Accounting and Accounts Auditing, on the information to incorporate into the Financial Statements report in relation to the postponement of payment to suppliers in commercial transactions, companies must expressly make public the informations on the deadlines of payment to suppliers in their Financial Statements Report for companies located in Spain which submit individual and consolidated statements.

The obligation to provide information affects commercial transactions of payments. That is, the business creditors included in the corresponding section of the current liability of the balance sheet model, such that the regulations exclude creditors or suppliers that do not meet such condition for the debtor reporting, as are suppliers of fixed assets or creditors by virtue of financial leases.

The suppliers of the group are referred to in the consolidated accounts information as the entity reporting, as soon as the reciprocal credits and debits of the subsidiary companies and, as the case may be, of the multigroup companies as well as suppliers linked to the construction activity itself, are eliminated, in accordance with the stipulations of the standards of consolidation that may be applicable.

Thus, at the end of 2011, the balance pending payment to suppliers of companies located in Spain with postponements above the legal period, in accordance with the procedure established by said Decision, reaches €94,641 (€67,669 in 2010).

According to the above, and considering that in general Abengoa uses the financial figure of confirmed payment through financial entities without recourse to supplier (PPB or confirming) as a payment management system, by virtue of the contracts undersigned with various financial entities, at the end of 2011, the balance pending payments to suppliers did not exceed for significant amounts the accumulated postponement above the stipulated legal period.

In addition, the payments to suppliers of companies within Spain during the 2011 financial year exceeding the legal limits amounts to €339 M (15% of the total of payments) exceeding the legal limit by 66 days although, considering that most of the payments are made to international suppliers under the framework of strategic agreements signed, it may be said that the total payments and days exceeded did not exceed said legal limits established.

The Administrators of the parent company do not expect that additional liabilities may arise as a result of balances of suppliers exceeding in the period of payment established in Law 15/2010 referred to in this note.

25.6. The heading Purchase commitment at the end of 2010 corresponds entirely to the deferred payment of the acquisition of the remaining 49% shares of the companies NTE and STE.

Note 26.- Construction contracts

Further to the information set out in Note 2.25. b) relating to the accounting treatment of construction contracts, the table below includes aggregated information on construction contracts to which IAS 11 was applied at the end of the year 2011 and 2010:

2011	Construction contracts
Operating income	3,663,406
Advance payments received	814,149
Payment withholdings	31,787
Account receivables	1,603,787
Account payables	3,311,785

2010	Construction contracts
Operating income	2,328,285
Advance payments received	879,840
Payment withholdings	13,473
Account receivables	1,550,295
Account payables	2,900,844

The amount of executed projects pending certification by the end of financial year 2011 and 2010 is €493,371 and €711,382 thousand, respectively.

The aggregated total amount of the costs incurred and accumulated benefits recognized at origin for all the ongoing contracts on December 31, 2011 surpass €8,900,241 thousand and €878,350 thousand respectively.

Note 27.- Revenues

The list of the Net amount epigraph of the business figure at the end of the 2011 and 2010 financial year follows:

Concept	For the year ended 12.31.11	For the year ended 12.31.10
Product Sales	2,906,999	2,156,061
Rendering of services	4,182,158	2,703,699
Total revenue	**7,089,157**	**4,859,760**

Note 28.- Other operating income and expenses

The table below shows the detail of "Other Operating Income and Expenses" for 2011 and 2010:

Other operating Income	For the year ended 12.31.11	For the year ended 12.31.10
Income from various services	132,265	130,043
Works performed for fixed assets	642,532	566,034
Government grants	77,869	90,441
Gains from bargain purchase prices	-	-
Other lower income	5,851	5,765
Total	**858,517**	**792,283**

Other operating Expenses	For the year ended 12.31.11	For the year ended 12.31.10
Leases and fees	(84,086)	(67,721)
Repairs and Maintenance	(82,595)	(63,894)
Independent Professional Services	(323,073)	(138,963)
Transportation	(82,424)	(65,253)
Supplies	(147,001)	(132,185)
Other External Services	(143,572)	(87,803)
Taxes	(68,262)	(61,063)
Other lower management expenses	(80,160)	(68,368)
Total	**(1,011,173)**	**(685,250)**

As indicated in Note 24.2, Grants in 2011 and 2010 include income in relation to export activity deductions in cases where it is considered appropriate to apply IAS 20 to these investment tax credits (see Note 24).

"Leases and fees" mainly includes leases of buildings and offices.

Under "Other External Services" are mainly recorded trips and per diem expenses.

Note 29.- Employee benefit expenses

The breakdown for Employee Benefit Expense is as follows:

Item	For the year ended 12.31.11	For the year ended 12.31.10
Wages	542,994	454,217
Social Security costs	122,992	117,212
Stock plans and other employee benefits	31,052	14,522
Total	**697,038**	**585,951**

a) Share plans

On February 2, 2006, Abengoa granted a Share Acquisition Plan, or Plan, which was approved by the Board of Directors of Abengoa on January 23, 2006. The Plan is on the same terms to all participants, members of the senior management of Abengoa and its subsidiaries. Under the Plan, participants were entitled to purchase up to 3,200,000 shares of Abengoa.

The material terms of the Plan are as follows:

1. Participants: 122 members of the senior management of the Abengoa Group (business group managers, business unit managers, technical and research and development officers and corporate services officers) from all its subsidiaries and business areas are eligible to participate in the Plan if they desire to do so. The Plan is not open to any member of Abengoa's Board of Directors. At the end of 2011, besides the participants excluded from the Plan, there were 99 participants.

2. Shares Available for Purchase: Up to 3,200,000 Abengoa shares (the "shares"). The Shares purchased by Plan participants were already issued and in circulation and were purchased on the open market, at the then current market price, over a period that extended to December 31, 2006, in accordance with the Stock Exchange Act (Spain). A total of 3,166,000 were purchased under the Plan. As such, these shares are not dilutive instruments for earnings per share calculation purposes. At year ended 2010, the number of shares covered by the plan amounted to 2,479,795 shares.

3. Financing: As a feature of the Plan, each participant utilized the proceeds of an individual bank loan from Banco Sabadell, S.A. or Caja Madrid (collectively the "Bank") to finance the purchase of shares of Abengoa under the Plan. The same standard loan terms apply to all participants. The interest rate on the loans is a variable rate equal to EURIBOR plus 0.75%. These are bullet and not amortizing loans. The loans must be repaid by the participants by August 7, 2011. Each loan is secured by a pledge of 100% of the participant's Shares and is guaranteed by the Company to the extent set forth under paragraph 8 below. Except for the pledge of the Shares, the loan is not considered a non-recourse financing to the participant. The maximum amount of indebtedness related to all such loans is 87 M euros (including expenses, commissions and interests). As of December 31, 2011 and 2010, the amounts drawn by total participants under these loans amounted to €59 M and €64 M respectively.

4. Share Purchase: The acquisition cost for all participants has been the average acquisition price, plus associated commissions and other costs, for all of the Shares purchased under the Plan for all participants.

5. Term and Vesting Period: The duration and vesting period of the Plan is five complete financial years (2006-2010) plus six months (until June 30, 2011) (the requisite service period). The Plan requires the annual accomplishment by the participant of annual management objectives, including specific financial targets and qualitative objectives, set by the management of the Abengoa Group company by which the participant is employed, as well as their continuation as a Group employee through June 30, 2011. If the annual objectives are not met by the participant, the Bank from which the participant borrowed the funds to purchase his/her Shares may sell a percentage of the Shares purchased for such participant as follows: 2006-30%, 2007-30%, 2008-15%, 2009-15%, 2010-10%.

6. As of December 31, 2010, the participants had consolidated the annual objectives required by the Plan.

7. Restrictions on Sales: A participant may not transfer, sell, borrow against or otherwise dispose of the Shares purchased before July 1, 2011.

8. Repurchase Option: Under the Plan, Abengoa has a repurchase option under which Abengoa can require a participant to sell the Shares back to the Company on the occurrence of certain events, such as death, disability or retirement of the participant or termination of the employment of the participant with the Abengoa Group Company.

9. Shortfall on Sale of Shares: At the end of the five years and six months term of the Plan, if the amount realized on a sale of the Shares does not entirely cover the amount owed under the loan and costs and taxes on capital gains, Abengoa will compensate the participant with the necessary amount to repay the loan plus accrued and unpaid interest and pay such taxes.

10. In 2011 agreements were closed with participating financial entities and the directors of said Plan for its extension for an additional period of two years, until December 31, 2012.

Compensation expense is recognized over the requisite service period (the vesting period), and is determined by reference to the reasonable value of a hypothetical put option granted by the company to the participant, excluding the effect of vesting conditions that are not market conditions. For these purposes, the calculation takes into account the number of shares that are expected to become exercisable (or vested), which is updated at each year end, recognizing the impact of the revision of the original estimates, if applicable, in the Consolidated Income Statement.

The fair value of the hypothetical options granted during the year 2011, calculated using the Black-Scholes model was €26,772 thousand in 2011 and €18,858 thousand in 2010), recording a loss during the year 2011 of €7,914 thousand (expense of €2,954 thousand in 2010). The key data required for the valuation model were share price, the estimated return per dividend, an expected option life of 5 years, an annual interest rate and share market volatility that are included in the table below:

	12.31.2011	12.31.2010
"Spot Abengoa" Price (euros)	16.4	18.4
"Strike" Price (euros)	26.5	25.5
Maturity	12/31/2012	06.30.2011
Volatility	42%	46%
Number of shares	2,479,795	2,764,360

b) Bonus schemes

On July 24, 2006 and December 11, 2006, the Board of Directors approved an Extraordinary Variable Remuneration Plan for Managers (Plan Two) at the proposal of the Remuneration Committee. This plan initially rested to 190 beneficiaries and has a total cost of €51,630 thousand over a five-year period from 2007 to 2011, inclusive. It requires that objectives set forth in the Strategic Plan be attained at an individual level as well as the individual's continued ongoing service throughout the period in question.

In addition to the aforementioned, given that the acquisition of the company B.U.S. Group AB was completed only shortly after implementation of the Plan, on October 22, 2007 the Board of Directors approved the inclusion of the management team of such company, formed by 10 people, in the Plan under the same conditions as those established for the rest of the beneficiaries, for a total amount of €2,520 thousand. At the close of 2011 financial year, there were 147 participants, and the total cost of the plan was €35,347 thousand.

On October 24, 2011, the Board of Directors approved the extensión of the Plan II for a period of one year additional.

On January 24, 2011, the Board of Directors approved an Extraordinary Variable Remuneration Plan for Managers (Plan III), proposed by the Remuneration Committee. The plan, which includes 104 beneficiaries (the participants), has a duration of five years (from 2011 to 2015) and is based on achieving the objectives defined in the Strategic Plan, at an individual level. The plan also requires being permanent on the job for the entire period considered. The total amount available under the plan for the 104 participants is €56,500 thousand. The company recognizes the corresponding personnel expense in the Incomes Account for the amounts accrued based on the percentage of consolidation of the objectives. At the end of 2011, there were 103 participants and the total amount of the plan has reached €55,900 thousand.

The cost recognized through the variable remuneration plans in 2011 was €23,138 thousand (€ 12,956 thousand in 2010), the accumulated cost being €60,879 thousand (€37,741 thousand in 2010).

Note 30.- Financial income and expenses

30.1. Financial income and expenses

The following table sets forth our Finance Income and Expenses for the years ended December 31, 2011 and 2010:

Finance income	**For the year ended 12.31.11**	**For the year ended 12.31.10**
Interest income from loans and credits	87,857	48,806
Gains from financial assets at fair value	-	-
Interest rates benefits derivatives: cash flow hedges	17,229	30,106
Interest rates benefits derivatives: fair value hedges	-	-
Interest rates benefits derivatives: non-hedging	3,073	1,723
Total	**108,159**	**80,635**

Finance expenses	**For the year ended 12.31.11**	**For the year ended 12.31.10**
Expenses due to interest:		
- Loans from credit entities	(298,604)	(207,790)
- Other debts	(193,969)	(110,975)
Financial assets fair value losses	-	-
Interest rates losses derivatives: cash flow hedges	(131,961)	(69,019)
Interest rates losses derivatives: fair value hedges	-	-
Interest rates losses derivatives: non-hedging	(969)	(3,606)
Total	**(625,503)**	**(391,390)**
Net Financial Loss	**(517,344)**	**(310,755)**

The most significant amounts at the end of 2011 are the increase in interest expenses due to the increase in financial debts plus the increase in interest rates (mainly the Euribor), the expenses on interests of non-recourse debt applicable to projects that have entered into operation, increase in interests accrued on the bonds issued in the 2010 financial year and due to increase in the loss of interest rate derivatives for cash flow hedging due to the decrease in the temporal value of interest rate options.

The net financial expenses for non-recourse financing project companies is €-125,225 thousand (€-80,493 thousand in 2010).

30.2. Net exchange differences

The following table sets out the exchange rate differences in 2011and 2010:

Finance income	For the year ended 12.31.11	For the year ended 12.31.10
Benefits from foreign currency transactions	80,626	87,957
Exchange rates benefits derivatives: cash flow hedges	20,543	-
Exchange rates benefits derivatives: fair value hedges	7,561	-
Exchange rates benefits derivatives: non-hedging	-	4,687
Total	**108,730**	**92,644**

Finance expenses	For the year ended 12.31.11	For the year ended 12.31.10
Losses from foreign currency transactions	(112,943)	(76,259)
Exchange rates losses derivatives: cash flow hedges	(25,967)	-
Exchange rates losses derivatives: fair value hedges	-	(18,261)
Exchange rates losses derivatives: non-hedging	-	(16,382)
Total	**(138,910)**	**(110,902)**
Net Exchange Differences	**(30,180)**	**(18,258)**

Net exchange rate differences in 2011 for entities with non-recourse financing amounts to €6,961 thousand (€430 thousand in 2010).

30.3. Other net finance income and expenses

The following table sets out "Other Net Finance Income and Expenses" in 2011 and 2010:

Other Finance Income	For the year ended 12.31.11	For the year ended 12.31.10
Profits from the sale of financial assets	1,228	3,786
Income on financial assets	250	52
Other finance Income	50,204	62,578
Commodity derivatives gains: Cash flow hedge	36	2,009
Commodity derivatives gains: fair value hedging	-	-
Commodity derivatives gains: non hedge	-	-
Total	**51,718**	**68,425**

Other Finance Expenses	For the year ended 12.31.11	For the year ended 12.31.10
Loss from sale of financial assets	(405)	-
Other financial losses	(179,674)	(86,446)
Commodity derivatives losses: Cash flow hedge	(19,142)	(636)
Commodity derivatives losses: fair value hedging	-	-
Commodity derivatives losses: non hedge	-	-
Total	**(199,221)**	**(87,082)**
Other Net Finance Income/Expenses	**(147,503)**	**(18,657)**

The most significant amounts at the end of 2011 are mainly in changes in fair value of derivatives implicit in convertible bonds of Abengoa with regards to previous periods and to changes in the fair value of options over the shares of Abengoa (basically due to the decrease in the price of the shares of Abengoa, which is a principal factor in the valuation of derivatives implicit in the options) for a net sum of €30 M in losses (compared to €65 M in benefits in 2010) and to other financial expenses basically relating to opening commissions, formalization of debts and financial expenses relating to confirmed payments to suppliers through financial institutions.

The net of other incomes and financial expenses for non-recourse financing project companies is €-59,455 thousand (€-6,407 thousand in 2010).

Note 31.- Income tax

Details regarding income tax at the end of 2011 and 2010 are as follows:

Item	For the year ended 12.31.11	For the year ended 12.31.10
Current tax	(33,630)	(4,057)
Deferred Tax	62,459	9,570
Taxes Expenditure Total	**28,829**	**5,513**

The reconciliation between the theoretical tax expense and the actual tax expense for 2011 and 2010 is set out in the following table:

Concept	For the year ended 12.31.11	For the year ended 12.31.10
Consolidated Profit before taxes	153,400	209,855
Regulatory tax rate	30%	30%
Corporate Income Tax at Regulatory Tax Rate	**(46,020)**	**(62,956)**
Income Tax of Associates, net	1,269	2,852
Non-Taxable Income/Expense	69,546	53,865
Differences in Foreign Tax Rates	4,034	11,752
Corporate Income Tax	**28,829**	**5,513**

The following may be highlighted in relation to Non-Taxable Income/Expense:

- The effort and dedication to the research and development activities undertaken by Abengoa over recent years have contributed to the generation of important tax deductions and the application of the tax incentive for granting the use of intangible assets as specified in Article 23 of the Revised Text of the Spanish Income Tax Act.

- The increase in the exporting activity undertaken by Abengoa over recent years enhanced the generation of a significant amount both in export-related tax deductions as the generation of income not subject to taxation by applying other tax incentives.

Note 32.- Earnings per share

32.1. Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the period.

Item	For the year ended 12.31.11	For the year ended 12.31.10
Profit from continuing operations attributable to equity holders of the company	165,947	185,092
Profit from discontinuing operations attributable to equity holders of the company	91,463	22,070
Average number of ordinary shares in circulation (thousands)	**107,613**	**90,470**
Earnings per Share from continuing operations (€ per share)	1.54	2.05
Earnings per Share from discontinuing operations (€ per share)	0.85	0.24
Earnings per share to the profit for the year (€ per share)	**2.39**	**2.29**

32.2. Diluted earnings per share

To calculate the earnings per diluted share, the average weighted number of ordinary shares in circulation is adjusted to reflect the conversion of all the potential diluting ordinary shares.

The potential diluting ordinary shares held by the group belong to the warrants on Type B shares. The assumption is that said warrants will be exercised and calculated to determine the number of shares that may have been acquired at fair value based on the monetary value of the subscription rights of the warrants still to be exercised. The difference between the number of shares issued assuming the exercise of the warrants, and the number of shares calculated based on the above, is included in the calculation of the income per diluted share.

Concept	2011
Income Benefits	
- Continued activities benefits attributable to the company's equity instrument holders	165,947
- Interrupted activities benefits attributable to the company's equity instrument holders	91,463
- Adjustments to attributable benefits	-
Benefit used to determine the diluted income per share	**257,410**
- Average weighted number of ordinary shares in circulation (thousands)	107,613
- Warrants adjustments (average weighted number of shares in circulation since issue)	670
Average weighted number of ordinary shares for diluted income per share (thousands)	**108,283**
Benefits per diluted share from continued operations (€ per share)	1.53
Benefits per diluted share from interrupted operations (€ per share)	0.85
Benefits per diluted share (€ per share)	**2.38**

Note 33.- Other information

33.1. Average number of employees

The average number of employees during 2011 and 2010 was:

Categories	12.31.11		% Total	12.31.10		% Total
	Female	Male		Female	Male	
Directors	86	594	2.8	109	698	3.1
Management	382	1,979	9.5	361	1,958	8.9
Ingeneers	1,124	2,911	16.4	1,483	3,872	20.5
Asistants and professional	1,353	2,039	13.8	1,539	2,598	15.8
Operators	919	13,218	57.5	741	12,769	51.7
Total	**3,864**	**20,741**	**100**	**4,233**	**21,895**	**100**

In the consolidated companies the average number of persons employed in 2011 through the share method was 4 men and 6 women and through the overall and proportional integration method it was 20,737 men and 3,858 women.

The average number of employees is 34% in Spain (37% in 2010) and 66% abroad (63% in 2010).

The average number of persons employed during the financial year with disabilities above or equal to 33% is 108 (127 in 2010).

The total number of persons employed at close was 22,243.

The decrease in the average number of employees for 2010 was mainly due to the exit of Telvent GIT from the consolidation after the sale of its shares.

33.2. Related parties

The account held by Abengoa with Inversión Corporativa I.C., S.A., as of year-end 2011 and 2010 has a nil balance.

Dividends distributed to related parties during 2011 amounted to €10,140 thousand (€9,344 thousand in 2010).

The only operation with related party entities that has taken place during the period corresponds to the renewal of the advisory contract with Barinas Gestión y Asesoría, S.L. (Company related to Aplicaciones Digitales, S.L.) for an annual amount of €90 thousand.

As indicated in Note 18.1, Inversión Corporativa is Abengoa's main shareholder, and issues its own separate Consolidated Financial Statements.

These operations were subject to verification by the Abengoa Audit Committee and the consideration paid for the different transactions has been determined by independent third parties.

33.3. Employee remuneration and other benefits

Directors are remunerated as established in article 39 of the Articles of Association. The remuneration of Directors is made up of a fixed amount as agreed upon at the general Shareholders meeting, and is not necessarily equal for all directors. Additionally, they may participate in profit sharing programmes, for a percentage between 5% and 10% (maximum) of the net income of the Company after the declaration of the dividends for the year. Travel expenses related to work undertaken by the board are reimbursed to Directors.

Salary (both fixed and variable) and allowances paid to the members of the Board of Abengoa S.A. in 2011 were €13,237 thousand (€8,912 thousand in 2010), as well as €156 thousand attributed to other items (€138 thousand in 2010).

Detail on individual salaries and benefits in 2011 paid to the Board of Directors is as follows (in thousands of Euros):

Name	Daily Expenses for Attendance and Other Remun. as Officer	Compensation as Member of Board Commitee	Compensation as Officer of Other Group Companies	Compensation for Sr. Mgmt. - Executive Officer Duties	Other Remunerations	Total 2011
Felipe Benjumea Llorente	679	-	-	3,804	-	4,483
Aplidig, S.L. (1)	180	-	-	2,804	-	2,984
Manuel Sánchez Ortega	679	-	-	3,024	-	3,703
Carlos Sebastián Gascón	166	110	7	-	-	283
Daniel Villalba Vilá (2)	100	72	9	-	-	181
Mercedes Gracia Díez	127	61	-	-	-	188
Miguel Martín Fernández	-	-	-	-	-	-
Alicia Velarde Valiente	110	66	-	-	-	176
Jose Borrell Fontelles	200	100	-	-	-	300
Ricardo Martínez Rico (3)	28	-	12	-	-	40
José Luis Aya Abaurre	110	44	-	-	-	154
José Joaquín Abaurre Llorente	110	44	-	-	-	154
Maria Teresa Benjumea Llorente	78	-	24	-	-	102
Javier Benjumea Llorente	78	-	-	-	177	255
Ignacio Solís Guardiola	78	-	-	-	-	78
Fernando Solís Martínez-Campos	78	-	-	-	-	78
Carlos Sundhein Losada	78	-	-	-	-	78
Total	**2,879**	**497**	**52**	**9,632**	**177**	**13,237**

Note (1): Represented by Mr. José B. Terceiro Lomba
Note (2): To 07.25.11
Note (3): From 10.24.11

The increase in the number of Executive Board Members from two to three marks the conclusion of the increase of 48.3% in the total value of comparing the 2010 – 2011 salary scales for Board Members (€8.9 M in 2010 and €13.2 M in 2011).

Detail on individual salaries and benefits in 2010 paid to the members is as follows:

Name	Daily Expenses for Attendance and Other Remun. as Officer	Compensation as Member of Board Commitee	Compensation as Officer of Other Group Companies	Compensation for Sr. Mgmt. - Executive Officer Duties	Other Remunerations	Total 2010
Felipe Benjumea Llorente	93	-	-	3,390	-	3,483
Aplidig, S.L. (1)	180	-	-	2,804	-	2,984
Manuel Sánchez Ortega (2)	19	-	-	107	-	126
José B. Terceiro Lomba	-	-	25	-	-	25
Carlos Sebastián Gascón	166	110	34	-	-	310
Daniel Villalba Vila	166	110	34	-	-	310
Mercedes Gracia Díez	110	44	-	-	-	154
Miguel Martín Fernández	121	33	-	-	-	154
Alicia Velarde Valiente	110	44	-	-	-	154
José Borrell Fontelles	200	100	-	-	-	300
José Luis Aya Abaurre	110	44	-	-	-	154
José Joaquín Abaurre Llorente	110	44	-	-	-	154
María Teresa Benjumea Llorente	78	-	24	-	-	102
Javier Benjumea Llorente	78	-	-	-	190	268
Ignacio Solís Guardiola	78	-	-	-	-	78
Fernando Solís Martínez-Campos	78	-	-	-	-	78
Carlos Sundheim Losada	78	-	-	-	-	78
Total	**1,775**	**529**	**117**	**6,301**	**190**	**8,912**

Note (1): Represented by Mr. José B. Terceiro Lomba
Note (2): From 10.25.10
Note (3): To 10.25.10

Additionally, in 2011 overall remuneration for key management of the Company (Senior Management which are not executive directors), including both fixed and variable components, amounted to €7,822 thousand (€7,216 thousand in 2010).

No advanced payments or credits are granted to members of the Board, nor are any guarantees or obligations granted in their favor.

As of the end of the period there existed €64,154 thousand in non-current personnel compensation obligations (€24,629 thousand in 2010).

33.4. With the aim of reinforcing the transparency in Public Limited Companies, with the exception of what is described below, the members of the Board do not own shares in the capital of companies which maintain activities that are analogous, complementary or the same as the ones that constitute the business purpose of the Parent Company since July 19, 2003, which is the date Law 26/2003 entered into fore. Such law, which modifies Law 24/1988 of July 28, governs the Stock market and the Consolidated Text of the Law on Public Limited Companies. Likewise, the members of the Board have not and neither are they engaged in activities which are the same, analogous or complementary to the business purpose of Abengoa, S.A., whether for themselves or for others. On the other hand, during 2011 and 2010 no entity outside the Group qualified for horizontal consolidation, in the terms set forth in Article 42 of the Spanish Corporate Law.

As of December 31, 2011 there are no members of Abengoa, S.A.'s Board which also serve as board members in other Group companies.

Below is a list of Board members having a seat in the board of other listed companies:

Name	Listed Company	Position
Mr. Felipe Benjumea Llorente	Iberia Líneas Aéreas de España, S.A.	Board Member

In accordance with the record of significant holding in the Company, and as required by the "Internal Rules and Regulations for Conduct involving Stock Exchange Matters", the shares and the holding percentages of the Company Directors as of December 31, 2011 are:

	No. of Direct Voting Rights	No. of Indirect Voting Rights	% Total
Felipe Benjumea Llorente	-	814,111	0.898
Aplicaciones Digitales S.L.	925,814	-	1.021
Manuel Sánchez Ortega	208,100	-	0.229
José Joaquín Abaurre Llorente	1,900	-	0.002
José Luis Aya Abaurre	55,076	-	0.06
Mª Teresa Benjumea Llorente	12,390	-	0.013
Javier Benjumea Llorente	3,888	-	0.004
Jose Borrell Fontelles	3,000	-	0.003
Mercedes Gracia Díez	500	-	0.0005
Ricardo Martínez Rico	513	-	0.0005
Carlos Sebastián Gascón	13,000	12,000	0.027
Ignacio Solís Guardiola	21,000	-	0.023
Fernando Solís Martínez-Campos	50,832	34,440	0.093
Carlos Sundheim Losada	47,027	-	0.051
Alicia Velarde Valiente	400	-	0.0004

In accordance with the stipulations of Article 231 of the Corporations Act, no person connected to and/or no member of the Board of Directors holds any shares in the stock capital of any company(ies), or any positions or performs any functions in any company(ies) with the same, analogous or complementary corporate purpose as that of the parent Company.

Through out the 2011 and 2010 financial year there was no evidence of any direct or indirect conflict of interest situation, in accordance with what is envisaged in Article 229 of the Corporations Act.

33.5. Audit fees

The fees and costs obtained by PricewaterhouseCoopers Auditores, S.L. (principal auditor) and other auditors related to the services provided to the consolidated companies are the following:

Concept	2011			2010		
	PwC	Other Auditors	Total	PwC	Other Auditors	Total
Audit services	3,892	182	4,074	2,965	1,393	4,358
Other verification services	439	43	482	598	29	627
Financial consulting	247	1,117	1,364	106	1,736	1,842
Other audit complementary services	908	-	908	1,250	-	1,250
Other services	1,202	2,425	3,627	1,983	2,084	4,067
Total	**6,688**	**3,767**	**10,455**	**6,902**	**5,242**	**12,144**

The amounts included in the table above show all the fees related to the services provided by the auditors during 2011 and 2010.

33.6. Environmental information

The principles of the environmental policies of Abengoa are based on compliance with the current legal regulations applicable, preventing or minimizing damaging or negative environmental consequences, reducing the consumption of energy and natural resources, and achieving ongoing improvement in environmental conduct.

In response to this commitment to the sustainable use of energy and natural resources, Abengoa, in its Management Rules and Guidelines for the entire Group, explicitly establishes the obligation to implement and certify environmental management systems in accordance with the ISO 14001 International Standard.

Consequently, by year-end 2011, the percentage of Companies with Environment Management Systems certified according to the ISO 14001 Standard per sales volume is 88.18%.

The table below lists the percentage of distribution of the Companies with Certified Environmental Management Systems, broken down by business unit:

Business Unit	ISO 14001-Certified Companies (% of Revenue)
Engineering and Construction	87.93%
Industrial Production	80.74%
Concession-type Infraestructure	92.32%

33.7. Post-balance sheet events

On January 16 2012, Abengoa Solar, S.A. entered an agreement with Rioglass, Laminar, S.L., for the acquisition of shares in the stock capital of Rioglass Solar Holding, S.A. Said acquisition means that Abengoa Solar, S.A. becomes the majority shareholder in Rioglass Solar Holding, S.L. Likewise, once all the contrctual conditions set forth by this agreement are met, Abengoa Solar, S.A. will hold control of Rioglass Solar Holding, S.L. On the date of the close the impact was being evaluated in the consolidated financial statements of the acquisition in accordance with the accounting policies outlined in Note 2, and the impacts are not expected to be significant

Following the closing of the financial year there has not been any other events susceptible to significantly influence the information reflected in the Consolidated Financial Statements prepared by the Administrators on the same date, or which should be highlighted bcause it bears significant trascendence.