

01 A message from the chairman





Antonio Fornieles Melero
Chairman of Abengoa

Dear All:

The year 2015 developed into one of extraordinary difficulty and complexity for Abengoa. Beginning in the latter part of July, a combination of different circumstances made it impossible for our company to access debt markets and subsequently led to the progressive deterioration of our group's liquidity and financial position.

During the earnings presentation for the first half of 2015, we had to lower our cash generation expectations for the entire year, fundamentally as a consequence of changes in financing conditions in a number of projects in Brazil. This reality, coupled with the negative impact in the return on significant investments in bioenergy and solar businesses due to the alteration in market conditions and changes in the regulatory framework that had been affecting the company over the preceding years, had a downward impact on our forecasts and created concern regarding the solvency of the company and a sense of lack of confidence within the markets.

Following unfruitful attempts that began in August 2015 to execute a capital increase to reinforce our financial position, including the potential entry of a new key shareholder, on November 25, 2015, we were forced to seek protection under the framework provided for in Article 5 bis of the Insolvency

Act. From that date on, negotiations were under way with our main financial creditors in order to restructure our debt based on a Viability Plan agreed upon with them. This business plan and the terms of reference for a restructuring agreement reached with our principal financial creditors were presented to the company's financial creditors as a whole on March 16, 2016. Subsequently, backed by over 75 percent of our creditors, on March 28 we filed with Mercantile Court No. 2 of Seville our request for a standstill agreement with the aim of obtaining an appropriate timeframe for finalizing the definitive restructuring agreement. This standstill agreement was homologated on April 6, thereby marking the beginning of the period ending on October 28 stipulated for completion of this entire process.

At this time, Abengoa is working with its financial creditors to develop the terms of reference for the restructuring agreement as soon as possible. This will enable the company to embark on a new stage with a solid financial position to facilitate execution of the agreed-upon viability plan.

The kind of Abengoa envisaged under the business plan agreed upon with our creditors will be focused on the company's traditional engineering and construction business in the energy and environment sectors, where Abengoa has accumulated over 75 years of experience and expertise. This traditional business will be combined in a balanced fashion with the business line encompassing concession-type infrastructure projects in a number of sectors where Abengoa has developed competitive advantages of a fundamentally technological nature, which will afford enhanced value creation in projects.

Not everything was negative, however, in 2015. Over the course of the year, Abengoa achieved significant milestones with the completion of hallmark projects, including our second US solar thermal plant, located in the Mojave Desert, our third desalination plant in Algeria and West Africa's first desalination facility, located in Ghana. Abengoa also won important new

contracts, such as Norte III, Mexico's largest combined-cycle plant, power transmission projects in South Africa, Canada and the US, a wind farm in Mexico and diverse public works projects in Uruguay, including port facilities, sanitation works and hospitals.

The aforementioned projects underscore Abengoa's capabilities in the realm of sustainability, the prospects of which saw reactivation following the Paris Climate Summit. Today, despite the price level of fossil-based energy sources, even the most pessimistic forecasts point to significant growth in these sectors. Abengoa is a key global player in the renewable energy and water industries, where we have occupied positions of leadership over the last decade. This is what will empower us to take on the future with confidence.

We are keenly aware of the impacts all of the circumstances described above, which have compelled us to make very difficult decisions, have had on all of our stakeholders, and our team in particular. We are determined to minimize these effects and regain their trust and confidence in the future.

For all of these reasons, we face this new stage in Abengoa's history with the temperance required by the circumstances. We do so, however, with the conviction that the capabilities we have amassed in our energy and water markets in the engineering and construction sector, the ongoing support of our shareholders, creditors, customers and suppliers, and the commitment of the entire Abengoa team provide the basis for our successful completion of the restructuring process in the next few months. Our next step will be to look to the future with our sights set on restoring our company to the preeminent place which all of our supporters deserve.

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