Consolidated condensed interim financial statements
as of June 30, 2017
ABENGOA
Innovative technologic solutions
for sustainability

01. Limited review report

Deloitte, S.L.
Gonzalo Jiménez de Quesada, 2
Torre Sevilla
41092 Sevilla
España

Tel: +34 954 48 93 00
Fax: +34 954 48 93 10
www.deloitte.es

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

To the Shareholders of Abengoa, S.A. at the request of the Board of Directors,

Report on the Consolidated Condensed Interim Financial Statements

Introduction

We have performed a limited review of the accompanying consolidated condensed interim financial statements ("the interim financial statements") of Abengoa, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the consolidated condensed statement of financial position as at 30 June 2017, and the consolidated condensed statement of profit or loss, consolidated condensed statement of comprehensive income, consolidated condensed statement of changes in equity, consolidated condensed statement of cash flows and explanatory notes thereto for the six-month period then ended. The Parent's directors are responsible for preparing these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

Based on our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2017 are not prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial statements, pursuant to Article 12 of Royal Decree 1362/2007.

Emphasis of Matters

We draw attention to Note 2 to the accompanying interim financial statements, which indicates that the aforementioned financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2016. Our conclusion is not modified in respect of this matter.

In addition, without modifying our conclusion, we draw attention to the information included by the directors in Notes 2 and 4 to the accompanying interim financial statements, which describe the negative financial and operational evolution of the Group in the last two years and in the six-month period ended 30 June 2017, as a result of which it had a consolidated equity deficit at that date, even after the financial and corporate restructuring detailed in Notes 2 and 4. This matter evidences the existence of a significant uncertainty regarding the Group's ability to continue operating as a going concern.

The measures taken by the directors to address the above-mentioned situation include, as described in the aforementioned notes, the financial restructuring process, effective 31 March 2017, by means of which the Group's debt and the Parent's share capital were restructured, with certain financial creditors and new investors becoming shareholders, and the establishment of a Revised Viability Plan envisaging, among other measures, the reorganisation of the Group companies and the Group's businesses in order to secure the viability thereof.

Under the Revised Viability Plan, at 30 June 2017 certain business lines and construction projects regarded in the plan as being unnecessary for the continuity of the Group, as well as other assets pledged as security for a portion of the new debt and which the directors expect to sell at short term in order to reduce that debt and, consequently, the associated future finance costs, were classified as assets held for sale and discontinued operations.

Furthermore, in Note 29 to the accompanying interim financial statements, the Parent's directors describe the judgment of 25 September 2017 relating to the challenges to the court approval of the restructuring agreement, as well as the potential impacts of that judgment.

As a result, the viability of the Group, and the recovery of its assets, the settlement of its liabilities and the fulfilment of its guarantee commitments for the amounts reflected in the accompanying interim financial statements will depend on the effective application of the measures envisaged in the restructuring agreement -after considering the potential impacts of the aforementioned judgment-, in the Revised Viability Plan and in the Liquidity Plan, as well as on the evolution of the Group companies' operations and such future decisions as the managers of the Group might make regarding its equity.

Report on Other Legal and Regulatory Requirements

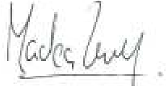
The accompanying interim consolidated directors' report for the six-month period ended 30 June 2017 contains the explanations which the Parent's directors consider appropriate about the significant events that took place in that period and their effect on the interim financial statements presented, of which it does not form part, and about the information required under Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim financial statements for the six-month period ended 30 June 2017. Our work was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Abengoa, S.A. and Subsidiaries.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Other Matters

This report was prepared at the request of the Board of Directors in relation to the publication of the half-yearly financial report required by Article 119 of the Consolidated Spanish Securities Market Law, approved by Legislative Royal Decree 4/2015, of 23 October, and implemented by Royal Decree 1362/2007, of 19 October.

Deloitte, S.L.



Tadea Zayas Carvajal

27 September 2017

02. Consolidated condensed interim financial statements

02.1 Consolidated condensed statements of financial position as of June 30, 2017 and December 31, 2016

Consolidated condensed statements of financial position as of June 30, 2017 and December 31, 2016

- Amounts in thousands of euros -

Assets	Note (1)	06/30/2017	12/31/2016
Non-current assets			
Goodwill		-	-
Other intangible assets		69,787	76,097
Intangible assets	8	69,787	76,097
Property, plant & equipment	8	193,459	177,438
Concession assets in projects		155,784	304,038
Other assets in projects		10,344	93,617
Fixed assets in projects (project finance)	9	166,128	397,655
Investments in associates carried under the equity method	10	69,180	823,179
Available for sale financial assets	11	49	6,537
Other receivable accounts	11	59,162	57,209
Derivative assets	12	13,320	1,185
Financial investments	11	72,531	64,931
Deferred tax assets		506,330	615,226
Total non-current assets		1,077,415	2,154,526
Current assets			
Inventories	13	95,574	99,806
Trade receivables		829,592	688,122
Credits and other receivables		378,326	639,327
Clients and other receivables	14	1,207,918	1,327,449
Available for sale financial assets	11	2,038	3,715
Other receivable accounts	11	357,720	145,474
Derivative assets	12	614	703
Financial investments	11	360,372	149,892
Cash and cash equivalents		205,374	277,789
		1,869,238	1,854,936
Assets held for sale	7	5,244,913	5,904,492
Total current assets		7,114,151	7,759,428
Total assets		**8,191,566**	**9,913,954**

(1) Notes 1 to 29 are an integral part of these Consolidated Condensed Interim financial statements as of June 30, 2017

Consolidated condensed statements of financial position as of June 30, 2017 and December 31, 2016

- Amounts in thousands of euros -

Equity and liabilities	Note (1)	06/30/2017	12/31/2016
Equity attributable to owners of the Parent			
Share capital	15	36,353	1,834
Parent company reserves		(15,234,449)	721,964
Other reserves		11,057	(41,694)
Fully or proportionally consolidated entities		(1,094,044)	(863,831)
Associates		16,551	18,420
Accumulated currency translation differences		(1,077,493)	(845,411)
Retained earnings		14,135,698	(7,171,830)
Non-controlling Interest	16	491,059	555,169
Total equity		(1,637,775)	(6,779,968)
Non-current liabilities			
Project debt	17	4,416	12,563
Borrowings		514,024	6,032
Notes and bonds		817,977	-
Financial lease liabilities		8,496	8,014
Other loans and borrowings		28,865	252,983
Corporate financing	18	1,369,362	267,029
Grants and other liabilities		65,063	65,940
Provisions and contingencies		56,623	50,819
Derivative liabilities	12	1,073	5,535
Deferred tax liabilities		593,342	172,856
Personnel liabilities	28	333	3,234
Total non-current liabilities		2,090,212	577,976
Current liabilities			
Project debt	17	95,448	2,002,941
Borrowings		893,523	2,836,597
Notes and bonds		942,763	3,550,269
Financial lease liabilities		11,354	13,088
Other loans and borrowings		196,127	998,168
Corporate financing	18	2,043,767	7,398,122
Trade payables and other current liabilities	21	2,375,897	2,654,260
Income and other tax payables		88,423	145,546
Derivative liabilities	12	5,755	11,598
Provisions for other liabilities and charges		22,411	16,942
		4,631,701	12,229,409
Liabilities held for sale	7	3,107,428	3,886,537
Total current liabilities		7,739,129	16,115,946
Equity and liabilities		**8,191,566**	**9,913,954**

(1) Notes 1 to 29 are an integral part of these Consolidated Condensed Interim financial statements as of June 30, 2017

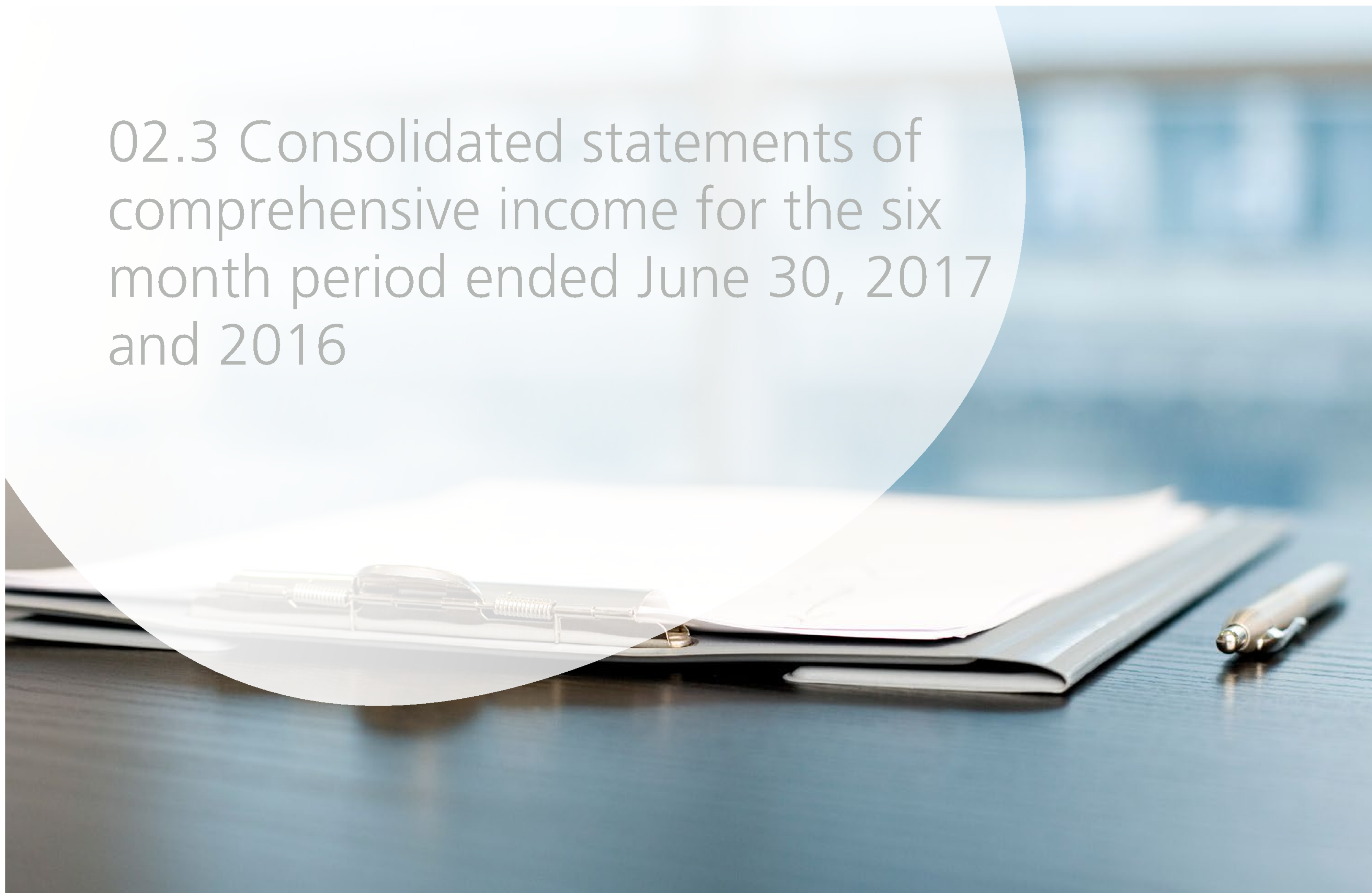
02.2 Consolidated income statement for the six month period ended June 30, 2017 and 2016

Consolidated income statements for the six month periods ended June 30, 2017 and 2016

- Amounts in thousands of euros -

	Note (1)	06/30/2017	06/30/2016 (2)
Revenue	5	691,419	687,759
Changes in inventories of finished goods and work in progress		898	1,983
Other operating income		34,644	34,536
Raw materials and consumables used		(330,844)	(391,435)
Employee benefit expenses		(183,362)	(227,433)
Depreciation, amortization and impairment charges	7, 8 & 9	(296,218)	(436,365)
Other operating expenses		(197,242)	(164,592)
Operating profit		**(280,705)**	**(495,547)**
Financial income	22	21,459	13,693
Financial expense	22	(261,687)	(297,069)
Net exchange differences		(701)	(3,516)
Other financial income/(expense), net	22	6,371,557	(191,518)
Financial expense, net		**6,130,628**	**(478,410)**
Share of profit (loss) of associates carried under the equity method	10	**7,303**	**(331,946)**
Profit (loss) before income tax		**5,857,226**	**(1,305,903)**
Income tax (expense) benefit	23	(642,209)	(27,595)
Profit for the year from continuing operations		**5,215,017**	**(1,333,498)**
Profit (loss) from discontinued operations, net of tax	7	**(307,763)**	**(2,349,838)**
Profit for the year		**4,907,254**	**(3,683,336)**
Profit attributable to non-controlling interests	16	(660)	(5,876)
Profit attributable to non-controlling interests discontinued operations	16	(476)	251
Profit for the year attributable to the parent company		**4,906,118**	**(3,688,961)**
Weighted average number of ordinary shares outstanding (thousands)	25	10,386,027	941,567
Basic earnings per share from continuing operations (€ per share)	25	0.50	(1.42)
Basic earnings per share from discontinued operations (€ per share)	25	(0.03)	(2.49)
Basic earnings per share attributable to the parent company (€ per share)		**0.47**	**(3.91)**
Weighted average number of ordinary shares affecting the diluted earnings per share (tho	25	11,269,604	941,567
Diluted earnings per share from continuing operations (€ per share)	25	0.46	(1.42)
Diluted earnings per share from discontinued operations (€ per share)	25	(0.02)	(2.49)
Diluted earnings per share attributable to the parent company (€ per share)		**0.44**	**(3.91)**

(1) Notes 1 to 29 are an integral part of these Consolidated Condensed Interim financial statements as of June 30, 2017
(2) Restated figures, see Note 7 Assets held for sale and discontinued operations



02.3 Consolidated statements of comprehensive income for the six month period ended June 30, 2017 and 2016

Consolidated statements of comprehensive income for the six month periods ended June 30, 2017 and June 30, 2016

- Amounts in thousands of euros -

	Nota (1)	Six-month period ended 06/30/2017	Six-month period ended 06/30/2016 (2)
Profit for the period after income tax		**4,907,254**	**(3,683,336)**
Items that may be subject to transfer to income statement:			
Change in fair value of available for sale financial assets		(58)	(672)
Change in fair value of cash flow hedges		75,656	(18,890)
Currency translation differences		(285,948)	308,562
Tax effect		(11,783)	9,488
Net income/(expenses) recognized directly in equity		**(222,133)**	**298,488**
Cash flow hedges		(14,706)	(6,027)
Tax effect		3,677	1,507
Transfers to income statement for the year		**(11,029)**	**(4,520)**
Other comprehensive income		**(233,162)**	**293,968**
Total comprehensive income for the period		**4,674,092**	**(3,389,368)**
Total comprehensive income attributable to non-controlling interest		52,695	(111,855)
Total comprehensive income attributable to the parent company		**4,726,786**	**(3,501,223)**
Total comprehensive income attributable to the parent company from continuining operations		5,060,305	(1,601,397)
Total comprehensive income attributable to the parent company from discontinued operations		(333,519)	(1,899,826)

(1) Notes 1 to 29 are an integral part of these Consolidated condensed interim financial statements as of June 30, 2017

(2) Restated figures, see Note 7 Assets held for sale and discontinued operations

02.4 Consolidated statements of changes in equity as of June 30, 2017 and 2016

Consolidated statements of changes in equity for years ended June 30, 2017 and 2016

- Amounts in thousands euros -

	Attributable to the owners of the Company						
	Share capital	Parent company and other reserves	Accumulated currency translation differences	Retained earnings	Total	Non-controlling interest	Total equity
Balance at December 31, 2015	**1,841**	**1,704,571**	**(1,030,413)**	**(613,717)**	**62,282**	**390,633**	**452,915**
Profit for the year after taxes	-	-	-	(3,688,961)	(3,688,961)	5,625	(3,683,336)
Other comprehensive income (loss)	**-**	**(14,594)**	**202,332**	**-**	**187,738**	**106,230**	**293,968**
Total comprehensive income (loss)	**-**	**(14,594)**	**202,332**	**(3,688,961)**	**(3,501,223)**	**111,855**	**(3,389,368)**
Treasury shares	-	-	-	-	-	-	-
Capital increase	-	-	-	-	-	-	-
Capital decrease	(2)	2	-	-	-	-	-
Distribution of 2015 profit	-	(1,062,677)	-	1,062,677	-	-	-
Transactions with owners	**(2)**	**(1,062,675)**	**-**	**1,062,677**	**-**	**-**	**-**
Capital increase in minority interest companies	-	-	-	-	-	-	-
Scope variations and other movements	-	-	-	3,772	3,772	21,871	25,643
Scope variations, acquisitions and other movements	**-**	**-**	**-**	**3,772**	**3,772**	**21,871**	**25,643**
Balance at June 30, 2016	**1,839**	**627,302**	**(828,081)**	**(3,236,229)**	**(3,435,169)**	**524,359**	**(2,910,810)**
Balance at December 31, 2016	**1,834**	**680,270**	**(845,411)**	**(7,171,830)**	**(7,335,137)**	**555,169**	**(6,779,968)**
Profit for the year after taxes	-	-	-	4,906,118	4,906,118	1,136	4,907,254
Other comprehensive income (loss)	**-**	**52,751**	**(232,082)**	**-**	**(179,331)**	**(53,831)**	**(233,162)**
Total comprehensive income (loss)	**-**	**52,751**	**(232,082)**	**4,906,118**	**4,726,787**	**(52,695)**	**4,674,092**
Capital increase	34,821	443,560	-	-	478,381	-	478,381
Capital decrease	(302)	302	-	-	-	-	-
Restructuring financing	-	(9,345,870)	-	9,345,870	-	-	-
Distribution of 2016 profit	-	(7,054,405)	-	7,054,405	-	-	-
Transactions with owners	**34,519**	**(15,956,413)**	**-**	**16,400,275**	**478,381**	**-**	**478,381**
Scope variations and other movements	-	-	-	1,135	1,135	(11,415)	(10,280)
Scope variations, acquisitions and other movements	**-**	**-**	**-**	**1,135**	**1,135**	**(11,415)**	**(10,280)**
Balance at June 30, 2017	**36,353**	**(15,223,392)**	**(1,077,493)**	**14,135,698**	**(2,128,834)**	**491,059**	**(1,637,775)**

Notes 1 to 29 are an integral part of these Consolidated condensed interim financial statements as of June 30, 2017

02.5 Consolidated condensed cash flow statements for the six month period ended June 30, 2017 and 2016

Consolidated condensed cash flow statements for the six month periods ended Juner 30, 2017 and 2016

- Amounts in thousands of euros -

	Note (1)	Six-months period ended 06/30/2017	06/30/2016 (2)
I. Profit for the period from continuing operations		**5,215,017**	**(1,333,498)**
Non-monetary adjustments		(5,290,321)	1,116,017
II. Profit for the year from continuing operations adjusted by non monetary items		**(75,304)**	**(217,481)**
III. Variations in working capital and discontinued operations		**(82,697)**	**(18,839)**
Income tax paid/collected		306	(1,290)
Interest paid		(43,609)	(63,106)
Interest received		3,827	13,155
Discontinued operations		23,360	54,694
A. Net cash provided by operating activities from continuing operations		**(174,117)**	**(232,867)**
Intangible assets and property, plant & equipment		(103,277)	(159,922)
Other investments/disposals		77,188	78,401
Discontinued operations		15,732	45,097
B. Net cash used in investing activities from continuing operations		**(10,357)**	**(36,424)**
Other disposals and repayments		117,899	95,630
Discontinued operations		7,765	36,269
C. Net cash provided by financing activities from continuing operations		**125,664**	**131,899**
Net increase/(decrease) in cash and cash equivalents		**(58,810)**	**(137,392)**
Cash, cash equivalents and bank overdrafts at beginning of the year		277,789	680,938
Translation differences cash or cash equivalent		(6,793)	(4,168)
Elimination of cash and cash equivalents classified as assets held for sale during the year		(6,812)	20,035
Elimination of cash and cash equivalents classificated as discontinued operations during the year		-	(283,504)
Cash and cash equivalents at end of the year		**205,374**	**275,909**

(1) Notes 1 to 29 are an integral part of these Consolidated condensed interim financial statements as of June 30, 2017

(2) Restated figures, see Note 7 Assets held for sale and discontinued operations

02.6 Notes to the consolidated interim financial statements as of June 30, 2017

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Notes to the Consolidated Condensed Interim Financial Statements as of June 30, 2017

Note 1.- General information

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 the six months period ended June 30, 2017, was made up of 594 companies: the parent company itself, 488 subsidiaries, 81 associates and 24 joint ventures. Additionally, the Group held a number of interests, of less than 20%, in other entities.

Abengoa, S.A. was incorporated in Seville, Spain on January 4, 1941 as a Limited Liability Company and was subsequently transformed into a Limited Liability Corporation ('S.A.' in Spain) on March 20, 1952. Its registered office is Campus Palmas Altas, 1 Energía Solar St., Seville, 41014.

The Group's corporate purpose is set out in Article 3 of its Bylaws. 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: energy, telecommunications, transport, water utilities, environmental, industrial and services.

As explained in the following breakdown of Note 2.1, on March 31, 2017, the Restructuring Completion Date has taken place (Restructuring Completion Date) established in the Restructuring Agreement and the effective application of such Restructuring Agreement allow the parent company Abengoa, S.A. to rebalance its equity, which is currently negative, once the positive effect of the restructuring of the debt to equity swap is registered in the Income Statement of the Company.

Abengoa's shares are represented by class A and B shares which are listed the Madrid and Barcelona stock exchanges and on the Spanish Stock Exchange Electronic Trading System (Electronic Market). Class A shares have been listed since November 29, 1996 and class B shares since October 25, 2012.

The shares of the associate Atlantica Yield (formerly Abengoa Yield, Plc.) are listed in the NASDAQ Global Select Market since June 13, 2014. As of June 30, 2017, the Abengoa's investment on Atlantica Yield amounts to 41.47%.On January 7, 2016, the company announced to the Securities and Exchange Commission US (S.E.C) that the corporate name had changed to Atlantica Yield. However, the ticker "ABY" remains the same.

Abengoa is an international company that applies innovative technology solutions for sustainability in the energy and environment sectors, generating electricity from renewable resources, converting biomass into biofuels or producing drinking water from sea water. The Company supplies engineering projects under the 'turnkey' contract modality and operates assets that generate renewable energy, produces biofuel, manages water resources, desalinates sea water and treats sewage.

Abengoa`s business is organized under the following two activities:

- Engineering and construction: includes the traditional engineering activities in the energy and water sectors, with more than 75 years of experience in the market and the development of solar technology. Abengoa is specialized in carrying out complex turnkey projects for thermo-solar plants, solar-gas hybrid plants, conventional generation plants, biofuel plants and water infrastructures, as well as large-scale desalination plants and transmission lines, among others.
- Concession-type infrastructures: groups together the company's extensive portfolio of proprietary concession assets that generate revenues governed by long term sales agreements, such as take-or-pay contracts or power purchase agreements. This activity includes the operation of electric energy generation plants (solar, cogeneration or wind), desalination plants and transmission lines. These assets generate low demand risk and the Company focuses on operating them as efficiently as possible.

Directors consider that the Restructuring Agreement implementation will involve the application of measures determined in the Updated Viability Plan (see Note 2.1.1). Consequences that would overcome relating to financial information presented by segments are being assessed in accordance with the IFRS 8 "Operating Segments".

As a consequence of the sale processes opened given the discontinuance of Bioenergy and the transmission lines in Brazil based on the Updated Viability Plan of Abengoa approved by the Board of Directors on August 3, 2016, and due to the significance of their activities developed by Abengoa, their Income Statement and Cash flow statements have been reclassified to discontinued operations in the Consolidated Income Statement and in the Consolidated cash flow statement as of June 30, 2017 and 2016. The classification has been done in accordance with the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.

These Consolidated condensed interim financial statements for the period ended June 30, 2017 have been formulated on September 27, 2017.

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

These Consolidated condensed interim financial statements are a free translation of the Consolidated condensed interim financial statements originally issued in Spanish and prepared in accordance with International Financial Reporting Standards adopted by the European Union. In the event of a discrepancy, the Spanish-language version prevails.

Note 2.- Basis of presentation

The Group's Consolidated financial statements corresponding to the fiscal year ended December 31, 2016 were prepared by the Directors of the Company in accordance with International Financial Reporting Standards adopted by the European Union (IFRS-EU), applying the principles of consolidation, accounting policies and valuation criteria described in Note 2 of the notes to the aforementioned Consolidated financial statements, so that they present the Group's equity and financial position as of December 31, 2016 and the consolidated results of its operations, the changes in the consolidated net equity and the consolidated cash flows for the financial year ending on that date.

The Group's consolidated financial statements corresponding to the 2016 financial year were approved by the General Shareholders' Meeting of the Abengoa, S.A. held on June 30, 2017.

These Consolidated condensed interim financial statements are presented in accordance with IAS (International Accounting Standard) 34, 'Financial Reporting' approved by the European Union.

These Consolidated condensed interim financial statements have been prepared based on the accounting records of Abengoa S.A. and the subsidiary companies which are part of the Group, and include the adjustments and re-classifications necessary to achieve uniformity between the accounting and presentation criteria followed by all the companies of the Group (in all cases, in accordance with local regulations) and those applied by Abengoa, S.A. for the purpose of preparing Consolidated financial statements.

In accordance with IAS 34, Consolidated condensed interim financial information is prepared solely in order to update the most recent annual Consolidated financial statements prepared by the Group, placing emphasis on new activities, occurrences and circumstances that have taken place during the six months period ended June 30, 2017 and not duplicating the information previously published in the annual Consolidated condensed financial statements for the year ended December 31, 2016. Therefore, the Consolidated condensed interim financial statements do not include all the information that would be required in complete Consolidated financial statements prepared in accordance with the International Financial Reporting Standards as issued by the European Union.

In view of the above, for an adequate understanding of the information, these Consolidated condensed interim financial statements must be read together with Abengoa's consolidated financial statements for the year ended December 31, 2016.

Given the activities in which the companies of the Group engage, their transactions are not of a cyclical or seasonal nature. For this reason, specific breakdowns are not included in these explanatory notes to the Consolidated condensed interim financial statements corresponding to the six months period ended June 30, 2017.

In determining the information to be disclosed in the notes to the Consolidated condensed interim financial statements, the Group, in accordance with IAS 34, has taken into account its materiality in relation to the Consolidated condensed interim financial statements.

The amounts included within the documents comprising the Consolidated condensed interim financial statements (Consolidated Condensed Interim Statements of Financial Position, Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Condensed Cash Flow Statement and notes herein) are, unless otherwise stated, all expressed in thousands of Euros.

Unless otherwise stated, any presented percentage of interest in subsidiaries, joint ventures (including temporary joint operations) and associates includes both direct and indirect ownership.

2.1. Restructuring process

2.1.1. Restructuring process situation updating

The following summary shows the facts related during the second quarter of the year 2017 until the publication of the present Consolidated condensed interim financial statements as of June 30, 2016, in relation with the financial restructuring process realized in Abengoa since the November 25, 2015 after filing the application provided in Article 5 bis of Law 22/2003 by Directors of the Company:

a) In relation to the proceeding provided by the law 22/2003 (Ley Concursal) and the beginning of the financial restructuring process, it should be noted that;

- On January 17, 2017, the Restructuring Agent notified the occurrence of the Restructuring Effective Date. As continuation of which the Company announced a supplemental restructuring accession period, dated from January 18, 2017 to January 24, 2017. After finishing the Supplemental Accession Period, the final percentage of support of the Restructuring Agreement reached the 93.97%.

- In light of the situation in Mexico (see Note 2.1.1.e) and in order to accelerate the completion of the Restructuring and begin implementing the Viability Plan as soon as possible, on February 14, 2017, the Company, together with some of its principal creditors and investors, has developed a proposal for the adjustment of the drawdown mechanism of new money financing (the "Drawdown Proposal") set out in the Term Sheet and the Restructuring Steps Plan to the Restructuring Agreement, maintaining the initial structure of the transaction. Such Drawdown Proposal will required certain amendments to the Term Sheet, the Restructuring Steps Plan, the Restructuring Agreement and the New Money Financing Commitment Letter, such amendments were required by the Company to all parties of the Restructuring Agreement in the same date.

- On February 28, 2017, the Company informed that it obtained the consent of the Majority Participating Creditors required under the Restructuring Agreement to approve the Amendments required to implement the Drawdown Proposal. Such approval allowed the Company to initiate the required steps to close the restructuring and permit the funding of the New Money.

- On March 17, 2017 and in accordance with Clauses 9.2.2 and 9.2.3 of the Restructuring Agreement, the Restructuring Documents and New Corporate Governance Documents were approved occurring therefore the Restructuring Document Approval Date, allowing the signing the execution of the Restructuring Documents and New Corporate Governance Documents and the completion of the Restructuring process.

- On March 23, 2017, the Company announced that the Restructuring Documents and the New Corporate Governance Documents were signed although their effectiveness was subjected to the occurrence of the Restructuring Steps Commencement Date, which date was expected to occur once the Escrow Agent received the transaction funds.

- On March 28, 2017, the Escrow Agent confirmed that an amount equal to the New Money Financing Commitments was funded into the escrow account and, consequently, the Restructuring Agent confirmed that the Restructuring Steps Commencement Date occurred. The Company executed, on the same date, the share capital increases and the warrants approved by the Extraordinary General Shareholders' Meeting held on November 22, 2016, registering the deeds on March 28, 2017 in the Commercial Registry of Seville.

- Consequently, the Company issued one thousand five hundred and seventy seven million nine hundred forty three thousand eight hundred and twenty five (1,577,943,825) new class A shares and sixteen thousand three hundred and sixteen three hundred sixty nine thousand five hundred and ten (16,316,369,510) new class B shares with a dilution for pre-existing shareholders of 95%.In relation with warrants, the Company issued eighty three million forty nine thousand six hundred and seventy five (83,049,675) class A warrants of the Company and eight hundred and fifty eight million seven hundred fifty six thousand two hundred and ninety (858,756,290) class B warrants of the Company, "Record date" on March 27, 2017.

- On March 30, 2017, and in connection with the Class A and Class B shares issued in the above mentioned share capital increase, after having made the relevant filings with the Madrid and Barcelona Stock Exchanges and the National Commission of Securities Market ("CNMV"), the latter positively verified all requirements for the admission to trading in the Madrid and Barcelona Stock Exchanges of the shares, including the verification of the Prospectus, admitting to trading one thousand five hundred and seventy seven million nine hundred forty three thousand eight hundred and twenty five (1,577,943,825) new class A shares and sixteen thousand three hundred and sixteen three hundred sixty nine thousand five hundred and ten (16,316,369,510) new class B shares with effects March 31, 2017.

- Additionally, in connection with the warrants, after having made the relevant filings with the Madrid and Barcelona Stock Exchanges and the National Commission of Securities Market ("CNMV"), the latter positively verified all requirements for the admission to trading of the instruments in the Automated Quotation System Block Market of the Madrid and Barcelona Stock Exchanges (the "AQS"), in the "Warrants, Certificates and Other Products" segment, including the verification of the Prospectus, admitting to trading eighty three million forty nine thousand six hundred and seventy five (83,049,675) class A warrants of the Company and eight hundred and fifty eight million seven hundred fifty six thousand two hundred and ninety (858,756,290) class B warrants of the Company, with effects March 31, 2017. If the conditions for the exercise of the warrants are fulfilled, the Initial Exercise Date of the warrants will be 31 March 2025 and the Final Exercise Date of the warrants will be June 30, 2025.

  The Prospectus is available in the Company's website and in the website of the CNMV. In particular, the Company informed that it contains important notices to the market.

- On March 31, 2017, the Restructuring Agent confirmed that the Restructuring Completion Date occurred on such date. Related to the above, the fundamental principles of the Restructuring Agreement closed on March 31, were the following:

  (i) The amount of new money lent to the Group amount to €1,169.6 million (including refinancing of the September and December 2015, March and September 2016 facilities). This financing rank senior with respect to the preexisting debt and is divided into different tranches:

- Tranche I (New Money 1): with two sub-tranches (1A y 1B) for a total amount of €945.1 million, with a maximum maturity of 47 months and secured by, among other things, certain assets that include the A3T project in Mexico and the shares of Atlantica Yield held by the Company. Financing entities of this tranche received 30% of Abengoa's new share capital post restructuring.

- Tranche II (New Money 2): amounts to €194.5 million, with a maximum maturity of 48 months and secured by, among other things, certain assets in the engineering business. Financing entities of this tranche received 15% of Abengoa's new share capital post restructuring.

- Tranche III (New Money 3): contingent credit facility of up to €30 million, with a maximum maturity of 48 months secured by, among other things, certain assets that include the A3T project in Mexico and the shares of Atlantica Yield held by the Company and with the sole purpose of providing guaranteed additional funding for the completion of the A3T project. Financing entities of this tranche received 5% of Abengoa's new share capital post restructuring.

- New bonding facilities: amount to €307 million. Financing entities of this tranche received 5% of Abengoa's new share capital post restructuring.

The conditions of the New Money Financing are summarized in the following detail table:

Item	Tranche I (NM 1A)	Tranche I (NM 1B)	Tranche II (NM 2)	Tranche III (NM 3)	New bonding facilities
Nominal (in M€)	839	106	195	30	307
Cost		5% Cash + 9% PIK		7% PIK	5%
Maturity / Amortization	47 months			48 months	
Capital participation	30%		15%	5%	

Several compliance obligations have been established between the financing conditions of New money (New Money), including the liquidity ratio (historical and future) and that on June 30, 2017, has been fulfilled by the minimal established (€20 million) being the "Historic Liquidity" of €37.1 million and the "Project Liquidity" of €31.3 million.

(ii) The restructuring for the preexisting debt (Old Money) Standard Restructuring Terms involved a 97% reduction of its nominal value, while keeping the remaining 3% with a ten year maturity, with no annual coupon or option for capitalization (Standard Restructuring Terms).

Creditors who have adhered to the agreement chose either the conditions laid out previously or alternative conditions (Alternative Restructuring Terms) which consist of the following:

- Capitalization of 70% of preexisting debt in exchange for 40% of Abengoa's new share capital post restructuring.

- Refinance the 30% remaining of the nominal value of the preexisting debt through new debt instruments, replacing the preexisting ones, which rank as senior or junior depending on whether or not such creditor participated in the new money facilities or new bonding facilities. Such instruments have maturities of 66 and 72 months respectively, with the possibility of an extension of up to 24 months, accruing annual interest of 1.50% (0.25% cash payment and 1.25% Pay If You Can). The junior instrument can be subject to additional reductions (provided that total reduction does not exceed 80% of the nominal value prior to the capitalization) if the aggregate amount of refinanced preexisting debt (after the 70% aforementioned capitalization) exceeds €2,700 million due to the crystallization of contingencies.

The conditions of the preexisting debt (Old Money) refinanced summarized in the following detail table:

Item	(Standard Restructuring Terms)	(Alternative Restructuring Terms)	
		Junior Old Money	Senior Old Money
% debt write-offs	97%	70%	70%
Post-debt write-offs nominal (in M€)	394	1,220	1,409
Cost	-	1.5%	1.5%
Maturity / Amortization	10 years	72 months	66 months
Capital participation	-	40%	

(iii) At the end of the restructuring process, the shareholders of the Company at the time, held around 5% of the share capital. Eventually, through the issuance of warrants, they could increase such stake in a percentage to be agreed that will not exceed an additional 5%, if, within 96 months, the group has paid in full all outstanding amounts under the new financing to be provided in the framework of the restructuring and under the existing indebtedness (as this indebtedness may have been restructured), including its financial costs. Furthermore, the company submitted a proposal to merge the two types of existing shares into one sole class of shares for approval by a General Shareholders

Meeting, although this was not considered a prerequisite of the Restructuring Agreement.

- On April 28, 2017 the notes issued by Abengoa Abenewco 1, S.A.U. in connection with Tranche 2 of the new money financing as well as the notes issued by Abengoa Abenewco 2, S.A.U. in connection with the Senior Old Money and the Junior Old Money were admitted to trading on the Vienna Stock Exchange (Third Market (MTF) of Wiener Boerse).

- On June 12, 2017, the notes issued by ABG Orphan Holdco S.a.r.l. in connection with Tranche I of the new money financing were admitted to trading on the Irish Stock Exchange .

Finally, within the framework of the judicial approval procedure, certain creditors filed challenge claims over the judicial approval of the MRA issued by Seville Commercial Court n. 2 on 8th November 2016. These challenges were declared admissible by the aforementioned judged by order dated 10 January 2017. The hearings of the aforementioned challenges were held on last 13th and 24th of July, the moment at which the trial was remitted for decision.

b) On the other hand, in relation with the proceedings in Brazil related with the transmission line activity, on the occasion of the mentioned situation of Abengoa, it should be known that;

- A ruling was issued in the Judicial Recovery process on December 2, 2016 in which it was decided i) to include these expiration proceedings in the Judicial Recovery process; ii) to suspend the proceedings and the execution of warranties to preserve the assets of holding companies in Judicial Recovery. A special hearing was scheduled on December 31, 2016 at which the Ministry of Mines and Energy, the ANEEL representative and the judicial administrator were called to appear. The creditor´s meeting, initially scheduled on March 31, 2017, was proposed for the end of May 2017.

- On May 30, 2017 was set Trial for the vote on the reorganization plan of Brazilian companies immersed "Recuperação judicial".

- On August 16, 2017, a new Plan of Judicial Recovery was presented to be approved in the Creditors' General Assembly.

- On August 18, 2017, in the framework of the process of "Recuperação judicial" of Abengoa Concessões (approved by 73.91% of common creditors), Abengoa Construção (approved by 87.65% of common creditors) and Abengoa Greenfield for 100% common creditors) the company's reorganization plan was approved by the majority of its creditors during the General Meeting of Creditors held on the same date.

- Notwithstanding the foregoing, in accordance with Brazilian bankruptcy law, the resolutions adopted at the General Meeting of Creditors must be ratified by the competent judicial authority in order to review the legality of the reorganization agreement reached. As of the date of this report, the Company is not aware of the publication of mentioned judicial resolution.

- On September 19, 2017, the Ministry of Mines and Energy, based on the recommendation of ANEEL, declared the expiration of the 9 concession contracts of greenfield projects. Against that administrative decision, several actions are possible, through administrative and judicial proceedings, however, the approved Judicial Recovery Plan considers this situation and provides alternative measures even if the annulment of that decision is not obtained.

c) Additionally, in relation to the proceedings in United States, on occasion as well of the mentioned situation of Abengoa, indicate that;

- During the first six month period of the year 2017 there have not been any new relevant facts in addition to the mentioned in the 2016 annual accounts on this subject.

- Notwithstanding the above, it is clear that on June 8, 2017, the Eastern District Bankruptcy Court of the Eastern District of Missouri issued the order confirming the approval of the settlement plans for Abengoa Bioenergy Operations, LLC; Abengoa Bioenergy Meramec Renewable, LLC; Abengoa Bioenergy Funding, LLC; Abengoa Bioenergy Maple, LLC; Abengoa Bioenergy Indiana LLC; Abengoa Bioenergy Illinois LLC; Abengoa Bioenergy US Holding LLC; Abengoa Bioenergy Trading US LLC; Abengoa Bioenergy Outsourcing LLC; Abengoa Bioenergy of Nebraska LLC; Abengoa Bioenergy Engineering & Construction LLC; y Abengoa Bioenergy Company LLC.

d) In relation to the bankruptcy declaration by the Court of Rotterdam of Abengoa Bioenergy Netherlands, B.V. on May 11, 2016 were appointed both a liquidator and supervising judges, it should be noted that;

- During the first six month period of the year 2017 there have not been any new relevant facts in addition to the mentioned in the 2016 annual accounts on this subject.

- On June, 2017 no significant event have occurred in relation to the bankruptcy situation of the company.

e) Regarding the declaration of bankruptcy of Abengoa México, S.A. de C.V.

› In pursuit of reaching an agreement with its creditors, Abengoa Mexico signed last March 2017 a lock-up agreement, supported by 71% of its creditors, aiming to subscribe the bankruptcy of the company and provide it and file it to the Courts according to the following terms:

(i) In relation with common debts, Abengoa México has proposed the following treatment:

a) proposal to capitalize the ordinary interests to be paid, being therefore part of the principal;

b) the principal will be paid quarterly since March 2018;

c) the principal to be paid will generate new interests, varying the period depending on the date of the resolution of approval of the agreement;

d) the annual interest rate is fixed to 7% with an increase of 50 basis points per semester until the total payment;

e) default interests due at the date of declaration of bankruptcy will be rejected by creditors. However, the default in payment of the amounts agreed will suppose the generation of default interests with a 14% rate during the period of default;

(ii) in relation with credits against the bankruptcy estate and secured credits, they will be paid in accordance with the contracts and documents related;

(iii) in relation with tax credits, Abengoa Mexico will propose to pay them in accordance with the applicable tax jurisdiction;

(iv) finally, the treatment of subordinated credits will mean the inability to pay to subordinated creditors until the common credits are paid.

› On June 15, 2017 the Insolvency Agreement signed by the Company and a majority of its creditors was filed by the conciliator of the insolvency proceedings on the Sixth Court in Civil Affairs of Mexico City.

The Agreement has been signed by 95.696% of its total creditors in terms of the Law of Commercial Contests. In relation solely to common creditors, 82.966% of adhesion has been reached. The mentioned Agreement, applicable to all creditors of Abengoa Mexico once approved, provides for a restructuring of the debt contracted with all its creditors at nominal value and with a fair treatment of them. As for terms, the debt would start to be settled in March 2018 and would end in December 2021.

› On June 28, 2017, the Sixth Court in Civil Affairs of Mexico City issued a judicial decision suspending the approval of the insolvency agreement pending the resolution of appeals against the resolution of the awards of claims presented by different creditors. Against that resolution of suspension were presented both by Abemex, as by the conciliator and by different creditors, appeals pending resolution on the date of this Report.

f) Finally, on 8th September last, Abengoa Bioenergía Brazil was informed by the Court of Santa Cruz das Palmeiras (Brazil) of a bankruptcy petition by a creditor of the company. On September 25 the company presented response and request of judicial rehabilitation which will allow the company restructuring and, therefore, negotiate with its creditors.

2.1.2. Going concern

Once the Restructuring Agreement described in Note 2.1.1.a) is completed, the company will develop the agreed Updated Viability Plan with creditors and investors, which is focused on the traditional business of Engineering and Construction, where the company accumulates more than 70 years of experience. Specifically, this Updated Viability Plan focusses the activity in the energy and environmental industry. This business will be combined, in a balanced manner, with concessional infrastructure projects in sectors where Abengoa has a competitive advantage, mainly of technological kind, which allows a bigger added value projects. Regarding the mentioned Updated Viability Plan, will allow sustainable growing of Abengoa, based on the following five principles:

1) A multidisciplinary team and a culture and ability of multifunctional work.

2) Experience in engineering and construction and specially the outstanding strength in business development of high potential growing such as energy and water.

3) Technology abilities in our target markets, mainly in solar and water energy.

4) A more efficient organization with more competitive general expenses.

5) A financial approach adjusted to the current reality in which financial discipline and a rigorous evaluation of financial risks are key milestones.

The situation of the Group during the first six months period ended June 30, 2017, which has been affected by a strong limitation of financial resources for more than a year and a half, has significantly influenced the evolution of the business not only in terms of a generalized slowdown and deterioration of the Group’s operations but also as a result of numerous insolvency or bankruptcy proceedings involving companies not included in the Company’s Updated Viability Plan.

Consequently, the parent company, Abengoa, S.A., has incurred in losses since 2015, which has supposed a significant decrease in Equity and as a consequence at December 31, 2016 presented a negative net equity. In the parent company Abengoa Director´s opinion, the expected measures in the effective application of the Restructuring Agreement have allowed to gain a financial stability once there is a positive impact recognized in the income statement derived from debt write-offs, capital increases and, in addition has provided the Group with the necessary financial resources to rise the market confidence, the provision of liquidity to the Company and the continuance of its activity to operate in a competitive and sustainable manner in the future.

Based on the foregoing, Abengoa´s Directors have prepared these Consolidated condensed interim financial statements at June 30, 2017 on a going concern. Based on the application of the going concern basis, Abengoa´s Directors have applied the International Financial Reporting Standards ('IFRS') consistently with the Consolidated condensed interim financial statements and Consolidated financial statements filed in prior periods. For that purpose, and according to the aforementioned accounting framework, Abengoa´s Directors have made their best estimates and assumptions (see Note 3 of the Annual Consolidated financial statements for year ended 2016) in order to record the assets, liabilities, revenues and expenses as of June 30, 2017 in accordance with the existing information by the time of preparing this Consolidated condensed interim financial statements.

2.1.3. Restructuring process accounting impacts

As indicated on Note 2.1.1.a), on March 31, 2017, the completion of the Restructuring of the Group and therefore the Company recognized at that date all the accounting impacts related were announced. From an accounting perspective, the Restructuring Agreement is subject to IFRIC 19 "Cancellation of financial liabilities with equity instruments", derecognizing a portion of the debt to be cancelled at book value, recognizing the refinanced debt at fair value and registering the equity instrument to be handed over at fair value and recognizing the difference between such both amounts in the Income statement. The issued Equity instruments should be firstly recognized and valuated in the date in which the liability or a part of it is cancelled.

When valuating the handed over equity instruments, it has been applied the IFRS 13 "Fair value measurement" and, consequently, market price has been taken as reference the in the Spanish Stock Exchanges on the date in which the Restructuring process was completed and the liability was written off, this means on March 31, 2017. This market price was €0.055 per each class A share, and €0.024 each class B share. Applying such amount to the capital Increase of Abengoa (1,577,943,825 class A shares and 16,316,369,510 class B shares, which correspond to 95% of Capital share), the shares fair value accounted in the Consolidated Equity has been €478 million.

With the portion of debt to be refinanced, and given that the conditions of the debt to be refinanced have been substantially modified after the Restructuring agreement, IAS 39 "Financial instruments, recognition and measurement" has been applied, derecognizing the portion of the debt to be refinanced at book value, registering the equity instrument to be handed over at fair value and recognizing the difference between both amounts in the Income statement.

Regarding the cancellation of the liabilities subject to the standard conditions of the Agreement (amounts payable to creditors who have not signed the Agreement), since there is no obligation to deliver equity instruments in order to cancel 97% of the liabilities, the terms of IAS 39 have been apply to both the recognition of the percentage of the liability mentioned above and the recognition of a new liability equal to 3% of the original liability which has been recorded at its fair value and recognizing an impact on the Income Statement by the difference between both amounts.

All the mentioned caused a positive impact in the consolidated Net Equity of Abengoa at March 31, 2017 of €6,292 million (€5,814 million in the income statement and €478 million in capital share and share premium). The following table shows the breakdown of such impacts (in million euros):

Concept	Amount (1)
Decrease of debt to be refinanced at its carrying amount	8,433
Increase of refinanced debt at its fair value	(1,943)
Increase of equity instruments	478
Related expenses (commissions, fees, etc.)	(138)
Tax impact	(538)
Total impacts in Net Consolidated Equity	6,292

(1) The final impact resulting from the Restructuring Agreement could change depending on several factors which will be concreted in the following months, but in Director´s opinion there are no expected significant differences to those previously detailed.

It is important to be known that the previous positive impact produced on the consolidated Equity of Abengoa exclusively tries to show the economic impact of the financial debt restructuration of Abengoa, and therefore it does not try to show the future financial situation of Abengoa which, in Director´s opinion, and once implemented the Restructuring Agreement will depend on the achievement of the Updated Viability Plan related to the Group capacity to generate resources from its operations and the liquidity supply in market to continue with the activity in a competitive and sustainable manner.

2.2. Application of new accounting standards

a) Standards, interpretations and amendments that have not yet entered into force, but which may be adopted in advance of the years beginning after January 1, 2017.

At the date of signing of these condensed interim consolidated financial statements, the IASB and IFRS Interpretations Committee had published the standards, amendments and interpretations indicated below which application is not yet mandatory and the Group has not adopted in advance. IFRS 9 'Financial Instruments'. This Standard will be effective from January 1, 2018 under IFRS-EU.

› IIFRS 9 'Financial Instruments'. This Standard will be effective from January 1, 2018 under IFRS-EU.

› IFRS 15 'Ordinary revenues proceeding from contracts with Customers'. IFRS 15 is applicable for periods beginning on or after 1 January 2018 under IFRS-EU, earlier application is permitted, that has already been adopted by the EU on September 22, 2016 and published in the official bulletin of the EU on October 29, 2016.

The Group is currently in the process of evaluating the impact on the Consolidated financial statements derived from the application of the new standards and amendments that will be effective for periods beginning after June 30, 2017.

In this sense, the impacts that could be more significant, due to the relevance of the changes introduced in those rules, indicate the following:

› IFRS 9, "Financial Instruments", the main changes identified that could lead to a review of processes, internal controls and systems and an impact on the consolidated financial statements of the Group are summarized below:

(i) Accounting for hedges; the standard aims to align the application of hedge accounting with the Group's risk management by establishing new requirements with a principle-based approach.

(ii) Impairment of financial assets; the standard replaces a models of losses incurred in IAS 39 with an expected loss for the next 12 months or for the life of the instruments in the light of the significant increase in risk.

(iii) Classification and valuation of financial assets; the standard establishes a new classification to reflect the business model where the main classification categories are: a) assets at amortized cost (assets to maturity to receive the contractual flows: principal and interest), b) assets at fair value against results (assets to trade) and c) assets at fair value against equity (when the previous business models are given). Therefore, the categories of instruments held for sale are eliminated from IAS 39.

The expected impact of the application of this standard on the consolidated financial statements of the Group is not detailed because it can not be estimated today´s date with sufficient reliability. The Group work continues to be carried out in the assessment of such impact.

› IFRS 15, "Ordinary revenues proceeding from contracts with Customers", will substitute from the annual exercise initiated on January 1, 2018 the following procedure in effect nowadays:

- IAS 18 "Income from ordinary activities"
- IAS 11 "Construction contracts"
- IFRIC 13 "Customer Loyalty Programmes"
- IFRIC 15 "Agreements for the Construction of real estate"
- IFRIC 18 "Transfers of assets from customers"
- SIC-31 "Revenue- Barter Transactions Involving Advertising Services"

According to IFRS 15, revenue should be recognised in such a way that the transfer of goods or services to customers is disclosed at an amount that reflects the consideration to which the entity expects to be entitled in exchange for such goods or services. This approach is based on five steps:

- Step 1: Identify the contract or contracts with a customer.
- Step 2: Identify the obligations under contract.
- Step 3: Determine the Price of transaction.
- Step 4: Allocate the Price of transaction among the contract obligations.
- Step 5: Recognize revenues when (or as) the entity complies with each of the obligations.

- The main changes identified that could lead to a review of processes, internal controls and systems and an impact on the Consolidated financial statements of the Group are summarized below:

  (i) Identification of the different performance obligations in long-term contracts and assignment of price to each obligation; the standard could mainly affect the long-term contracts of the Engineering and Construction activities related to the execution of turnkey projects where the performance is now recognized based on a single performance obligation and, under the new rule, the result could be recognized based on the different performance obligations that can be identified with the consequent effect that this new criterion could imply by the difference in the recognition of income, as long as the margin of those obligations already performed is different from the one currently performed performance obligation.

  (ii) Approval in the recognition of income for modifications of the contract and items subject to claim; the standard establishes explicit approval by the client, rather than the probability of approval requirement of the current standard, and could lead to differences in revenue recognition that can only be recorded when the customer approves and not when it is probable that the client to accept the change. In addition, and in the case of modifications or claims in which the client has approved the scope of the work, but their valuation is pending, the income will be recognized for the amount that is highly probable that does not produce a significant reversal in the future.

  (iii) Identification and recognition of the costs of obtaining a contract (IFRS 15 p.91) and costs of compliance with a contract (IFRS 15, p.95); The specific rule that only those costs identified as incremental can be capitalized, being necessary a detailed analysis of the expectations of recovery of the same.

  The expected impact of the application of this standard on the consolidated financial statements of the Group is not broken down, the group continues working on the qualitative and quantitative analysis. During the second half of 2017, this analysis of the quantification of the impacts of the first application will be completed, which will be recorded on the date of transition.

With regard to information systems, the current systems will be maintained and certain controls included in them will have to be adapted.

b) Standards, amendments and interpretations applied to existing standards that can not be adopted in advance or have not been adopted to date by the European Union:

At the date of these condensed interim consolidated financial statements were signed, the IASB and IFRS Interpretations Committee had published the standards, amendments and interpretations indicated below, pending to be adopted by the European Union.

- IFRS 10 (Amendment) "Consolidated Financial statements" y IAS 28 (Amendment) "Selling Assets between an investor and his joint business" in relation to the treatment of the sale or contribution of goods between an investor and its associate or joint venture. The application of these modifications has been delayed without a defined date of application.
- Introduction of IFRS 16 "Leases" which supersedes IAS 17. Lessees will recognize most leases in the balance sheet as financed purchases. This standard will apply to periods beginning after January 1, 2019, and have not been adopted by the EU yet.
- IAS 7 (Amendment) "Disclosure Initiative"
- IAS 12 (Amendment) "Recognition of deferred tax assets for unrealized losses"
- IFRS 15 (Amendment) Clarifications to IFRS 15, "Revenue from contracts with customers."
- IFRS 2 (Amendment) "Classification and valuation of share-based payment transactions"
- IFRS 4 (Amendment) "Applying IFRS 9" Financial Instruments "with IFRS 4 insurance."
- Improvements to IFRS Cycle 2014 - 2016 (published December 8, 2016). These improvements are applicable for annual periods beginning on or after 1 January 2018 under the EU have not yet been adopted by the European Union.
- IAS 40 (Modification) "Transfer of investment property"
- IFRIC 22 Transactions and advances in foreign currency establishing the "transaction date" to purposes of determining the exchange rate applicable in transactions with currency foreign. This rule will apply for annual periods beginning on or after 1 January of 2018 under the EU-IFRS. It has not yet been adopted by the European Union.

› IFRIC 23 "Uncertainty about tax treatment". Interpretation which classifies the criteria for registration and valuation of IFRS 12 when there is uncertainty about the acceptability by the fiscal authority of an instrument used by the company. Pending adoption by the EU

The Group is in the process of analysing the impacts that the new legislation could have on its consolidated financial statements.

Note 3.- Critical accounting policies

These Consolidated condensed interim financial statements under IFRS-EU standards require estimates and assumptions that have an impact in assets, liabilities, income, expenses and disclosures related. Actual results could be shown differently than estimated. The most critical policies, which show the most significant estimates and assumptions of the business to determine the amounts in theses Consolidated condensed interim financial statements, are:

- Impairment of intangible assets and goodwill.
- Valuation of assets classified as held for sale.
- Revenue and expense from construction contracts.
- Service concession agreements.
- Income taxes and recoverable amount of deferred tax assets.
- Derivatives and hedging.
- Guarantees provided to third parties.

Some of these critical accounting policies require the deployment of significant judgment by The Board of Directors in order to determine appropriate assumptions and estimates to determine these critical accounting policies. These estimates and assumptions are not only based on historical experience of the Company, but also, on the advice of experts and consultants, expectations and forecasts as of the end of the reporting period. Directors´ assessment has to be considered given the business environment of the industries and geographies in which the Group operates, taking into account the future development of the business. Provided its nature, these judgments and assumptions are subject to an inherent degree of uncertainty and, thus, the real results may materially differ from assumptions and estimates used. Upon the occurrence of such event, assets and liabilities will be adjusted.

Based on what has been exposed in Note 2.1.2 regarding the application of the going concern accounting principle and during the accounting policies adaptation process, the best estimates and assumptions have been made by the Board of Directors in order to determine the impacts of that situation over the assets, liabilities, income and expenses.

Upon the occurrence of a significant change in the facts and circumstances upon which estimates and assumptions have been made, it may require the management to amend such estimates and assumptions in future periods. Changes in accounting estimates are recognized prospectively, in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

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.

Notwithstanding Abengoa’s current situation as discussed in note 2.1 which has affected the management of the company’s liquidity and capital risks, the Risk Management Model used by Abengoa has always attempt 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, and diversifying the sources of finance in an attempt to prevent concentrations.

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.

These Consolidated condensed interim financial statements do not include all financial risk management information and disclosures required for annual financial statements, and should be read together with the information included in Note 4 to Abengoa's Consolidated financial statements as of December 31, 2016.

Note 5.- Financial information by segment

5.1. Information by business segment

- As indicated in Note 1, Abengoa's activity is grouped under the following two activities:
  - Engineering and construction; includes the traditional engineering business in the energy and water sectors, with more than 70 years of experience in the market.

    Abengoa specializes in carrying out complex "turnkey projects" for thermo-solar plants, solar-gas hybrid plants, conventional generation plants, biofuels plants and water infrastructures, as well as large-scale desalination plants and transmission lines, among others. In addition, this activity includes activities related to the development of thermo-solar technology, water management technology and innovative technology businesses such as hydrogen energy or the management of energy crops.

    This activity comprises one operating segment of Engineering and Construction.
  - Concession-type infrastructures; groups together the company's proprietary concession assets that generate revenues governed by long term sales agreements, such as take-or-pay contracts or power purchase agreements. This activity includes the operation of electric energy generation plants (solar, cogeneration or wind), desalination plants and transmission lines. These assets generate low demand risk and the Company focuses on operating them as efficiently as possible.

    The Concession-type infrastructures activity comprises four operating segments:

    - Solar – Operation and maintenance of solar energy plants, mainly using thermo-solar technology.

    - Water – Operation and maintenance of facilities aimed at generating, transporting, treating and managing water, including desalination and water treatment and purification plants.

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

    - Cogeneration and other – Operation and maintenance of conventional cogeneration electricity plants.

- As a consequence of the sale processes opened given the discontinuance of Bioenergy and the transmission lines in Brazil based on the Updated Viability Plan of Abengoa approved by the Board of Directors on August 3, 2016, and due to the significance of their activities developed by Abengoa, their Income Statement and Cash flow statements have been reclassified to discontinued operations in the Consolidated Income Statement and in the Consolidated cash flow statement as of June 30, 2017 and 2016. The classification has been done in accordance with the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.

  Directors consider that the signature of the Restructuring Agreement will involve the application of measures determined in the Updated Viability Plan (see Note 2.1). Consequences that would overcome relating to financial information presented by segments are being assessed in accordance with the IFRS 8 "Operating Segments".

- Abengoa's Chief Operating Decision Maker ('CODM') assesses the performance and assignment of resources according to the above identified segments. The CODM in Abengoa considers the revenues as a measure of the activity and the EBITDA (Earnings before interest, tax, depreciation and amortization) as measure of the performance of each segment. In order to assess the performance of the business, the CODM receives reports of each reportable segment using revenues and EBITDA. Net interest expense evolution is assessed on a consolidated basis given that the majority of the corporate financing is incurred at the holding level and that most investments in assets are held at project companies which are financed through project debt. Amortization and impairment charges are assessed on a consolidated basis in order to analyse the evolution of net income and to determine the dividend pay-out ratio. These charges are not taken into consideration by CODM for the allocation of resources because they are non-cash charges.

The process to allocate resources by the CODM takes place prior to the award of a new project. Prior to presenting a bid, the company must ensure that the project debt for the new project has been obtained. These efforts are taken on a project by project basis. Once the project has been awarded, its evolution is monitored at a lower level and the CODM receives periodic information (revenues and EBITDA) on each operating segment's performance.

a) The following table shows the Segment Revenues and EBITDA for the six months period ended June 30, 2017 and 2016:

	Revenues		Ebitda	
Concept	For the six months period ended 06.30.17	For the six months period ended 06.30.16 (1)	For the six months period ended 06.30.17	For the six months period ended 06.30.16 (1)
Engineering and construction				
Engineering and construction	605,659	614,626	(42,264) (2)	(104,897) (2)
Total	**605,659**	**614,626**	**(42,264)**	**(104,897)**
Concession-type infrastructure				
Solar	29,724	16,880	21,430	10,952
Water	24,537	30,698	19,260	21,786
Transmission lines	743	1,653	(37)	(426)
Cogeneration and other	30,756	23,902	17,124	13,403
Total	**85,760**	**73,133**	**57,777**	**45,715**
Total	**691,419**	**687,759**	**15,513**	**(59,182)**

(1) Restated figures. The Company has classified the Income Statements for the six months period ended June 30, 2016 of the business of Bioenergy to Profit/loss from discontinued operations due to their significant activities developed within Abengoa (see Note 7).

(2) Includes construction cost provisions of projects given the situation of the Company for an amount of €139 million at June 30, 2016 and decrease by independent professional services advisors to the restructuring process for an amount of €52 million at June 30, 2017.

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

Concept	For the six months period ended 06.30.17	For the six months period ended 06.30.16 (1)
Total segment EBITDA	15,513	(59,182)
Amortization and depreciation	(296,218)	(436,365)
Financial expenses net	6,130,628	(478,410)
Share in profits/ (losses) of associates	7,303	(331,946)
Income tax expense	(642,209)	(27,595)
Profit (loss) from discontinued operations, net of tax	(307,763)	(2,349,838)
Profit attributable to non-controlling interests	(1,136)	(5,625)
Profit attributable to the parent company	**4,906,118**	**(3,688,961)**

(1) Restated figures. The Company has classified the Income Statements for the six months period ended June 30, 2016 of the business of Bioenergy to Profit/loss from discontinued operations due to their significant activities developed within Abengoa (see Note 7).

b) The assets and liabilities by segment as of June 30, 2017 and December 31, 2016 are as follows:

	Engineering and construction	Concession-type infrastructure					Industrial production	
Concept	Ing. and const.	Solar	Water	Trans.	Cog. and others	Atlantica Yield	Biofuels (2)	Balance as of 06.30.17 (1)
Assets allocated								
Intangible assets	68,024	-	1,697	-	66	-	-	69,787
Property plant and equipment	193,287	172	-	-	-	-	-	193,459
Fixed assets in projects	-	3,810	60,455	2,789	99,074	-	-	166,128
Current financial investments	354,149	-	27	3,546	2,649	-	-	360,372
Cash and cash equivalents	196,410	2,014	887	154	5,908	-	-	205,374
Subtotal allocated	**811,871**	**5,996**	**63,066**	**6,489**	**107,697**	**-**	**-**	**995,120**
Unallocated assets								
Financial investments	-	-	-	-	-	-	-	141,711
Deferred tax assets	-	-	-	-	-	-	-	506,330
Other current assets	-	-	-	-	-	-	-	1,303,492
Assets held for sale	-	579,161	374,990	1,659,955	1,005,454	709,148	916,205	5,244,913
Subtotal unallocated								**7,196,446**
Total Assets								**8,191,566**

(1) See Note 7 to see assets and liabilities classified as non-current assets held for sale given the compliance with the stipulations and requirements of the IFRS5 "Non-current assets held for sale and discontinued operations.

	Engineering and construction	Concession-type infrastructure					Industrial production	
Concept	Ing. and const.	Solar	Water	Trans.	Cog. and others	Atlantica Yield	Biofuels (2)	Balance as of 06.30.17 (1)
Liabilities allocated								
L-T and S-T corpor. financing	3,117,172	-	-	51,116	-	-	-	3,168,288
L-T and S-T project debt	4,468	1,019	14,296	80	80,001	-	-	99,864
Current and non-current lease liabilities	19,850	-	-	-	-	-		19,850
Subtotal allocated	**3,141,490**	**1,019**	**14,296**	**51,196**	**80,001**	**-**	**-**	**3,288,002**
Unallocated liabilities								
Other loans and borrowings	-	-	-	-	-	-	-	224,992
Grants and other liabilities	-	-	-	-	-	-	-	65,063
Provisions and contingencies	-	-	-	-	-	-	-	56,623
L-T derivative financial instruments	-	-	-	-	-	-	-	1,073
Deferred tax liabilities	-	-	-	-	-	-	-	593,342
Personnel liabilities	-	-	-	-	-	-	-	333
Other current liabilities	-	-	-	-	-	-	-	2,492,485
Liabilities held for sale	4,402	541,424	219,441	1,105,817	457,732	-	778,612	3,107,428
Subtotal unallocated	-	-	-	-	-	-	-	**6,541,339**
Total liabilities	-	-	-	-	-	-	-	**9,829,341**
Equity unallocated	-	-	-	-	-	-	-	**(1,637,775)**
Total liabilities and equity unallocated								**4,903,564**
Total liabilities and equity								**8,191,566**

(1) See Note 7 to see assets and liabilities classified as non-current assets held for sale given the compliance with the stipulations and requirements of the IFRS5 "Non-current assets held for sale and discontinued operations.

(2) Discontinued segment in the Income statements and Cash flow statements as of June 30, 2017 and 2016.

	Engineering and construction	Concession-type infrastructure				Industrial production	
Concept	Eng. and const. (1)	Solar (1)	Water	Trans. (1)	Cog. and other (1)	Biofuels (2)	Balance as of 12.31.16 (1)
Assets allocated							
Intangible assets	73,837	34	1,697	-	529	-	76,097
Property plant and equipment	177,260	178	-	-	-	-	177,438
Fixed assets in projects	-	3,975	235,252	7,537	150,891	-	397,655
Current financial investments	142,127	963	1,414	3,684	1,704	-	149,892
Cash and cash equivalents	265,106	1,574	2,309	6,017	2,783	-	277,789
Subtotal allocated	**658,330**	**6,724**	**240,672**	**17,238**	**155,907**	**-**	**1,078,871**
Unallocated assets							
Non-current and associated financ. invest.(1)	-	-	-	-	-	-	888,110
Deferred tax assets	-	-	-	-	-	-	615,226
Other current assets	-	-	-	-	-	-	1,427,255
Assets held for sale	1,688	696,210	402,277	1,874,960	1,042,192	1.887.165	5,904,492
Subtotal unallocated							**8,835,083**
Total Assets							**9,913,954**

(1) Include an impairment recognized at December 31, 2016 amounted to €-6,036 million given the situation of the Company.

(2) See Note 7 to see assets and liabilities classified as non-current assets held for sale given the compliance of the IFRS5 "Non-current assets held for sale and discontinued

	Engineering and construction	Concession-type infrastructure				Industrial production	
Concept	Eng. and const.	Solar	Water	Trans.	Cog. and other	Biofuels (2)	Balance as of 12.31.16 (1)
Liabilities allocated							
L-T and S-T corpor. financing	2,710,419	77,362	104,541	371,683	145,941	2,982,952	6,392,898
L-T and S-T project debt	3,914	508,605	21,439	1,000,960	480,586	-	2,015,504
Financial lease liabilities	21,102	-	-	-	-		21,102
Subtotal allocated	**2,735,435**	**585,967**	**125,980**	**1,372,643**	**626,527**	**2,982,952**	**8,429,504**
Unallocated liabilities							
Other loans and borrowings	-	-	-	-	-	-	1,251,151
Grants and other liabilities	-	-	-	-	-	-	65,940
Current and non-current provisions and contingencies	-	-	-	-	-	-	50,819
L-T derivative financial instruments	-	-	-	-	-	-	5,535
Deferred tax liabilities	-	-	-	-	-	-	172,856
Personnel liabilities	-	-	-	-	-	-	3,234
Other current liabilities	-	-	-	-	-	-	2,828,346
Liabilities held for sale	149,947	392,421	234,211	1,261,815	314,090	1,534,053	3,886,537
Subtotal unallocated	-	-	-	-	-	-	**8,264,418**
Total liabilities	-	-	-	-	-	-	**16,693,922**
Equity unallocated	-	-	-	-	-	-	**(6,779,968)**
Total liabilities and equity unallocated							**1,484,450**
Total liabilities and equity							**9,913,954**

(1) See Note 7 for a better understanding of assets and liabilities classified as non-current liabilities held for sale given the compliance with the stipulations and requirements of IFRS 5, 'Non-Current Assets Held for Sale and Discontinued Operations'.

(2) Discontinued segment in the Income statements and Cash flow statements as of June 30, 2017 and 2016.

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

- With the objective of presenting liabilities by segment, net corporate debt has been allocated by segments, since its main purpose is to finance lines of activity of the Group.
- Related to the distribution of the corporate debt, at December 31, 2016, regardless of the classification of certain assets and liabilities held for sale (see Note 7), the segment distribution will remain in order to keep showing the final destination of funds. As of June, 2017, and with the corporate debt already restructured, net debt has been allocated to the segment of Engineering and Construction as it will be the activity in which Abengoa will focus over the next few years as established in the Updated Viability Plan.

c) The investments in intangible assets, property, plant and equipment and fixed assets in projects for the six months period ended June 30, 2017 and 2016 is as follows:

Concept	For the six months ended 06.30.17 (1)	For the six months ended 06.30.16 (2)
Engineering and construction		
Engineering and construction	(31,712)	(117,178)
Total	(31,712)	(117,178)
Concession-type infrastructure		
Solar	(97,758)	(72,883)
Water	(191,373)	(175)
Transmission lines	2,370	(9,870)
Cogeneration and other	22,255	(236,259)
Total	(264,506)	(319,187)
Total	(296,218)	(436,365)

(1) Includes an expense for impairment losses recognized during the six months period ended June 30, 2017 in the depreciation, amortization and impairment charges line item in the Income Statements amounted €-246 million (see Note 7). Additionally, at June 30, 2017, a reversion income of impairment has been recognized at last period, classified as results in discontinued operations, amounted €6 million included in the upgrade of carrying value the exchange rates (see Note 7).

(2) Restated figures. The Company has classified the Income Statements for the six months period ended June 30, 2016 of the business of Bioenergy to Profit/loss from discontinued operations due to their significant activities developed within Abengoa (see Note 7).

5.2. Information by geographic areas

a) The revenue distribution by geographical region for six months period ended June 30, 2017 and 2016 is as follows:

Geographical region	For the six months period ended 06.30.17	%	For the six months period ended 06.30.16 (*)	%
- North America	100,990	15	244,031	35
- South America (except Brazil)	167,894	24	47,411	7
- Brazil	25,976	4	21,649	3
- Europe (except Spain)	65,229	9	97,938	14
- Other regions	267,155	39	174,714	25
- Spain	64,175	9	102,016	15
Consolidated Total	691,419	100	687,759	100
Outside Spain amount	627,244	91	585,743	85
Spain amount	64,175	9	102,016	15

(*) Restated figures. The Company has classified the Income Statements for the six months period ended June 30, 2016 of the business of Bioenergy to Profit/loss from discontinued operations due to their significant activities developed within Abengoa (see Note 7).

Note 6.- Changes in the composition of the Group

6.1. Changes in the consolidation group

During the first six months of the year 2017 a total of 4 subsidiary and 0 associated companies were added to the consolidation perimeter of the Group.

In addition, 39 subsidiaries, 1 associated companies and 0 joint ventures are no longer included in the consolidation group.

6.2. Main acquisitions and disposals

a) Acquisitions

During the six months period ended June 30, 2017 there were no significant acquisitions.

b) Disposals

- During the period of six months ended June 30, 2017, there were not significant disposals with the exception of the sale of the bioethanol business in Europe as part of the Divestment plan established in the Updated Viability Plan.

  On March 16, 2017, Abengoa Bioenergía Inversiones, S.A. (the "Seller"), subsidiary of Abengoa, S.A., entered into a sale and purchase agreement (the "Agreement") with a company controlled by private equity fund Trilantic Europe (the "Purchaser"), which governs the sale of the bioethanol business of Abengoa in Europe through the transfer of shares of Abengoa Bioenergy France, S.A., Biocarburantes de Castilla y León, S.A., Bioetanol Galicia, S.A., Ecocarburantes Españoles, S.A. and Ecoagrícola, S.A. The sale and purchase agreement became effective once certain conditions precedent have been fulfilled (among others, the approval of the transaction by the Spanish Anti-trust Authority).

  The transaction amount (enterprise value) is €140 million, including debt and working capital assumed by the Purchaser and minority interests. The cash received amounted to €81 million, with an effect on the Abengoa's consolidated income statement of €20 million and recognized under "Profit for the Year from Discontinued Operations", although there is an amount outstanding to be received subject to certain conditions whereby the total cash amount to be received could reach €111 million.

- Additionally, on May 24, 2017, Abengoa had reached an agreement with Prana Capital, the Infrastructure and Energy division of Artha Capital, a Mexican pension fund manager, in which the latter would invest financial resources to complement the capital provided by Abengoa towards this important project. This union has the goal of advancing the construction of this 139 km aqueduct which will supply potable water to more than one and a half million inhabitants in an efficient, sustainable and secure way, from the El Zapotillo dam to the towns of Los Altos de Jalisco and up to the city of León.

  In particular, Abengoa and Prana have signed a binding alliance in which the fund will provide complementary capital for the development of the infrastructure; while Abengoa will continue to have 20% project ownership and shall remain responsible for the engineering and construction of this key project for the company. In addition to the completion of the works, Abengoa will also be responsible for the supply, operation, maintenance of the infrastructure for a period of 25 years.

  On June 30, 2017 the agreement was subject to the main parties of the project (Conagua, Banobras, Sapal, Abengoa and Prana) reaching an agreement as to the key milestones that had to be achieved to ensure the execution of the project.

  As of August 25, 2017, the concessionary company Zapotillo Aqueduct S.A. de CV has communicated to the grantor the resignation without responsibility of the concession, beginning a period of negotiation between both parties to evaluate the possible scenarios contemplated in this situation for what it put on hold the agreement previously above-mentioned.

  The potential impacts derived from everything previous have been considered in the valuation of the concessional asset once classified as assets held for sale (see Note 7).

- On September 1, 2017, Abengoa has reached an agreement with the consortium formed by Macquarie Capital and Techint Engineering & Construction for the sale of the 907 MW combined cycle Norte III, in the state of Chihuahua (Mexico), signed with the Federal Electricty Commission (CFE) and retaining the same scope and price for the sale of the energy originally agreed upon Abengoa will maintain the execution of part of Norte III, corresponding to the water treatment plant.

  The transaction will have a provisional positive net effect in Abengoa's results, therefore, yet to be definitively determined, of approximately $33 million.

6.3. Business combinations

During the first six months of the year 2017, there have not been further business combinations in the Group.

Note 7.- Assets held for sale and discontinued operations

The asset disinvestment plan started at the end of 2014 Abengoa's Board of Directors, on September 23, 2015, aimed to reinforce its financial structure through the implementation of the plan through the sale or partial divestment, in case of external equity partners, of certain assets through a new plan that involves the divestment of those assets included in the initial plan which had not been sold at that date, as well as the new assets which were incorporated. Based on this disinvestment plan, others assets have been incorporated given the situation of the Company and the Updated Viability Plan approved by the Board of Directors last August 3, 2016 (see Note 2.1) with a view to creating a single asset disinvestment plan.

7.1. Assets in the asset disinvestment plan

The table below shows the included assets of such plan which at June 30, 2017, were classified as non-current assets and liabilities held for sale in the Consolidated statement of financial position because of the compliance of all the stipulations and requirements of IFRS 5, 'Non-Current Assets Held for Sale and Discontinued Operations':

Asset	Details	Capacity	Net book value of asset 06.30.07 (3)
Solar Power Plant One (SPP1) (1)	Combine cycle in Algeria	150 MW	188,836
Manaus Hospital / Concecutex (1)	Concessions in Brazil and Mexico	300 beds / 10,000 persons	149,383
Khi Solar One (1)	Solar plant in South Africa	50 MW	199,482
Xina Solar One (1)	Solar plant in South Africa	100 MW	84,824
Tenés / Ghana / Chennai (1)	Desalination plants	360,000 m3/day	283,656
Abent 3T & ACC4T (1)	Cogeneration plants in Mexico	840 MW	512,696
Atacama 2 (1)	Solar platform in Chile	280 MW	50,141
Norte III (1)	Combine cycle in Mexico	924 MW	258,617
ATN 3, S.A. (1)	Transmission lines in Peru	355 km	72,037
ATE IV-VIII, XVI-XXIV, Manaus and Norte Brasil (1)	Transmission lines in Brazil	9,750 km	1,425,099
Bioethanol (2)	Bioethanol plants in Brazil	235 ML	438,924
Atlantica Yield, Plc.	41.47% Share	-	709,148
Zapotillo	Drinking water aqueduct	139 km	17,115

(1) Circumstances and the loss of control of these companies since last August 2015 (see Note 2.1) are delaying the disinvestment process. However, the intention of Directors remains to sale such companies as established in the Updated Viability Plan approved by the General Shareholders meeting in August 2016.

(2) 1G and 2G bioethanol plants in USA and Europe have been sold during 2016 and the first semester of 2017 respectively (see Note 6.2).
(3) Net book value of asset includes Property plant and equipment, Fixed assets in projects and Investments in associates. Additionally, and in cases which it applies, accumulated impairments up to June 30, 2017 coinciding with the reasonable value detailed in Note 7.2. For further detail of the remaining assets and liabilities held for sale (see note 7.3).

During the first semester of 2017, the most significant changes correspond to the investment on Atlantica Yield and Zapotillo concessional asset, given that, once initiated his corresponding disinvestment process, have been classified under the heading of assets and liabilities held for sale in the Consolidated statement of financial position given the compliance all the requirements of the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.

In accordance to such IFRS 5, non-current assets (or group of assets for their disposal) classified as held for sale, should be registered at the lower of their book value and their fair value less cost to sale.

In order to determine the investment fair value of Atlantica Yield, and given that its shares quote on the NASDAQ Global Select Market, the market price at June 30, 2017 has been taken into account, which was $21.36. Given that the fair value is higher than the book value, no adjustments have been registered.

In relation to the divestment process of Atlantica Yield indicate that, within the conditions precedent necessary for the completion of the transaction, including the obtaining of a waiver by U.S. Department of Energy (DOE), allowing the reduction of participation percentage currently owned by Abengoa. To achieve this objective, a negotiation between all parties was initiated at the end of 2016 under the premise that Abengoa would obtain the waiver in exchange for maintaining all its current obligations as contractor in the project (under the "Stoppel Agreement" signed by Abengoa with the above mentioned DOE) for an additional period of four years from the expiry of the original guarantee period (occurred in April 2017) within the framework of the agreement on the extension of production guarantee granted to the company Arizona Solar One owner of the Solana thermo-solar plant in the United States. In addition, is being negotiated, along with this extension of production guarantee, a number of commitments of doing by Abengoa as contractor to improve the production of this plant.

In Director´s opinion it is not expected a material adverse impact, although due to its nature is not easy to predetermine its final outcome.

7.2. Asset impairment analysis

On June 30, 2017 an impairment loss have been recognized on assets classified as held for sale and discontinued operations amounted 240 million as difference between net book value and fair value less the cost of sale.

The main impacts of impairment recognized in the Consolidation Income Statement at June 30, 2017 are due to changes in the key assumptions regarding considered at the close of the year 2016. Fundamentally, have affected the concessional asset of Khi Solar One with an impairment of 96 million euros due to the updating of the inputs related to the production of the plant and the application of possible penalties, the concessional asset of Ghana, with an impairment of 13 million euros due to the updating of the expected sale price after the offer received by a third party and, lastly, the concessional Zapotillo with an impairment of 176 million euros due to start of negotiations for its sale, which has resulted in a change in its accounting classification and to be valued at its fair value, based on the assumptions and requirements of IFRS 5, considering the potential impacts derived from the communication resignation without responsibility for the concession (see note 6.2.b).

7.3 Detail of assets held for sale

At June 30, 2017 and December 31, 2016, the details of assets and liabilities classified under assets and liabilities held for sale in the consolidated statement of financial position are as follow:

Concept	Balance as of 06.30.17	Balance as of 12.31.16
Property plant and equipment (*)	5,227	227,589
Fixed assets in projects (*)	3,561,539	4,033,198
Investments in associates (*)	823,192	104,542
Financial investments	61,188	257,586
Deferred tax assets	158,896	554,328
Current assets	634,871	727,249
Project debt	(1,983,727)	(2,136,622)
Corporate financing	(81,485)	(439,951)
Other non-current liabilities	(375,605)	(490,615)
Other current liabilities	(666,611)	(819,349)
Total net assets and liabilities held for sale	2,137,485	2,017,955

(*) Net book value of asset as indicated in Note 7.1.

Investments in associates include the participation in Atlantica Yield amounting to €709,148 thousand (€755,501 thousand at December 31, 2016) and, given its significance, the breakdown of its assets and liabilities and results.

At June 30, 2017 and December 31, 2016, the Atlantica Yield consolidated assets and liabilities are the following:

Concept	Balance as of 06.30.17	Balance as of 12.31.16
Fixed assets in projects	7,948,139	8,477,328
Investments in associates	49,524	52,304
Financial investments	37,734	71,859
Deferred tax assets	179,164	192,917
Other Non-current assets	1,558	2,725
Current assets	994,428	994,443
Project debt	(5,390,043)	(5,703,783)
Other non-current liabilities	(1,896,916)	(2,052,010)
Other current liabilities	(161,704)	(172,979)
Total net assets and liabilities	1,761,884	1,862,804

The amount of other comprehensive income amounted to a profit of €6 million (loss of €80 million at December 31, 2016).

The Income statement of Atlantica Yield at June 30, 2017 and 2016 is shown below:

Concept	Balance as of 06.30.17	Balance as of 12.31.16
Revenue	430,157	419,203
Other operating income	35,887	27,285
Operating expenses	(266,967)	(264,981)
I. Operating profit	199,077	181,507
II. Financial expense, net	(176,868)	(186,550)
III. Share of profit/(loss) of associates carried under the equity method	1,848	2,997
IV. Profit before income tax	24,057	(2,047)
V. Income tax benefit	(11,438)	(14,488)
VI. Profit for the period from continuing operations	12,620	(16,535)
VII. Profit attributable to minority interests	(1,392)	(4,402)
VIII. Profit for the period attributable to the Parent Company	11,228	(20,937)

Abengoa's investment on Atlantica Yield amounts to 41.47%. 99.94% of the shares of Atlantica Yield owned by Abengoa have been pledged in guarantee of the new money obtained in the restructuring process (see Note 2.1).

In relation to the commitments, obligations and contingent liabilities with Atlantica Yield, and as indicated in Note 20, according to the terms of the Financial Support Agreement, Abengoa has provided Atlantica Yield and its subsidiaries with certain bonds and guarantees totalling €37 million and €831 million to guarantee the performance of certain concession projects for the generation of solar thermal power, wind power and electric transmission lines.

7.4. Details of discontinued operations

a) Brazilian transmission lines

› At June 30, 2017 and 2016, the details of the companies which owned the concession assets of the Brazilian transmission lines which were restated under the heading of profit (loss) from discontinued operations on the income statement are as follows:

Concept	For the six months period ended 06.30.17 (1)	For the six months period ended 06.30.16 (2)
Revenue	77,777	60,626
Other operating income	1,679	1,887
Operating expenses	(99,143)	(977,959)
I. Operating profit	(19,687)	(915,446)
II. Financial expense, net	5,718	(37,697)
III. Share of profit/(loss) of associates carried under the equity method	88	(68)
IV. Profit before income tax	(13,881)	(953,211)
V. Income tax benefit	(715)	(1,242)
VI. Profit for the period from continuing operations	(14,596)	(954,453)
VII. Profit attributable to minority interests	(476)	(13)
VIII. Profit for the period attributable to the parent company	(15,072)	(954,466)

(1) Negative impact are included of the recognized impairment on assets amounted to €20 million (see Note 7).

(2) Negative impact are included of the recognized impairment on assets amounted to €946 million.

› Additionally, the details of the Cash flow statements of the companies that own the concession assets of the Brazilian transmission lines at June 30, 2017 and 2016 which were reclassified under the heading of discontinued operations are as follows:

Concept	For the six months period ended 06.30.17	For the six months period ended 06.30.16
Profit for the year from continuing operations adjusted by non-monetary items	29,337	44,610
Variations in working capital	6,217	10,548
Interest and income tax received / paid	(22,552)	(28,510)
A. Net cash provided by operating activities	13,002	26,648
B. Net cash used in investing activities	-	(31,283)
C. Net cash provided by financing activities	2,543	-
Net increase/(decrease) in cash and cash equivalents	15,545	(4,635)
Cash, cash equivalents and bank overdrafts at beginning of the year	37,893	29,844
Translation differences cash or cash equivalent	(4,942)	5,396
Cash and cash equivalents at end of the year	48,496	30,605

b) Bioenergy

› At June 30, 2017 and 2016, the details of the bioenergy business companies, considered as a business segment before the above mentioned dates, that was restated under the heading of profit (loss) from discontinued operations on the income statement are as follows:

Item	For the six months period ended 06.30.17	For the six months period ended 06.30.16
Revenue	76,622	527,587
Other operating income	12,692	7,625
Operating expenses	(113,982)	(1,902,725)
I. Operating profit	(24,668)	(1,367,513)
II. Financial expense, net	(82,619)	(27,826)
III. Share of profit/(loss) of associates carried under the equity method	-	-
IV. Profit before income tax	(107,287)	(1,395,339)
V. Income tax benefit	(185,880)	(45)
VI. Profit for the period from continuing operations	(293,167)	(1,395,384)
VII. Profit attributable to minority interests	-	264
VIII. Profit for the period attributable to the parent company	(293,167)	(1,395,120)

(1) Positive impact are included of the recognized impairment on assets amounted to €26 million (see Note 7).

(2) Negative impact are included of the recognized impairment on assets amounted to €1,586 million.

› Additionally, the details of the Cash flow statements of the bioenergy business at June 30, 2017 and 2016, considered as a business segment before the above mentioned dates, which were reclassified under the heading of discontinued operations are as follows:

Concept	For the six months period ended 06.30.17	For the six months period ended 06.30.16
Profit for the year from continuing operations adjusted by non-monetary items	(104,183)	4,468
Variations in working capital	7,009	(181,861)
Interest and income tax received / paid	(808)	(26,184)
A. Net cash provided by operating activities	(97,982)	(203,577)
B. Net cash used in investing activities	82,742	(13,814)
C. Net cash provided by financing activities	(10,308)	(36,269)
Net increase/(decrease) in cash and cash equivalents	(25,549)	(253,660)
Cash, cash equivalents and bank overdrafts at beginning of the year	226,979	297,256
Translation differences cash or cash equivalent	(16,559)	427
Cash and cash equivalents at end of the year	184,871	44,023

Note 8.- Intangible assets and property, plant and equipment

8.1. The detail of the main categories included in intangible assets as of June 30, 2017 and December 31, 2016 is as follows:

Concept	Goodwill	Development assets	Other	Total
Intangible assets cost	53,691	336,123	145,850	535,664
Amortization and impairment	(53,691)	(336,123)	(76,063)	(465,877)
Total as of June 30, 2017	-	-	69,787	69,787

Concept	Goodwill	Development assets	Other	Total
Intangible assets cost	55,507	350,004	147,481	552,992
Amortization and impairment	(55,507)	(350,004)	(71,384)	(476,895)
Total as of December 31, 2016	-	-	76,097	76,097

There were no significant variations during the six month period ended June 30, 2017.

8.2. The detail of the main categories included in Property, plant and equipment as of June 30, 2017 and December 31, 2016 is as follows:

Concept	Lands and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other fixed assets	Total
Property, plant & equipment cost	272,303	141,516	2,358	63,362	479,539
Depreciation and impairment	(154,753)	(66,621)	-	(64,706)	(286,080)
Total as of June 30, 2017	117,550	74,895	2,358	(1,344)	193,459

	Lands and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other fixed assets	Total
Property, plant & equipment cost	166,642	145,846	2,336	65,185	380,009
Depreciation and impairment	(70,984)	(65,711)	-	(65,876)	(202,571)
Total as of December 31, 2016	95,658	80,135	2,336	(691)	177,438

There were no significant variations during the six month period ended June 30, 2017.

Note 9.- Fixed assets in projects

There 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.

9.1. The detail of concessional assets in projects as of June 30, 2017 and December 31, 2016 is as follows:

Concept	Intangible and financial assets	Development assets	Total
Concession assets in projects cost	9,771	148,061	157,832
Amortization and impairment	(2,048)	-	(2,048)
Total as of June 30, 2017	7,723	148,061	155,784

Concept	Intangible and financial assets	Development assets	Total
Concession assets in projects cost	10,243	313,747	323,990
Amortization and impairment	(19,952)	-	(19,952)
Total as of December 31, 2016	(9,709)	313,747	304,038

The most significant variation during the six months period ended June 30, 2017, mainly corresponds as a consequence to classify the assets and liabilities related to of the Zapotillo aqueduct project in Mexico under the heading of non-current assets and liabilities, since all of the suppositions and requirements of IFRS 5 "non-current assets held for sale and discontinued operations" had been met.

Such decrease has been offset with an increase derived from the slight progress in Unidad Punta de Rieles concession.

9.2. The detail of the main categories included in other assets in projects as of June 30, 2017 and December 31, 2016 is as follows:

Concept	Land and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other PP&E	Software and other intangibles	Total
Other assets in projects cost	4,487	10,103	1	1,794	99	16,484
Depreciation and impairment	(569)	(5,344)	-	(197)	(30)	(6,140)
Total as of June 30, 2017	3,918	4,759	1	1,597	69	10,344

Concept	Land and buildings	Technical installations and machinery	Advances and fixed assets in progress	Other PP&E	Software and other intangibles	Total
Other assets in projects cost	166,879	11,942	18	3,386	716	182,941
Depreciation and impairment	(82,719)	(5,285)	-	(996)	(324)	(89,324)
Total as of December 31, 2016	84,160	6,657	18	2,390	392	93,617

The most significant variation during the six months period ended June 30, 2017 mainly corresponds to a decrease caused by the reclassification to "Property plant and equipment "of certain assets.

Note 10.- Investments accounted for using the equity method

10.1. The detail of the main categories included in Investments accounted for using the equity method as of June 30, 2017 and December 31, 2016 is as follows:

Concept	Balance as of 06.30.17	Balance as of 12.31.16
Associates	60,055	816,793
Joint Ventures	9,125	6,386
Total Investments accounted for using the equity method	69,180	823,179

The most significant variations of investments in associates and joint ventures during the first six months of 2017 correspond to classify the assets and liabilities related of Atlantica Yield under the heading of non-current assets and liabilities, since all of the suppositions and requirements of IFRS 5 "non-current assets held for sale and discontinued operations" had been met (see Note 7.1).

Note 11.- Financial investments

The detail of the main categories included in financial investment as of June 30, 2017 and December 31, 2016 is as follows:

Concept	Balance as of 06.30.17	Balance as of 12.31.16
Available for sale financial assets	49	6,537
Other receivable accounts	59,162	57,209
Derivative assets	13,320	1,185
Total non-current financial investments	72,531	64,931

Concept	Balance as of 06.30.17	Balance as of 12.31.16
Available for sale financial assets	2,038	3,715
Other receivable accounts	357,720	145,474
Derivative assets	614	703
Total current financial investments	360,372	149,892
Total financial investments	432,903	214,823

The most significant variations in current financial investments during the six months of 2017 mainly correspond to the financial accounts receivable from the related to the current Escrow account of the new financing obtained in the restructuring process (New Money) that will be released to be used in the construction of the A3T concession once certain conditions precedent (see Note 2.1.1.a).

The company Directors estimates that it will be solved in the short term.

Note 12.- Derivative financial instruments

The fair value of derivative financial instruments as of June 30, 2017 and December 31, 2016 is as follows:

	06.30.17		12.31.16	
Concept	Assets	Liabilities	Assets	Liabilities
Exchange rate derivatives – cash flow hedge	13,117	-	700	262
Exchange rate derivatives – non-hedge accounting	-	-	-	295
Interest rate derivatives – cash flow hedge	817	1,073	1,188	10,515
Interest rate derivatives – non-hedge accounting	-	5,755	-	6,061
Total	13,934	6,828	1,888	17,133
Non-current part	13,320	1,073	1,185	5,535
Current part	614	5,755	703	11,598

The most significant variation produced during the six-month period ended June 30, 2017, corresponds to the valuation of foreign exchange derivatives, specifically the 5-year foreign exchange hedge agreement between Abengoa, S.A. and Abengoa Yield, Plc. on May 12, 2015, which covers the cash flows to be received in euros of its assets in Spain against US dollar dividends paid to Abengoa, S.A. The valuation of the instrument is performed by an independent third party through the discounted cash flows that would be obtained or paid by the theoretic of the position at closing.

The fair value amount transferred to the Consolidated Income Statement as of June 30, 2017 concerning the financial instruments derivatives designated as hedging instruments is a profit of €14,706 thousand (profit of €6,027 thousand as of June 30, 2016).

The net amount of derivatives fair value transferred directly to the Consolidated Income Statement as of June 30, 2017 as a result of not meeting all the requirements of IAS39 to be designated as accounting hedges represents a loss of €7,174 thousand (loss of €402 thousand as of June 30, 2016).

Note 13.- Inventories

Inventories as of June 30, 2017 and December 31, 2016 were as follows:

Item	Balance as of 06.30.17	Balance as of 12.31.16
Goods for sale	1,549	1,560
Raw materials and other supplies	30,993	32,259
Work in progress and semi-finished products	341	36
Projects in progress	9,468	5,374
Finished products	16,268	17,600
Advance Payments to suppliers	36,955	42,977
Total	95,574	99,806

Note 14.- Clients and other receivable accounts

The breakdown of Clients and other receivable accounts as of June 30, 2017 and December 31, 2016 is as follows:

Item	Balance as of 06.30.17	Balance as of 12.31.16
Customer receivables	466,566	606,673
Unbilled revenues	389,576	379,120
Bad debt provisions	(71,666)	(73,737)
Tax receivables	313,914	318,461
Other debtors	109,528	96,932
Total	1,207,918	1,327,449

At the six month period ended June 30, 2017, Abengoa had non-recourse factoring lines, of which €4 million had been factored and a global transfer agreement of non-recourse collection rights related to the construction of a combined cycle plant in Mexico by €380 million.

Note 15.- Share capital

- As of June 30, 2017 the share capital amounts to €36,352,995 corresponding to 18,836,119,300 shares completely subscribed and disbursed, divided into two distinct classes, as follows:
  - 1,645,746,017 class A shares with a nominal value of €0.02 each, all in the same class and series, each of which grants the holder a total of 100 voting rights ('Class A Shares').
  - 17,190,373,283 class B shares with a nominal value of €0.0002 each, all in the same class and series, each of which grants One (1) voting right and which affords its holder privileged economic rights established as stated in article 8 of the Company's by-laws ('Class B Shares' and, together with class A shares, 'Shares with Voting Rights').
- Abengoa's shares are represented by class A and class B, shares which are listed on the Madrid and Barcelona stock exchanges and on the Spanish Stock Exchange Electronic Trading System (Electronic Market). Class A shares have been listed since November 29, 1996 and class B shares since October 25, 2012. The Company presents mandatory financial information quarterly and semi-annually.
- In accordance with notifications received by the company and in compliance with reporting requirements to communicate shareholding percentages (voting rights), shareholders with a significant holding as of June 30, 2017 are as follows:

Shareholders	Share %
Banco Popular Español, S.A.	4.576
Banco Santander, S.A. (*)	2.084

(*) Banco Popular Español, S.A. . is fully owned by Banco Santander, S.A.

- On September 30, 2012 the General Shareholders' Meeting approved a capital increase of 430,450,152 Class B shares with a nominal value of €0.01 each reducing its unrestricted reserves, which would be delivered to all shareholders on a proportion of four Class B shares by each owned Class A or B share. Such General Shareholders' Meeting approved a voluntary conversion right to change Class A shares with one euro nominal value (€0.002 nominal value as of December 31, 2015) to Class B shares of €0.01 nominal value (€0.0002 nominal value as of December 31, 2015) during certain pre-established periods until December 31, 2017. After exercising this right and after a capital reduction decreased the nominal value of all the class A shares at 0.98 each at that moment and all Class B shares at 0.0098 each at that moment, with the agreement of the Extraordinary Shareholders' Meeting of the company in October 10, 2015, a capital reduction decreasing the nominal value of the converted shares at the value of €0.0198 per share will take place, with unrestricted reserves credit.
- With respect to the foregoing, after closing the 21th conversion period dated April 15, 2016, the Company carried out on April 26, 2017, a reduction of capital share by the amount of €301,900.16 converting 15,247,483 Class A shares into new Class B shares.
- Additionally, after closing the 22th conversion period dated July 15, 2017, the Company carried out on July 15, 2017, a reduction of capital share by the amount of €166,094.74 converting 8,388,623 Class A shares into new Class b shares.
- On the other hand, on March 28, 2017 and under the General Shareholders's Metting agreements approved on second call on November 22, 2017, a capital increase took place by the amount of €34,822,150.402 with the issue of 1,577,943,825 Class A shares and 16,316,369,510 Class B shares.
- As a consequence of the mentioned operations, the share capital of Abengoa at the date of July 15, 2017, amounts €36,186,900.3 represented by 18,836,119,300 shares fully subscribed and paid, pertaining to Class A and 17,198,761,906 shares pertaining to Class B. The proposed distribution of 2016 of the parent company approved by the General Shareholders 'Meeting in June 30, 2017, has been charged to retained earnings.

Note 16.- Non-controlling interest

In the six month period ended June 30, 2017, the increased of Non-controlling interest mainly corresponds to the depreciation of the Brazilian real.

Note 17.- Project debt

The details of project debt applied to projects, for both non-current and current liabilities, as at June 30, 2017 and December 31, 2016 is as follows:

Project debt	Balance as of 06.30.17	Balance as of 12.31.16
Project finance (Non-recourse project financing)	99,864	171,596
Project bridge loan	-	1,843,908
Total project debt	99,864	2,015,504
Non-current	4,416	12,563

Current	95,448	2,002,941

At the first six months period ended 2017, the total amount of project finance has decreased mainly by the debt write-offs made in financing of projects (see note 2.1.1) in the financial restructuring process (bridge loans with corporate guarantee).

Note 18.- Corporate financing

18.1. The breakdown of the corporate financing as of June 30, 2017 and December 31, 2016 is as follows:

Non-current	Balance as of 06.30.17	Balance as of 12.31.16
Credit facilities with financial entities	514,024	6,032
Notes and bonds	817,977	-
Finance lease liabilities	8,496	8,014
Other loans and borrowings	28,865	252,983
Total non-current	1,369,362	267,029

Current	Balance as of 06.30.17	Balance as of 12.31.16
Credit facilities with financial entities	893,523	2,836,597
Notes and bonds	942,763	3,550,269
Finance lease liabilities	11,354	13,088
Other loans and borrowings	196,127	998,168
Total current	2,043,767	7,398,122
Total corporate financing	3,413,129	7,665,151

At the first six months period ended 2017, the total amount of corporate finance has decreased mainly by the debt write-offs made in financing of projects (see note 2.1.1) in the financial restructuring process (bridge loans with corporate guarantee).

18.2. Credit facilities with financial entities

Credit facilities with financial entities as of June 30, 2017 and December 31, 2016 are as follow:

	Balance as of 06.30.2017	Balance as of 12.31.2016
Syndicated loan	-	717,087
ICO financing	-	31,044
Instalaciones Inabensa S.A. financing	219	276,036
Abener Energia S.A. financing	23,475	398,758
Teyma, Gestión de Contratos de Contrucc e Ing S.A financing	108	112,388
Abener Teyma Mojave General Partnership financing	590	66,998
Centro Morelos 264, S.A. de C.V financing	123,528	110,086
Centro Tecnológico Palmas Altas financing	77,701	-
European Investment Bank financing	-	77,699
Revolving credit agreement September 15 (€125 milion) (*)	-	178,000
Working capital line December 15 (€106 million)	-	118,519
Working capital line March 16 (€137 million)	-	150,793
Working capital line September 16 ($211 million)	-	200,852
New money 1	253,036	-
New money 2	232,503	-
Old money	490,059	-
All other loans	206,328	404,369
Total	1,407,547	2,842,629
Non-current	514,024	6,032
Current	893,523	2,836,597

In relation to the New Money as of June 30, 2017, all the conditions have been accomplished established on the financing contract (see Note 2.1.1.a).

Nominal value of New Money and Old Money debt amount to €301 million and $182 million, and €804 million and $191 million, respectively.

18.3. Notes and bonds

The notional value of notes and bonds as of June 30, 2017 and December 31, 2016 is as follow:

	Balance as of 06.30.17	Balance as of 12.31.16
Exchangeable notes Atlantica Yield	-	571
Convertible notes Abengoa 2017 and 2019	-	166,500
Ordinary notes Abengoa	960	2,970,925
Commercial paper Abengoa Mexico	116,300	106,799
Euro-Commercial Paper Program (ECP)	-	58,470
New money 1	792,152	-
New money 2	33,351	-
Old money	817,977	-
Total	1,760,740	3,303,265
Non-current	817,977	-
Current	942,763	3,303,265

In relation to the New Money as of June 30, 2017, all the conditions have been accomplished established on financing contract (see Note 2.1.1.a).

Nominal value of New Money and Old Money debt amount to $712 million and €993 million, and $694 million, respectively.

18.4. Other loans and borrowings

The breakdown of current and not current other loans and borrowings at June 30, 2017 and December 31, 2016 is the following:

Item	Balance as of 06.30.17	Balance as of 12.31.16
Derivative premiums payable	13,382	12,661
Low interest loans	6,882	7,886
Debt with ABY over preferred shares of ACBH	-	94,989
Non-recourse confirming due and unpaid (group and not group)	53,507	319,154
Overdue and not paid derivatives	27,777	147,156
Guarantees	101,379	368,060
Debt after the agreement with EIG (see Note 6.2)	-	128,364
Loan with AB Netherland (*)	-	96,745
Loans with public institutions and others	22,065	76,136
Total	224,992	1,251,151

At June 30, 2017, the decrease produced in " Other loans and borrowings" is mainly due to debt write-offs made in the financial restructuring process (see Note 2.1.1).

Note 19.- Provisions and contingences

19.1. Contingent liabilities

- In relation to the arbitration proceedings against the client of a combined cycle power plant being built in Poland, Elektrocieplownia Stalowa Wola, S.A., on April 2017, Elektrocieplownia Stalowa Wola, S.A. presented answer to the extension of the demand. The Arbitral Tribunal has recently agreed a new procedural calendar for the development of the procedure, which is expected to end in the second quarter of 2018.

- In relation to the arbitration proceedings against the client Portland General Electric Company ("PGE") who resolved unilaterally the contract which had signed with several Abengoa´s subsidiaries, for the design and construction of a 440 Mw combined cycle plant in Oregon, United States, to indicate that Abengoa's subsidiaries filed a motion to compel the dispute to be settled in arbitration, which has recently been estimated by the Court.

- In relation to the initiation and investigation against the manufacturers and some companies of the industry (where NICSA and its parent company Abengoa, S.A. are established), on 4 April, 2017 the Markets and Competence National Commission (CNMC) notified its Motion for a

Resolution where it maintained the accusations contained in the Statement of Facts of Facts against both entities. On May 20 and 23, 2017, Nicsa and Abengoa respectively presented their claims against said Resolution Proposal.

- In relation to the information requirement sent by the CNMC to several rail industry companies, which Inabensa, S.A. to indicate that mentioned request for information was duly answered within the time allowed. However, in May 2017, Inabensa and its parent company, Abengoa SA, were notified of the initiation of the sanctioning procedure for possible restrictive practices of competition consisting of the distribution of public and private client offers in the aforementioned activities, Abengoa SA as control partner of Inabensa, to which it attributes these behaviours in a joint way.

In the Director´s opinion, there is not an adverse material impact expected, although due to its nature it is not easy to predetermine its final outcome.

19.2. Claims

Legal claims, including applications for the establishment of preventive liens, opened on June 30, 2017 for unpaid debts of varying types and amounts, which totalled approximately €572 million (€294 million ,US$257 million, CLP 6,427 million and BRL44, million).

Note 20.- Third-party guarantees and commitments

- At the end of the first semester of 2017, the Group deposited to third parties (clients, financial entities, Public Entities and other third parties), directly by the group or by the parent company to other Group companies, various Bank Bond and Surety Insurances as guarantee to certain commitments (Bid bonds, performance and others) amounted to €949,502 thousand (€1,048,708 thousand at December 31, 2016).

  In addition, the Group deposited to third parties (clients, financial entities, Public Entities and other third parties), directly by the group or by the parent company to other Group companies, various guarantees through the declarations of intention and documented commitments undertaken as guarantee of certain commitments (Bid Bonds, performance, financing and others) amounted to €4,937,898 thousand (€5,318,335 thousand at December 31, 2016).

The following table details the guarantees undertaken by the Company classified by commitment type at June 30, 2017:

Typology	Guarantees/Surety Insurance	Guarantees	Total 06.30.2017	Total 12.31.2016
Bid Bond	26,343	-	26,343	37,095
Performance:	26,343	-	26,343	37,095
Materials supply	4,751	580,970	585,721	771,289
Advance payments	66,084	4,810	70,894	82,573
Execution (construction/collection/payments)	803,956	4,081,066	4,885,022	5,134,137
Quality	7,957	19,617	27,574	33,916
Operation and maintance	17,542	251,435	268,977	269,104
Dismantilling	3,726	-	3,726	3,726
Other	19,143	-	19,143	35,203
Subtotal	949,502	4,937,898	5,887,400	6,367,043
Group Company financing guarantees	-	735,508	735,508	1,527,416
Total	949,502	5,673,406	6,622,908	7,894,459

Related to the above-mentioned amounts, and based on the terms of the Financial Support Agreement, Abengoa has conceded to Atlantica Yield and affiliates certain bank guarantees amounting to €37 and €831 million to assure the performance associated to certain concessional projects of thermos-solar energy generation, Eolic and electric transmission lines (see Note 7.3).

Additionally, the breakdown includes the amounts of bank guarantees and guarantees related to companies classified as held for sale amounted to €15 and €555 million respectively, being the amount associated to Bioenergy €288 million (€64 million bank guarantees and €224 million of guarantees) and the associated to transmission lines €382 million (€51 million of bank guarantees and €331 million of guarantees).

The most significant variations in guarantees assumed with third parties related to the information presented on the 2016 Consolidated financial accounts mainly correspond to cancellation of guarantees presented by the parent company of the Group in bid offers on the divestment of bioenergy assets and Financial Restructuring. At the date of drawing up of the Consolidated condensed interim financial statements certain endorsements and guarantees related with Atlántica Yield and Norte III have been released as a consequence of different agreements concluded with third parties.

Note 21.- Trade payables and other current liabilities

Trade payables and other current liabilities as of June 30, 2017 and December 31, 2016 are shown in the following table:

Concept	Balance as of 06.30.17	Balance as of 12.31.16
Trade payables for purchases of goods	1,549,595	1,720,387
Trade payables for services	463,143	467,218
Billings in excess and advance payments from clients	231,240	280,142
Remunerations payable to employees	36,446	37,890
Suppliers of intangible assets current	3,943	3,062
Other accounts payables	91,530	145,560
Total	2,375,897	2,654,260

At June 30, 2017 the total amount of trade payables and other current payables due and unpaid (principal and interest) amounted to €651. Additionally, there are due and unpaid suppliers related to companies held for sale amounted to €314million. The corresponding default interests for this item have been recognized.

The table below shows the details of the non-recourse confirming carried out with external and group suppliers as at June 30, 2017 and December 31, 2016:

Item	Balance as of 06.30.17	Balance as of 12.31.16
Non-group amounts payable through Confirming	120,483	660,300
Group amounts payable through Confirming	4,464	33,185
Total	124,947	693,485

Related to these amounts, there are no deposits and cash recorded under assets in the Consolidated Condensed Statement of Financial Position associated with payment of "non-recourse confirming" (€0.3 million as of December 31, 2016).

Finally, it has been reclassified as corporate financing an amount of €53million relating to due and not paid confirming transactions (principal and interests) and additionally, €57 million related to companies held for sale.

Note 22.- Finance income and expenses

22.1 Finance income and expenses

The following table sets forth our Finance income and expenses for the six months period ended June 30, 2017 and 2016:

Finance income	For the six months period ended 06.30.17	For the six months period ended 06.30.16 (1)
Interest income from loans and credits	3,764	9,058
Interest rates benefits derivatives: cash flow hedges	17,695	3,014
Interest rates benefits derivatives: non-hedging	-	1,621
Total	21,459	13,693

Finance expenses	For the six months period ended 06.30.17	For the six months period ended 06.30.16 (1)
Expenses due to interest:		
- Loans from credit entities	(160,248)	(109,424)
- Other debts	(93,180)	(170,452)
Interest rates losses derivatives: cash flow hedges	(1,085)	(15,170)
Interest rates losses derivatives: non-hedging	(7,174)	(2,023)
Total	(261,687)	(297,069)
Net financial loss	(240,228)	(283,376)

(1) Restated figures. The Company has classified the Income Statements for the six months period ended June 30, 2016 of the business of Bioenergy to Profit/loss from discontinued operations due to their significant activities developed within Abengoa (see Note 7).

Finance income has increased at the six months period ended June 30, 2017 compared to the previous year, mainly due to transfer to the gains/losses accumulated in the Financial Restructuring Agreement (see Note 2.1.1.a) and lower yields of fixed-term deposits.

At the end of the first semester of 2017, financial expenses have decreased in comparison with the same period of 2016, mainly due to lower expenses to interest has decreased the financial debt by the debt write-offs made in the Financial Restructuring Agreement (see Note 2.1.1.a).

22.2. Other net finance income and expenses

The following table sets out 'Other net finance income and expenses' for the six months period ended June 30, 2017 and 2016:

Other finance income	For the six months period ended 06.30.17	For the six months period ended 06.30.16 (1)
Profits from the sale of financial assets	242	76,770
Income on financial assets	412	817
Finance income for restructuring	6,404,167	-
Changes in the fair value of the derivatives embedded in the convertible bonds and options over share	75	-
Other finance income	4,684	5,071
Profit relative to the exercise of the exchangeable bond in Atlantica Yield's shares	-	8,881
Total	6,409,580	91,539

Other finance expenses	For the six months period ended 06.30.17	For the six months period ended 06.30.16 (1)
Loss from sale of financial assets	(2)	(290)
Outsourcing of payables	(1,039)	(3,585)
Other financial losses	(36,667)	(279,120)
Changes in the fair value of the derivatives embedded in the convertible bonds and options over shares	-	(9)
Loss derived from commodity price derivatives: cash flow hedge	-	(2)
Loss derived from commodity price derivatives: non hedge	(315)	(51)
Total	(38,023)	(283,057)
Other net finance income/expenses	6,371,557	(191,518)

(1) Restated figures. The Company has classified the Income Statements for the six months period ended June 30, 2016 of the business of Bioenergy to Profit/loss from discontinued operations due to their significant activities developed within Abengoa (see Note 7).

The main variations in "Other financial income" corresponds to the positive impact of the financial restructuring of the Group's financial debt (see Note 2.1).

"Other financial expenses" has been mainly due to the improvement generated, compared to the previous period, due to the financial expense recorded in June 2016 on certain divestments of financial assets, as well as the delay and guarantees incurred as a result of the situation in which it is located the Company.

The net amount of "Other net finance income and expenses" related to companies with project finance is a profit of €2,229 thousand (a loss of €4,460 thousand at June 30, 2016).

Nota 23.- Income tax

23.1. The effective tax rate for the period presented has been established based on Management's best estimates (see Note 3).

23.2. Income tax increase to an loss of € 642 million for the six months period ended June 30, 2017, compared to an expense tax benefit of €28 million in the same period for 2016, mainly due to the Corporate Tax expense recognized by the positive result arising from the restructuring of the Group's financial debt (see Note 2.1.1), and an impairment recognized for tax credits of the Spanish companies.

In relation to previous impairment mentioned, as of June 30, 2017, it has been carried out a review of the recoverability analysis of the tax credits activated in certain companies of Spain. Based on this analysis, and considering the greater specific weight that the external activity has in the estimates and projections taken from the Engineering and Construction business to the detriment of the activity in Spain, it has proceeded to recognize at the end of the six-month period ended on 30 June 2017 an impairment amounting to €313 million.

Note 24.- Fair value of financial instruments

The information on the financial instruments measured at fair value, is presented in accordance with the following:

- Level 1: assets or liabilities listed on active markets.
- Level 2: Measured on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Measured on inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following is a breakdown of the Group's assets and liabilities measured at fair value as of June 30, 2017 and December 31, 2016 (except the non-quoted equity instruments measured at cost and the contracts with components that cannot be measured reliably):

Category	Level 1	Level	Level 3	Balance as of 06.30.17
Non-hedging derivatives	-	(5,755)	-	(5,755)
Hedging derivatives	-	12,861	-	12,861
Available-for-sale	-	-	2,087	2,087
Total	-	7,106	2,087	9,193

Category	Level 1	Level	Level 3	Balance as of 12.31.16
Non-hedging derivatives	-	(6,356)	-	(6,356)
Hedging derivatives	-	(8,889)	-	(8,889)
Available-for-sale	-	-	10,252	10,252
Total	-	(15,245)	10,252	(4,993)

The financial instruments at fair value, determined from prices published in active markets (Level 1), consist of shares.

The majority of Abengoa's portfolio comprises financial derivatives designated as cash flow hedges, is classified as level 2 and corresponds mainly to the interest rate swaps (see Note 12).

Within the classification of "Non-hedging derivative instruments" the fair value of certain derivative financial instruments is included that, being derivatives contracted with the aim of hedging certain market risks (mainly interest rates), do not fulfilling all the requirements of IAS 39 to be deemed a hedging instrument from an accounting perspective.

The most significant variation in level 3 correspond to the sale of the investments Canal de Navarra, the liquidation of Siema Factory Holding AG, as well as the Delaney, Colorado River Project disinvestment (see Note 11).

The following table shows the changes in the fair value of level 3 assets for the six months period ended June 30, 2017 and December 31, 2016:

Movements	Amount
Beginning balance as of December 31, 2015	20,501
Gains and losses recognized in Equity	(126)
Change in consolidation, reclassifications and translation differences	(10,123)
Total as of December 31, 2016	10,252
Change in consolidation, reclassifications and translation differences	(8,165)
Total as of June 30, 2017	2,087

During the years considered in these Consolidated condensed interim financial statements, there have not been any significant reclassifications amongst the three levels presented above.

Note 25.- Earnings per share

25.1. 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 six months period ended 06.30.17	For the six months period ended 06.30.16 (1)
Profit from continuing operations attributable to equity holders of the company	5,214,357	(1,339,374)
Profit from discontinuing operations attributable to equity holders of the company	(308,239)	(2,349,587)
Average number of ordinary shares outstanding (thousands)	10,386,027	941,567
(Losses) / Earnings per share from continuing operations (€ per share)	0.50	(1.42)
(Losses) / Earnings per share from discontinuing operations (€ per share)	(0.03)	(2.49)
(Losses) / Earnings per share from profit for the year (€ per share)	0.47	(3.91)

(1) Restated figures. The Company has classified the Income Statements for the six months period ended June 30, 2016 of the business of Bioenergy to Profit/loss from discontinued operations due to their significant activities developed within Abengoa (see Note 7).

25.2. Diluted earnings per share

To calculate the diluted earnings per share, the average weighted number of ordinary shares issued

and outstanding is adjusted to reflect the conversion of all the potential diluting ordinary shares.

The potential diluting ordinary shares held by the group correspond to the warrants on Class A and Class B shares issued in the capital increase carried out on March 28, 2017 on the financial restructuring (see Note 2.1.1.a). The assumption is that all warrants are exercised and a calculation is made 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 diluted earnings per share.

Item	For the six months period ended 06.30.17	For the six months period ended 06.30.16 (1)
Profit for the year		
- Profit from continuing operations attributable to equity holders of the company	5,214,357	(1,339,374)
- Profit from discontinuing operations attributable to equity holders of the company	(308,239)	(2,349,587)
Profit for the year attributable to the parent company	4,906,118	(3,688,961)
Average weighted number of ordinary shares outstanding (thousands)	10,386,027	941,567
- Warrants adjustments (average weighted number of shares in outstanding since issue)	883,577	-
Average weighted number of ordinary shares affecting the diluted earnings per share (thousands)	11,269,604	941,567
Diluted (losses) / earnings per share from continuing operations (€ per share)	0.46	(1.41)
Diluted (losses) / earnings per share from discontinuing operations (€ per share)	(0.02)	(2.50)
Diluted (losses) / earnings per share to the profit for the year (€ per share)	0.44	(3.91)

(1) Restated figures. The Company has classified the Income Statements for the six months period ended June 30, 2016 of the business of Bioenergy to Profit/loss from discontinued operations due to their significant activities developed within Abengoa (see Note 7).

There were no dilutive factors which affect the (losses) / earnings per share in the first half of 2016.

Note 26.- Average number of employees

The average number of employees classified by category during the six months period ended June 30, 2017 and 2016 was:

	Average number of employees for the six months ended 06.30.2017		%	Average number of employees for the six months ended 06.30.2016		%
Categories	Female	Male	Total	Female	Male	Total
Directors	39	353	2.4	47	428	2.7
Management	281	999	7.9	348	1,230	8.9
Engineers	787	1,844	16.2	1,012	2,269	18.6
Assistants and professionals	659	1,403	12.7	789	1,505	13.0
Operators	631	9,154	60.3	687	9,181	55.8
Interns	38	49	0.5	67	104	1.0
Total	2,435	13,802	100	2,950	14,717	100

During the first semester of 2017 the average number of employees is 23.5% in Spain and 76.5% abroad.

The decrease of employees is mainly due to given the financial situation that Abengoa has confronted over the last two years, it has been necessary submitted employment regulation procedures (ERE) and temporary employment regulation procedures (ERTE); In this period until the date, 16 employment regulation procedures (ERE) and 16 temporary employment regulation procedures (ERTE) have been processed, affecting approximately 800 employees, of which only one procedure of 7 employees remains pending execution.

Note 27.- Transactions with related parties

During the six months period ended June 30, 2017 the only transactions associated with related parties were the following:

No dividends have been distributed to related parties during the period of 2017 (€0 thousand in 2016).

On March 31, 2017, the Restructuring Completion Date occurred which resulted in a significant change in the shareholder structure of the company.

As of June 30, according to information received by the Company in compliance with the regulations with respect to shareholder percentages and according to information facilitated by related companies as well, the most significant shareholders are:

	Significant shareholders	
Shareholders	% direct share	% indirect share
Banco Popular Español, S.A.	4.58%	-
Banco Santander, S.A.	2.084%	6.664%

a) As of June 30, 2017 the exposures to related parties are:

	Positions with related parties		
Shareholders	New Bonding	New Money (debt)	Old Money (debt)
Banco Popular Español, S.A.	38,375,000.00	15,682,121.37	64,613,707.84
Banco Santander, S.A.	26,208,212.12	42,553,858.89	43,600,224.29

b) During 2017, the only transactions related to related parties were as follows:

As a result of the asset divestment obligations contracted in the refinancing agreements NM 1/3 and Governance Agreement, on July 24, 2017 a services agreement was signed with Banco Santander to providing advice and assistance in the Atlantica Yield stake sale process. The fees for these services are calculated as a percentage of the transaction's value and its accrual is subject to the execution of the disinvestment in compliance with the conditions established in those agreements.

These operations were subject to review by the Abengoa Audit Committee.

Additionally, as of June 30, 2017, the most significant transactions related to associates companies correspond to those made by Atlantica Yield companies (see Note 7.3).

- Relating to the transactions with Atlantica Yield It has been signed with the majority of the Project companies owned by Atlantica Yield for the operation and maintenance "Operation and Maintenance Agreement") of every asset they own. Additionally, Abengoa signed the following contracts with Atlantica Yield:
  - Right of First Offer Agreement: contract which gives the right to Atlantica Yield of the first offer in the case of any asset disposal of Abengoa.
  - Trademark License Agreement: contract of use by Atlantica Yield of the commercial trademark owned by Abengoa.
  - Financial Support agreement: contract of financial support through the use of a revolving credit for the treasury needs as well as the maintenance of certain technical and financial guarantees (see Note 23.1) or credit letter in force.
  - Support Services Agreement: contract of supply of certain administrative and management services by Abengoa.
  - Currency Swap agreement: fixing the Exchange rate USD/€ on cash flow available for distribution of certain thermo-solar assets located in Spain and owned by Atlantica Yield

All these contracts signed with companies consolidated under the equity method have been valued at fair value.

Note 28.- Employee remuneration and other benefits

- Directors are remunerated as established in article 39 of the Bylaws. Directors' remuneration shall consist of all or some of the following concepts, for a total combined amount that shall be agreed by the General Shareholders' Meeting, pursuant to the directors' remuneration policy and conditional, when required by law, on the prior approval of the General Shareholders' Meeting: (a) a fixed fee; (b) expenses for attendance; (c) variable remuneration based on general benchmark indicators or parameters; (d) remuneration through the provision of shares or share options or amounts that are linked to the Company's share price; (e) severance payments, provided that the director is not relieved of office on grounds if failing to fulfill the responsibilities attributable to him/her; and (f) savings or pension systems considered to be appropriate.

- The Extraordinary General Shareholders' Meeting held on second call on November 22, 2016, has approved, among others, the following resolutions:

  1. To accept the resignation submitted by all the directors on that same date.
  2. To set the number of the members of the Board of Directors at seven (7).
  3. At the proposal of the Board of Directors, following a report by the Appointments and Remuneration Committee, based on Spencer Stuart's proposal, in accordance with the terms of the Restructuring Agreement entered into by the Company on 24 September 2016, to appoint Mr. Gonzalo Urquijo Fernández de Araoz as executive director.
  4. At the proposal of the Appointments and Remuneration Committee, based on Spencer Stuart's proposal, in accordance with the terms of the Restructuring Agreement entered into by the Company on 24 September 2016, to appoint Mr. Manuel Castro Aladro, Mr. José Luis del Valle Doblado, Mr. José Wahnon Levy, Mr. Ramón Sotomayor Jáuregui, Mr. Javier Targhetta Roza and Ms. Pilar Cavero Mestre as independent directors.

- Likewise, the Board of Directors held on that same date after the Extraordinary General Shareholders' Meeting, has approved, among others, the following resolutions:

  1. With a previous report from the Appointments and Remuneration Committee, to appoint Mr. Gonzalo Urquijo Fernández de Araoz as executive Chairman.
  2. To appoint Mr. Manuel Castro Aladro as Lead Independent Director. This appointment was not voted by the executive director.
  3. To appoint Ms. Pilar Cavero Mestre, Mr. Javier Targhetta Roza and Mr. Ramón Sotomayor Jáuregui as members of the Appointments and Remuneration Committee, appointing Ms. Pilar Cavero Mestre as Chairwoman and Mr. Juan Miguel Goenechea Domínguez as Secretary non-member.
  4. To appoint Mr. José Wahnon Levy, Mr. José Luis del Valle Doblado and Mr. Manuel Castro Aladro as members of the Audit Committee, appointing Mr. José Wahnon Levy as Chairman.
  5. To eliminate both the Strategy and Technology Committee and the Investments Committee. The Audit Committee assumes the Investments Committee's functions.
  6. With a previous report from the Appointments and Remuneration Committee, to appoint Mr. Joaquín Fernández de Piérola Marín as Chief Executive Officer.
  7. With a previous report from the Appointments and Remuneration Committee, to appoint Mr. Víctor Pastor Fernández as Chief Financial Officer.
  8. With a previous report from the Appointments and Remuneration Committee, to appoint Mr. David Jiménez-Blanco Carrillo de Albornoz as Chief Restructuring Officer.
  9. To approve a new corporate structure of the Company, which will be organized around two committees:

     - An Executive Committee comprised of the following members Mr. Gonzalo Urquijo Fernández de Araoz, Mr. Joaquín Fernández de Piérola Marían, Mr. Daniel Alaminos Echarri, Mr. Álvaro Polo Guerrero, Mr. Víctor Pérez Fernández and Mr. David Jiménez-Blanco Carrillo de Albornoz.
     - A Management Committee.

  10. With a previous report from the Appointments and Remuneration Committee, to appoint Ms. Mercedes Domecq Palomares as Vicesecretary of the Board of Directors.

- On January 26, el the Board of Directors of the Company resolved to accept the resignation of Mr. Javier Targhetta Roza as director. Subsequently, on February 27, 2017, the Board of Directors resolved to appoint Mr. José Luis del Valle Doblado as member of the Appointments and Remunerations Committee following the resignation from Mr. Javier Targhetta Roza .

- On March 23, 2017, the Board of Director of the Company, at the proposal of the Appointments and Remunerations Committee, resolved appoint by means of co-optation the existing vacancy after the dismissal of Mr. Javier Targhetta Roza, appointing as Director to Mr. Miguel Antoñanzas Alvear, as independent Director. Additionally, was appointed as member of the Appointments and Remunerations Committee replacing Mr. José Luis del Valle Doblado who left such committee.

- On May 19, 2017 the Board of Director of the Company resolved to accept the resignation of Mr. Miguel Antoñanzas Alvear as director. Likewise, that same meeting of the Board of Directors resolved to appoint Mr. José Luis del Valle Doblado as member of the Appointments and Remunerations Committee following the resignation from Mr. Miguel Antoñanzas Alvear.

- The General Shareholders' Meeting of the Company held on second call on June 30, 2017, approved the maintenance of the vacancy left by the resignation of Mr. Miguel Antoñanzas Alvear prior to the convening of the General Shareholders 'Meeting, providing that it could proceed to cover it by cooptation at a later time.

  As a result, the Board of Directors and its committees as of June 30, 2017 will be comprises as follows:

Board of Directors

- Chairman: Mr. Gonzalo Urquijo Fernández de Araoz. Executive
- Lead Independent Director Mr. Manuel Castro Aladro. Independent
- Members:
    - Mr. José Luis del Valle Doblado. Independent
    - Mr. José Wahnon Levy . Independent
    - Mr. Ramón Sotomayor Jaúregui . Independent
    - Ms. Pilar Cavero Mestre . Independent
- Secretary non-member . Mr. Daniel Alaminos Echarri
- Vicesecretary non-member: Ms. Mercedes Domecq Palomares

Audit Committee

- Chairman: Mr. José Wahnon Levy
- Members :
    - Mr. José Luis del Valle Doblado
    - Mr. Manuel Castro Aladro
- Secretary non-member : Mr. Daniel Alaminos Echarri

Appointments and Remuneration Committee

- Chairman : Ms. Pilar Cavero Mestre
- Members :
    - Mr. Jose Luis del Valle Doblado
    - Mr. Ramón Sotomayor Jáuregui
- Secretary non-member : Mr. Juan Miguel Goenechea Domínguez

- Notwithstanding the previous, on July 13, 2017, the Board of Directors of the Company, following the proposal made by the Appointments and Remunerations Committee, unanimously resolved to cover the vacancy existing in the Board of Directors following the approval of the General Shareholders Meeting held on 30 June 2017, by appointing Mr. Josep Piqué Campsas as an independent director. Likewise, he was also appointmented member of the Appointments and Remunerations Committee replacing Mr. José Luis del Valle Doblado who ceased to be a member of such Committee.

Note 29.- Subsequent events

On 25 September 2017, the Mercantile Court of Seville Nº 2 issued a ruling in regards to the challenges brought forth to the judicial approval (homologación judicial) of the restructuring agreement. On that basis:

1. The judge resolved against the challenges in relation to the lack of concurrence in the percentages required under the Insolvency Act, and as such agrees to maintain the judicial approval (homologación judicial) of the restructuring agreement and its effects except for the following.

2. The judge resolved in favor of the challenges in relation to the disproportioned sacrifice caused on the challengers cited in the decision. As stated in the decision, this last point implicates that effects of the restructuring agreement do not apply to these challengers.

The nominal value of the excluded debt which has been claimed by the challengers amounts to approximately €72 million at the date of judicial approval (homologación judicial) of the agreement.

The Company considers that the decision does not specify what treatment the excluded debt should receive, and on this basis will request a clarification from the Court through the necessary channels.

Furthermore, certain debt instruments associated with the restructuring plan contemplate a mandatory prepayment in certain circumstances. The concurrence of the foregoing will depend on the final resolution of the procedure referred.

However, in the case of a mandatory prepayment, there are mechanisms established under the debt instruments for that eventuality, including the request to the financial creditors for a waiver. The Company estimates that the mandatory prepayment assumption would be considered not to have occurred. Therefore, the Directors consider that this circumstance does not affect the restructuring plan.

After-closure of June 30, 2017, no other events have occurred that might significantly influence the financial information detailed in this report, nor has there been any event of significance to the Group as a whole.

03. Consolidated condensed interim
management report
as of June 30, 2017

Consolidated Condensed Interim Management Report as of June 30, 2017

1.- Organizational structure and activities

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 the six months period ended June 30, 2017, was made up of 594 companies: the parent company itself, 488 subsidiaries, 81 associates and 24 joint ventures. Additionally, the Group held a number of interests, of less than 20%, in other entities.

Abengoa, S.A. was incorporated in Seville, Spain on January 4, 1941 as a Limited Liability Company and was subsequently transformed into a Limited Liability Corporation ('S.A.' in Spain) on March 20, 1952. Its registered office is Campus Palmas Altas, 1 Energía Solar St., Seville, 41014.

The Group's corporate purpose is set out in Article 3 of its Bylaws. 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: energy, telecommunications, transport, water utilities, environmental, industrial and services.

As explained in the following breakdown of section 2.1, on March 31, 2017, the Restructuring Completion Date has taken place (Restructuring Completion Date) established in the Restructuring Agreement and the effective application of such Restructuring Agreement allow the parent company Abengoa, S.A. to rebalance its equity, which is currently negative, once the positive effect of the restructuring of the debt to equity swap is registered in the Income Statement of the Company.

Abengoa's shares are represented by class A and B shares which are listed the Madrid and Barcelona stock exchanges and on the Spanish Stock Exchange Electronic Trading System (Electronic Market). Class A shares have been listed since November 29, 1996 and class B shares since October 25, 2012.

The shares of the associate Atlantica Yield (formerly Abengoa Yield, Plc.) are listed in the NASDAQ Global Select Market since June 13, 2014. As of June 30, 2017 the Abengoa's investment on Atlantica Yield amounts to 41.47%.On January 7, 2016, the company announced to the Securities and Exchange Commission US (S.E.C) that the corporate name change to Atlantica Yield. However, the ticker "ABY" remains the same.

Abengoa is an international company that applies innovative technology solutions for sustainability in the energy and environment sectors, generating electricity from renewable resources, converting biomass into biofuels or producing drinking water from sea water. The Company supplies engineering projects under the 'turnkey' contract modality and operates assets that generate renewable energy, produces biofuel, manages water resources, desalinates sea water and treats sewage.

Abengoa`s business is organized under the following two activities:

- Engineering and construction: includes the traditional engineering activities in the energy and water sectors, with more than 75 years of experience in the market and the development of solar technology. Abengoa is specialized in carrying out complex turnkey projects for thermo-solar plants, solar-gas hybrid plants, conventional generation plants, biofuel plants and water infrastructures, as well as large-scale desalination plants and transmission lines, among others.
- Concession-type infrastructures: groups together the company's extensive portfolio of proprietary concession assets that generate revenues governed by long term sales agreements, such as take-or-pay contracts or power purchase agreements. This activity includes the operation of electric energy generation plants (solar, cogeneration or wind), desalination plants and transmission lines. These assets generate low demand risk and the Company focuses on operating them as efficiently as possible.

Directors consider that the Restructuring Agreement implementation will involve the application of measures determined in the Updated Viability Plan (see section 2.1.1). Consequences that would overcome relating to financial information presented by segments are being assessed in accordance with the IFRS 8 "Operating Segments".

As a consequence of the sale processes opened given the discontinuance of Bioenergy and the transmission lines in Brazil based on the Updated Viability Plan of Abengoa approved by the Board of Directors on August 3, 2016, and due to the significance of their activities developed by Abengoa, their Income Statement and Cash flow statements have been reclassified to discontinued operations in the Consolidated Income Statement and in the Consolidated cash flow statement as of June 30, 2017 and 2016. The classification has been done in accordance with the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.

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

2.- Evolution and business results

2.1. Restructuring process

2.1.1. Restructuring process situation updating

The following summary shows the facts related during the second quarter of the year 2017 until the publication of the present Consolidated condensed interim financial statements as of June 30, 2016, in relation with the financial restructuring process realized in Abengoa since the November 25, 2015 after filing the application provided in Article 5 bis of Law 22/2003 by Directors of the Company:

a) In relation to the proceeding provided by the law 22/2003 (Ley Concursal) and the beginning of the financial restructuring process, it should be noted that;

- On January 17, 2017, the Restructuring Agent notified the occurrence of the Restructuring Effective Date. As continuation of which the Company announced a supplemental restructuring accession period, dated from January 18, 2017 to January 24, 2017. After finishing the Supplemental Accession Period, the final percentage of support of the Restructuring Agreement reached the 93.97%.

- In light of the situation in Mexico (see Note 2.1.1.e) and in order to accelerate the completion of the Restructuring and begin implementing the Viability Plan as soon as possible, on February 14, 2017, the Company, together with some of its principal creditors and investors, has developed a proposal for the adjustment of the drawdown mechanism of new money financing (the "Drawdown Proposal") set out in the Term Sheet and the Restructuring Steps Plan to the Restructuring Agreement, maintaining the initial structure of the transaction. Such Drawdown Proposal will required certain amendments to the Term Sheet, the Restructuring Steps Plan, the Restructuring Agreement and the New Money Financing Commitment Letter, such amendments were required by the Company to all parties of the Restructuring Agreement in the same date.

- On February 28, 2017, the Company informed that it obtained the consent of the Majority Participating Creditors required under the Restructuring Agreement to approve the Amendments required to implement the Drawdown Proposal. Such approval allowed the Company to initiate the required steps to close the restructuring and permit the funding of the New Money.

- On March 17, 2017 and in accordance with Clauses 9.2.2 and 9.2.3 of the Restructuring Agreement, the Restructuring Documents and New Corporate Governance Documents were approved occurring therefore the Restructuring Document Approval Date, allowing the signing the execution of the Restructuring Documents and New Corporate Governance Documents and the completion of the Restructuring process.

- On March 23, 2017, the Company announced that the Restructuring Documents and the New Corporate Governance Documents were signed although their effectiveness was subjected to the occurrence of the Restructuring Steps Commencement Date, which date was expected to occur once the Escrow Agent received the transaction funds.

- On March 28, 2017, the Escrow Agent confirmed that an amount equal to the New Money Financing Commitments was funded into the escrow account and, consequently, the Restructuring Agent confirmed that the Restructuring Steps Commencement Date occurred. The Company executed, on the same date, the share capital increases and the warrants approved by the Extraordinary General Shareholders' Meeting held on November 22, 2016, registering the deeds on March 28, 2017 in the Commercial Registry of Seville.

- Consequently, the Company issued one thousand five hundred and seventy seven million nine hundred forty three thousand eight hundred and twenty five (1,577,943,825) new class A shares and sixteen thousand three hundred and sixteen three hundred sixty nine thousand five hundred and ten (16,316,369,510) new class B shares with a dilution for pre-existing shareholders of 95%.In relation with warrants, the Company issued eighty three million forty nine thousand six hundred and seventy five (83,049,675) class A warrants of the Company and eight hundred and fifty eight million seven hundred fifty six thousand two hundred and ninety (858,756,290) class B warrants of the Company, "Record date" on March 27, 2017.

- On March 30, 2017, and in connection with the Class A and Class B shares issued in the above mentioned share capital increase, after having made the relevant filings with the Madrid and Barcelona Stock Exchanges and the National Commission of Securities Market ("CNMV"), the latter positively verified all requirements for the admission to trading in the Madrid and Barcelona Stock Exchanges of the shares, including the verification of the Prospectus, admitting to trading one thousand five hundred and seventy seven million nine hundred forty three thousand eight hundred and twenty five (1,577,943,825) new class A shares and sixteen thousand three hundred and sixteen three hundred sixty nine thousand five hundred and ten (16,316,369,510) new class B shares with effects March 31, 2017.

- Additionally, in connection with the warrants, after having made the relevant filings with the Madrid and Barcelona Stock Exchanges and the National Commission of Securities Market ("CNMV"), the latter positively verified all requirements for the admission to trading of the instruments in the Automated Quotation System Block Market of the Madrid and Barcelona Stock Exchanges (the "AQS"), in the "Warrants, Certificates and Other Products" segment, including the verification of the Prospectus, admitting to trading eighty three million forty nine thousand six hundred and seventy five (83,049,675) class A warrants of the Company and eight hundred and fifty eight million seven hundred fifty six thousand two hundred and ninety (858,756,290) class B warrants of the Company, with effects March 31, 2017. If the conditions for the exercise of the warrants are fulfilled, the Initial Exercise Date of the warrants will be 31 March 2025 and the Final Exercise Date of the warrants will be June 30, 2025.

  The Prospectus is available in the Company's website and in the website of the CNMV. In particular, the Company informed that it contains important notices to the market.

- On March 31, 2017, the Restructuring Agent confirmed that the Restructuring Completion Date occurred on such date. Related to the above, the fundamental principles of the Restructuring Agreement closed on March 31, were the following:

(i) The amount of new money lent to the Group amount to €1,169.6 million (including refinancing of the September and December 2015, March and September 2016 facilities). This financing rank senior with respect to the preexisting debt and is divided into different tranches:

- Tranche I (New Money 1): with two sub-tranches (1A y 1B) for a total amount of €945.1 million, with a maximum maturity of 47 months and secured by, among other things, certain assets that include the A3T project in Mexico and the shares of Atlantica Yield held by the Company. Financing entities of this tranche received 30% of Abengoa's new share capital post restructuring.

- Tranche II (New Money 2): amounts to €194.5 million, with a maximum maturity of 48 months and secured by, among other things, certain assets in the engineering business. Financing entities of this tranche received 15% of Abengoa's new share capital post restructuring.

- Tranche III (New Money 3): contingent credit facility of up to €30 million, with a maximum maturity of 48 months secured by, among other things, certain assets that include the A3T project in Mexico and the shares of Atlantica Yield held by the Company and with the sole purpose of providing guaranteed additional funding for the completion of the A3T project. Financing entities of this tranche received 5% of Abengoa's new share capital post restructuring.

- New bonding facilities: amount to €307 million. Financing entities of this tranche received 5% of Abengoa's new share capital post restructuring.

The conditions of the New Money Financing are summarized in the following detail table:

Item	Tranche I (NM 1A)	Tranche I (NM 1B)	Tranche II (NM 2)	Tranche III (NM 3)	New bonding facilities
Nominal (in M€)	839	106	195	30	307
Cost	5% Cash + 9% PIK			7% PIK	5%
Maturity / Amortization	47 months		48 months		
Capital participation	30%		15%	5%	

Several compliance obligations have been established between the financing conditions of New money (New Money), including the liquidity ratio (historical and future) and that on June 30, 2017, has been fulfilled by the minimal established (€20 million) being the "Historic Liquidity" of €37.1 million and the "Project Liquidity" of €31.3 million.

(ii) The restructuring for the preexisting debt (Old Money) Standard Restructuring Terms involved a 97% reduction of its nominal value, while keeping the remaining 3% with a ten year maturity, with no annual coupon or option for capitalization (Standard Restructuring Terms).

Creditors who have adhered to the agreement chose either the conditions laid out previously or alternative conditions (Alternative Restructuring Terms) which consist of the following:

- Capitalization of 70% of preexisting debt in exchange for 40% of Abengoa's new share capital post restructuring.

- Refinance the 30% remaining of the nominal value of the preexisting debt through new debt instruments, replacing the preexisting ones, which rank as senior or junior depending on whether or not such creditor participated in the new money facilities or new bonding facilities. Such instruments have maturities of 66 and 72 months respectively, with the possibility of an extension of up to 24 months, accruing annual interest of 1.50% (0.25% cash payment and 1.25% Pay If You Can). The junior instrument can be subject to additional reductions (provided that total reduction does not exceed 80% of the nominal value prior to the capitalization) if the aggregate amount of refinanced preexisting debt (after the 70% aforementioned capitalization) exceeds €2,700 million due to the crystallization of contingencies.

The conditions of the preexisting debt (Old Money) refinanced summarized in the following detail table:

Item	(Standard Restructuring Terms)	(Alternative Restructuring Terms)	
		Junior Old Money	Senior Old Money
% debt write-offs	97%	70%	70%
Post-debt write-offs nominal (in M€)	394	1,220	1,409
Cost	-	1.5%	1.5%
Maturity / Amortization	10 years	72 months	66 months
Capital participation	-	40%	

(iii) At the end of the restructuring process, the shareholders of the Company at the time, held around 5% of the share capital. Eventually, through the issuance of warrants, they could increase such stake in a percentage to be agreed that will not exceed an additional 5%, if, within 96 months, the group has paid in full all outstanding amounts under the new financing to be provided in the framework of the restructuring and under the existing indebtedness (as this indebtedness may have been restructured), including its financial costs. Furthermore, the company submitted a proposal to merge the two types of existing shares into one sole class of shares for approval by a General Shareholders Meeting, although this was not considered a prerequisite of the Restructuring Agreement.

› On April 28, 2017 the notes issued by Abengoa Abenewco 1, S.A.U. in connection with Tranche 2 of the new money financing as well as the notes issued by Abengoa Abenewco 2, S.A.U. in connection with the Senior Old Money and the Junior Old Money were admitted to trading on the Vienna Stock Exchange (Third Market (MTF) of Wiener Boerse).

› On June 12, 2017, the notes issued by ABG Orphan Holdco S.a.r.l. in connection with Tranche I of the new money financing were admitted to trading on the Irish Stock Exchange .

› Finally, within the framework of the judicial approval procedure, certain creditors filed challenge claims over the judicial approval of the MRA issued by Seville Commercial Court n. 2 on 8th November 2016. These challenges were declared admissible by the aforementioned judged by order dated 10 January 2017. The hearings of the aforementioned challenges were held on last 13th and 24th of July, the moment at which the trial was remitted for decision.

b) On the other hand, in relation with the proceedings in Brazil related with the transmission line activity, on the occasion of the mentioned situation of Abengoa, it should be known that;

› A ruling was issued in the Judicial Recovery process on December 2, 2016 in which it was decided i) to include these expiration proceedings in the Judicial Recovery process; ii) to suspend the proceedings and the execution of warranties to preserve the assets of holding companies in Judicial Recovery. A special hearing was scheduled on December 31, 2016 at which the Ministry of Mines and Energy, the ANEEL representative and the judicial administrator were called to appear. The creditor´s meeting, initially scheduled on March 31, 2017, was proposed for the end of May 2017.

› On May 30, 2017 was set Trial for the vote on the reorganization plan of Brazilian companies immersed “Recuperação judicial”.

› On August 16, 2017, a new Plan of Judicial Recovery was presented to be approved in the Creditors’ General Assembly.

› On August 18, 2017, in the framework of the process of “Recuperação judicial” of Abengoa Concessões (approved by 73.91% of common creditors), Abengoa Construção (approved by 87.65% of common creditors) and Abengoa Greenfield for 100% common creditors) the company's reorganization plan was approved by the majority of its creditors during the General Meeting of Creditors held on the same date.

› Notwithstanding the foregoing, in accordance with Brazilian bankruptcy law, the resolutions adopted at the General Meeting of Creditors must be ratified by the competent judicial authority in order to review the legality of the reorganization agreement reached. As of the date of this report, the Company is not aware of the publication of mentioned judicial resolution.

› On September 19, 2017, the Ministry of Mines and Energy, based on the recommendation of ANEEL, declared the expiration of the 9 concession contracts of greenfield projects. Against that administrative decision, several actions are possible, through administrative and judicial proceedings; however, the approved Judicial Recovery Plan considers this situation and provides alternative measures even if the annulment of that decision is not obtained.

c) Additionally, in relation to the proceedings in United States, on occasion as well of the mentioned situation of Abengoa, indicate that;

- During the first six month period of the year 2017 there have not been any new relevant facts in addition to the mentioned in the 2016 annual accounts on this subject.
- Notwithstanding the above, it is clear that on June 8, 2017, the Eastern District Bankruptcy Court of the Eastern District of Missouri issued the order confirming the approval of the settlement plans for Abengoa Bioenergy Operations, LLC; Abengoa Bioenergy Meramec Renewable, LLC; Abengoa Bioenergy Funding, LLC; Abengoa Bioenergy Maple, LLC; Abengoa Bioenergy Indiana LLC; Abengoa Bioenergy Illinois LLC; Abengoa Bioenergy US Holding LLC; Abengoa Bioenergy Trading US LLC; Abengoa Bioenergy Outsourcing LLC; Abengoa Bioenergy of Nebraska LLC; Abengoa Bioenergy Engineering & Construction LLC; y Abengoa Bioenergy Company LLC.

d) In relation to the bankruptcy declaration by the Court of Rotterdam of Abengoa Bioenergy Netherlands, B.V. on May 11, 2016 were appointed both a liquidator and supervising judges, it should be noted that;

- During the first six month period of the year 2017 there have not been any new relevant facts in addition to the mentioned in the 2016 annual accounts on this subject.
- On June, 2017 no significant event have occurred in relation to the bankruptcy situation of the company.

e) Regarding the declaration of bankruptcy of Abengoa México, S.A. de C.V.

- In pursuit of reaching an agreement with its creditors, Abengoa Mexico signed last March 2017 a lock-up agreement, supported by 71% of its creditors, aiming to subscribe the bankruptcy of the company and provide it and file it to the Courts according to the following terms:

  (i) In relation with common debts, Abengoa México has proposed the following treatment:

    a) proposal to capitalize the ordinary interests to be paid, being therefore part of the principal;

    b) the principal will be paid quarterly since March 2018;

    c) the principal to be paid will generate new interests, varying the period depending on the date of the resolution of approval of the agreement;

    d) the annual interest rate is fixed to 7% with an increase of 50 basis points per semester until the total payment;

    e) default interests due at the date of declaration of bankruptcy will be rejected by creditors. However, the default in payment of the amounts agreed will suppose the generation of default interests with a 14% rate during the period of default;

  (ii) in relation with credits against the bankruptcy estate and secured credits, they will be paid in accordance with the contracts and documents related;

  (iii) in relation with tax credits, Abengoa Mexico will propose to pay them in accordance with the applicable tax jurisdiction;

  (iv) finally, the treatment of subordinated credits will mean the inability to pay to subordinated creditors until the common credits are paid.

- On June 15, 2017 the Insolvency Agreement signed by the Company and a majority of its creditors was filed by the conciliator of the insolvency proceedings on the Sixth Court in Civil Affairs of Mexico City.

  The Agreement has been signed by 95.696% of its total creditors in terms of the Law of Commercial Contests. In relation solely to common creditors, 82.966% of adhesion has been reached. The mentioned Agreement, applicable to all creditors of Abengoa Mexico once approved, provides for a restructuring of the debt contracted with all its creditors at nominal value and with a fair treatment of them. As for terms, the debt would start to be settled in March 2018 and would end in December 2021.

- On June 28, 2017, the Sixth Court in Civil Affairs of Mexico City issued a judicial decision suspending the approval of the insolvency agreement pending the resolution of appeals against the resolution of the awards of claims presented by different creditors. Against that resolution of suspension were presented both by Abemex, as by the conciliator and by different creditors, appeals pending resolution on the date of this Report.

f) Finally, on 8th September last, Abengoa Bioenergía Brasil was informed by the Court of Santa Cruz das Palmeiras (Brazil) of a bankruptcy petition by a creditor of the company. On September 25 the company presented response and request of judicial rehabilitation which will allow the company restructuring and, therefore, negotiate with its creditors.

2.1.2. Going concern

Once the Restructuring Agreement described in section 2.1.1.a) is completed, the company will develop the agreed Updated Viability Plan with creditors and investors, which is focused on the traditional business of Engineering and Construction, where the company accumulates more than 70 years of experience. Specifically, this Updated Viability Plan focusses the activity in the energy and environmental industry. This business will be combined, in a balanced manner, with concessional infrastructure projects in sectors where Abengoa has a competitive advantage, mainly of technological kind, which allows a bigger added value projects. Regarding the mentioned Updated Viability Plan, will allow sustainable growing of Abengoa, based on the following five principles:

1) A multidisciplinary team and a culture and ability of multifunctional work.

2) Experience in engineering and construction and specially the outstanding strength in business development of high potential growing such as energy and water.

3) Technology abilities in our target markets, mainly in solar and water energy.

4) A more efficient organization with more competitive general expenses.

5) A financial approach adjusted to the current reality in which financial discipline and a rigorous evaluation of financial risks are key milestones.

The situation of the Group during the first six months period ended June 30, 2017, which has been affected by a strong limitation of financial resources for more than a year and a half, has significantly influenced the evolution of the business not only in terms of a generalized slowdown and deterioration of the Group's operations but also as a result of numerous insolvency or bankruptcy proceedings involving companies not included in the Company's Updated Viability Plan.

Consequently, the parent company, Abengoa, S.A., has incurred in losses since 2015, which has supposed a significant decrease in Equity and as a consequence at December 31, 2016 presented a negative net equity. In the parent company Abengoa Director´s opinion, the expected measures in the effective application of the Restructuring Agreement have allowed to gain a financial stability once there is a positive impact recognized in the income statement derived from debt write-offs, capital increases and, in addition has provided the Group with the necessary financial resources to rise the market confidence, the provision of liquidity to the Company and the continuance of its activity to operate in a competitive and sustainable manner in the future.

Based on the foregoing, Abengoa´s Directors have prepared this Consolidated condensed interim financial statements at June 30, 2017 on a going concern. Based on the application of the going concern basis, Abengoa´s Directors have applied the International Financial Reporting Standards ('IFRS') consistently with the Consolidated condensed interim financial statements and Consolidated financial statements filed in prior periods. For that purpose, and according to the aforementioned accounting framework, Abengoa´s Directors have made their best estimates and assumptions (see Note 3 of Abengoa's Consolidated financial statements as of December 31, 2016) in order to record the assets, liabilities, revenues and expenses as of June 30, 2017 in accordance with the existing information by the time of preparing this Consolidated condensed interim financial statements.

2.1.3. Restructuring process accounting impacts

As indicated on section 2.1.1.a), on March 31, 2017, the completion of the Restructuring of the Group and therefore the Company recognized at that date all the accounting impacts related were announced. From an accounting perspective, the Restructuring Agreement is subject to IFRIC 19 "Cancellation of financial liabilities with equity instruments", derecognizing a portion of the debt to be cancelled at book value, recognizing the refinanced debt at fair value and registering the equity instrument to be handed over at fair value and recognizing the difference between such both amounts in the Income statement. The issued Equity instruments should be firstly recognized and valuated in the date in which the liability or a part of it is cancelled.

When valuating the handed over equity instruments, it has been applied the IFRS 13 "Fair value measurement" and, consequently, it has been taken as reference the market price in the Spanish Stock Exchanges on the date in which the Restructuring process was completed and the liability was written off, this means on March 31, 2017. This market price was €0.055 per each class A share, and €0.024 each class B share. Applying such amount to the capital Increase of Abengoa (1,577,943,825 class A shares and 16,316,369,510 class B shares, which correspond to 95% of Capital share), the shares fair value accounted in the Consolidated Equity has been €478 million.

With the portion of debt to be refinanced, and given that the conditions of the debt to be refinanced have been substantially modified after the Restructuring agreement, IAS 39 "Financial instruments, recognition and measurement" has been applied, derecognizing the portion of the debt to be refinanced at book value, registering the equity instrument to be handed over at fair value and recognizing the difference between both amounts in the Income statement.

Regarding the cancellation of the liabilities subject to the standard conditions of the Agreement (amounts payable to creditors who have not signed the Agreement), since there is no obligation to deliver equity instruments in order to cancel 97% of the liabilities, the terms of IAS 39 has been apply to both the derecognition of the percentage of the liability mentioned above and the recognition of a new liability equal to 3% of the original liability which has been recorded at its fair value and recognizing an impact on the Income Statement by the difference between both amounts.

All the mentioned caused a positive impact in the consolidated Net Equity of Abengoa at March 31, 2017 of €6,292 million (€5,814 million in the income statement and €478 million in capital share and share premium). The following table shows the breakdown of such impacts (in million euros):

Concept	Amount (1)
Decrease of debt to be refinanced at its carrying amount	8,433
Increase of refinanced debt at its fair value	(1,943)
Increase of equity instruments	478
Related expenses (commissions, fees, etc.)	(138)
Tax impact	(538)
Total impacts in Net Consolidated Equity	6,292

(1) The final impact resulting from the Restructuring Agreement could change depending on several factors which will be concreted in the following months, but in Director´s opinion it is not expected significant differences to those previously detailed.

It is important to be known that the previous positive impact produced on the consolidated Equity of Abengoa exclusively try to shows the economic impact of the financial debt restructuration of Abengoa, and therefore it does not try to show the future financial situation of Abengoa which, in Director´s opinion, and once implemented the Restructuring Agreement will depend on the achievement of the Updated Viability Plan related to the Group capacity to generate resources from its operations and the liquidity supply in market to continue with the activity in a competitive and sustainable manner.

2.2. Financial position

2.2.1. Changes in the composition of the Group

During the first six months of the year 2017 a total of 4 subsidiary and 0 associated companies were added to the consolidation perimeter of the Group.

In addition, 39 subsidiaries, 1 associated companies and 0 joint ventures are no longer included in the consolidation group.

2.2.2. Changes in assets held for sale and discontinued operations

During the first semester of 2017, the most significant changes corresponds to the investment on Atlantica Yield and Zapotillo concessional asset, given that, once initiated his corresponding disinvestment process, have been classified under the heading of assets and liabilities held for sale in the Consolidated statement of financial position given the compliance all the requirements of the IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations'.

In accordance to such IFRS 5, non-current assets (or group of assets for their disposal) classified as held for sale, should be registered at the lower of their book value and their fair value less cost to sale.

In order to determine the investment fair value of Atlantica Yield, and given that its shares quote on the NASDAQ Global Select Market, the market price at March 31, 2017 has been taken into account, which was $21.36. Given that the fair value is higher than the book value, no adjustments have been registered.

In relation to the divestment process of Atlantica Yield indicate that, within the conditions precedent necessary for the completion of the transaction, including the obtaining of a waiver by U.S. Department of Energy (DOE), allowing the reduction of participation percentage currently owned by Abengoa. To achieve this objective, a negotiation between all parties was initiated at the end of 2016 under the premise that Abengoa would obtain the waiver in exchange for maintaining all its current obligations as contractor in the project (under the "Stoppel Agreement" signed by Abengoa, SA with the above mentioned DOE) for an additional period of four years from the expiry of the original guarantee period (occurred in April 2017) within the framework of the agreement on the extension of production guarantee granted to the company Arizona Solar One owner of the Solana thermo-solar plant in the United States. In addition, is being negotiated, along with this extension of production guarantee, a number of commitments of doing by Abengoa as contractor to improve the production of this plant.

2.2.3. Main acquisitions and disposals

There were no significant acquisitions during the first semester of 2017.

a) Acquisitions:

- During the six months period ended June 30, 2017 there were no significant acquisitions.

b) Disposals

- During the period of six months ended June 30, 2017, there were not significant disposals with the exception of the sale of the bioethanol business in Europe as part of the Divestment plan established in the Updated Viability Plan.

On March 16, 2017, Abengoa Bioenergía Inversiones, S.A. (the "Seller"), subsidiary of Abengoa, S.A., entered into a sale and purchase agreement (the "Agreement") with a company controlled by private equity fund Trilantic Europe (the "Purchaser"), which governs the sale of the bioethanol business of Abengoa in Europe through the transfer of shares of Abengoa Bioenergy France, S.A., Biocarburantes de Castilla y León, S.A., Bioetanol Galicia, S.A., Ecocarburantes Españoles, S.A. and Ecoagrícola, S.A. The sale and purchase agreement become effective once certain conditions precedent have been fulfilled (among others, the approval of the transaction by the Spanish Anti-trust Authority).

The transaction amount (enterprise value) is €140 million, including debt and working capital assumed by the Purchaser and minority interests. The cash received amounted to €81 million, with an effect on the Abengoa's consolidated income statement of €20 million and recognized under "Profit for the Year from Discontinued Operations", although there is an amount outstanding to be received subject to certain conditions whereby the total cash amount to be received could reach €111 million.

- Additionally, on May 24, 2017, Abengoa has reached an agreement with Prana Capital, the Infrastructure and Energy division of Artha Capital, a Mexican pension fund manager, in which the latter will invest financial resources to complement the capital provided by Abengoa towards this important project. This union has the goal of advancing the construction of this 139 km aqueduct which will supply potable water to more than one and a half million inhabitants in an efficient, sustainable and secure way, from the El Zapotillo dam to the towns of Los Altos de Jalisco and up to the city of León.

In particular, Abengoa and Prana have signed a binding alliance in which the fund will provide complementary capital for the development of the infrastructure; while Abengoa will continue to have 20% project ownership and shall remain responsible for the engineering and construction of this key project for the company. In addition to the completion of the works, Abengoa will also be responsible for the supply, operation, maintenance of the infrastructure for a period of 25 years.

On June 30, 2017 the agreement was subject to the main parties of the project (Conagua, Banobras, Sapal, Abengoa and Prana) reaching an agreement as to the key milestones that had to be achieved to ensure the execution of the project.

As of August 25, 2017, the concessionary company Zapotillo Aqueduct S.A. de CV has communicated to the grantor the resignation without responsibility of the concession, beginning a period of negotiation between both parties to evaluate the possible scenarios contemplated in this situation for what it put on hold the agreement previously above-mentioned.

The potential impacts derived from everything previous have been considered in the valuation of the concessional asset once classified as assets held for sale (see Note 7).

- Finally, on September 1, 2017, Abengoa has reached an agreement with the consortium formed by Macquarie Capital and Techint Engineering & Construction for the sale of the 907 MW combined cycle Norte III, in the state of Chihuahua (Mexico), signed with the Federal Electricty Commission (CFE) and retaining the same scope and price for the sale of the energy originally agreed upon Abengoa will maintain the execution of part of Norte III, corresponding to the water treatment plant.

The transaction will have a provisional positive net effect in Abengoa's results (therefore, yet to be definitively determined) of approximately 33MUSD.

2.2.4. Main figures

Financial data

- Revenues of €691 million, a 0.44% higher to the same period of 2016.
- EBITDA of €16 million, an increase of 127% compared to the same period of 2016.

Item	For the six months ended 06.30.17	For the six months ended 06.30.16 (*)	Var (%)
Income Statement (in million euros)			
Revenue	691	688	0.44
EBITDA	16	(59)	127.12
EBITDA Margin	2%	(9%)	127.00
Net Income	4,906	(3,689)	232.99
Balance Sheet			
Total Assets	8,191	9,914	(17.38)
Equity	(1,638)	(6,780)	75.84
Corporate Net Debt	2,850	7,237	(60.62)
Share Information (in million euros)			
Last price (€ per B share)	0.01	0.24	(95.83)
Capitalization (A+B share) (€ million)	264	256	3.13
Daily trading volume (€ million)	10	6	66.67

(*) Restated figures in the Income Statement due to the discontinuance of the operating segment of Bioenergy. Amounts in balance sheet are referred at date of December 31, 2016.

Operating figures

- The international activity represents 91% of the consolidated revenues.
- The main operating figures of June 30, 2017 and 2016 are the following:

Key operational	June 2017	June 2016
Transmission lines (km)	3,532	3,532
Water Desalination (Cap. ML/day)	475	475
Cogeneration (GWh)	163	263
Solar Power Assets (MW)	200	201
Biofuels Production (ML/year)	235	2,790

Corporate debt conciliation

The following table sets out the conciliation of the Net Corporate Debt with the information included in the Statement of financial position at June 30, 2017 and December 31, 2016 (in million euros):

Item	Balance as of 06.30.17	Balance as of 12.31.16
+ Corporate financing	3,413	7,665
- Financial investments	(360)	(150)
- Cash and cash equivalents	(205)	(278)
Total Net Debt	2,848	7,237

2.2.5. Consolidated income statement

The following summary shows the Consolidated Income Statement of Abengoa at June 30, 2017 and June 30, 2016, with an explanation of the main variations between both periods (in million euros):

	Balance as of 06.30.17	Balance as of 06.30.16 (1)	Var (%)
Revenues	691	688	0.4
Operating expenses	(675)	(747)	(9.6)
EBITDA	16	(59)	127.1
Depreciation and amortization	(296)	(436)	32.1
I. Net Operating Profit	(280)	(495)	43.4
II. Finance Cost, net	(240)	(283)	15.2
Financial incomes / expenses	6,371	(195)	3,367.2
Net Exchange rates differences and other financial incomes/expenses	6,131	(478)	1,382.6
III. Share of (loss)/(profit) of associates	7	(332)	102.1
IV. Profit Before Income Tax	5,858	(1,305)	548.9
V. Income tax expense	(643)	(28)	(2,196.4)
VI. Profit for the year from continuing operations	5,215	(1,333)	491.2
Profit (loss) from discontinued operations, net of tax	(308)	(2,350)	86.9
Profit for the year	4,907	(3,683)	233.2
VII. Non-controlling interests	(1)	(6)	83.3
Net income attributable to the parent company	4,906	(3,689)	233.0

(1) Restated figures related to the classification, for the six months period ended June 30, 2017, of Income Statements operating segment of Bioenergy Profit/loss from discontinued operations due to their significant activities developed within Abengoa (see Note 7 of the Consolidated Condensed Interim Financial Statements).

Revenues

Revenue has remained stable to €691 million, which is an increase of €3 million from €688 million in the same period of 2016. The slight increase in consolidated revenues is due to, in addition to the widespread slowdown in business of Abengoa by strong limited financial resources to which the Company has been subject for more than a year and a half, to the net impact between the increase of concessions activity, for the implementation of Khi thermo solar plant in South Africa, and the decreased of the Engineering and Construction activity in the development of EPC projects mainly in areas of North America and South Africa partially offset by the increase in areas of South America and the Middle East.

EBITDA

EBITDA has increased in a 127% reaching €16 million, which suppose an increase of €75 million compared to the €-59 million of the same period of the previous year. The increase in EBITDA is mainly attributable to all mentioned in the revenue section joined to the improvement generated in this period, compared to the previous period, due to the expense that was recognized in June 2016 to cover possible construction costs (for contractual breaches and for the reactivation of projects given the situation in which the Company was), which was partially offset by the increase in 2017 of expenses of independent professionals by the consultants involved in the restructuring process.

Operating profit

Operating profit has increased in 43%, from loss of €495 million on June, 2016 to losses of €280 million on June, 2017. This increase in the operating profit is mainly attributable to all the mentioned before in the EBITDA section, as well as to the improvement generated, in comparison with the previous period, for the impairment expense on certain assets held for sale recognized in June 2016 given the situation in which the company was.

Net Financial Expense

Net Finance expenses have reached a profit of €6,131 million, which is an increase of 1,383% in comparison to a loss of €478 million in the same period of 2016. This increase in expenses is mainly due to the positive impact caused by the financial debt restructuring of the Group (see section 2.1), as well as the lower financial expenses, in comparison with the six month ended June 2016, due to the losses recognized on certain divestments of financial assets as well as to the default interest expenses and guarantees executed as a result of the situation in which the company was.

Share of profit (loss) of associates carried under the equity method

The result of associates increase from a loss of €332 million on June, 2016 to a profit of €7 million on June, 2017. This increase is mainly due the improvement generated in this period, in comparison with the previous period, due to the impairment losses recognized in June 2016 on certain interests in associates.

Corporate Income Tax

Corporate income tax increased from a net loss of €28 million on June, 2016 to a net loss of €643 million on June, 2017. This decrease in mainly attributable to income tax expenses recognized due to the positive result arisen after the financial debt restructuring of the Group (see section 2.1).

Profit for the year from continuing operations

Due to the aforementioned changes, results from continuing operations of Abengoa increased from losses of €1,333 million on June, 2016 to a profit of €5,215 million in the same period of 2017.

Profit/(Loss) from discontinued operations, net of tax

The result from discontinued operations, net of tax increase from a loss of €2,350 million on June, 2016 to a loss of €308 million in the same period of 2017. This increase is mainly attributable the improvement generated in this period, in comparison with the previous period, due to the higher impairment charges on certain discontinued assets related to the Bioenergy and LAT Brazil activity recognized in June 2016, given the situation in which the company was.

Profit attributable to the parent company

Profit attributable to the parent company increased from a loss of €3,689 million on June, 2016 to a profit of €4,906 million on June, 2017 as a consequence of the changes described in previous sections.

2.2.6. Results by activities

The following table shows the distribution between business activities of revenues and consolidated EBITDA at June 30, 2017 and June 30, 2016, with an explanation about the main variations between both periods (in million euros):

	Revenue			Ebitda			Margin	
Item	For the six months ended 06.30.17	For the six months ended 06.30.16 (1)	Var (%)	For the six months ended 06.30.17	For the six months ended 06.30.16 (1)	Var (%)	For the six months ended 06.30.17	For the six months ended 06.30.16
Engineering and construction								
Engineering and construction	606	615	(1.46)	(42)	(105)	(60.00)	(6.93%)	(17.07%)
Total	606	615	(1.46)	(42)	(105)	(60.00)	(6.93%)	(17.07%)
Concession-type Infrastructures								
Solar	30	17	76.47	22	11	100.00	73.33%	64.71%
Water	24	31	(22.58)	19	22	(13.64)	79.17%	70.97%
Transmission lines	1	1	0.00	-	-	-	0.00%	0.00%
Cogeneration and others	30	24	25.00	17	13	30.77	56.67%	54.17%
Total	85	73	16.44	58	46	26.09	68.24%	63.01%
Total	691	688	0.44	16	(59)	127.12	2.32%	(8.58%)

(1) Restated figures in the Income Statement due to the discontinuance of the operating segment of Bioenergy.

Engineering & Construction

Revenues in the Engineering & Construction segment has decreased by 1% to €606 million, which is a decrease of €9 million compared to the €615 million of the same period last year. This decrease in revenues is mainly attributable, in addition to the generalized slowdown in Abengoa's business due to the strong limitation in financial resources to which the Company has been subject for more than a year and a half, to the decrease in the development of EPC projects in areas of North America and South Africa partially offset by increases in areas of South Africa and Middle East.

Engineering & Construction EBITDA has increased by 60% to €-42 million, which is an increase of €63 million, compared to the €-105 million in the same period in the last year. This increase in EBITDA is attributed to the aforementioned in the previous paragraph of revenues, joined to the improvement generated in this period compared to the previous period, due to the expense that was recognized in June 2016 to cover possible construction costs (for contractual breaches reactivation of projects given the situation in which the Company was), partially offset by the increase in 2017 expenses for services of professionals independent of the consultants involved in the restructuring process.

Concession-type Infrastructures

Revenues in concession-type infrastructures have increased by 17% to €85 million, which is an increase of €12 million compared to the €73 million in the same period last year. This increase in revenues is mainly attributable To the income generated in the thermo-solar plant of Khi once entered into operations at the end of 2016 as well as higher performance in certain concessional-type assets like the solar-gas central (SPP1) in Algeria.

Concession-type infrastructure EBITDA has increased by 26% to €58 million, which is an increase of €12 million compared to the €46 million in the same period last year. This increase in EBITDA is also mainly attributed to what has been mentioned in the previous paragraph related to income generated in certain concessional-type assets.

2.2.7. Consolidated statement of financial position

Consolidated balance sheet

A summary of Abengoa's consolidated asset for June 30, 2017 and December 31, 2016 is given below, with main variations (in millions euros):

Item	Balance as of 06.30.17	Balance as of 12.31.16	Var (%)
Intangible assets and fixed assets	263	254	4
Fixed assets in projects	166	398	(58)
Associates under the equity method	69	823	(92)
Financial investments	73	65	12
Deferred tax assets	506	615	(18)
Non-current assets	1,077	2,155	(50)
Inventories	96	100	(4)
Clients and other receivable accounts	1,208	1,327	(9)
Financial investments	360	150	140
Cash and cash equivalents	205	278	(26)
Assets held for sale	5,245	5,904	(11)
Current assets	7,114	7,759	(8)
Total assets	8,191	9,914	(17)

- Non-current assets have decreased 50% to €1,077 million, which is a decrease of €1,078 million compared to the €2,155 million at December 31, 2016. This decrease in non-current assets is mainly attributable to the classification as assets held for of Zapotillo concession asset and the investment in Atlantica Yield after comply with the requirements of IFRS 5 (see section 2.2.2).
- Current assets have decreased by 8% to €7,114 million, which is a decrease in €645 million compared to the €7,759 million at December 31, 2016. This decrease in assets is mainly attributable to by sale of Bioenergy plants in Europe (see Note 2.2.3 of the Consolidated condensed interim financial statements) and the depreciation of the Brazilian real partially offset by the new non-current assets classified as held for sale.

› A summary of Abengoa's consolidated liabilities as of June 30, 2017 and December 31, 2016 is given below, with main variations (in millions euros):

Item	Balance as of 06.30.17	Balance as of 12.31.16	Var (%)
Capital and reserves	(2,129)	(7,335)	71
Non-controlling interest	491	555	(12)
Total Equity	(1,638)	(6,780)	76
Project debt	4	12	(67)
Corporate financing	1,369	267	413
Grants and other liabilities	65	66	(2)
Provisions and Contingencies	57	51	12
Derivative financial instruments	1	6	(83)
Deferred tax liabilities and Personnel liabilities	594	176	238
Total non-current liabilities	2,090	578	262
Project debt	95	2,003	(95)
Corporate financing	2,044	7,398	(72)
Trade payables and other current liabilities	2,377	2,654	(10)
Current tax liabilities	88	146	(40)
Derivative financial instruments	6	12	(50)
Provisions for other liabilities and expenses	22	17	29
Liabilities held for sale	3,107	3,886	(20)
Total current liabilities	7,739	16,116	(52)
Total Shareholders' Equity and Liabilities	8,191	9,914	(17)

› Equity has increased by 76% to €-1,638 million, which is an increase of €5,142 million compared to €-6,780 million at December 31, 2016. This increase in equity is mainly attributable to the positive impact after the financial restructuring (see section 2.1) and the net negative evolution of Exchange rate differences given the depreciation of the Brazilian real and the depreciation of the US dollar.

› Non-current liabilities have increased by 262% to €2,090 million, which is an increase of €1,512 million compared to the €578 million at December 31, 2016. This increase is mainly due to the net impact of the financial restructuring once the old debt has decreased and the new debt increased maturing in the long term (see section 2.1).

› Current liabilities have decreased by 52% to €7,739 million, which is a decrease of €8,377 million compared to the €16,116 million at December 31, 2016. This decrease in current liabilities is mainly attributable to the impact of the financial restructuring once decreased the old debt to be refinanced net of the already financed debt maturing in the short term as well derecognition of assets by sale of Bioenergy plants in Europe (see Note 2.2.3 of the Consolidated condensed interim financial statements) and the depreciation of the Brazilian real.

2.2.8. Consolidated cash flow statements

A summary of the Consolidated cash flow statements of Abengoa for the periods ended June 30, 2017 and June 30, 2016 with an explanation of the main cash flows (in million euros):

	Balance as of 06.30.17	Balance as of 06.30.16 (1)	Var (%)
Profit for the year from continuing operations	5,215	(1,333)	491
Non-monetary adjustments	(5,291)	1,116	(574)
Variations in working capital and discontinued operations	(83)	(19)	(337)
Interest received/paid	(39)	(51)	24
Discontinued operations	23	55	(58)
A. Net Cash Flows from operating activities	(175)	(232)	25
Intangible assets and property, plant & equipment	(103)	(160)	36
Other investments/disposals	77	78	(1)
Discontinued operations	16	45	(64)
B. Net Cash Flows from investing activities	(10)	(37)	73
Other disposals and repayments	118	96	23
Discontinued operations	8	36	(78)
C. Net Cash Flows from financing activities	126	132	(5)
Net increase/(decrease) of cash and equivalent	(59)	(137)	57
Cash at beginning of year	278	681	(59)
Translation differences cash or equivalent	(14)	16	(188)
Discontinued operations	-	(284)	100
Cash and cash equivalent at end of year	205	276	(26)

(1) Restated figures in Consolidated cash flow statements due to the discontinuance of the operating segment of Bioenergy.

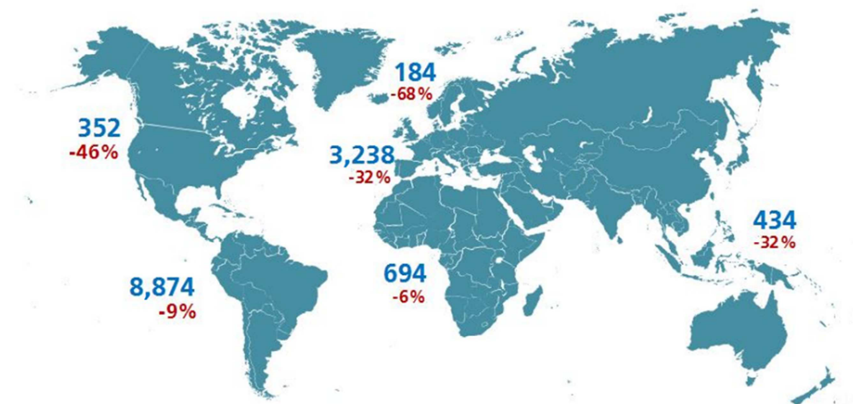
- As of June 30, 2017, cash outflows from operating activities amounts to €175 million compared to €232 million in the same period of 2016, due to the lower cash generated after the general deceleration in business in all segments, the decrease in working capital and the tax and interests credit receipts and payments, mainly derived from the situation of the Group during the first six month period ended June 30, 2017 given by the strong limitation of financial resources in which the Company is subjected for more than a year and a half.
- In terms of net cash flows from investment activities, there is a net cash outflow of €10 million as of June 30, 2017, compared with net cash outflow of €37 million in the same period of 2016. The lower cash outflows from investment activities are mainly caused by the lower execution of projects due to the situation of the Group mentioned in the previous paragraph and the cash inflow generated by the sale of the Bioethanol business in Europe (see Note 2.2.3 of the Consolidated condensed interim financial statements).
- Net cash flow from financing activities was €126 million as of June 30, 2017 compared to €132 million in the same period of 2016. The higher cash inflows from financing activities are mainly caused by the net cash obtained in the financial debt restructuring of the Group (see section 2.1).

2.2.9. Human resources

Abengoa's workforce is formed by 13,776 people at June 30, 2017, which is a decrease of 19.6% compared to the previous year (17,141 people).

Geographical distribution of the workforce

The 23.5% people are located in Spain while the remaining 76.5% are abroad. The total number of employees at June 30, 2017 by geographical area:



Distribution by professional groups

The average number of employees by categories as of June 30, 2017 and 2016 was:

	Average number of employees as of 06.30.17			Average number of employees as of 12.31.16		
Categories	Female	Male	Total %	Female	Male	Total %
Directors	39	353	2.4	47	428	2.7
Management	281	999	7.9	348	1,230	8.9
Engineers	787	1,844	16.2	1,012	2,269	18.5
Assistants and professionals	659	1,403	12.7	789	1,505	13
Operators	631	9,154	60.3	687	9,181	55.8
Interns	38	49	0.5	67	104	1
Total	2,435	13,802	100	2,950	14,717	100

3.- Information on the foreseeable evolution of the Group

To estimate the outlook for the Group, it is important to take into account the situation of the Company after the restructuring process.

In this sense, once finished the restructuring process described in section 2.1.1.a), the Company will develop the agreed Updated Viability Plan with creditors and investors, which is focused on the traditional business of Engineering and Construction, where the company accumulates more than 75 years of experience. Specifically, this Updated Viability Plan focusses the activity in the energy and environmental industry. This business will be combined, in a balanced manner, with concessional infrastructure projects in sectors where Abengoa has a competitive advantage, mainly of technological kind, which allows a bigger added value projects. Regarding the mentioned Updated Viability Plan, will allow sustainable growing of Abengoa, based on the following five principles:

1) A multidisciplinary team and a culture and ability of multifunctional work.

2) Experience in engineering and construction and specially the outstanding strength in business development of high potential growing such as energy and water.

3) Technology abilities in our target markets, mainly in solar and water energy.

4) A more efficient organization with more competitive general expenses.

5) A financial approach adjusted to the current reality in which financial discipline and a rigorous evaluation of financial risks are key milestones.

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.

Notwithstanding Abengoa's current situation as discussed in section 2.1 which has affected the management of the company's liquidity and capital risks, the Risk Management Model used by Abengoa has always attempt 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, and diversifying the sources of finance in an attempt to prevent concentrations.

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.

These Consolidated condensed interim financial statements do not include all financial risk management information and disclosures required for annual financial statements, and should be read together with the information included in Note 4 to Abengoa's Consolidated financial statements as of December 31, 2016.

5.- Information on research and development activities

R&D investments during the first semester of the year 2017 have been €303 thousand, lower than the amount invested at June 30, 2016 (€8 million) mainly due to the situation of the Company during the first six month period ended June 30, 2017.

6.- Stock exchange evolution

According to data provided by Bolsas y Mercados Españoles (BME), during the first semester of 2017 a total of 4,315,744,344 Class A shares and 35,458,750,487 Class B shares in the company were traded, equivalent to an average daily trading volume of 33,982,239 Class A shares and 279,202,760 Class B shares. The average daily traded cash volume was €1.8 million for Class A shares and €8.6 million for Class B shares.

Share evolution	A Shares		B Shares	
	Total	Daily	Total	Daily
Volume (thousands of shares)	4,315,744	33,982	35,458,750	279,203
Volume (M€)	229.1	1.8	1,097.70	8.6

Quotes	A Share	Data	B Share	Data
Last	0.035	30-jun	0.012	30-jun
Maximum	0.969	27-mar	0.317	24-mar
Minimum	0.028	25-april	0.011	23-jun

The last price of Abengoa's shares at the end of the six months period ended June 30, 2017, was €0.04 for Class A shares, a 91% lower than at the end of 2016; and €0.01 per Class B share, 94% lower than at the end of 2016, mainly for the impact of share capital increase carried out in the frame of the Company´s restructuring plan, and that has implied the emission of 1,577 million new Class A shares and 16.316 million new Class A shares.

Since its IPO in the Spanish stock exchange in November 29, 1996, the value of the Company has increased by 28%. The selective IBEX-35 index has risen by 124% during the same period.

7.- Information on the purchase of treasury shares

Abengoa, S.A. and its subsidiaries have complied with all legal requirements regarding companies and treasury stock.

The parent company has not pledged its shares in any type of mercantile transaction or legal business, nor are any of Abengoa, S.A. shares held by third parties which could act on its behalf or on behalf of group companies.

It should be noted that potential reciprocal shareholdings established with Group companies are temporary and comply with the requirements of the consolidated text of the Spanish Capital Companies Act.

On November 19, 2007, the company entered into a liquidity agreement for Class A shares with Santander Investment Bolsa, S.V. On January 8, 2013, the company entered into a liquidity agreement for Class A shares with Santander Investment Bolsa, S.V., replacing the initial agreement, in compliance with the conditions established in CNMV Circular 3/2007 of December 19. On November 8, 2012, the company entered into a liquidity agreement for Class B shares with Santander Investment Bolsa, S.V. in compliance with the conditions established in CNMV Circular 3/2007 of December 19. This liquidity agreement for Class B shares was effective on April 21, 2015. On September 28, 2015, has been temporarily suspended the operations under the liquidity agreement that in respect of its Class A shares was entered into by the Company with Santander Investment Bolsa, Sociedad de Valores, S.A.U. on 10 January 2013. On 5 July 2017 the Liquidity Agreement that in respect of its Class A shares has been terminated with because the Company does not have the intention to continue to operate with treasury shares.

As of June 30, 2017 treasury stock amounted to 5,522,480 Class A shares in full.

Regarding the operations carried out during the period, there has not been treasury stock purchased class A and class B shares, and the number of treasury stock transferred amounted to 140,000 class A shares and zero class B share.

8.- Corporate governance

On January 26, el the Board of Directors of the Company resolved to accept the resignation of Mr. Javier Targhetta Roza as director. Subsequently, on February 27, 2017, the Board of Directors resolved to appoint Mr. José Luis del Valle Doblado as member of the Appointments and Remunerations Committee following the resignation from Mr. Javier Targhetta Roza .

On March 23, 2017, the Board of Director of the Company, at the proposal of the Appointments and Remunerations Committee, resolved appoint by means of co-optation the existing vacancy after the dismissal of Mr. Javier Targhetta Roza, appointing as Director to Mr. Miguel Antoñanzas Alvear, as independent Director. Additionally, was appointed as member of the Appointments and Remunerations Committee replacing Mr. José Luis del Valle Doblado who left such committee.

On May 19, 2017 the Board of Director of the Company resolved to accept the resignation of Mr. Miguel Antoñanzas Alvear as director. Likewise, that same meeting of the Board of Directors resolved to appoint Mr. José Luis del Valle Doblado as member of the Appointments and Remunerations Committee following the resignation from Mr. Miguel Antoñanzas Alvear.

The General Shareholders' Meeting of the Company held on second call on June 30, 2017, approved the maintenance of the vacancy left by the resignation of Mr. Miguel Antoñanzas Alvear prior to the convening of the General Shareholders ‘Meeting, providing that it could proceed to cover it by cooptation at a later time.

On July 13, 2017, the Board of Directors of the Company, following the proposal made by the Appointments and Remunerations Committee, unanimously resolved to cover the vacancy existing in the Board of Directors following the approval of the General Shareholders Meeting held on 30 June 2017, by appointing Mr. Josep Piqué Campsas an independent director. Likewise, he was also appointmented member of the Appointments and Remunerations Committee replacing Mr. José Luis del Valle Doblado who ceased to be a member of such Committee

9.- Dividends

The terms and conditions included in the financial agreements entered into as part of the Restructuring Agreement include a prohibition on the distribution of dividends until all of the new money financing and old money financing is repaid in full. Therefore, we expect that no dividend payments will be made until, at least, 2023, date in which the last Old Money financing is expected to be repaid. The prohibition on dividends also affects "Abengoa Abenewco 1, S.A.U." ("AbeNewco 1") and "Abengoa Abenewco 2, S.A.U." ("AbeNewco 2"), the holding companies recently incorporated by Abengoa in the context of the Group's corporate restructuring. Whilst distribution of dividends within the companies of AbeNewco 1's consolidation perimeter are generally permitted, distributions of dividends in favour of the Company, AbeNewco 2 and any shareholders thereof are prohibited, except for distributions required to attend scheduled debt service payments and, up to a certain cap, distributions required to attend the Company's general corporate expenses.

10.- Relevant events reported to the CNMV

Detail of written communications to the CNMV corresponding to the first semester of 2017 and until the business evolution report's date:

- Written Communication of 01/17/17.- Abengoa announces the beginning of the Supplemental Accession Period.
- Written Communication of 01/26/17.- The Company announces the extension of the Participation Deadline.
- Written Communication of 01/26/17.- The Company announces changes in its Board of Directors.
- Written Communication of 01/31/17.- Abengoa announces the extension of the Participation Deadline.
- Written Communication of 02/03/17.- Abengoa announced final percentage of support to the restructuring agreement.
- Written Communication of 02/07/17. - Abengoa announces admission to trading of new Class B shares derived from the 20th Conversion Period.
- Written Communication of 02/08/17.- Correction in connection with the relevant fact published yesterday.
- Written Communication of 02/14/17.- Abengoa, to complete the Transaction, announces a waiver request under the Restructuring Agreement.
- Written Communication of 02/27/17.- Abengoa announces changes in the Appointments and Remunerations Committee.
- Written Communication of 02/28/17.- Abengoa announces the approval of the consent requested to Creditors on February 14.
- Written Communication of 02/28/17.- The Company announces the Annual corporate governance report.
- Written Communication of 02/28/17. – The Company announces the Annual report from the appointments and remunerations committee.
- Written Communication of 02/28/17.- Abengoa announces second quarter results for 2016.
- Written Communication of 02/28/17.- Abengoa announces 2016 results and is nearing the completion of its financial restructuring.
- Written Communication of 03/16/17.- Abengoa announces the sale of the Bioethanol Plants in Europe.
- Written Communication of 03/17/17.- Abengoa announces the Restructuring Documents Approval.
- Written Communication of 03/23/17.- Abengoa announces the appointment of an independent director.
- Written Communication of 03/23/17.- Abengoa announces advances in the restructuring process.
- Written Communication of 03/28/17.- Abengoa announces the Restructuring Steps Commencement Date and the execution of corporate resolutions.
- Written Communication of 03/29/17.- Abengoa announces the registration of the share capital increase.
- Written Communication of 03/30/17.- Abengoa announces the verification of the Prospectus of the new shares and admission to trading.
- Written Communication of 03/31/17.- Abengoa announces completion of the Restructuring.
- Written Communication of 05/04/2017.- Abengoa announces admission to trading of notes issued in the framework of the restructuring.
- Written Communication of 05/04/2017.- Standard form for the notification of Home Member State is referred.
- Written Communication of 05/04/2017.- Standard form for the notification of Home Member State is referred.
- Written Communication of 05/12/2017.- Abengoa completes its financial restructuring and announces results for the first quarter of 2017.
- Written Communication of 05/19/2017.- Abengoa announces the admission to trading of the Class B Shares corresponding to the 21st Conversion Period.
- Written Communication of 05/19/2017.- Abengoa announces changes in the Board of Directors.

- Written Communication of 05/26/2017.- Abengoa announces 2017 General Shareholders' Meeting.
- Written Communication of 06/01/2017.- Abengoa announces that it has completed the sale of the Bioethanol Business in Europe.
- Written Communication of 06/05/2017.- Abengoa announces the termination of the Liquidity Agreement.
- Written Communication of 06/29/2017.- Abengoa announces that it has signed a new agreement for the development of an extension of a desalination plant.
- Written Communication of 06/30/2017.- Abengoa announces resolutions approved by the General Shareholders' Meeting.
- Written Communication of 06/30/2017.- The Company releases the Chairman's discourses during the Ordinary General Shareholders' meeting held today.
- Written Communication of 07/13/2017.- Abengoa announces the appointment of a new independent director.
- Written Communication of 08/08/2017.- Abengoa announces the admission to trading of the new Class B shares following the end of the 22ndº conversion period.
- Written Communication of 09/01/2017.- Abengoa announces the sale of Norte III.
- Written Communication of 09/25/2017.- Abengoa announces first half 2017 earnings conference call.
- Written Communication of 09/26/2017.- Abengoa announces the ruling of the court in the challenges to the restructuring agreement and cancels the results presentation.

11.- Alternative performance measures

Abengoa presents the Income Statement in accordance to the International Financial Reporting Standards (IFRS), however, uses some alternative performance measures (APMs) to provide additional information to assist the comparison and comprehension of the financial information, facilitate decision-making and the assessment of group´s performance.

The most significant APM are the following:

- EBITDA;
  - Definition: operating profit + amortization and charges due to impairments, provisions and amortizations.
  - Reconciliation: the Company presents the EBITDA calculation in section 2 of this Consolidated condensed interim management report and Note 5 of the Consolidated condensed interim financial statements.
  - Explanation of use: EBITDA is considered by the Company as a measure of performance of its activity given that provides an analysis of the operating results (excluding depreciation and amortization, which do not represent cash) as an approximation of the operating cash flows that reflects the cash generating before variations in working capital. Additionally, EBITDA is an indicator widely used by investors when valuing corporations, as well as by rating agencies and creditors to assess the indebtedness comparing EBITDA with net debt.
  - Comparative: the Company presents comparative information with the previous period.
  - Consistency: the standard used to calculate EBITDA is the same than the used the previous year.
- Operating margin;
  - Definition: EBITDA / revenue.
  - Reconciliation: the Company presents the operating margin calculation in section 2 of this Consolidated condensed interim management report.
  - Explanation of use: operating margin is a measure of business profitability itself before the amortization, impairment, financial results and taxes impact. It measures the monetary units earned per units sold.
  - Comparative: the Company presents comparative information with the previous period.
  - Consistency: the standard used to calculate the operating margin is the same than the used the previous year
- Net corporate debt;
  - Definition: corporate financing – cash and cash equivalents (excluding project companies) – current financial investments (excluding project companies).

- Reconciliation: the Company presents the net corporate debt calculation in section 2 of this Consolidated condensed interim management report.
- Explanation of use: net corporate debt is a financial indicator which measures the indebtedness position of a company a corporate level. Additionally, it is an indicator widely used by investors when valuing the financial indebtedness of a company, as well as by rating agencies and creditors when valuing the level of indebtedness.
- Comparative: the Company presents comparative information with the previous period.
- Consistency: the standard used to calculate the net corporate debt is the same than the used the previous year.

- Net cash provided by operating activities;
  - Definition: variations in cash arisen as the difference between collections and payments caused by trade transactions in the Group during the period.
  - Reconciliation: the Company presents the Net Cash Provided by Operating Activities calculation in the Cash Flow Statement in the Consolidated condensed interim financial statements and in section 2 of this Consolidated condensed interim management report.
  - Explanation of use: net cash provided by operating activities is a financial indicator which measures the cash generation of business itself during the period.
  - Comparative: the Company presents comparative information with the previous period.
  - Consistency: the standard used to calculate the net cash provided by operating activities is the same than the used the previous year.

- Net cash used in investing activities;
  - Definition: variations in cash arisen as the difference between collections and payments caused by divestment and investment transactions in the Group during the period.
  - Reconciliation: the Company presents the Net Cash Used in Investing Activities calculation in the Cash Flow Statement in the Consolidated condensed interim financial statements and in section 2 of this Consolidated condensed interim management report.
  - Explanation of use: net cash used in investing activities is a financial indicator which measures the investing effort of the Company in a period net of divestments in the Company during the period.
  - Comparative: the Company presents comparative information with the previous period.
  - Comparative: the standard used to calculate the Net Cash Used in Investing Activities is the same than the used the previous year

- Net cash provided by financing activities;
  - Definition: variations in cash arisen as the difference between collections and payments caused by financing transactions in the Group during the period.
  - Reconciliation: the Company presents the Net Cash Provided by Financing Activities calculation in the Cash Flow Statement in the Consolidated condensed interim financial statements and in section 2 of this Consolidated condensed interim management report.
  - Explanation of use: net cash provided by financing activities is a financial indicator which measures both the cash generated from new financing closed during the period and the use of cash in the same period to repay its financial creditors (financial entities, investors, partners and shareholders).
  - Comparative: the Company presents comparative information with the previous period.
  - Consistency: the standard used to calculate the net cash provided by financing activities is the same than the used the previous year.

- Earnings per share (EPS);
  - Definition: profit for the year attributable to the parent company / number of ordinary shares outstanding.
  - Reconciliation: the Company presents the EPS calculation in the Consolidated Income Statement and in the Note 25 to the Consolidated condensed interim financial statements.
  - Explanation of use: earning per share is a financial indicator which measures the portion of profit that corresponds to each share of the Company. It is an indicator widely used by investors when valuing the performance of a Company.
  - Comparative: the Company presents comparative information with the previous period.
  - Consistency: the standard used to calculate the earnings per share is the same than used the previous year.

- Market capitalization;
  - Definition: number of shares at the end of the period x quote at the end of the period.
  - Reconciliation: the Company presents the market capitalization in the section 2 of this Consolidated condensed interim management report.
  - Explanation of use: market capitalization is a financial indicator to measure the size of a Company. It is the total market value of a company.
  - Comparative: the Company presents comparative information with the previous period.
  - Consistency: the standard used to calculate the market capitalization is the same than the used the previous year.
- Backlog
  - Definition: value of construction contracts awarded and pending to execute.
  - Reconciliation: the Company presents the backlog in the section 2 of this Consolidated condensed interim management report.
  - Explanation of use: backlog is a financial indicator which measures the capacity of future revenue generation of the Company.
  - Comparative: the Company presents comparative information with the previous period.
  - Consistency: the standard used to calculate the backlog is the same than the used the previous year.

12.- Subsequent events

On 25 September 2017, the Mercantile Court of Seville Nº 2 issued a ruling in regards to the challenges brought forth to the judicial approval (homologación judicial) of the restructuring agreement. On that basis:

1. The judge resolved against the challenges in relation to the lack of concurrence in the percentages required under the Insolvency Act, and as such agrees to maintain the judicial approval (homologación judicial) of the restructuring agreement and its effects except for the following.
2. The judge resolved in favor of the challenges in relation to the disproportioned sacrifice caused on the challengers cited in the decision. As stated in the decision, this last point implicates that effects of the restructuring agreement do not apply to these challengers.

The nominal value of the excluded debt which has been claimed by the challengers amounts to approximately €72 million at the date of judicial approval (homologación judicial) of the agreement.

The Company considers that the decision does not specify what treatment the excluded debt should receive, and on this basis will request a clarification from the Court through the necessary channels.

Furthermore, certain debt instruments associated with the restructuring plan contemplate a mandatory prepayment in certain circumstances. The concurrence of the foregoing will depend on the final resolution of the procedure referred.

However, in the case of a mandatory prepayment, there are mechanisms established under the debt instruments for that eventuality, including the request to the financial creditors for a waiver. The Company estimates that the mandatory prepayment assumption would be considered not to have occurred. Therefore, the Directors consider that this circumstance does not affect the restructuring plan.

After-closure of June 30, 2017, no other events have occurred that might significantly influence the financial information detailed in this report, nor has there been any event of significance to the Group as a whole.