

# ABENGOA YIELD

The sustainable total return company

## Abengoa Yield announces Third Quarter 2014 Financial Results, approves its first quarterly dividend and raises guidance

- Further Adjusted EBITDA increases by 103% y-o-y to \$226 million.
- Solid CAFD generation in the quarter of \$28.1 million.
- Third quarter dividend approved by the Board of Directors, payable together with the initial pro-rated dividend already approved, for a total amount of \$0.2962 per share.
- Raises 2015 Dividend per Share guidance by 18% from \$1.36 to \$1.60 per share.

### Third quarter results

November 14th, 2014. Abengoa Yield (NASDAQ: ABY), the sustainable total return company that owns a diversified portfolio of contracted assets in the energy and environment sectors, reported revenues of \$269.3 million for the nine months ended September 30, 2014, representing a 75% increase y-o-y and Further Adjusted EBITDA of \$226.4 million, representing a 103% increase compared to the same period of 2013. Cash Available for Distribution reached \$ 28.1 million, generated entirely in the third quarter.

### Selected Financial Results

	Nine months ended	
	September 30,	
	2014	2013
Revenue	269,313	154,029
Further Adjusted EBITDA <sup>1</sup>	226,425	111,473
Net Income	(13,840)	21,683
CAFD	28,127	-

<sup>1</sup> Further Adjusted EBITDA includes dividend from our preferred equity investment in Brazil (see reconciliation on page 11).

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## Key Performance Indicators

	As of September 30,	
	2014	2013
<b>Renewable energy</b>		
MW in operation	430	100
GWh produced	718	167
<b>Conventional power</b>		
MW in operation	300	300
GWh produced	1,845	1,134
Availability (%)	102.4%	96.2%
<b>Electric transmission lines</b>		
Miles in operation	1,018	368
Availability (%)	99.2%	99.6%

## Segment results

	Nine months ended September 30,	
(in thousands of U.S. dollars)	2014	2013
<b>Revenue by Geography</b>		
North America	146,862	75,188
South America	60,578	17,499
Europe	61,873	61,342
<b>Total revenue</b>	<b>269,313</b>	<b>154,029</b>

	Nine months ended September 30,	
(in thousands of U.S. dollars)	2014	2013
<b>Revenue by business sector</b>		
Renewable energy	129,882	61,342
Conventional power	85,209	75,188
Electric transmission lines	54,222	17,499
<b>Total revenue</b>	<b>269,313</b>	<b>154,029</b>

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	Nine months ended	
	September 30,	
	2014	2013
(in thousands of U.S. dollars)		
<b>Further Adjusted EBITDA by Geography</b>		
North America	132,701	61,753
South America	53,789	11,962
Europe	39,935	37,758
<b>Total Further Adjusted EBITDA</b>	<b>226,425</b>	<b>111,473</b>

	Nine months ended	
	September 30,	
	2014	2013
(in thousands of U.S. dollars)		
<b>Further Adjusted EBITDA by business sector</b>		
Renewable energy	104,689	37,366
Conventional power	73,385	61,752
Electric transmission lines	48,351	12,355
<b>Total Further Adjusted EBITDA</b>	<b>226,425</b>	<b>111,473</b>

Our assets have continued to perform well, driving Further Adjusted EBITDA in the quarter to \$89.3 million, operating cash flow to \$67.5 million and Cash Available for Distribution to \$28.1 million.

Renewable assets have delivered as expected, with solar plants in Spain having recovered from poor weather conditions in the first quarter. In conventional power, performance has been excellent, with availability levels above contractual requirements. In electric transmission lines, ATS, Quadra 1 and Quadra 2 reached COD in January, April and March 2014, respectively, and all the assets are operating with high levels of availability.

## First Quarterly Dividend Announced

Abengoa Yield announced today that the Board of Directors declared its first quarterly dividend corresponding to the third quarter of 2014, amounting to \$0.2592 per share, representing \$1.04 on an annualized basis. The dividend is expected to be paid on or about December 15, 2014 together with a pro-rata dividend corresponding to the days from our IPO to June 30, 2014, amounting to \$0.0370, driving the total payment per share to \$ 0.2962 per share to shareholders of record on November 28, 2014.

## Liquidity and Debt

As of September 30, 2014, Abengoa Yield had total liquidity of \$86.2 million at the holding company level on an unconsolidated basis. In addition, the Company has an undrawn credit line with Abengoa of \$50 million.

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As of September 30, 2014, consolidated debt amounted to \$2,487.3 million (\$2,894.6 million as of December 31, 2013) and consolidated cash and cash equivalents amounted to \$265.1 million (\$357.7 million as of December 31, 2013).

In addition, after the closing of the quarter, the holding company will issue \$255 million of 7% notes maturing on November 17, 2019.

Furthermore, we are finalizing documentation to close a \$100 million 4-year credit facility with a group of banks. This facility is expected to have a cost of Libor + 275 basis points.

Both financings will be used, together with cash on hand, to finance the first acquisition under the ROFO Agreement, announced on September 22, 2014 and other expected short-term additional acquisitions.

Considering the notes and the credit facility as fully drawn, corporate debt would amount to \$355 million, with an average cost of approximately 6%. Abengoa Yield intends to maintain Corporate Net Debt below 3 times Cash Available For Distribution.

## Increase in Dividend per Share Guidance

“After securing the financing of the first drop-down and considering expected short-term additional acquisitions and their financing, we are ready to announce an increase of 18% in our 2015 Dividend per Share guidance, from \$1.36 to \$1.60 per share,” said Santiago Seage.

We expect Cash Available For Distribution<sup>2</sup> to be \$142 million for 2015. In order to facilitate the reconciliation with the guidance included in the IPO prospectus, we are providing guidance for the twelve months ending June 30, 2015 (“Year 1”) and for the twelve months ending June 30, 2016 (“Year 2”). We expect dividends per share to be \$1.20 for Year 1 and \$1.84 for Year 2, compared to the previously announced \$1.04 and \$1.68 per share. Similarly, we expect Cash Available For Distribution to be \$106 million for Year 1 and \$163 million for Year 2, compared to previous guidance of \$92 million for Year 1 and \$150 million for Year 2. In addition, we expect Dividend per Share growth to be in the range of 20% to 25% in the year 2016 with respect to 2015.

## Details of the Results Presentation Conference

Abengoa Yield’s CEO, Santiago Seage and Executive Vice President and CFO Eduard Soler will hold a conference call today, November 14, at 10:00 am EST.

In order to access the conference call participants should dial: +1 8663881927 (US) / +44 (0) 2031474609 (UK). A live webcast of the conference call will be available on Abengoa Yield's

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<sup>2</sup> Guidance for Cash Available For Distribution reflects expected Cash Available for Distribution after interest on corporate debt at the holding company level incurred to finance the acquisitions.

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corporate website. Please visit the website at least 15 minutes early in order to register for the live webcast and download any necessary audio software.

### About Abengoa Yield

Abengoa Yield is a total return company that owns a diversified portfolio of contracted renewable energy, power generation and electric transmission assets in North America, South America and Europe. We focus on providing a predictable and growing quarterly dividend or yield to our shareholders ([www.abengoayield.com](http://www.abengoayield.com)).

### Forward-Looking Statements

This news release contains forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this prospectus, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments in the markets in which we operate or are seeking to operate or anticipated regulatory changes in the markets in which we operate or intend to operate. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "is likely to," "may," "plan," "potential," "predict," "projected," "should" or "will" or the negative of such terms or other similar expressions or terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Our actual results of operations, financial condition and the development of events may differ materially from (and be more negative than) those made in, or suggested by, the forward-looking statements.

Factors that could cause actual results to differ materially from those contemplated above include, among others, general economic conditions, changes in government expenditure budgets, challenges in making acquisitions, changes in public support of renewable energy, weather conditions, legal challenges to regulations, changes to subsidies and incentives that support renewable energy sources, government regulations, the volatility of energy and fuel prices, counterparty credit risk, failure of customers to perform under contracts, our ability to enter into new contracts as existing contracts expire, reliance on third-party contractors and suppliers, failure of newly constructed assets to perform as expected, failure to receive dividends from assets, changes in our tax position, unanticipated outages at our generation facilities, the condition of capital markets generally, our ability to access capital markets, adverse results in current and future litigation and our ability to maintain and grow our quarterly dividends. Furthermore, any dividends are subject to available capital, market conditions, and compliance with associated laws and regulations. These factors should be considered in connection with information regarding risks and uncertainties that may affect Abengoa Yield's future results included in Abengoa Yield's filings with the U.S. Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov).

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Abengoa Yield undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or developments or otherwise.

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## Consolidated Statements of Operations

(Amounts in thousands of U.S. dollars)

	For the nine-month period ended September 30,	
	2014	2013
Revenue	269,313	154,029
Other operating income	69,193	303,098
Raw materials and consumables used	(15,383)	(4,153)
Employee benefit expenses	(1,862)	(2,434)
Depreciation, amortization, and impairment charges	(86,881)	(25,685)
Other operating expenses	(99,436)	(339,068)
<b>Operating profit/(loss)</b>	<b>134,944</b>	<b>85,787</b>
Financial income	3,200	711
Financial expense	(151,625)	(76,495)
Net exchange differences	3,408	(311)
Other financial income/(expense), net	2,441	(549)
<b>Financial expense, net</b>	<b>(142,576)</b>	<b>(76,644)</b>
Share of profit/(loss) of associates carried under the equity method	(602)	127
<b>Profit/(loss) before income tax</b>	<b>(8,234)</b>	<b>9,271</b>
Income tax benefit/(expense)	(4,125)	14,392
<b>Profit/(loss) for the period</b>	<b>(12,359)</b>	<b>23,663</b>
Loss/(profit) attributable to non-controlling interests	(1,481)	(1,980)
<b>Profit/(loss) for the period attributable to the Company</b>	<b>(13,840)</b>	<b>21,683</b>
Less: Predecessor Loss prior to Initial Public Offering on June 13, 2014	(28,233)	n/a
Net profit attributable to Abengoa Yield Plc. Subsequent to Initial Public Offering	14,393	n/a
Weighted average number of ordinary shares outstanding (thousands)	80,000	n/a
<b>Basic earnings per share attributable to Abengoa Yield Plc. (*)</b>	<b>0.18</b>	<b>n/a</b>

(\*) Earnings per share has been calculated for the period subsequent to the initial public offering, considering Net profit attributable to equity holders of Abengoa Yield Plc. generated after the initial public offering by the number of shares outstanding.

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## Consolidated Statement of Financial Position

(Amounts in thousands of U.S. dollars)

	<u>As of September 30, 2014</u>	<u>As of December 31, 2013</u>
<b>Assets</b>		
<b>Non-current assets</b>		
Contracted concessional assets	4,319,308	4,418,120
Investments carried under the equity method	431,247	387,324
Financial investments	349,054	28,852
Deferred tax assets	49,767	52,784
<b>Total non-current assets</b>	<b><u>5,149,376</u></b>	<b><u>4,887,080</u></b>
<b>Current assets</b>		
Inventories	6,918	5,244
Clients and other receivables	96,310	97,597
Financial investments	261,677	266,363
Cash and cash equivalents	265,106	357,664
<b>Total current assets</b>	<b><u>630,011</u></b>	<b><u>726,868</u></b>
<b>Total assets</b>	<b><u>5,779,387</u></b>	<b><u>5,613,948</u></b>
	<u>As of September 30, 2014</u>	<u>As of December 31, 2013</u>
<b>Equity and liabilities</b>		
<b>Equity attributable to the Company</b>		
Share capital	8,000	-
Parent company reserves	1,813,903	-
Hedging reserves	(2,648)	(36,600)
Accumulated currency translation differences	(16,141)	9,009
Retained Earning	29,936	-
Other equity	-	1,245,510
Non-controlling interest	58,381	69,279
<b>Total equity</b>	<b><u>1,891,431</u></b>	<b><u>1,287,198</u></b>
<b>Non-current liabilities</b>		
Long-term non-recourse project financing	2,382,131	2,842,338
Grants and other liabilities	1,115,439	650,903
Related parties	48,879	492,534
Derivative liabilities	95,132	44,221
Deferred tax liabilities	7,788	21,839
<b>Total non-current liabilities</b>	<b><u>3,649,369</u></b>	<b><u>4,051,835</u></b>
<b>Current liabilities</b>		
Short-term non-recourse project financing	105,170	52,312
Trade payables and other current liabilities	125,758	204,013
Income and other tax payables	7,659	18,590
<b>Total current liabilities</b>	<b><u>238,587</u></b>	<b><u>274,915</u></b>
<b>Total equity and liabilities</b>	<b><u>5,779,387</u></b>	<b><u>5,613,948</u></b>



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## Consolidated Cash Flow Statements

(Amounts in thousands of U.S. dollars)

	For the nine-month period ended September 30,	
	2014	2013
<b>Profit/(loss) for the period</b>	(12,359)	23,663
Non-monetary adjustments	205,157	57,439
<b>Profit for the year from adjusted by non monetary items</b>	<b>192,798</b>	<b>81,102</b>
Variations in working capital	(113,020)	(41,020)
Net interest and income tax paid	(81,799)	(66,110)
<b>Net cash provided by operating activities</b>	<b>(2,021)</b>	<b>(26,027)</b>
Investment in contracted concessional assets	(81,937)	(473,956)
Other non-current assets/liabilities	(2,283)	2,121
<b>Net cash used in investing activities</b>	<b>(84,220)</b>	<b>(471,835)</b>
<b>Net cash provided by financing activities</b>	<b>(797)</b>	<b>559,307</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(87,039)</b>	<b>61,445</b>
Cash and cash equivalents at the beginning of the year	357,664	97,499
Translation differences cash or cash equivalent	(5,519)	1,509
<b>Cash and cash equivalents at end of the period</b>	<b>265,106</b>	<b>160,453</b>

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## Reconciliation of Further Adjusted EBITDA to Net Income

	Nine months ended September 30,	
	2014	2013
(in thousands of U.S. dollars)		
<b>Profit/(loss) for the period attributable to the combined group</b>	(13,840)	21,683
Profit attributable to non-controlling interest from continued operations	1,481	1,980
Income tax expenses/(benefits)	4,125	(14,392)
Share of loss/(profit) of associated companies	602	(127)
Financial expenses, net	142,576	76,644
<b>Operating profit</b>	<b>134,944</b>	<b>85,788</b>
Depreciation, amortization, and impairment changes	86,881	25,685
Dividend from preferred equity investment	4,600	-
<b>Further Adjusted EBITDA (unaudited)</b>	<b>226,425</b>	<b>111,473</b>

## Reconciliation of Further Adjusted EBITDA to net cash used in operating activities

	Nine months ended September 30,	
	2014	2013
(in thousands of U.S. dollars)		
<b>Further Adjusted EBITDA (unaudited)</b>	226,425	111,473
Interest and income tax (paid)/received	(81,799)	(66,110)
Variations in working capital	(113,020)	(41,020)
Other non-cash adjustments and other	(33,627)	(30,370)
<b>Net cash used in operating activities</b>	<b>(2,021)</b>	<b>(26,027)</b>

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## Cash Available For Distribution Reconciliation

	<b>Three months ended September 30, 2014</b>
(in thousands of U.S. dollars)	
<b>Further Adjusted EBITDA</b>	<b>89,252</b>
Non-cash revenue US cash grants	(8,631)
Interests and income tax paid	(15,078)
Principal amortization of indebtedness net of new indebtedness at project level	(10,058)
Deposits into/ withdrawals from debt service accounts	(10,572)
Change in available cash at project level to be distributed in subsequent periods	(16,748)
Other	(38)
<b>Cash Available For Distribution</b>	<b>28,127</b>

### **EVP and Chief Financial Officer**

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