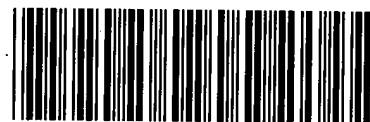


Company Registration No. 08818214

Abengoa Concession Investments Limited

Annual Report and Financial Statements

For the year ended 31 December 2015



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Abengoa Concession Investments Limited

Annual report and financial statements 2015

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Abengoa Concession Investments Limited

Annual report and financial statements 2015

Directors and advisors

Current Directors

Anders Christian Digemose	(appointed 29 March 2016)
Joaquín Fernández de Piérola Marín	(appointed 11 March 2016)
Santiago Seage Medela	(resigned 27 November 2015)
Manuel Silvan Leal	(resigned 14 July 2015)
Eduard Soler Babot	(resigned 14 July 2015)
Juan Carlos Jiménez Lora	(appointed 14 July 2015, resigned 8 January 2016)
Jesús Ángel García Quílez	(appointed 14 July 2015, resigned 8 January 2016)
Joaquín Fernández de Piérola Marín	(appointed 27 November 2015, resigned 8 January 2016)
José Domínguez Abascal	(appointed 8 January 2016, resigned 11 March 2016)

Registered Office

St. Martin's House, 1
Lyric Square
London
W6 0NB

Auditor

Deloitte LLP
Chartered Accountants
London

Principal Bankers

Commerzbank AG
London Branch
PO Box 52715
30 Gresham Street
London
EC2P 2XY

Abengoa Concession Investments Limited

Strategic report

This Strategic report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for the strategies to succeed.

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

The Strategic report discusses the following areas:

- Nature of the business
- Business review and key performance indicators
- Principal risks and uncertainties
- Future developments and subsequent events
- Going concern basis

Nature of the business

Abengoa Concessions Investments Limited was incorporated on 17 December 2013, with a registered number 8818214 and a registered address of Park Row, Leeds LS1 5AB, United Kingdom.

The principal activity of the Company in the year under review was to act as an investment holding company, with investments in Abengoa Yield plc (referred to hereinafter as 'Abengoa Yield' or "Atlantica Yield").

Abengoa Yield is a total return company formed to serve as the primary vehicle through which Abengoa S.A. ('Abengoa' or 'the parent', our main shareholder indirectly through Abengoa Concessions, S.L.) owns, manages, and acquires renewable energy, conventional power, electric transmission lines, and other contracted revenue-generating assets, initially focused on North America (United States and Mexico) and South America (Peru, Chile, Brazil and Uruguay), as well as Europe (Spain in the first instance) and South Africa.

As of December 31, 2015, Abengoa Yield own or have interests in 20 assets, comprising 1,441 MW of renewable energy generation, 300 MW of conventional power generation, 10.5 M ft³ per day of water desalination and 1,099 miles of electric transmission lines, as well as an exchangeable preferred equity investment in ACBH. Each of the assets Abengoa Yield own has a project-finance agreement in place. All of the assets have contracted revenues (regulated revenues in the case of our Spanish assets) with low-risk offtakers and collectively have a weighted average remaining contract life of approximately 22 years as of December 31, 2015.

Abengoa Concessions S.L. and Abengoa Solar S.A directly hold 70.43% (2014:70.43%) and 29.57% (2014: 29.57%) of the Company's shares respectively. The Company forms part of a group of companies (referred to hereinafter as 'Abengoa Group') whose parent company is Abengoa S.A. and whose ultimate parent company is Inversión Corporativa IC S.A. As of the balance sheet date the Company has only share capital, an intercompany loan payable to Abengoa Concessions S.L., two loans facilities, an investment in Abengoa Yield and financial receivables accounts.

Abengoa Concession Investments Limited

Strategic report

Business review and key performance indicators

As shown on Page 9 the Company's only income is in relation to dividend income from its investment in Abengoa Yield. The loss for the period is \$ 37,894,767 (2014: profit \$13,959,600) which is driven by a combination of the receipt of dividend income from Abengoa Yield for a total amount of \$ 67,893,668 (2014: \$15,231,345), profit on disposal of its investment in Abengoa Yield \$54,731,066 (see below), a finance cost for a total amount of \$25,873,723 (2014: \$1,336,132) and an impairment of the investment in Abengoa Yield of \$133,998,271 (2014: Nil).

On 22 January 2015, the Abengoa Yield closed an underwritten public offering and sale in the United States of 10,580,000 of ordinary shares of Abengoa Yield for total proceeds of \$327,980,000 (or \$31 per share). As a result of such offering, the Company reduced its stake in Abengoa Yield from 64.3% to 51.1% of its shares.

On July 14, 2015, the Company sold 2,000,000 shares of Abengoa Yield under Rule 144, reducing its stake to 49.1%.

As of the date hereof, the Company has sold 7,197,362 shares of Abengoa Yield to Abengoa, S.A., so Abengoa, S.A. could deliver those shares to holders that exercised their option to exchange Exchangeable Notes issued by Abengoa, S.A. As of 31 December 2015, there were 54,919 shares subject to delivery to holders of the Exchangeable Notes upon exchange of the outstanding Exchangeable Notes. These transactions reduced the Company's stake in Abengoa Yield to 41.86%.

Principal risks and uncertainties

In view of the fact that the Company's principal activity is in relation to the holding of the investment in Abengoa Yield, the directors consider that the key risks, in respect of the Company, are the risk of impairment of its investment in Abengoa Yield and liquidity risk, while also recognizing the risks associated with a call under the guarantees provided by the Company in respect of certain financial obligations of the Abengoa Group.

Investment risk

The Company monitors the performance of its underlying investments as part of an impairment review exercise. The Company holds a significant investment in Abengoa Yield. As part of the review exercise for the period ended 31 December 2015, an impairment of \$134 million was recognised in relation to this investment. Based on the current and forecast performance of Abengoa Yield, and the fact that its underlying assets operate on a long term contracted basis, the directors consider the impairment recognized to be appropriate and continues to monitor the Company's investments in Abengoa Yield.

Liquidity risk

The Company manages its liquidity by the use of borrowings and the maintenance of short term loans to provide liquidity against future debt service and other expenditure requirements. In respect of its investment in Abengoa Yield, the Company maintains rolling cashflow forecasts based on externally approved models, which are regularly updated to reflect actual cash movements and any subsequent changes.

The loan agreements signed by the Company during 2015 require the compliance with certain financial covenants related to "Loan To Value" ratio (LTV), which is measured by the ratio (expressed as a percentage) of the outstanding loan at the time (plus the accrued interest) to the value of the shares in Abengoa Yield pledged as security for such loans. If the LTV exceeds the required percentage, the Company is obliged to increase the number of shares pledged in order to satisfy the relevant ratio. The Abengoa Group has a centralized department, which periodically reviews the compliance with all the covenants and reports to the Company.

During 2015, the Company has received dividends from Abengoa Yield plc for a total amount of \$ 67,893,668 of which an amount of \$ 9,134,275 was retained under a parent support agreement between Abengoa Yield and Abengoa (see note 12).

During the period the Company's ultimate parent entered into a restructuring and refinancing of its operations (see note 1). The Company's ability to service its outstanding loans is dependent on the receipt of dividends on its investment in Abengoa Yield or access to the Group's cash pooling facilities.

Market risk

Abengoa Concession Investments Limited

Strategic report

Market risk arises when the Company is exposed fundamentally to financial risk derived from changes in foreign exchange rates. One of its loan facilities is in euros, equivalent to a total amount of \$109 million dollars (see note 17), which is partially offset by the amounts owed by group undertakings in euros, equivalent to \$66 million (see note 15).

Subsequent events

In the context of Abengoa SA's ongoing efforts to reach an agreement to restructure the financial indebtedness and recapitalise the Abengoa Group, the Company entered into a secured term facility (the "Facility Agreement") with certain creditors of the Abengoa Group in March 2016, pursuant to which it has borrowed €137,094,751. The proceeds from the Facility Agreement will be used for the general corporate and working capital purposes of Abengoa SA. Under the terms of the contract, the Company pledged and granted a security interest in 14,327,124 ordinary shares of AbengoaYield held by it, in favour of the lenders as security for the loan.

Going concern basis

The Company meets its day to day working capital requirements through the use of borrowings from its parent, short term external loans which are due to expire within twelve months and the receipt of dividend income from its investment in Abengoa Yield plc. Accordingly the Directors of the Company in considering the going concern status of the Company have placed due regard to the restructuring and refinancing of its parent (see note 1 for further details) and the resources available to it from its investment, Abengoa Yield plc.

As highlighted in Note 1, Abengoa SA, the ultimate parent of the Company has entered into discussions regarding an operational restructuring and a refinancing of its indebtedness with the aim of securing the Abengoa Group's financial stability. The Company is guarantor of certain bonds and loans issued by the Abengoa group (see note 22) which are the subject of a standstill agreement entered into by certain of the Abengoa Group's creditors in March 2016 as part of the ongoing restructuring and refinancing discussions.

During the period, Abengoa Yield generated \$299.5 million from operating activities, invested \$929.9 million (of which \$834.0 million were acquisitions) and raised \$810.9 million from financing activities. All of these resulted in a \$180.6 million increase in Abengoa Yield's cash position by the year-end, with a closing cash position of \$514.7 million.

Given the support secured by Abengoa SA from its creditors by way of entry into a standstill agreement in March 2016 and the anticipation of continued dividends being received on the Company's investment in Abengoa Yield, the directors believe that the going concern status of the Company to be appropriate based on reasonable expectations that Abengoa SA will reach an agreement with its creditors that secures the Abengoa Group's financial stability and addresses the uncertainty surrounding a risk of a call under the guarantees provided by the Company with respect to certain financial obligations of the Abengoa Group.

The Company is also in a net asset position and expects to continue to make use of Abengoa Group's cash pooling facilities. Therefore the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Approval

This report was approved by the board of directors on 10 May 2016 and signed on its behalf by:



Joaquín Fernández de Piérola Marín
Director

10 May 2016

Abengoa Concession Investments Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 December 2015.

Details of significant events since the balance sheet date are contained in note 24 to the financial statements. An indication of likely future developments in the business of the Company are included in the Strategic report.

Dividends

Abengoa Concessions Investments Limited received dividends from Abengoa Yield during the year for an amount \$67,893,668 (2014: \$15,231,345). This comprises the following amounts:

- On 16 March 2015 the Company received \$10,586,376 for the fourth quarter of 2014.
- On 15 June 2015 the Company received \$17,392,123 for the first quarter of 2015.
- On 15 September and 1 October 2015, the Company received \$19,662,626 for the second quarter of 2015.
- On 16 December 2015 the Company received \$20,252,543 for the third quarter of 2015.

Additionally, another \$9,134,275 of dividends were retained under the parent support agreement between Abengoa Yield and Abengoa.

Dividends of \$232,543,730 have been paid by the Company during the year (2014 \$ Nil).

Directors

The directors, who served throughout the year and to the date of this report except as noted, are shown on page 1.

Employees

Details of the employees of the Company for the year are shown in note 6.

Political contributions

No political donations were made during the year (2014: Nil.)

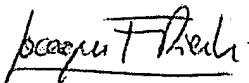
Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the Board,



Joaquín Fernández de Piérola Marín
Director

10 May 2016

Abengoa Concession Investments Limited

Directors' responsibilities statement

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 31 December 2015.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IFRS-IASB'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Abengoa Concession Investments Limited

We have audited the financial statements of Abengoa Concession Investments Limited for the year ended 31 December 2015 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit.

If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 3 to the financial statements, the company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

Opinion on other matter prescribed by the Companies Act 2006

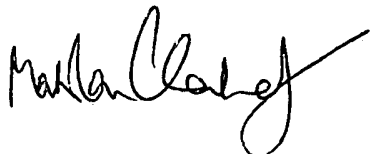
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Abengoa Concession Investments Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Makhan Chahal (ACA Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
10 May 2016

Abengoa Concession Investments Limited

Income statement

For the year ended 31 December 2015

	Notes ⁽ⁱ⁾	Year ended 2015 US\$	Year ended 2014 US\$
Revenue	7	67,893,668	15,231,345
Operating expenses		(388,299)	(1,469)
Operating profit		67,505,369	15,229,876
Profit from disposal of investments	8	54,731,066	-
Impairment of investments	13	(133,998,271)	-
Finance costs	9	(25,873,723)	(1,336,132)
Other gains and losses	10	78,851	(272,203)
(Loss) / Profit before tax		(37,556,708)	13,621,541
Tax	11	(338,059)	338,059
(Loss) / Profit for the period		(37,894,767)	13,959,600

All results are derived from continuing operations. There are no other gains and losses other than those included in profit for the period, and therefore no statement of other comprehensive income has been presented.

⁽ⁱ⁾ Notes 1 to 24 are an integral part of these financial statements.

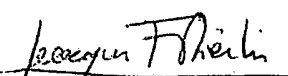
Abengoa Concession Investments Limited

Balance sheet 31 December 2015

	Notes ⁽¹⁾	2015 US\$	2014 US\$
Non-current assets			
Investments	13	846,337,739	1,074,813,333
Amounts owed by group undertakings	15	66,356,801	-
Deferred tax asset	11	-	338,059
		<u>912,694,540</u>	<u>1,075,151,392</u>
Current assets			
Trade and other receivables	14	-	20,828
Short term deposits	15	124,825,923	100,000,000
Cash and bank balances		51,182,645	35,218
		<u>176,008,568</u>	<u>100,056,046</u>
Total assets		<u>1,088,703,108</u>	<u>1,175,207,438</u>
Current liabilities			
Loans and borrowings	17	(242,537,378)	-
Trade and other payables	16	(384,259)	(35,357)
		<u>(242,921,637)</u>	<u>(35,357)</u>
Net current (liabilities) /assets		<u>(66,913,069)</u>	<u>100,020,689</u>
Non-current liabilities			
Amounts owed to group undertakings	17	(27,464,697)	(86,416,820)
		<u>(27,464,697)</u>	<u>(86,416,820)</u>
Total liabilities		<u>(270,386,335)</u>	<u>(86,452,177)</u>
Net assets		<u>818,316,773</u>	<u>1,088,755,261</u>
Equity			
Share capital	18	5,142,259	5,142,250
Share premium account	18	837,109,681	1,069,653,411
Retained earnings	19	(23,935,167)	13,959,600
Total equity		<u>818,316,773</u>	<u>1,088,755,261</u>

⁽¹⁾ Notes 1 to 24 are an integral part of these financial statements.

The financial statements of Abengoa Concessions Investments Limited, company registration no. 08818214, were approved by the board of directors and authorised for issue on 10 May 2016. They were signed on its behalf by:


Joaquín Fernández de Piérola Marín
Director
10 May 2016

Abengoa Concession Investments Limited

Statement of changes in equity 31 December 2015

	Notes ⁽¹⁾	Share capital US\$	Share premium account US\$	Retained earnings US\$	Total equity US\$
Balance at 31 December 2013		14	-	-	14
Profit for the period	19	-	-	13,959,600	13,959,600
Issue of share capital and share premium	18	5,142,236	1,069,653,411	-	1,074,795,647
Balance at 31 December 2014		5,142,250	1,069,653,411	13,959,600	1,088,755,261
Loss for the period		-	-	(37,894,767)	(37,894,767)
Share premium reduction	18	9	(232,543,730)	232,543,721	9
Dividends paid		-	-	(232,543,730)	(232,543,730)
Balance at 31 December 2015		5,142,259	837,109,681	(23,935,167)	818,316,773

⁽¹⁾ Notes 1 to 24 are an integral part of these financial statements.

Abengoa Concession Investments Limited

Cash flow statement

For the year ended 31 December 2015

	Notes ⁽¹⁾	Year ended 2.015 US\$	Year ended 2.014 US\$
(Loss)/Profit for the period		(37,894,767)	13,959,600
Adjustments for:			
Impairment	13	133,998,271	-
Net foreign exchange gains	10	(78,851)	(2,797)
Interests paid	9	25,873,723	1,336,132
Net profit on disposals of investments		(54,731,066)	-
Tax Charge	11	338,059	(338,059)
Operating cash flows before movements in working capital		67,505,369	14,954,876
Variations in working capital and discontinued operations			
Trade and other receivables		20,828	(20,828)
Trade payables and other current liabilities		348,902	35,357
Variations in working capital and discontinued operations		369,730	14,529
Received/(paid) for interest and income tax			
Interest paid		(21,970,117)	-
Received/(paid) for interest and income tax		(21,970,117)	-
Net cash inflow from operating activities		45,904,982	14,969,405
Investment			
Acquisition of shares in subsidiary	13	(342,968,341)	(78,798)
Cash deposits	15	(24,825,923)	(100,000,000)
		(367,794,264)	(100,078,798)
Divestment			
Sale of shares in subsidiary	13	492,255,641	-
		492,255,641	-
Net cash outflow from investing activities		124,461,377	(100,078,798)

Abengoa Concession Investments Limited

Cash flow statement For the year ended 31 December 2015

Financing activities

Intergroup loans – Proceeds (Repayments)	(125,308,924)	85,141,814
Dividends paid	(232,543,730)	-
Proceeds from loan facilities	238,633,722	-
Net cashflow from financing activities	(119,218,932)	85,141,814
Net increase in cash equivalents	51,147,427	32,421
Cash and cash equivalents at the beginning of the period	35,218	-
Effect of foreign exchange rate changes	-	2,797
Cash and cash equivalents at the end of the period	51,182,645	35,218

(1) Notes 1 to 24 are an integral part of these financial statements.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

1. General information

Abengoa Concessions Investments Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 3. The nature of the companies operations and its principal activities are set out in the strategic report on pages 2 to 4

These financial statements are presented in US Dollars because that is the primary environment in which the Company operates.

Abengoa SA the ultimate parent of the Company filed for protection under article 5 bis of the Spanish Insolvency Laws during 2015.

On November 27, 2015, Abengoa SA reported that it filed a communication pursuant to article 5 of the Spanish Insolvency Law 22/2003 with the Mercantile Court of Seville no. 2. The filing by Abengoa was intended to initiate a process to try to reach an agreement with its main financial creditors, aimed to ensure the right framework to carry out such negotiations and provide Abengoa with financial stability in the short and medium term. The Mercantile Court published a decree to admit the filing of the communication on December 15, 2015 and set a deadline of March 28, 2016 for Abengoa to reach an agreement with its main financial creditors.

The filing under article 5 bis was intended to allow Abengoa to protect and preserve its value while it works on the design and development of an appropriate viability plan for its future.

Abengoa SA reported that on January 25, 2016 the board of directors of Abengoa approved a viability plan that defined the structure of the future business activity of Abengoa SA. In accordance with this plan, Abengoa will negotiate a debt restructuring with its creditors as well as the necessary recourses with the objective of being able to continue its activity and operate in a competitive and sustainable manner in the future. The developments at Abengoa affect the financial indebtedness of Abengoa which is guaranteed by the Company, the Company's financing arrangements and the Company's relationships with its creditors.

In this line, and in relation to the negotiations between Abengoa and a group of its creditors comprised of banks and holders of bonds issued by the Group, on 10 March 2016, the Group informed an agreement had been reached with the advisors of such creditors with regards to the grounds for an agreement to restructure the financial indebtedness and recapitalize the Group. The Group believes that such agreement contains the essential elements to achieve a future restructuring agreement that, in any event, will be subject to reaching the percentage of accessions required by law.

At the date of formulating these financial statements, Abengoa and a group of creditors comprised of banks and holders of bonds issued by Abengoa had reached a standstill agreement with the objective of providing the time necessary to keep working and reaching as soon as possible a full and complete agreement on the terms and conditions to restructure the financial indebtedness and recapitalize the Group.

On 28 March 2016, Abengoa S.A. filed an application for the judicial approval of the standstill agreement (the "Standstill Agreement") with the Mercantile Court of Seville nº 2. This has obtained the support of 75.04% of the financial creditors to which it was addressed, being therefore over the legally required majority (60%). However, according to the terms of the Standstill Agreement, new creditors can adhere to the Standstill Agreement until the date in which the Judge resolves, therefore, the percentage could be increased.

The directors of the Company believe that the going concern status of the Company to be appropriate based on the reasonable expectation that Abengoa SA will reach an agreement with its creditors and thereby secure the Abengoa Group's financial stability, given the support secured from the Group's creditors by way of the standstill agreement entered into on March 18, 2016.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

2. Adoption of new and revised Standards

During the year ended 31 December 2015 the Company has not applied in the preparation of the financial statements new standards, amendments or interpretations as none have become effective during the year.

Standards, interpretations and amendments published by the IASB that will be effective for periods beginning on or after January 1, 2016:

- Annual Improvements to IFRSs 2012-2014 cycles. These improvements are mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB.
- IAS 1 (Amendment) 'Presentation of Financial Statements'. This amendment is mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB.
- AS 27 (Amendment) 'Separate financial statements' regarding the reinstatement of the equity method as an accounting option in separate financial statements. This amendment is mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB.
- IFRS 14 'Regulatory Deferral Accounts'. This Standard will be effective from January 1, 2016 under IFRS-IASB.
- IFRS 9 'Financial Instruments'. This Standard will be effective from January 1, 2018 under IFRS-IASB.
- IFRS 15 'Revenues from contracts with Customers'. IFRS 15 is applicable for annual periods beginning on or after January 1, 2018 under IFRS-IASB.
- IAS 16 (Amendment) 'Property, Plant and Equipment' and IAS 38 'Intangible Assets', regarding acceptable methods of amortization and depreciation. This amendment is mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB.
- IFRS 10 (Amendment) 'Consolidated financial statements', IFRS 12 'Disclosure of interests in Other Entities' and IAS 28 'Investments in associates and joint ventures' regarding the exemption from consolidation for investment entities. These amendments are mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB.
- IFRS 11 (Amendment) 'Joint Arrangements' regarding acquisition of an interest in a joint operation. This amendment is mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB.
- IAS 16 'Property, Plant and Equipment' and 41 'Agriculture' (Amendment) regarding bearer plants. These amendments are mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB.
- IFRS 16, 'Leases'. These amendments are mandatory for annual periods beginning on or after January 1, 2016 under IFRS-IASB.

The Company is currently in the process of evaluating the impact on the financial statements derived from the application of the new standards and amendments that will be effective for periods beginning after December 31, 2015.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

3. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the International Accounting Standards Board (IASB).

These financial statements are presented in US Dollars because that is the primary currency in which the Company operates.

The Company is exempt from the preparation of consolidated financial statements, since it is included in the group accounts of Abengoa S.A. The group accounts of Abengoa S.A. are available for public use and can be obtained as set out in note 23.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

Going concern

The Company meets its day to day working capital requirements through the use of borrowings from its parent, short term external loans which are due to expire within twelve months and the receipt of dividend income from its investment in Abengoa Yield plc. During the period, Abengoa Yield generated \$299.5 million from operating activities, invested \$929.9 million (of which \$834.0 million were acquisitions) and raised \$810.9 million from financing activities. All of these resulted in a \$180.6 million increase in Abengoa Yield's cash position by the year end, with a closing cash position of \$514.7 million.

Abengoa SA, the ultimate parent of the Company has entered into discussions regarding the restructuring and refinancing of its operations. The Company is guarantor of bonds and loans issued by the Abengoa Group (see note 22) which are the subject of a standstill agreement (see note 1) entered into by certain of the Abengoa Group's creditors in March 2016.

Based on the assumption that the parent will obtain agreement with its creditors so that the financial stability will be obtained for the wider Abengoa Group and the continued receipt of dividends from the Company's investment in Abengoa Yield, the directors have, at the time of approving the financial statements, a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Further detail is contained in the Strategic Report on pages 2 to 4.

Revenue recognition

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Foreign currencies

In preparing the financial statements of Company, transactions in currencies other than the entity's functional currency (which is US\$) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

4. Significant accounting policies (continued)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3. Significant accounting policies (continued)

Taxation (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Investments in associates and impairment

Investments in associates are stated at cost less, where appropriate, provisions for impairment.

At each balance sheet date, the Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

3. Significant accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. In case of being available updated audited financial statements of a subsidiary being assessed, the net book value of the assets will be considered as an estimation of the value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by

the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. As at the balance sheet date the Company held only loans and receivables and therefore we have discussed only the treatment applied to those assets within this policy.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

3. Significant accounting policies (continued)

Impairment of financial assets

Financial assets, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

In respect of financial risk management objectives, the key financial risks are considered as follows:

Market risk

The Company is exposed to the financial risk of changes in foreign currency exchange rates., and to changes in interest rates given October Facility has a variable interest rate, referenced to Euribor.

Market risk has been discussed within the Strategic report.

Liquidity risk

Liquidity risk has been discussed within the Strategic report and the Basis of preparation section of this note. The Directors continue to monitor the liquidity risk based on the current and future activities of the company.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

The following are the critical judgements and estimates the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Impairment of investments in subsidiaries

Determining whether the Company's investments in subsidiaries have been impaired requires estimations of the investments' values in use. The carrying amount of investments in subsidiaries at the balance sheet date was \$846 million after an impairment loss recognised in 2015 of \$134 millions (2014: Nil). See note 13.

5. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	Year ended 2015 US\$	Year ended 2014 US\$
Fees payable to the Company's auditor for the audit of the Company's annual accounts	11,150	11,150
Fees payable to the Company's auditor for other services to the company	-	-
Total audit fees	11,150	11,150

No services were provided pursuant to contingent fee arrangements.

6. Staff costs and Directors' remuneration

The Company had no employees in the period (2014 – Nil.)

No Directors received any remuneration for services to the Company during the current or prior year.

7. Revenue

	Year ended 2015 US\$	Year ended 2014 US\$
Dividend income	67,893,668	15,231,345
Total operating income	67,893,668	15,231,345

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

8. Net profit from disposals of investments

	Year ended 2015 US\$	Year ended 2014 US\$
Net profit from disposal of investments	54,731,066	-
Total net profit from disposal of investments	54,731,066	-

The net profit on disposal of investments comprises the partial disposal of interests in Abengoa Yield plc (see note 13).

9. Finance costs

	Year ended 2015 US\$	Year ended 2014 US\$
Interest on intercompany loans	(8,956,822)	(1,336,132)
Long and short term debt interest	(16,916,901)	-
Total finance costs	(25,873,723)	(1,336,132)

Finance cost relate to interest expenses on intercompany loans due to Abengoa Concessions, S.L and on loans and borrowings (notes 17 and 21).

10. Other gains and losses

	Year ended 2015 US\$	Year ended 2014 US\$
Net foreign exchange gains	78,851	2,797
Other losses	-	(275,000)
	78,851	(272,203)

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

11. Tax

	Year ended 2015 US\$	Year ended 2014 US\$
Corporation tax:		
Deferred tax	(338,059)	338,059

The credit/(charge) for the year can be reconciled to the profit in the income statement as follows:

	Year ended 2015 US\$	Year ended 2014 US\$
(Loss) / Profit before tax on continuing operations	(37,556,708)	13,621,541
Tax at the UK corporation tax rate of 20 % (2014: 21%)	7,605,233	2,860,524
Tax effect of income not taxable in determining taxable profit	(7,605,233)	(3,198,583)
Reversal of deferred tax	(338,059)	-
Tax credit/ (charge) for the period	(338,059)	338,059

The tax effect of income not taxable on determining taxable profit relates to dividend income.

On 17 July 2013, the Finance Act 2013 received Royal Assent which enacted the change in the corporate tax rate in the UK from 23% to 21% from 1 April 2014, and to 20% from 1 April 2015.

The following is the deferred tax asset recognised by the company, and the movements during the current period:

	US\$
Credit to income statement for the period	-
At 31 December 2015	-
Credit to income statement for the period	(338,059)
At 31 December 2014	(338,059)

At 31 December 2015, the Company did not have recognised any deferred tax asset (2014: \$338,059).

12. Dividends

The Company received a quarterly dividend from Abengoa Yield plc for a total amount of \$ 67,893,668 (2014: \$15,231,345). \$9 million of these dividends were retained under the parent support agreement between Abengoa Yield and Abengoa.

\$232,543,730 in dividends were paid by the Company during the year (2014: Nil.)

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

13. Investments

Details of the Company's investments at 31 December 2015 are as follows:

The investments are all attributable to the shares held by the Company in Abengoa Yield Plc., which are all stated at carrying value. As of 31 December 2015, the carrying value of these investments was as follows:

	2015 US\$	2014 US\$
At start of year	1,074,813,333	14
Disposals	(437,524,625)	-
Acquisitions	343,047,302	1,074,813,319
Impairment	(133,998,271)	-
Total Investments in Abengoa Yield Plc	<u>846,337,739</u>	<u>1,074,813,333</u>

As at 31 December 2014 the Company owned 51,422,500 shares, representing a stake of 64.28% of Abengoa Yield.

On 22 January 2015, Abengoa closed an underwritten public offering and sale in the United States of 10,580,000 of Abengoa Yield's ordinary shares held by the Company for total proceeds of \$327,980,000 (or \$31 per share), and recognized a \$107 million profit from the disposal (note 8). As a result of such offering, the Company reduced its stake in Abengoa Yield from approximately 64.3% to 51.1%.

On March 5, 2015, Abengoa S.A. issued a \$279 million in senior unsecured exchangeable notes into existing ordinary shares of Atlantica Yield ("Exchangeable Notes"), whose shares were owned by the Company. The Exchangeable Notes were initially exchangeable into 7,202,602 shares of Atlantica Yield (exchange property) at an exchange price of USD 38.74 per share. The Notes would be voluntarily exchangeable into shares of Atlantica Yield since September 1, 2015, subject to cash payment in certain circumstances. On December 31, 2015 the exchanged price was adjusted to \$36.42 per share of Atlantica Yield after the last dividend distribution of December 15, 2015.

On May 14, 2015 Atlantica Yield issued 20,217,260 new shares at \$33.14 per share, which was based on a 3% discount versus the May 7, 2015 closing price. The Company subscribed for 51% of the newly-issued shares and maintained its previous stake in Atlantica Yield. The cash given to Atlantica Yield were primarily used to finance asset acquisitions in May and June 2015.

On July 14, 2015, the Company sold 2,000,000 shares of Abengoa Yield under Rule 144, reducing its stake to 49.1%.

As of December 31, 2015 holders of Exchangeable Notes had exchanged a total amount of \$265,000,000 dollars in nominal value, equivalent to 7,202,738 shares from Atlantica Yield. Abengoa S.A paid an amount of \$115,558,770 to the Company for the purchase of these shares. The rest of noteholders, who did not exchange as of December 31, 2015, amounted to 14,000,000 in nominal value of the Exchangeable Notes. During 2015, the Company's holding of shares in Abengoa Yield was reduced by 5.5% and a \$55 million loss was recognized as a consequence of conversion of Exchangeable Notes.

As of 31 December 2015, the Company has lost control of Abengoa Yield's Board of Directors, as a consequence of the reduction of the stake to 41.86%.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

13. Investments (continued)

As of December 31, 2015, the number of Atlantica Yield shares pledged as security or blocked under the terms of the Company's outstanding loan facilities (note 17) totalled 41,530,843 - representing approximately 41.4% of Atlantica Yield shares issued.

During the period the Company has reduced the carrying value of its investment to \$846 million based on the net asset value of Abengoa Yield, reflecting an impairment loss of 134 millions recognised in 2015 (2014: nil).

14. Trade and other receivables

	2015 US\$	2014 US\$
Other receivables	-	20,828
Total trade and other receivables	-	20,828

15. Financial assets

	2015 US\$	2014 US\$
Short term deposits	115,691,648	100,000,000
Dividends pending from Abengoa Yield Plc	9,134,275	-
Amounts owed by group undertakings	66,356,801	-
Total current Financial assets	191,182,724	100,000,000

Short term deposits comprise cash held in escrow to facilitate the signing of three bonding lines with Bank of America for US subsidiaries of Abengoa Yield plc which will mature in the short term. The detail is the following:

- In the project Solana, a bonding line amounting \$45,000,000 in favour of Arizona Public Service Company.
- In the project Mojave, two bonding lines amounting \$55,000,000 in favour of Pacific Gas and Electric Company, and \$15,691,648 in favour of Southern California Edison.

The amounts owed to the Company by Abengoa Concessions for amount of €61,088,071 (\$66,356,801) related to investments which the Company has with its majority shareholder, Abengoa Concesiones S.L., which was materialised through its central treasury system. The purpose of this central treasury system is to attend to the funding needs of the Company and its dependent companies. The accrued interest is capitalised as greater value of the investment. The interest rate applied for financial year 2015 was 7%. The investment is classified within non-current assets as it will be payable in accordance with the availability of the resources of Abengoa Concesiones S.L., as agreed between the Company and the parent company (see note 21).

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

16. Trade and other payables

	2015 US\$	2014 US\$
Other payables	384,259	35,357
Total current payables excluding borrowings	384,259	35,357
Total non-current payables excluding borrowings	-	-

17. Loans and borrowings

	2015 US\$	2014 US\$
Loan facilities	238,633,772	-
Interest payable	3,903,606	-
	242,537,378	
Amounts owed to group undertakings	27,464,697	86,416,820
Total loans and borrowings	270,002,075	86,416,820

The principal features of the loans and borrowings are as follows:

- Amounts owed to group undertakings mainly relate to the debt which the Company has with its majority shareholder, Abengoa Concesiones S.L., which was materialised through its central treasury system. The purpose of these loans is to attend to the funding needs of the Company and its dependent companies. The accrued interest is capitalised as greater value of the debt. The interest rate applied for financial year 2015 was 7% (2014: 10.05%). The debt is classified within non-current liabilities as it will be payable in accordance with the availability of the resources of the Company, as agreed with the parent company (see note 21).
- On June 29, 2015 the Company entered into a margin loan facility agreement for the financing of the promotion, development and construction of concessional project, pursuant to which the Company was entitled to borrow up to USD 200 million, maturing in 24 months following the utilization date and an interest at Libor + 290 basis points. Under the terms of the loan, initially the Company pledged and granted a security interest in 14,000,000 ordinary shares of Atlantica Yield, in favor of the financial institution. Upon the exercise of certain events, the financial institution could exercise its right to require the repayment of the margin loan, post additional collateral or foreclose on, and dispose of, the pledged shares. Based on these terms, the financial institution requested an increase of the pledged ordinary shares of Atlantica Yield and a cash collateral of approximately USD 70 million and afterwards its prepayment, consequently USD 20 million and the remaining balance have been reimbursed on September 30, 2015 and October 1, 2015 respectively, a total of 16,561,817 pledged shares of Atlantica Yield, which (both pledged shares and cash collateral) have been released on October 1, 2015 once the loan was fully repaid.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

17. Loans and borrowings (continued)

- At the end of October, the Company entered into a secured term facility agreement ("October Facility") in order to finance the construction and development of concessional assets which entitled the Company to borrow \$130 million with an interest rate of 15%. The loan will mature in 24 months following the date of the agreement. Under the terms of the loan documents, the Company has pledged and granted a security interest in 14,000,000 Ordinary Shares of Atlantica Yield in favour of the financial institution as security for the loan amount, and an additional 2,000,000 shares in Atlantica Yield held by the Company have been blocked. Upon the occurrence of certain events that are customary for this type of loan, the financial institution may exercise its right to require the Company to repay all or part of the loan amount, post additional collateral or foreclose on, and dispose of, the financial institution pledged shares in accordance with the terms of the loan.
- On December 24, 2015, the Company entered into a loan agreement for 106 million euros ("December Facility"), which amounts to \$108,633,772 as of December 31, 2015. It has a final maturity date of March 17, 2016 and it was signed with a group of financial entities. The loan has been used for general corporate purposes. As security for the loan, 17,334,598 shares in Atlantica Yield held by the Company have been pledged (see note 13). This facility has been renewed on March 2016, which has changed the number of shares pledged to 14,000,000 shares and has extended the maturity to September 29, 2016 (see note 24).
- The two loan facilities that are outstanding as of December 31, 2015, will require compliance with certain financial covenants consisting of maintaining a loan to value ratio of not more than 80% in the case of the October Facility, and 70% in the case of the December Facility. Afterwards, this last covenant was increased to 80% in the novation signed on March 2016 (see note 24).

18. Share capital and share premium

	2015 US\$	2014 US\$
Share capital		
<i>Authorised:</i>		
51,142,259 (2014:5,142,250) ordinary shares of \$0.1 each	5,142,259	5,142,250
<i>Issued and fully paid:</i>		
51,142,259 (2014:5,142,250) ordinary shares of \$0.1 each	5,142,259	5,142,250

The Company has one class of ordinary shares which carry no right to fixed income.

In January 2015, Abengoa Solar S.A. and Abengoa Concessions S.L. reduced the share premium account of the Company by \$232,543,730, from \$1,069,653,411 to \$837,109,681, and the amount by which the share premium account was so reduced was repaid to the holders of those shares.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

19. Retained earnings

	US\$
Balance at 1 January 2014	-
Net profit for the year	13,959,600
Balance at 31 December 2014	13,959,600
Net loss for the year	(37,894,767)
Balance at 31 December 2015	(23,935,167)

20. Financial assets and liabilities

The Company manages its capital to ensure it will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and equity.

The Company's Board reviews the capital structure on an annual basis and given the Company's stock of cash and bank balances, there are no other liquidity risks as at 31 December 2015 as those already disclosed in the Strategic Report.

Gearing ratio

	2015 US\$	2014 US\$
Loans and borrowings	242,537,378	-
Amounts owed to group undertankings	27,464,698	86,416,820
Less cash and bank balances	(51,182,645)	(35,218)
Less short term deposits	(124,825,923)	(100,000,000)
Net debt	93,993,508	(13,618,398)
Equity	818,316,773	1,088,755,261
Net debt to equity ratio	11.5%	(1.3%)

Loans and borrowings are defined as long- and short-term borrowings as detailed in note 17.

The Company is exposed to the financial risk of changes in foreign currency exchange rates. One of its loan facilities is in euros, equivalent to a total amount of \$109 million dollars (see note 17), which is partially offset by the amounts owed by group undertakings in euros, equivalent to \$66 million (see note 15).

The Company is exposed to changes in interest rates given the October Facility has a variable interest rate, referenced to Euribor. On the other part, intercompany borrowings and the December Facility are charged interest on a fixed basis.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

20. Financial assets and liabilities (continued)

Foreign exchange rate sensitivity analysis

A 10% increase or decrease represents management's assessment of the reasonably possible change in foreign exchange rates. Management view that such a change in exchange rates would have an immaterial impact on the accounts. Details of the significant accounting policies and methods adopted for each class of financial asset, financial liability and equity instrument are disclosed in notes 1 and 3.

	Year ended 2015 US\$	Year ended 2014 US\$
Financial assets		
Short term deposits	124,825,923	100,000,000
Cash and bank balances	51,182,645	35.218
Intercompany loan	66,356,801	-
Trade and other receivables	-	20.828
	<u> </u>	<u> </u>
Financial liabilities		
Loans and borrowings	242,537,378	
Intercompany loans	27,464,697	86,416,820
Trade and other payables	384,259	35.357
	<u> </u>	<u> </u>

The maturity date for the intercompany loans is not determined. These loan will be payable in accordance with the availability of the resources of the Company and its parent company.

21. Related party transactions

In 2015 and 2014, the Company transactions primarily include loans granted by Abengoa Concessions, S.L. The following amounts were outstanding at the balance sheet date:

	2015		2014	
	Owed by group undertaking	Owed to group undertaking	Owed by group undertaking	Owed to group undertaking
Abengoa Concessions, S.L.	66,356,801	27,464,698	-	86,416,820
Abengoa Yield plc	-	-	-	-
Total party transactions	<u>66,356,801</u>	<u>27,464,698</u>	<u>-</u>	<u>86,416,820</u>

The Company has access to a central treasury system managed by its parent company, Abengoa S.A. The purpose of these loans is to attend to the funding needs of Abengoa, S.A. and its dependent companies. The accrued interest is capitalised as greater value of the debt. The interest rate applied for financial year 2015 was 7% (2014: 10.05%). The debt is classified within non-current liabilities/assets as it will be payable in accordance with the availability of the resources of the Company and its parent company. As part of these arrangements, the Company has drawn \$27,464,698 (2014: \$86,416,820) under short term credit facilities, with Abengoa Concessions, S.L. Additionally, Abengoa Concessions, S.L. owes to the Company €61,088,071 (2014: Nil), that are equivalent to \$66,356,801 as of 31 December 2015.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

21. Related party transactions (continued)

These credit facilities cover potential working capital requirements that may arise among Group Companies and are managed jointly with the Centralized Treasury Department. These facilities bore an interest rate of 7% during the year 2015 (see note 15 and 17).

22. Commitments and guarantees

On 1 December 2009, Abengoa issued bonds amounting to €300 million and bearing an interest rate of 9.625%. These notes are due to mature in 2015. Abengoa Concessions Investments Limited has been included in the list of guarantors.

On 31 March 2010, Abengoa issued bonds amounting to €500 million and bearing an interest rate of 8.5%. These notes are due to mature in 2016. Abengoa Concessions Investments Limited has been included in the list of guarantors.

On 28 October 2010, Abengoa Finance, SAU issued bonds amounting to 650 million of U.S. dollars at the rate of 8.875 %. These notes are due to mature in 2017. Abengoa Concessions Investments Limited has been included in the list of guarantors.

On 5 February 2013, Abengoa Finance, SAU issued bonds amounting to €250 million at the rate of 8.875%. These notes are due to mature in 2018. Abengoa Concessions Investments Limited has been included in the list of guarantors.

On 3 October 2013, Abengoa Finance, SAU issued bonds amounting to €250 million at the rate of 8.875%. These notes due 2018. Abengoa Concessions Investments Limited has been included in the list of guarantors.

On September 30, 2014 Abengoa, S.A. entered into a long term revolving financing signed for an amount of approximately €1,400 million and maturing in the end of 2019. Abengoa, S.A. has signed the Tranch A, and Abengoa Greenbridge S.A.U has signed the Tranch B, each of them for an amount of €700 million, to extend the maturity of the existing syndicated loan. The agreement states therein that the obligations assumed by Abengoa must be maintained at all times by companies directly or indirectly affiliated to Abengoa Group by more than 50% and hold significant influence, to the extent necessary for the Guarantor. Together with Abengoa, they must represent at least 75% of total consolidated assets and 75% of consolidated EBITDA.

On April 16, 2015, Abengoa Finance, SAU issued bonds amounting to €375 million at the rate of 7%. These notes are due to mature in 2020. Abengoa Concessions Investments Limited has been included in the list of guarantors.

On September 23, 2015, Abengoa, S.A. signed a syndicated loan, under the revolving credit model amounting to €165 million maturing in 2016 aimed to finance corporate needs in case of the proposed capital increase. However, the initial drawn down amount was €125 million until the compliance of certain covenants to release the additional €40 million. Abengoa Concessions Investments Limited has been included in the list of guarantors.

On March 5, 2015, Abengoa S.A. issued a senior unsecured exchangeable notes ("Exchangeable Notes") into existing ordinary shares of Abengoa Yield, for \$279 million. The notes exchange price of \$38.74 per share. The Notes will be voluntarily exchangeable into shares of Atlantica Yield since September 1, 2015 as set out in the Terms and Conditions, subject to cash payment in certain circumstances. On December 31, 2015 the exchanged price was adjusted to 36.42 dollars per share of Atlantica Yield after the last dividend distribution of December 15, 2015. The Company does not guarantee these bonds, but it has been selling to Abengoa, S.A. at market price, all shares of Abengoa Yield that needed to be exchanged.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

23. Ultimate parent company

The Company's immediate parent is Abengoa Concessions S.L. In the opinion of the directors, the Company's ultimate parent Company and ultimate controlling party is Inversiones Corporativa S.A, a company incorporated in Spain. The parent undertaking of the largest and smallest group, which includes the Company and for which group accounts are prepared, is Abengoa S.A, a company incorporated in Spain. Copies of the group financial statements of Abengoa S.A. are available from its corporate website.

24. Events after the balance sheet date

In note 1 there are several events explained related to the current financial situation of Abengoa, S.A. and its group of companies.

In the context of Abengoa SA's ongoing efforts to reach an agreement to restructure the financial indebtedness and recapitalise the Abengoa Group, the Company entered into a secured term facility (the "Facility Agreement") with certain creditors of the Abengoa Group in March 2016, pursuant to which it has borrowed €137,094,751. The proceeds from the Facility Agreement will be used for the general corporate and working capital purposes of Abengoa SA. Under the terms of the contract, the Company pledged and granted a security interest in 14,327,124 ordinary shares of AbengoaYield held by it, in favour of the lenders as security for the loan.

Upon the occurrence of certain , the lenders may exercise their right to require the Company to repay all or part of the loan amount, post additional collateral or foreclose on, and dispose of, the Pledged Shares in accordance with the Loan Documents.

The loan will mature on 23 September 2016 or (if maturity for the other two facilities of the company detailed in note 17, October Facility and December Facility, are extended to at least the same date) 12 months after the utilization date. Loans will initially bear interest at a rate per annum equal to the aggregate of EURIBOR plus 14.5% (on a payment in kind basis). In certain circumstances, a make-whole amount, a restructuring fee and/or a rollover fee may become payable under the Facility Agreement.

Abengoa S.A. and 40 of its subsidiaries have each provided a guarantee of all amounts payable to the finance parties under the Facility Agreement. Under the terms of the Loan Documents, the Company pledged and granted a security interest in 14,327,124 ordinary shares of Atlantica Yield held by it (the "Pledged Shares"), in favour of the lenders as security for the Loan Amount and its obligations under the Loan Documents.

The Facility Agreement requires compliance with certain financial covenants including (i) an initial loan to value ratio of 60% and (ii) maintaining a loan to value ratio of not more than 80%. The Facility Agreement also novates the December Facility (note 17) to align the financial covenants with this new facility, and to extend the maturity date to September 23, 2016.

In relation to the Pledged Shares that were previously the subject of security interests in favour of the lenders under either (i) the loan agreement granted to Abengoa, S.A. in 23 September 2015 or (ii) the loan agreement entered into by the Company in 24 December 2015 (see Note 17): the lenders under (i) the September Facility will release all of the Pledged Shares that were pledged as security for such financing and (ii) the December Facility will release a certain number of the Pledged Shares that were pledged as security for such financing. The Company pledged and granted a second ranking pledge in respect of the Pledged Shares and the remaining shares securing the December Facility in favour of the lenders under the September Facility; and in connection with the granting of such releases, the September Facility and the December Facility were amended to align certain provisions relating to the interest, the restructuring and rollover fees, the loan to value financial covenants, the maturity and the disposal covenants with those in the Loan Documents.

Abengoa Concession Investments Limited

Notes to the financial statements For the year ended 31 December 2015

24. Events after the balance sheet date (continued)

The Company has been engaged in correspondence with the lender under the October Facility with regard to (i) the current status and (ii) the restructuring and refinancing, of the Abengoa Group.