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ABENGOA

National Securities Market Commission
Mr Alfredo Jiménez
Market Supervision Division
Paseo de la Castellana, 15 - 2
28046 Madrid

Seville, 17 January 2000

Dear Sirs,

Abengoa, S.A hereby informs you, and the markets, that it has formed the company Telecom Ventures AG, with registered office in Switzerland, which will operate under the trading name Telvent as a company investing in the telecommunications and Internet sector.

Abengoa has a strong presence in the industrial business of integrated telecommunications networks through its subsidiary Sociedad Anónima de Instalaciones de Control, Sainco, in the telecommunications and Internet sector. Sainco has a proven technical and analytical capacity and an ability to select and manage opportunities in this sector, with a qualified team of engineers and specialised technical personnel.

The purpose of the new company, Telvent, is to develop investment in Internet content providers and operators that are developing new access infrastructures for broad band, using both fixed lines and mobile telephones. The aim is, therefore, twofold. Firstly, to develop a diversified portfolio of holdings in leading companies, without becoming involved in their management; and secondly, to promote business aimed at the creation and operation of neutral and shared infrastructure for the support of new telecommunications services, access to the Internet and electronic commerce.

Telvent is wholly owned by Siema (Sociedad Inversora en Energia y Medioambiente), whose sole shareholder is Abengoa, which carries out its investment activities through it. Within Abengoa's organisational structure, Telvent's operational management will be carried out jointly with Sainco.

At the end of 1999, Telvent owned a portfolio of shareholdings in companies such as Telefónica, TPI, Terra, Jazztel, Ariba, Ecuquality and others, totalling some 35 million euros (5,823 million pesetas), holding no more than 3% of the share capital of any of these companies, which are all listed.

Telvent complements the objectives put into practice by Abengoa over recent years, of combining its traditional industrial activities with integrated products in

which it jointly develops financial support, technology and project management. In this regard, Siema has, since 1999, mainly channelled Abengoa's investments into renewable energy and the environment. Having consolidated Siema's development, Abengoa is also redirecting its investments in the telecommunications and Internet sectors through Telvent.

Given that the main variables of the investments in which Telvent is to participate have not yet been determined, Telvent should be primarily considered in its strategic sense, as an instrument for the support and development of Sainco's industrial capacity in the telecommunications and Internet sectors. In all cases, its potential development will depend on the specific evolution of the combined investments to be made, according to market guidelines, the assessment of which is difficult to determine.

Yours faithfully,

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Abengoa, S.A.
Jesús Pérez Rodríguez
General Secretary