1. **Consolidated Annual Accounts**

   a) **Consolidated Balance Sheets**

   b) **Consolidated Profit and Loss Accounts**

   c) **Notes to the Consolidated Annual Accounts**

2. **Directors' Report**

Consolidated Annual Accounts at December 31, 2001

(Free translation from the original in Spanish)

a) Consolidated Balance Sheets at December 31, 2001 and 2000

Consolidated Balance Sheets at December 31, 2001 and 2000

- Expressed in thousands of Euros -

Assets			31/12/2001	31/12/2000
A. Uncalled Share Capital			**1**	**90**
B. Fixed Assets				
	I.	**Start-up and Capital Increase Expenses**	**15.604**	**13.174**
	II.	**Intangible Fixed Assets**		
		Intangible fixed assets	92.330	67.379
		Provisions and amortisation	(56.167)	(55.690)
			36.163	**11.689**
	III.	**Tangible Fixed Assets**		
		Tangible fixed assets	528.551	381.414
		Provisions and amortisation	(197.905)	(155.085)
			330.646	**226.329**
	IV.	**Fixed Assets Project Finance**		
		Intangible fixed assets	32.715	30.357
		Provisions and amortisation	(8.653)	(3.889)
		Tangible fixed assets	318.180	339.181
		Provisions and amortisation	(36.648)	(28.212)
			305.594	**337.437**
	V.	**Long-term Investments**		
		Investments in associated companies	15.422	11.756
		Long-term investments	13.325	40.701
		Other investments and loans	11.272	9.869
		Provisions	(2.125)	(5.030)
			37.894	**57.296**
Total Fixed Assets			**725.901**	**645.925**
C. Goodwill			**281.326**	**232.033**
D. Deferred Charges			**13.057**	**9.706**
E. Current Assets				
	II.	**Stocks**	**246.457**	**221.767**
	III.	**Accounts Receivables**		
		Trade receivables	351.535	322.665
		Amounts owed by associated companies	23.209	33.651
		Other receivables	135.160	127.324
		Provisions	(2.959)	(4.111)
			506.945	**479.529**
	IV.	**Short-term Investments**		
		Short-term investments	57.180	106.535
		Loans to associated companies	1.566	1.166
		Other investments	149.616	20.134
		Provisions	(2.705)	(3.822)
			205.657	**124.013**
	VI.	**Cash at Bank and in Hand**	**115.742**	**169.149**
	VII.	**Accruals and Prepayments**	**5.478**	**3.209**
Total Current Assets			**1.080.279**	**997.667**
Total Assets			**2.100.564**	**1.885.421**

Consolidated Balance Sheets at December 31, 2001 and 2000

- Expressed in thousands of Euros -

Shareholders´ Equity and Liabilities		31/12/2001	31/12/2000
A. Shareholder´s Equity			
I.	**Share Capital**	**22.617**	**22.700**
II.	**Share Premium**	**110.009**	**110.009**
III.	**Revaluation Reserve**	**3.679**	**3.679**
IV.	**Other Reserves of Parent Company**		
	Distributable reserves	89.277	69.382
	Non-distributable reserves	4.523	3.892
		93.800	**73.274**
V.	**Reserves in Consolidated Companies**	**57.488**	**57.655**
VI.	**Reserves in Associated Companies**	**39**	**763**
VII.	**Cumulative Translation Adjustments**		
	In Subsidiaries Consolidated by line-by-line or Proportional Method	(12.187)	(2.169)
	In Companies consolidated by equity method	(60)	(36)
		(12.247)	**(2.205)**
VIII.	**Net Profit attributable to the Group**		
	Net income for the year	42.112	37.612
	Net Profit attributable to minority interests	(606)	(1.478)
		41.506	**36.134**
Total Shareholders´ Equity		**316.891**	**302.009**
B. Minority Interests		**46.180**	**35.400**
D. Deferred Income		**48.218**	**38.140**
E. Provisions for contingencies and expenses		**21.350**	**43.934**
F. Other Provisions		**48.081**	**-**
G. Project Finance			
I.	**Long-term Project Finance**	**139.604**	**188.501**
II.	**Short-term Project Finance**	**62.033**	**45.905**
Total Project Finance		**201.637**	**234.406**
H. Long-term Liabilities			
II.	**Loans**	**384.658**	**310.705**
III.	**Other Liabilities**	**72.179**	**31.782**
Total Long-term Liabilities		**456.837**	**342.487**
I. Current Liabilities			
II.	**Loans**	**110.341**	**163.169**
III.	**Amounts owed to Associated Companies**	**10.900**	**7.885**
IV.	**Trade Payables**	**726.612**	**615.260**
V.	**Other Non-Trade Payables**	**107.022**	**96.625**
VI.	**Other Payables**	**3.362**	**5.517**
VII.	**Accruals**	**3.133**	**589**
Total Current Liabilities		**961.370**	**889.045**
Total Shareholder´s Equity and Liabilities		**2.100.564**	**1.885.421**

b) Consolidated Profit and Loss Accounts for the Years Ended December 31, 2001 and 2000

Consolidated Profit and Loss for the years ended December 31, 2001 and 2000

- Expressed in thousands of Euros -

Expenses		**31/12/2001**	**31/12/2000**
	Decrease in stocks	0	0
	Materials consumed	887.341	814.498
	Personnel expenses	225.500	207.806
	R & D amortisation charges	9.865	7.897
	Other amortisation charges	39.683	33.152
	Change in trading provisions	2	1.869
	Other operating expenses	245.511	188.249
	Total Operating Expenses	**1.407.902**	**1.253.471**
I.	**Operating Profit**	**116.939**	**85.247**
	Financial expenses	67.118	50.954
	Loss on financial investments	820	24
	Change in financial investments provisions	412	3.744
	Negative exchange differences	11.572	6.515
	Total Financial Expenses	**79.922**	**61.237**
II.	**Net Financial Income**	**0**	**0**
	Participation in losses from companies under equity method	199	84
	Amortisation of goodwill	14.401	6.797
	Total Ordinary Expenses	**1.502.424**	**1.321.589**
III.	**Profits from Ordinary Activities**	**52.701**	**61.130**
	Loss on sale of fixed assets	248	980
	Decrease in provisions of tangible and intangible fixed assets	7.661	120
	Loss on sale of investments in consolidated companies	331	(6)
	Extraordinary amortisation of goodwill	0	9.616
	Extraordinary R & D amortisation charges	0	4.718
	Extraordinary expenses	5.870	7.194
	Total Extraordinary Expenses	**14.110**	**22.622**
IV.	**Net Extraordinary Income**	**1.338**	**0**
	Total Expenses	**1.516.534**	**1.344.211**
V.	**Net Profit before Tax**	**54.039**	**42.955**
	Corporate income tax	(11.927)	(5.343)
VI.	**Net Profit after Tax**	**42.112**	**37.612**
	Profit attributable to minority interests	(606)	(1.478)
VII.	**Profit attributable to the Group**	**41.506**	**36.134**

Consolidated Profit and Loss for the years ended December 31, 2001 and 2000

- Expressed in thousands of Euros -

Income		31/12/2001	31/12/2000
	Net turnover	1.379.878	1.204.573
	Increase in stocks	46.074	16.666
	Work done for own fixed assets	84.051	60.239
	Other operating income	14.838	57.240
	Total Operating Income	**1.524.841**	**1.338.718**
	Dividends from undertakings	1.079	1.743
	Other financial income	16.052	9.959
	Profits on short-term financial investments	0	21.847
	Positive exchange differences	10.972	7.254
	Total Financial Income	**28.103**	**40.803**
II.	**Net Financial Losses**	**51.819**	**20.434**
	Participation in profits from companies under equity method	2.181	2.260
	Amortisation of negative goodwill	0	938
	Total Income from Ordinary Activities	**1.555.125**	**1.382.719**
	Income from sale of fixed assets	7.442	793
	Income from sale of investments in consolidated companies	1.566	6
	Income from sale of investments in companies under equity method	0	0
	Capital grants transferred to profits for the year	2.742	2.230
	Other extraordinary income	3.698	1.418
	Total Extraordinary Income	**15.448**	**4.447**
IV.	**Net Extraordinary Losses**	**0**	**18.175**
	Total Income	**1.570.573**	**1.387.166**

c) Notes to the Consolidated Annual Accounts at December 31, 2001

Notes to the Consolidated Annual Accounts at December 31, 2001

Note 1.- Activity.

Abengoa, S.A. is an industrial and technological Company that, at the end of the year 2001, held a group (hereinafter, Abengoa or the Group) formed by 204 companies, the parent Company itself, 175 subsidiaries and 28 associated companies. Moreover the different companies have investments in about 177 Temporary Consortiums. In addition, Group companies hold interests of less than 20% in other companies.

Abengoa, S.A. was set up as a Limited partnership on January 4, 1941 in Seville and was subsequently transformed into a corporation on March 20, 1952. It is registered in the Mercantile Register of Seville, initially on form 2,921, folio 107 of volume 47 of Corporations and currently, due to the recent adaptation and rewording of the company's articles of incorporation, is registered in volume 573, book 362 of Section 3 of Corporations, folio 94, form SE-1507, registration 296. The company's current registered office is located at Avenida de la Buhaira, nº 2 in Seville.

The company's corporate purpose is described in Article 3 of the company's articles of incorporation. Within the main activities mentioned in the corporate purpose, Abengoa as an applied energy and equipment Company, provides integral solutions in the Energy, Telecommunications, Transport, Water, Environment, Industry and Services sectors.

Abengoa is an industrial and technological Company that provides solutions for Sustainable Development, the Society of Information and Knowledge and Infrastructure Creation.

Abengoa operates through four Business Groups, the activities of which are as follows:

- Bioenergy

  This area of activity involves the production of ethyl alcohol from vegetable products (cereals, biomass). The alcohol, (bioethanol) is used to manufacture ETBE (unleaded petrol additive or component) or is blended directly with petrol and gasoil. As it is a renewable energy, net CO_2 emissions are reduced (greenhouse effect).

- Environmental Services:

  Aluminium waste recycling, salt slag recycling, zinc waste recycling, industrial waste management, industrial cleaning and environmental engineering services (engineering and construction for water treatment and waste management).

- Systems and Networks:

  Control and information systems integration and private network and infrastructure integration for the vertical Energy, Environment, Traffic, Transport and Telecommunications markets, providing the market with a range of products based on an innovative combination of technology, infrastructure and contents.

  - Technology: by using solutions based on both products developed in-house and third-party products.

  - Infrastructure: with the operation of spaces specially adapted for the housing and running of computer and telecommunications equipment.

  - Contents: through the development of systems for management, information, and control in real time for the target markets.

- Engineering and Industrial Construction:

  Engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industrial, transport and service sectors. Development, construction and operation of industrial plants and conventional power plants (cogeneration and combined-cycle) and renewable energy facilities (bioethanol, biomass, wind, solar and geothermal). Turnkey telecommunications networks and projects.

Pursuant to the corporate purpose, these activities may be carried out in Spain or abroad, using either the company's own resources or through interests in other companies with similar corporate purposes.

A significant part of the projects undertaken have a duration of more than one year.

Note 2.- Subsidiary Companies.

2.1. Information concerning the 175 Consolidated Subsidiary companies by line-by line method is given in Appendix I to these Notes.

Note 3.- Associated Companies.

3.1. Information on the 28 Associated Companies consolidated by the equity method is given in Appendix II to these Notes.

Note 4.- Temporary Consortiums.

4.1. Information on the 70 Temporary Consortiums consolidated by the Proportional Consolidation Method is given in Appendix III to these Notes.

4.2. Under the provisions of articles 11 and 14 of the Rules for the Formulation of Consolidated Annual Accounts, 107 Temporary Consortiums have not been included in the consolidation process. The net book value of the investments in the non-consolidated Temporary Consortiums is Th.Eur. 1,381, and they are accounted for as "Short-Term Investment" on the consolidated balance sheet. The net turnover in proportion to the interest held is 0.6% of the net consolidated turnover. The net aggregated profit in proportion to the interest held is Th.Eur. 200.

Note 5.- Abengoa, S.A. Profit Distribution.

The proposal for the distribution of the net profit of Abengoa, S.A. for the year 2001 to be submitted for the approval of the General Shareholders' Meeting is as follows:

Basis of distribution	Th.Eur. Amount
Profit and Loss	**13,707**

Application to	Amount
Distributable reserves	1,041
Dividends	12,666
Total	**13,707**

Note 6.- Bases of Presentation of the Consolidated Annual Accounts.

6.1. The Consolidated Annual Accounts are based on the statutory accounting records of Abengoa, S.A. and its group of companies and are prepared in accordance with generally accepted accounting principles in Spain established in the current mercantile legislation, to present fairly the equity, the financial position and the results of the Group.

6.2. The figures contained in the documents that comprise the Consolidated Annual Accounts (balance sheet, profit and loss account and these notes) are expressed in thousands of Euros (Th.Eur.).

Unless otherwise stated, the percentage holding in the capital of entities includes both the direct interest and the indirect interest corresponding to group companies with direct holdings, not the total interest which would be held by the parent Company.

6.3. When necessary, the appropriate reclassifications have been made on the 2000 balance sheet and profit and loss account, in order to facilitate the comparison with the year 2001 figures. Applying the true and fair view criterion, interests acquired as a vehicle for specific business operations are valued from their acquisition date until the date of sale using accounting criteria similar to those used for other investments, with the difference that the amortization of the implicit goodwill is deferred for accounting purposes and that the associated profit/loss are considered as an operating results, to the extent that there are no reasons that make an earlier reduction of its book value advisable, until the vehicle company starts its regular economic operations, applying a strict criterion of correlation of income and expenses (integral treatment). (See Note 25.2).

6.4. Appendix I lists the 83 companies/entities that are fully consolidated by the line-by-line method for the first time in this year. (See the third paragraph of Note 6.6 and footnotes to Appendix I).

6.5. On June 11, 2000, after a Tender Offer made on May 9, 2000, Abengoa, through its subsidiary Asa Environment and Energy Holding AG, took control of a majority interest in Befesa Medio Ambiente, S.A. At the year-end, the Abengoa companies (Asa Environment and Energy Holding AG, Siema and Abengoa, S.A.) held an interest of 92.06%. It was considered July 1, 2000 as the first consolidation date. The sales and profit attributable to the Parent Company (for a 6 months period) contributed by these companies were Th.Eur. 149,851 and Th.Eur 7,441, respectively, to the Consolidated Group. During the whole year 2001, the amounts contributed are Th.Eur. 365,119 and Th.Eur. 14,830, respectively, without considering the amortization of the goodwill on consolidation generated in the acquisition into account.

6.6. On December 17, 2001, after a Tender Offer started on November 1, 2001 Abengoa, through its subsidiary Asa Environment and Energy Holding AG, took control of the majority of the capital of High Plains Corporation (HIPC), a company listed on the Nasdaq Stock Market. This company is the fifth bioethanol producer in the United States, with well-known experience in said market, and focuses solely on this activity, owning three operation plants, with a total production capacity of 85 million gallons (332 million litres) a year. The sales figure for the year 2001 (closed in June) was 150 M.USD. The period of the Tender Offer was officially extended until January 16, 2002. At December 31, 2001, the interest obtained was 86.32%, which reached 94.13% at the end of the additional Tender Offer period finalised on January 16, 2002.

On February 14, 2002, the Spanish Stock Market National Commission and the SEC were informed of Abengoa's intention to merge its subsidiaries High Plains Corporation and Abengoa Biofuels Corporation. Consequently, Abengoa likewise requested the exclusion of HIPC from the Nasdaq Stock Market. After the merger, Asa Environment and Energy Holding AG obtained 100% control of High Plains Corporation, the company resulting from the aforementioned merger, and the minority shareholders are entitled to receive an amount equal to the price per share stated in the tender offer. (See Note 8 on the resulting Goodwill on Consolidation).

At all events, for information purposes and in order to allow comparison, the consolidated balance sheet at December 31, 2001 including High Plains Corporation is set forth below (the consolidation for the first time of the rest of the companies mentioned in Note 6.4 does not have any significant effect on the global consolidated figures at December 2001). The adjacent column marked (*) shows the consolidated balance sheet at the same date without High Plains Corporation, while the third column shows the consolidated balance sheet at December 31, 2000.

Consolidated Balance (figures in thousands of euros)	12/2001	12/2001 (*)	12/2000
Uncalled Share Capital	**1**	**1**	**90**
Start-up and Capital Increase Expenses	15,604	15,604	13,174
Intangible fixed assets	36,163	36,109	11,689
Tangible fixed assets	330,646	247,421	226,329
Fixed Assets Project Finance (Intangible and Tangible)	305,594	305,594	337,437
Long-term Investments	37,894	37,894	57,296
Total Fixed Assets	**725,901**	**642,622**	**645,925**
Goodwill	**281,326**	**242,274**	**232,033**
Deferred Charges	**13,057**	**13,015**	**9,706**
Stocks	246,457	239,464	221,767
Accounts Receivables	506,945	489,254	479,529
Short-term Investments	205,657	205,657	124,013
Cash at Bank and in Hand	115,742	205,584	169,149
Accruals and Prepayments	5,478	5,194	3,209
Total Current Assets	**1,080,279**	**1,145,153**	**997,667**
Total Assets	**2,100,564**	**2,043,065**	**1,885,421**
Capital	22,617	22,617	22,700
Reserve	252,768	252,768	243,175
Profit and Loss for the year	41,506	41,506	36,134
Total Shareholders' Equity	**316,891**	**316,891**	**302,009**
Minority Interests	**46,180**	**37,896**	**35,400**
Deferred Income	**48,218**	**47,056**	**38,140**
Provisions for Contingencies and Expenses	**69,431**	**69,431**	**43,934**
Long-term Project Finance	139,604	139,604	188,501
Short-term Project Finance	62,033	62,033	45,905
Total Project Finance	**201,637**	**201,637**	**234,406**
Loans	384,658	384,658	310,705
Other Liabilities	72,179	65,926	31,782
Total Long-term Liabilities	**456,837**	**450,584**	**342,487**
Loans	110,341	101,105	163,169
Other Current Liabilities	851,029	818,465	725,876
Total Current Liabilities	**961,370**	**919,570**	**889,045**
Total Shareholders' Equity and Liabilities	**2,100,564**	**2,043,065**	**1,885,421**

(*) Situation without considering the acquisition of a controlling interest in High Plains.

6.7. Appendix II shows the 25 companies/entities included this year in the consolidation that are consolidated by the equity method.

6.8. Likewise, 31 Temporary Consortiums were consolidated for the first time in the year, as they started their activities in this year and/or commenced significant operations. Their contribution to the consolidated turnover is Th.Eur. 11,989.

6.9. Certain Companies / Entities have been excluded from the consolidation process (line-by-line method):

Corporate Name	% Shareholding	Reason
Desarrollos Eólicos, S.A.	100.00	Disposal (See Notes 19.3 and 21)
Desarrollos Eólicos de Buenavista, S.A.	100.00	Disposal (See Notes 19.3 and 21)
Desarrollos Eólicos de Canarias, S.A.	79.30	Disposal (See Notes 19.3 and 21)
Desarrollos Eólicos de Corme, S.A.	85.00	Disposal (See Notes 19.3 and 21)
Desarrollos Eólicos de Galicia, S.A.	85.00	Disposal (See Notes 19.3 and 21)
Desarrollos Eólicos de Tarifa, S.A.	100.00	Disposal (`See Notes 19.3 and 21)
Desarrollos Eólicos Promoción, S.A.	100.00	Disposal (See Notes 19.3 and 21)
Tipmega	60.00	Disposal

In 2001, these companies contributed sales and a net result of Th.Eur. 12,600 and Th.Eur. 500 up to the date of the disposal of these companies on September 30, 2001. (See Notes 19.3 and 21.)

6.10. Certain Companies / Entities have been excluded from the consolidation process (equity method):

Corporate Name	% Shareholding	Reason
Lunagua, S.A.	20.00	Sale of holding
Red Eléctrica del Sur, S.A. (Perú)	35.00	Sale of holding (See Note 9)

6.11. Likewise, 28 Temporary Consortiums were eliminated from the consolidation in the year due to the finalization of their operations or the fact that such operations were not significant, neither individually nor globally. Their net turnover, in proportion to the interest held, was Th.Eur. 14,695 in 2000.

Note 7.- Accounting Policies.

The most significant accounting policies applied in the preparation of the consolidated annual accounts are the following:

a) Goodwill on Consolidation.

Goodwill represents the positive difference between the net book value of the parent company’s investment in subsidiary, associated and multi-group companies and its share in the net equity at the date of acquisition.

The investments made in the companies that gave rise to the Goodwill on Consolidation are long-term investments, operations being expected to continue for between 15 and 25 years. Consequently, under current applicable legislation, in order to apply the accounting principle of the correlation of income and expenses correctly, it is considered appropriate to amortize the Goodwill over a term of twenty years or, if applicable, over the estimated term of the project, if shorter.

b) Consolidation Difference.

If applicable, it would include the difference where it arises; negative consolidation difference represents the excess of the parent company's share in the net equity of subsidiary companies and multi-group companies at the date of acquisition in respect of the net book value of its investment in such subsidiary companies and multi-group companies.

Consolidated difference is only credited to the profit and loss account in the cases mentioned in the Spanish Consolidated Annual Accounting Standards.

c) Intercompany transactions.

Income and expenses relating to transactions with related parties are eliminated upon consolidation and do not affect the consolidated accounts.

Accounts receivable and payable between related parties, which were included in the consolidation, are eliminated in the consolidation process.

d) Consistency of accounting policies applied.

Accounting policies consistent with those applied by the parent Company have been applied in all the companies included in these Consolidated Annual Accounts.

e) Translation of foreign companies' annual accounts.

For the purpose of preparing the accompanying consolidated financial statements, the investees' financial statements denominated in foreign currencies were translated to local currency as follows:

1) All goods, rights and liabilities are translated into local currency using the foreign exchange rate at the end of the financial year.

2) The profit and loss accounts of foreign companies are translated into local currency using the annual average exchange rate calculated as the aritmethic average of all month-end foreign exchange rates.

3) The difference between the amount of the foreign company's shareholders' equity (including the profit and loss account), which is calculated in accordance with the preceding paragraph 2) translated at the historic exchange rate, and the net financial position calculated according to translation of goods, rights and liabilities described in paragraph 1) above, is presented, with negative or positive sign, in the shareholders' equity on the consolidated balance sheet, under the "Translation Differences" caption.

The translation of the results of companies consolidated by the Equity Method was carried out in accordance with the annual average foreign exchange rate, calculated in accordance with paragraph 2) above.

For companies located in countries with high inflation, translation is made at the exchange rate at the end of the financial year, once the financial statements have been adjusted in accordance with accounting rules for inflation. This practice has had no significant effect on the Annual Accounts.

For the resident companies in the Republic of Argentina, the balance sheet has been translated applying the rate of 1 USD = 1.6 ARP, the exchange rate fixed for crossing operations after the suspension of quotation had been raised in January 2002. The profit and loss account has been translated at the rate of 1 USD = 1 ARP. (See Note 17.9.) In the analysis made of the situation, it was found that the assets in Argentina do not require any provisions to be made other than those that appear in the accounting records.

f) Start-up and capital increase expenses.

Start-up and capital increase expenses are valued at the cost of acquisition or production of the goods or services, which give rise to them. They are systematically amortized over a period of five years.

g) Intangible Fixed Assets.

The items, which comprise Intangible Fixed Assets, are valued at their acquisition cost or cost of production. These assets are amortized on a straight-line basis following their actual estimated useful lives.

Research & Development expenses are, in general, charged to the profit and loss account in the year in which they are incurred and there is an individual breakdown of each specific R&D project. There are likewise certain projects that are amortized over 5 years as from the date they come into operation. In the year 2001, Abengoa companies took part in research and development programs carried out by other entities in which a minority interest is held. The amounts associated to their contributions to these programs are capitalized and amortized over a five-year period in the cases where the conditions established for this purpose in the General Accounting Plan are met. This accounting treatment gave rise to a net asset of Th.Eur. 18,402 at the year end on December 31, 2001, which cannot be considered to be a change of criterion in respect of the normal accounting practice followed in prior years, since the programs refer substantially to industrial activities like bioethanol and certain software developments and computing platforms with an expected economic operation to be materialised in future years. They are not, therefore, of a type of activity that can technically be considered comparable to Abengoa's activities until December 31, 2000.

Administrative concessions are valued at acquisition cost and are charged systematically to the profit and loss account over the period of the concession.

Patent rights are valued at acquisition cost and their amortization is calculated applying the straight-line method over the period for which its exclusive use is recognized.

Transfer rights are only accounted for when produced through an acquisition, in return for a consideration.

Data processing applications include the amounts paid for the access to property or rights for the use of programmes as well as the costs of those designed by the Company itself, when it is foreseen that their utilisation will be spread over a number of years. Maintenance costs of these applications are charged directly to the profit and loss account of the year in which they are incurred. Amortization is calculated on a straight-line basis over a period of five years from the moment the use of the respective data processing application begins.

Assets acquired under finance leases are accounted for as Intangible Fixed Assets when, from the economic conditions of their contracts, they can be considered to be acquisitions. The effect of the 1996 revaluation is included in the value of the assets of the companies, which applied the Law that provided for it. Amortization is calculated as described in paragraph h) below.

h) Tangible Fixed Assets.

Items included in Tangible Fixed Assets are valued at their acquisition or production cost. The value of the assets includes the effect of the legal revaluations approved by legislation of the country where each Company is located. Renewal, enlargement or improvement costs are included in the assets as a higher value of the item only when it involves an increase in their capacity, productivity or useful life.

Amounts relating to the works carried out by the Company itself are valued at their cost of production and are credited to the profit and loss account. Interest expenses and exchange differences related to the external financing of investments in Tangible Fixed Assets are only accounted for as an increase in the asset value when they arise before the asset is put into operation, provided that the total value of the asset thus calculated does not exceed the market value. The depreciation of Tangible Fixed Assets is calculated systematically by applying the straight-line method over the useful life of the assets and considering the effective depreciation of the asset due to use. If applicable, any value adjustments that arise are made.

The annual rates used to calculate the depreciation of Tangible Fixed Assets are as follows:

Items	**% Rate**
Buildings	2% - 3%
Installations	4% - 12% - 20%
Machinery	12%
Tools	15% - 30%
Furniture	10% - 15%
Construction equipment and supplies	30%
Data processing equipment	25%
Vehicles	8% - 20%

i) Financial investments.

Long and short term security investments, with fixed or variable interest, are valued at their cost of acquisition at the time of subscription or purchase, plus revaluations made in accordance with the Revaluation Law of 1983. The necessary eliminations have been made in the consolidation process in accordance with the consolidation method followed.

For values listed on a stock exchange, when the year-end market value is lower than the acquisition cost, the provisions necessary to reflect the fall in value are made and charged to the profit and loss account.

Unlisted securities are valued at acquisition cost less, when applicable, any provisions deemed necessary to reflect the fall in value suffered, which are in no case less than the losses incurred on the percentage shareholding. In order to calculate the provisions required, the underlying book value of the securities, adjusted by the amount of any tacit capital gains which existed upon acquisition and still exist at the time of the subsequent valuation, is taken as the reference value.

j) Non-trade receivables.

Long and short-term non-trade receivables are recorded at the amount actually outstanding. The difference with the nominal value is considered as interest income accrued in the period, following financial criteria.

Bad debts are provided for when considered necessary in the specific circumstances.

k) Deferred charges.

Deferred charges relate basically to interest on finance leases and other deferred expenses.

l) Stocks.

Raw materials and other supplies are valued at acquisition cost (first in, first out) plus all additional expenses incurred until the goods reach the warehouse.

Auxiliary products, consumables and replacements are valued at the latest invoice price or market value, if lower. The valuation of these products at the latest invoice price does not differ significantly from the valuation that would have been obtained if the first in, first out criterion had been applied.

Finished goods are valued at the lower of market value or average production cost, calculating the latter as the specific cost of the supplies and services plus the applicable part of the direct and indirect labour and general manufacturing costs.

Work in progress value includes costs directly incurred and the corresponding part of indirect costs incurred during the production period.

Provisions for depreciation and obsolescence are established when necessary.

Several Group companies have carried out transactions in the metal futures market (basically zinc and primary and secondary aluminium) to totally or partially hedge operations for the sale of physical tonnes with content of said metals.

The price differences produced by the continuous variations in the futures traded on official markets are treated in accordance with the following criteria:

- Both positive and negative differences due to the changes of prices in genuine future transactions to hedge risks are booked by adjusting the value of the main transaction hedged.

- Both positive and negative differences on transactions that are not defined as hedges are taken directly to the profit and loss account over the life of the transaction, theoretically closing the positions on the transactions open in accordance with market prices.

The result of the futures transactions for the year ended December 31, 2001 was a loss of Th.Eur. 732 on transactions closed in the year and a profit of Th.Eur. 95 on transactions open at the year end.

The company High Plains Corporation recorded a decrease in shareholders' equity of Th.Eur. 404 at the year end as a provision for the closing of open positions in futures in 2002. This amount was booked as an increase in the Goodwill on Consolidation. (See Note 8).

m) Shares of the parent Company.

The parent company does not hold any of its own shares neither during the year nor at the year-end.

n) Capital grants.

Capital grants are valued at the amount awarded and are recorded when they are considered to adequately meet the conditions established by the body granting them. They are released to the profit and loss account on a systematic basis in line with the estimated useful life of the assets to which they relate.

ñ) Provisions for liabilities and charges.

This caption includes provisions for contingencies and expenses relating to probable and/or certain liability. Amounts are assigned to the provision when, applying the most conservative valuation criteria, circumstances thus advise.

o) Provisions for pensions, similar obligations and other.

Certain group companies, including some that joined the consolidated group in the year 2001 subsequent to their being acquired, hold a series of obligations with their personnel to complement the social security retirement pensions and, in some cases, obligations under incentive programs with management and employees (1.48% of the share capital of Befesa Medio Ambiente, S.A. and 5.4% of Telvent Sistemas y Redes, S.A.). These obligations are not significant and an appropriate provision has been made.

p) Long and short-term payables.

Long and short-term non-trade payables are recorded at their reimbursement value. The difference between this amount and the amount actually paid is accounted for as interest expense during the period in which it is accrued, following financial criteria.

Credit facilities are shown in the accounts at the amount drawn of the total credit facility available.

Amounts relating to trade bills discounted and factoring with recourse pending maturity at the year-end are recorded as short-term receivables and loans from financial entities. Factoring without recourse is treated as collection; the related financial expense was approximately Th.Eur. 16,786 in the year.

q) Corporate income tax.

The charge for corporate income tax is recorded in the profit and loss account for the year and is calculated taking into account the timing differences associated with the different treatments for accounting and tax purposes of certain operations and the tax allowances to which the companies are entitled.

r) <u>Foreign currency transactions</u>.

The following procedures are applied in accounting for foreign currency operations:

1. Intangible and Tangible Fixed Assets:

   These balances are translated into local currency at the exchange rate prevailing on the date of the operation.

2. Stocks:

   The acquisition price or production cost is translated into local currency at the exchange rate prevailing at the date of the related transaction.

3. Financial investments:

   Financial investments are translated into local currency at the exchange rate prevailing at the date the investment is acquired.

   At the year-end they are valued at the exchange rate prevailing at this date and, if necessary, a provision is established.

4. Cash and banks:

   Foreign currencies are translated at the exchange rate prevailing on the transaction date. At the year-end, they are valued at the exchange rates prevailing at this date. Exchange differences are charged directly to the profit and loss account.

5. Accounts payable and receivable:

   Accounts payable and receivable in foreign currency are translated into local currency at the exchange rate prevailing on the date of the related operation. At the year-end they are translated at the exchange rate prevailing at this date.

   Unrealized exchange gains, where they occur, are not recorded as income for the year but are included in the balance sheet as deferred income. Unrealized exchange losses are charged directly to the profit and loss account.

However, exchange rate differences on transactions made in currencies of the Euro zone were considered to have been realized at December 31, 1998, since a fixed exchange rate has been established between them and, therefore, all exchange rate fluctuations between these currencies have disappeared.

Exchange rate hedging transactions (exchange rate insurance) are carried out in the circumstances in which, applying the conservative valuation principle, they are considered appropriate in order to mitigate the risks on operations abroad, hedging specific risks.

s) Accounting for income and expenses.

Sales of goods and income from services provided are recorded net of the applicable taxes and all discounts except those for prompt payment, which are considered as financial expenses whether or not they are included in the invoice.

Amounts relating to taxes in respect of purchases of merchandise and other goods acquired for resale, excluding Value Added Tax (VAT) and direct transport costs, are considered as part of the purchase price or cost of the services acquired.

Discounts subsequent to issuing or receiving invoices due to defects in quality, non-compliance with delivery dates or other similar reasons, as well as volume discounts on sales are all recorded separately from the sale or purchase amount of the goods and from the income or expenses for services, respectively.

The income from contract work is recognised upon completion and delivery. However, for long-term contracts (more than one year), income is recognised following the percentage of completion method, which includes billings on account and recognising income based on estimated margins taking into account the contingencies and risks estimated until the completion of the contract and delivery to the customer.

t) Electricity activities

Law 54/1997 of November 27 and the subsequent implementing legislation regulates the different activities related to the supply of electricity. This mainly consists of the production or generation, transport, distribution, commercialization and intra-Community or international exchange of electricity, together with the economic and technical management of the electricity system. This field of activity also includes the self-producers and producers under the special regime regulated in this Law.

Royal Decree 437/1998 of March 20 approved the General Accounting rules for the electricity industry companies and, therefore, for those included in the groups mentioned in the preceding paragraph. These rules establishes certain obligations to be disclosed in their annual accounts. These obligations are applicable for the consolidated annual accounts of groups that include one or more electricity activities.

Certain consolidated companies carry on operations that may be considered to fall within those considered as electricity activities as described above.

Appendix IV gives details of these companies and their activities.

Note 13 “Fixed Assets in Projects” gives details of the investments made in each one of these activities.

Note 25 “Income and Expenses” gives details of the net turnover of each activity.

Note 8.- Goodwill on Consolidation.

8.1. Details of Goodwill on Consolidation by subsidiary at December 31, 2001, together with the accumulated amortization, are shown below:

Goodwill on Consolidation	Amount	Accumulated Amortization	Net
Line-by-line / proportional method consolidated companies			
Abengoa Chile Consolidated	10,195	(740)	9,455
Aluminios en Discos, S.A.	31	-	31
Befesa Medio Ambiente, S.A.	198,463	(19,712)	178,751
Borg Austral, S.A.	685	(103)	582
Cartera Ambiental, S.A.	7,723	(744)	6,979
Compañía Industrial Asúa-Erandio, S.A. (Aser)	13,132	(7,988)	5,144
Complejo Medioambiental de Andalucía, S.A. (*)	1,971	(431)	1,540
Enernova Ayamonte, S.A.	361	(90)	271
Etrinsa	203	(3)	200
High Plains Corporation (**)	39,052	-	39,052
Refinalsa	1,100	(601)	499
Remetal	27,099	(6,265)	20,834
S.P.M.	37	(2)	35
Sociedad Inversora en Energía y Medioambiente, S.A.	2,146	(540)	1,606
Sondika Zinc, S.A.	1,067	(99)	968
Tratamiento de Aceites y Marpoles, S.A. Consolidated	4,491	(237)	4,254
Trademed, Tratamientos del Mediterráneo, S.L. (***)	1,484	(592)	892
Trespi	304	(11)	293
Unquinaval	1,795	(57)	1,738
Zindes, S.A.	3,372	(356)	3,016
	314,711	**(38,571)**	**276,140**
Equity method consolidated companies			
Deydesa 2000, S.L.	5,469	(558)	4,911
Intersplav	344	(69)	275
	5,813	**(627)**	**5,186**
Total	**320,524**	**(39,198)**	**281,326**

(*) Relates to the goodwill that existed before this Company joined Befesa Medio Ambiente through the Company Alianza Medioambiental (AMA).

(**) The total amount of the investment for the acquisition of 100% of the HIPC shares, including both the sums paid until December 31, 2001 and those materialized after said date, is Th.Eur. 107,317, giving rise to a goodwill on consolidation of Th.Eur. 46,760. The audit of the financial statements of HIPC for the six-month period ended December 31, 2001 (to adapt its year-end to that one of the Spanish group) has not been completed at the date on which these consolidated annual accounts are signed (it is being performed by Allen, Gibbs & Honlik, L.C.) and, therefore, the figures included and discussed above are the best estimate in relation to the accounting closing prepared by the subsidiary at said date. This means that any difference that may arise between these figures and those of the audited financial statements adapted to accounting principles generally accepted in Spain will be included in Abengoa's consolidated accounts for the year 2002, as a balancing item to the goodwill on consolidation booked as a result of the transaction.

(***) Relates to the 40% that Siema held in the Company before the acquisition of Befesa.

8.2. The variations in the net balance of this caption in the year 2001 were as follows:

Goodwill on Consolidation	**Amount**
Balance at 31.12.00	232,033
High Plains Corporation (See Note 6.6)	39,052
Other additions due to purchases (See Note 8.1)	24,642
Amortization for the year	(14,401)
Balance at 31.12.01	**281,326**

Other additions for purchases includes new acquisitions of companies and additional acquisitions in companies consolidated in the preceding year.

Note 9.- Investments in Associated Companies.

The detail of investments in associated companies consolidated by the Equity Method as of December 31, 2000 and 2001 and of the variation therein is as follows:

Companies	**Balance at 31.12.00**	**Allocation profit/(loss) for year**	**Other Movements**	**Balance at 31.12.01**
Cogeneración del Sur, S.A.	(21)	2	28	9
Cogeneración Motril, S.A.	-	129	1,284	1,413
Deydesa 2000, S.L.	1,623	745	2	2,370
Ecolube	-	(116)	572	456
Intersplav (**)	3,726	1,222	(817)	4,131
Lunagua, S.A.	1,238	-	(1,238)	-
Red Eléctrica del Sur, S.A. (Perú)	5,190	-	(5,190)	-
Tenedora de Acciones de Red Eléctrica del Sur, S.A. (Perú)	-	-	5,190	5,190
Other with profits in 2001 (*)	-	83	1,553	1,636
Other with losses in 2001 (*)	-	(83)	300	217
Total	**11,756**	**1,982**	**1,684**	**15,422**

(*) Relates to insignificant companies, generally dormant, that joined the consolidated group in 2001.

(**) The holding in the Ukrainian company Intersplav is 50.84% of the share capital in respect of the corporate rights attributable thereto, while it is established at 40% in respect of the entitlement to dividends and to receive the pertinent assets in the event of liquidation. It is consolidated by the equity method, since it is resident in a country with high inflation.

The most significant movements during the year were:

- Red Eléctrica del Sur, S.A. (Redesur Peru) left the consolidated group because its shares were contributed to the Spanish company Tenedora de Acciones de Red Eléctrica del Sur, S.A. (See Note 6.7). Lunagua, S.A. also left the group as a result of the disposal thereof (See Note 6.10).

- Cogeneración Motril joined the group (because it began to have significant operations), as did Tenedora de Acciones de Red Eléctrica del Sur, S.A. (See preceding paragraph and Note 6.7).

Holdings in companies resident outside Spanish territory total Th.Eur. 10,035.

Note 10.- Start-Up and Capital Increase Expenses.

The variations in start-up and capital increase expenses for the year were as follows:

	Start-up Expenses
Balance at December 31, 2000	13,174
Increases	5,724
Decreases	(90)
Allocation to profit and loss account (amortization/depreciation of fixed assets)	(3,204)
Balance at December 31, 2001	**15,604**

The additions are basically due to recently-incorporated companies that are in a phase prior to the commencement of operations and capital increase expenses in companies.

Note 11.- Intangible Fixed Assets.

11.1. The detail of the Intangible Fixed Assets as of December 31, 2000 and 2001 and of the variation therein is as follows:

	Rights under Leasing Contracts	Research and Development Expenses	Concessions and Patents	Other Intangible Fixed Assets	Total
Cost					
Balance at December 31, 2000	7,134	49,932	5,494	4,819	67,379
Increases	328	35,554	1,213	166	37,261
Decreases	(494)	(9,075)	(34)	(1,672)	(11,275)
Other Movements	(2,802)	20	1,449	298	(1,035)
Balance at December 31, 2000	**4,166**	**76,431**	**8,122**	**3,611**	**92,330**
Accumulated Amortisation					
Balance at December 31, 2000	(1,809)	(48,970)	(2,915)	(1,996)	(55,690)
Additions (provision)	(361)	(9,816)	(317)	(187)	(10,681)
Decreases	364	7,022	801	350	8,537
Other Movements	1,285	1,259	(617)	(260)	1,667
Balance at December 31, 2001	**(521)**	**(50,505)**	**(3,048)**	**(2,093)**	**(56,167)**
Net Fixed Assets					
Balance at December 31, 2000	**5,325**	**962**	**2,579**	**2,823**	**11,689**
Balance at December 31, 2001	**3,645**	**25,926**	**5,074**	**1,518**	**36,163**

11.2 The caption rights under leasing contracts includes assets acquired through finance lease contracts and have been accounted for in accordance with the transitory provisions of Royal Decree 1643/1990 dated December 20.

Original Cost	Instalments Paid	Instalments Paid in the Year	Instalments Pending	Value of Purchase Option
4,166	774	701	2,438	83

The amount relating to companies resident outside Spanish territory totals Th.Eur. 841.

11.3. The breakdown of Research and Development by Business Group is as follows:

Business Groups	Total Cost	Accumulated Depreciation	Net
Bioenergy	11,249	(2,388)	8,861
Environmental Services	1,920	(1,619)	301
Systems and Networks	50,370	(36,618)	13,752
Engineering and Industrial Construction	12,892	(9,880)	3,012
Total	**76,431**	**(50,505)**	**25,926**

11.4. The caption "Concessions and Patents" includes, among other items, the following assets, which will revert to their previous owner in accordance with the respective concessions.

Description	Amount	Accumulated Depreciation	Net	Concession Year	Year of Reversion	Institution
Administrative concessions	1,226	(241)	985	1993	2033	Agesa
Surface rights	1,994	(1,197)	797	1992	2007	Private Sector
Patents	558	(558)	-	1986	1996	INPI Brasil
Right of way	623	(178)	445	1985	2084	Sefanitro
Integration joint venture	2,386	-	2,386	2000	2002	Solid waste consortium
Operating concessions	721	(721)	-	1997	2001	Private Sector
Other non-reversible rights	614	(153)	461	Other	Other	Other
Total	**8,122**	**(3,048)**	**5,074**			

There is no obligation to create a reversion fund.

Details of the amounts relating to companies located outside Spanish territory are as follows:

Cost	558
Accumulated Depreciation	(558)
Net	**-**

Note 12.- Tangible Fixed Assets.

12.1. The detail of Tangible Fixed Assets as of December 31, 2000 and 2001 and of the variation therein is as follows:

	Land and Buildings	Technical installations and machinery	Payments on Accounts and Assets in the Course of Construction	Other Tangible Fixed Assets	Total
Cost					
Balance at December 31, 2000	89,389	207,518	16,317	68,190	381,414
Increases	3,130	4,731	50,355	6,706	64,922
Decreases	(5,745)	(15,222)	(1,576)	(2,214)	(24,757)
Other Movements	(2,786)	(9,950)	(689)	(4,978)	(18,403)
Other Movements High Plains Corporation	511	123,880	-	984	125,375
Balance at December 31, 2001	**84,499**	**310,957**	**64,407**	**68,688**	**528,551**
Accumulated Amortisation					
Balance at December 31, 2000	(13,611)	(101,541)	-	(39,933)	(155,085)
Increases	(3,178)	(10,625)	-	(4,945)	(18,748)
Decreases	307	593	-	927	1,827
Other Movements	(2,871)	10,166	-	8,956	16,251
Other Movements High Plains Corporation	-	(42,150)	-	-	(42,150)
Balance at December 31, 2001	**(19,353)**	**(143,557)**	**-**	**(34,995)**	**(197,905)**
Net Fixed Assets					
Balance at December 31, 2000	**75,778**	**105,977**	**16,317**	**28,257**	**226,329**
Balance at December 31, 2001	**65,146**	**167,400**	**64,407**	**33,693**	**330,646**

The amounts of “Other Movements” show, in general, companies joining and leaving the consolidation process, together with the adjustment of final balances of individual companies for the preceding year in respect of those contributed to be consolidated. The net effect is not significant. High Plains Corporation contributed a cost of Th.Eur. 125,375 and accumulated amortization/depreciation of Th.Eur. 42,150, which, given the significant amount involved, is shown on a separate line.

12.2. The following Tangible Assets have been fully depreciated:

Description	Amount
Buildings	40
Technical installations and machinery	27,229
Other installations, tools and furniture	4,990
Other Tangible Fixed Assets	7,087
Total	**39,346**

12.3. The most relevant revaluations in Tangible Fixed Assets in previous years are as follows:

Company	Gross Value	Accumulated Depreciation	Net Value
Abengoa	5,791	(1,504)	4,287
Eucomsa	2,687	(2,245)	442
Refinalsa	935	(658)	277
Remetal	2,915	(2,136)	779
Rontealde	9,220	(2,461)	6,759

The effect of the accumulated depreciation is Th.Eur. 1,300.

12.4 The most significant investments in Tangible Fixed Assets (net of depreciation) located outside national territory are:

Country	Amount
Argentine	11,123
Brazil	2,799
Chile	624
China	38
Morocco	132
Mexico	21,608
Peru	248
Portugal	20
Puerto Rico	11
United Kingdom	16,444
Uruguay	3,482
Total	**56,529**

12.5. Fixed Assets not assigned to company's operations are not significant.

12.6. It is the group's policy to insure all assets as considered necessary to cover possible risks, which could materially affect their value or usefulness.

Note13.- Project Financing.

13.1 The consolidated group includes Siema, a 100%-owned Company. Siema is a holding Company that owns interests in companies with “single project” corporate purposes.

The companies with the Projects usually finance them by what is known as “Project Finance” (Financing without Recourse Applied to Projects).

In this figure, the basis of the agreement between the Company and the financial entities is the allocation of the cash flow generated by the project to repayment of the financing and settling the financial charges, excluding or limiting the amount of any other equity resources that may be used for this purpose, so that the financial entities recovers the investment exclusively through the cash flows of the project it is financing, with subordination of any other debt to that derived from the Financing without Recourse Applied to Projects until the latter has been fully repaid.

Thus, these are formulae for financing without recourse, which are applied only to specific business projects. In these companies used to participate other shareholders such as electricity companies, the authorities of the autonomous region or other local shareholders, apart from Siema or Abengoa, S.A.

13.2 The amounts of the captions related to Project Financing and the movement thereon during the year were as follows:

Fixed Assets in Projects	Balance at 31.12.01	Balance at 31.12.00
Intangible Fixed Assets	24,062	26,468
Tangible Fixed Assets	281,532	310,969
Total	**305,594**	**337,437**

Financing without Recourse Applied to Projects	Balance at 31.12.01	Balance at 31.12.00
Long-term	139,604	188,501
Short-term	62,033	45,905
Total	**201,637**	**234,406**

Net	**103,957**	**103,031**

13.3. The amounts of the investments in fixed assets in Projects financed without recourse and the movement thereon during the year were as follows:

Intangible Fixed Assets	Balance at 31.12.00	Increases	Decreases	Other Movements	Balance at 31.12.01
Intangible Fixed Assets	30,357	2,358	-	-	32,715
Accumulated Amortisation	(3,889)	(3,975)	-	(789)	(8,653)
Net Intangible Fixed Assets	**26,468**	**(1,617)**	**-**	**(789)**	**24,062**

	Land and Buildings	Technical installations and machinery	Payments on Accounts and Assets in the Course of Construction	Other Tangible Fixed Assets	Total
Cost					
Balance at December 31, 2000	6,040	245,856	81,684	5,601	339,181
Increases	25,524	33,257	737	230	59,748
Decreases	-	(99)	(629)	(326)	(1,054)
Other Movements	63,226	(135,926)	(6,995)	-	(79,695)
Balance at December 31, 2001	**94,790**	**143,088**	**74,797**	**5,505**	**318.180**
Accumulated Amortisation					
Balance at December 31, 2000	(43)	(27,373)	-	(796)	(28,212)
Increases	(7,470)	(4,934)	-	(536)	(12,940)
Decreases	-	-	-	-	-
Other Movements	(17,670)	22,668	-	(494)	4,504
Balance at December 31, 2001	**(25,183)**	**(9,639)**	**-**	**(1,826)**	**(36,648)**
Net Fixed Assets					
Balance at December 31 2000	**5,997**	**218,483**	**81,684**	**4,805**	**310,969**
Balance at December 31, 2001	**69,607**	**133,449**	**74,797**	**3,679**	**281,532**

"Other movements" relate to the net amount of the companies with wind power activities leaving the consolidated group (See Note 6.9). The rest movements relate to reclassifications between the different sub-captions.

13.4. It is planned, at present, to cancel the Financing without Recourse Applied to Projects in accordance with the following calendar, pursuant to the forecast cash flow to be generated by the projects.

2002	2003	2004	2005	2006	Following	Total
62,033	45,068	28,369	27,211	15,705	23,251	201,637

13.5. Financing without Recourse Applied to Projects usually has the following guarantees:

- The pledge of shares in the promoting Company, authorized by the shareholders thereof.
- The assignment of collection rights.
- Limits on the disposal of the project's assets.

13.6. The balances of intangible and tangible fixed assets, both general and relating to projects, relating to electricity operations as defined in Note 7 t) were as follows:

Activity	Balance at 31.12.00	Increases	Decreases	Other Movements	Balance at 31.12.01
Production under Special Regime: Wind	94,437	-	-	(94,437)	-
Production under Special Regime: Cogeneration	157,597	1,183	(99)	264	158,945
Production under Special Regime: Hydraulic	7,507	413	-	(17)	7,903
Production under Special Regime: Other	54,067	-	(8,131)	2,204	48,140
Transport	-	445	-	14,359	14,804
Total Cost	**313,608**	**2,041**	**(8,230)**	**(77,627)**	**229,792**

Activity	Balance at 31.12.00	Increases	Decreases	Other Movements	Balance at 31.12.01
Production under Special Regime: Wind	(10,494)	-	-	10,494	-
Production under Special Regime: Cogeneration	(12,717)	(6,811)	18	(457)	(19,967)
Production under Special Regime: Hydraulic	-	-	-	-	-
Production under Special Regime: Other	(14,713)	(1,649)	2,846	(2,132)	(15,648)
Transport	-	(843)	-	(3,815)	(4,658)
Total Accumulated Amortization	**(37,924)**	**(9,303)**	**2,864**	**4,090**	**(40,273)**

Net	**275,684**				**189,519**

Other movements relates, basically, to the companies with wind power activities leaving the consolidated group (See Note 6.9) and the newly consolidated companies joining the group (See Note 6.4)

The breakdown between Project Financing and other activities is as follows:

	Balance at 31.12.01	Balance at 31.12.00
Project Financing	157,027	234,370
Other	32,492	41,314
Total	**189,519**	**275,684**

13.7. The balances of Financing without Recourse Applied to Projects assigned to electricity activities as defined in Note 7 t) are as follows:

	Balance at 31.12.01	Balance at 31.12.00
Short-term debt with financial entities	41,245	36,602
Long-term debt with financial entities	107,724	180,087
Total	**148,969**	**216,689**

Note 14.- Financial Investments.

14.1. The detail of financial investments as of December 31, 2001 is as follows:

	Book value				
	Fixed Interest		Variable Interest		
Financial Investments	**Associated Companies**	**Other**	**Associated Companies**	**Other**	**Total**
Short-term investments	-	6,436	-	50,744	57,180
Long-term investments	-	-	15,422	13,325	28,747
Total	**-**	**6,436**	**15,422**	**64,069**	**85,927**

The provision recorded relating to variable interest-bearing instruments amounting to Th.Eur. 4,830 (Th.Eur. 2,705 short-term and Th.Eur. 2,125 long-term respectively).

14.2. The detail of financial investments as of December 31, 2001 relating to companies located outside Spanish territory is as follows:

	Book value				
	Fixed Interest		Variable Interest		
Financial Investments	**Associated Companies**	**Other**	**Associated Companies**	**Other**	**Total**
Short-term investments	-	4,289	-	9,155	13,444
Long-term investments	-	-	10,035	11,412	21,447
Total	**-**	**4,289**	**10,035**	**20,567**	**34,891**

14.3. The variation in long-term variable interest investments is as follows:

Financial Investments	Balance at 31.12.00	Increases	Decreases	Balance at 31.12.01
Long-term variable interest	52,457	48,580	(72,290)	28,747

Increases shows, in general, companies newly consolidated by the equity method (See Notes 6.4 and 6.7 and Appendix II). Decreases shows, in general, companies leaving the consolidated group (See Notes 6.9 and 6.10).

14.4. In general, short-term investments relate to shareholdings in both listed and unlisted companies in financial, technological and other sectors.

The "financial expenses" caption of the profit and loss account includes the net losses incurred on the disposal of values listed on organized secondary markets, for an approximate amount of Th.Eur. 793.

14.5. The companies that have not been included in the consolidated group (See Notes 2 and 3), although the parent company direct or indirect interest therein is higher than 5%, are listed below:

Companies	% Shareholding
Adraler, S.A.	16.67
BC International Corp.	9.90
Banda 26, S.A.	11.54
Laboratorio del Amplificador de Energía, S.A.	6.98
Lanetro	5.19
Mediación Bursátil, S.V.B., S.A.	8.00
Nexttel Communication Solutions, S.A.	10.00
Norpost, S.A.	10.00
Obimet	14.15
Pro-Sevilla, S.A.	7.72
Vetejar	8.67

14.6. All the notifications required by Article 86 of the Spanish Limited Companies Act have been made.

14.7. There are no important circumstances that would affect the financial investments, such as litigations, seizures, etc.

14.8. Financial investments are usually in Spanish currency. Those, which are in foreign currencies, are valued at the exchange rate prevailing at the year-end and, if necessary, a provision is established.

14.9. There are no firm purchase and/or sale commitments that could be considered material in respect of the annual accounts taken as a whole.

14.10. Receivable interest accrued is not significant.

14.11. Financial investments are remunerated at an interest rate similar to market rate.

Note 15.- Non-Trade Receivables.

15.1. The breakdown of non-trade receivables is as follows:

Description	Amount
Long-term receivables	9,030
Long-term guarantees and guarantee deposits	2,242
Other long-term receivables	**11,272**
Short-term receivables	35,674
Short-term guarantees	113,942
Other short-term receivables	**149,616**
Total	**160,888**

It has not been considered necessary to establish provisions against these balances.

The amount relating to companies located outside Spanish territory is Th.Eur. 144,250.

15.2. The variation in long-term non-trade receivables for 2001 is as follows:

Description	Balance at 31.12.99	Increases	Decreases	Balance at 31.12.00
Long-term non-trade receivables	8,799	13,273	(13,042)	9,030

15.3. The maturities of non-trade receivables in the next five years, including short-term maturities, are as follows:

2002	2003	2004	2005	2006	Following	Total
35,674	4,698	1,333	10	9	2,980	44,704

Note 16. Stocks.

16.1. The breakdown of the balance of stocks as of December 31, 2001 is as follows:

Description	Amount
Commercial inventories	10,075
Raw materials and other supplies	33,415
Work in progress	5,314
Projects in progress	143,255
Manufactured products	33,215
Advances	21,183
Total	**246,457**

High Plains Corporation contributed Th.Eur. 6,993 to the final balance.

The amount of stocks relating to companies located outside Spanish territory is Th.Eur. 122,110.

In the balance sheet liabilities (caption "Short-term Trade Creditors), there are advance payments from clients of Th.Eur. 50,186 related to projects in the process of execution at the year end.

16.2. There are no significant firm purchase or sale commitments, with the exception of those mentioned in Note 29. Futures purchase transactions in raw material markets (cereals, commodities, etc.) are not significant (see Note 7.l).

16.3. There are no limits on the availability of the stocks due to guarantees or pledges other than the normal ones required by the projects. These are eliminated in the course of the execution of the project.

Note 17.- Shareholders' Equity.

17.1. The breakdown of the accounts comprising shareholders' equity as of December 31, 2000 and 2001 and of the variation therein is as follows:

	Balance at 31.12.00	**Distribution of 2000 Profit**	**Other Movements**	**Balance at 31.12.01**
Share Capital	22,700	-	(83)	22,617
Share Premium	110,009	-	-	110,009
Reserves in Parent Company:				
- Distributable	69,382	19,811	84	89,277
- Non-distributable	3,892	632	(1)	4,523
Revaluation Reserve	3,679	-	-	3,679
Reserves in fully and proportionally consolidated companies	57,655	2,641	(2,807)	57,488
Reserves in companies consolidated by equity method	763	2,176	(2,899)	39
Cumulative Translation Adjustments:				
- In Subsidiaries Consolidated by line-by-line or Proportional Method	(2,169)	-	(10,018)	(12,187)
- In companies consolidated by equity method	(36)	-	(24)	(60)
Dividend for the year 2000	-	10,875	(10,875)	-
	265,875			**275,385**
Consolidated Profit for the Year	**37,612**	**(37,612)**	**42,112**	**42,112**
Profit Attributable to Minority Interests	**(1,478)**	**1,478**	**(606)**	**(606)**
Profit Attributable to Holding Company	**36,134**	**(36,134)**	**41,506**	**41,506**
Total Shareholders´Equity	**302,009**			**316,891**

17.2. The share capital at December 31, 2001 was Euros 22,617,420, formed by 90,469,680 ordinary shares of a single class and series, all of which held identical economic and voting rights, with a nominal value of Euros 0.25 each, fully subscribed and paid up. The totality of these shares were represented by account entries and had been listed on the Madrid and Barcelona Stock Exchanges and the Stock Market Interconnection System (Continuous Market) since November 29, 1996.

The 1998 Ordinary General Meeting of Shareholders adopted the resolutions to redenominate the share capital in Euros and to adapt the accounting records and the annual accounts to the Euro, delegating in the Board of Directors to execute this at the moment it saw fit. Consequently, the Board of Directors of Abengoa, S.A. was duly authorized to adopt the pertinent resolutions, in accordance with the implementing legislation that has been issued, within the calendar established.

The calendar for adaptation to the euro fixed the year 2002 as the first year in which the accounts must compulsorily be kept in Euros, the annual accounts formulated in Euros and the share capital denominated in Euros. Until said year 2002, the accounts may continue to be kept in pesetas or may, voluntarily, be kept in Euros.

The first year in which the accounting and the annual accounts could be expressed in euros was 1999.

On the basis of the foregoing, on December 11, 2000 the Board of Directors of Abengoa, S.A. resolved, effective in the year 2001, to redenominate the share capital in Euros, reducing the nominal value by Euros 0.00369 per share and fixing it at Euros 22,617,420, formed by 22,617,420 shares with a nominal value of 1 euro each. January 1, 2001 was fixed as the date as from which the Company accounting, trading books, individual and consolidated annual accounts and any information required in monetary units would be expressed in Euros, although the peseta would be kept as a unit for comparison and historical records for the appropriate purposes.

17.3. According to the notifications received by the Company under the provisions of current legislation relative to obligations to give notice of percentage interests held, the most significant shareholders at December 31, 2001 are:

Shareholders	**% Shareholding**
Inversión Corporativa IC, S.A.	41.34
Finarpisa, S.A. (*)	3.29
Iniciativas de Bienes Inmuebles, S.A. (*)	7.38
Austral International, B.V.	5.42

(*) Inversión Corporativa Group.

17.4. The General Shareholders' Meeting of Abengoa, S.A. held on June 24, 2001 resolved to reduce the nominal value of all the shares that formed the share capital from one Euro per share to twenty-five cents of Euro (0.25 Euros) per share, by splitting each share with a nominal value of 1 Euro into four new shares with a nominal value of 0.25 euros each, simultaneously increasing the number of shares issued from 22,617,420 shares to 90,469,680 new shares, to be exchanged in the proportion of 4 new shares with a nominal value of 25 cents of Euro (0.25 Euros) each for each old share of one Euro (1 Euro). This did not imply any modification to the share capital of Abengoa, S.A.

17.5. The Shareholders, at their Ordinary Annual General Meeting held on June 24, 2001, authorized the Board of Directors:

1.- Increase the share capital, in one or several times, to the sum of Euros 11,308,710, equivalent to fifty percent of the share capital at the time of approval, within a maximum term of five years.

2.- To issue convertible debentures, with the resulting increase of up to Euros 137,181,000 in the share capital, over a five-year period.

3.- To issue other securities that recognize or create a debt or capital contribution, within the legal limits applicable in each specific case.

4.- Acquire derivatively treasury stock, within the legal limits, at a price of between Euros 0.03 and Euros 120.00 per share, within a maximum term of eighteen months.

These authorizations, which are still in force, had not been used at the date of issue of these accounts.

17.6. The availability of the reserves is not subject to any restrictions except those imposed by current legislation. Thus, the balance of the caption Revaluation Reserve includes the net effect of the revaluation of balance sheets carried out under the provisions of Royal Decree Law 7/1996; the balance of this caption is frozen until it has been checked and accepted by the Tax Authorities. This verification must take place within the three years following the closing date of the balance sheet on which the revaluation was recorded (12.31.96), and, therefore, the term expired on 12.31.99. When the verification has been made or when the time period has expired, the balance of the account may now be used to eliminate book losses, to increase the share capital or, when ten years have elapsed as from the closing date of the balance sheet in which the revaluation was recorded, as freely-available reserves.

17.7. The list of non-Group Companies / Entities that hold an interest of 10% or more in any of the consolidated companies is as follows:

Subsidiaries Companies	**Partner**	**% Shareholding**
Abecnor Subestaciones, S.A. de C.V.	Abecnor, S.A.	50.00
Aluminios en Discos, S.A.	Mesima Bilbao, S.A.	50.00
Biocarburantes de Castilla y León, S.A.	Azucarera Ebro Agrícola, S.A.	50.00
Bioener Energía, S.A.	Ente Vasco de la Energía	50.00
Bioetanol Galicia, S.A.	Sodiga Galicia, Sociedad Capital Riesgo, S.A.	10.00
Cogeneración del Sur, S.A.	Aceites del Sur, S.A.	45.00
Complejo Medioambiental de Andalucía, S.A.	Terraire, S.A.	47.50
Construcciones Metálicas Mexicanas, S.A. de C.V.	Cía. Española de Financiación del Des., Cofides, S.A.	30.40
Desarrollos Eólicos de Arico, S.A.	Soc.Inversora Maspalomas, S.A.	10.00
Desarrollos Eólicos de Arico, S.A.	Soc. Hidráulica Maspalomas, S.A.	23.35
Deydesa 2000, S.L.	Decoletajes y Demoliciones, S.A.	60.00
Donsplav	Scarp	49.00
Ecología de Canaria	Cepsa	55.00
Emp. Mixta Serv. Mpales. El Ejido, S.A.	Excmo. Ayuntamiento de El Ejido	30.00
Energías Renovables Leonesas, S.A. (Erlesa)	Endesa	50.00
Europea de Construcciones Metálicas, S.A.	Tractebel España, S.A.	50.00
Europea de Tratamientos Industriales, S.A.	Européenne de Services, S.A.	25.00
Europea de Tratamientos Industriales, S.A.	Tractebel España, S.A.	25.00
Explotaciones Varias, S.A.	Técnicas Reunidas, S.A.	50.00
Fomento Energía Renovable de Palencia, S.A.	Soc. Gral. de Biomasa de Castilla-León, S.L.	29.90
Galdán, S.A.	Fagor Ederlan Coop. Ltda.	50.00
Iniciativas Hidroeléctricas, S.A.	Suma de Energías, S.L.	45.00
Intersplav	Donets Non-Ferrius Metals Research Institute	43.16
Krasbilmet	Kramz	68.00
Procesos Ecológicos, S.A.	Global Plasma Environment, S.A.	49.96
Residuos Sólidos Urbanos de Ceuta, S.L.	Esys Montenay España, S.A.	50.00
Rontealde, S.A.	Sefanitro, S.A.	10.00
Sainsel Sistemas Navales, S.A.	Saes Capital, S.A.	50.00
Sniace Cogeneración, S.A.	Bosques 2000, S.L.	10.00
Suministros Petrolíferos del Mediterráneo, S.L.	Forma, Inversión Levantina	10.71
Tenedora de Acciones de Red Eléctrica del Sur, S.A.	BSCH	25.01
Tenedora de Acciones de Red Eléctrica del Sur, S.A.	Cobra Perú, S.A.	33.33
Tratamiento de Aceites y Marpoles, S.A.	Urbaser	50.00

17.8. The detail of reserves in subsidiary companies consolidated by line-by-line, proportional or equity method is as follows:

Company	Amount	
	FC / PC	EM
Sub-consolidated Befesa	10,705	-
Sub-consolidated Asa Investment	(15,850)	-
Sub-consolidated Sistemas y Redes	23,077	-
Sub-consolidated Abener	9,985	-
Sub-consolidated Siema	(1,401)	39
Sub-consolidated Abengoa and those derived from the Consolidation process	30,972	-
Total	**57,488**	**39**

17.9. Details of the Fully and Proportionally Consolidated companies that generated the most significant accumulated translation differences are as follows:

Company	**Amount FC / PC**
Abenor, S.A.	(211)
Abengoa Chile, S.A.	695
Asa Environment and Energy Holding AG (Asa E.E.H.)	(5,649)
Asa Investment AG	(2,755)
Abengoa México, S.A. de C.V.	493
Abengoa Perú, S.A.	302
Abengoa Puerto Rico, S.E.	1,106
Bargoa, S.A.	(4,387)
Borg Austral, S.A.	(1,346)
Enicar Chile	770
Mundiland, S.A.	2,467
Remetal TRP Ltd.	363
Sainco Brasil, S.A.	(289)
Teyma Uruguay, S.A.	(772)
Telvent AG	512
Telvent Factory AG	(232)
Teyma Abengoa, S.A.	387
Otras	(3,641)
Total	**(12,187)**

The amount allocated to this caption in the year 2001 is Th.Eur. 10,018, Th.Eur. 5,282 of which relate to Argentina (See Note 7.e).

Note 18.- Minority Interests.

The detail of Minority interests as of December 31, 2000 and 2001 and of the variation therein is as follows:

Company	Balance at 31.12.00	Other Movements	Allocation of 2001 Results	Balance at 31.12.01
Abengoa México, S.A. de C.V.	420	58	(14)	463
Abengoa Perú, S.A.	6	(2)	2	6
Abenor, S.A.	-	27	3	30
Alfagrán, S.A.	228	86	196	510
Aluminios en Discos, S.A.	133	668	(314)	487
Aprovechamientos Energéticos Furesa, S.A.	48	2	(8)	42
Araucana de Electricidad, S.A.	-	4	(1)	3
Aurecan, Ac. Usados y Rec. Energ. Andalucía, S.L.	72	(72)	60	60
Bargoa, S.A.	1,419	(285)	529	1,664
Befesa Medio Ambiente, S.A.	4,237	3,676	199	8,111
Bioetanol Galicia, S.A.	1,731	(1)	(10)	1,720
Cartera Ambiental, S.A.	408	(18)	232	622
Cogeneración Villaricos, S.A.	42	1	3	46
Construcciones Metálicas Mexicanas, S.A. de C.V. (Comemsa)	150	682	262	1,094
Desarrollos Eólicos de Canarias, S.A.	463	(463)	-	-
Desarrollos Eólicos de Corme, S.A.	565	(565)	-	-
Desarrollos Eólicos de Galicia, S.A.	595	(595)	-	-
Ecocarburantes Españoles, S.A.	1,659	(986)	133	806
Empresa Mixta de Servicios Municipales de El Ejido, S.A	186	(235)	223	174
Enernova Ayamonte, S.A.	283	(1)	(87)	195
Europea de Construcciones Metálicas, S.A.	3,595	(303)	333	3,625
Europea de Tratamientos Industriales, S.A.	607	(589)	67	85
Explotaciones Varias, S.A.	1,370	(8)	(5)	1,357
Galdán, S.A.	643	(25)	(138)	480
High Plains Corporation	-	8,284	-	8,284
Iniciativas Hidroeléctricas, S.A.	721	4	-	725
L.T. Rosarito y Monterrey, S.A. de C.V.	-	(1)	-	(1)
MTC Engenharia, S.A.	12	(115)	3	(101)
Mundiland	48	(48)	-	-
Nueva Electricidad del Gas, S.A.	126	(4)	(36)	86
Pandelco, S.A.	(12)	(13)	(12)	(36)
Procesos Ecológicos, S.A. (Proecsa)	637	(468)	(2)	166
Puerto Real Cogeneración, S.A.	120	(3)	(151)	(33)
Rontealde, S.A.	4,249	404	548	5,200
S.E.T. Sureste Peninsular, S.A. de C.V.	(48)	(40)	(74)	(162)
Sainco Portugal	12	2	-	14
Saincomex, S.A. de C.V.	6	(1)	(2)	3
Sainsel Sistemas Navales, S.A.	1,220	(15)	(642)	563
Servicios Auxiliares de Administración, S.A. de C.V.	(18)	-	2	(16)
Sniace Cogeneración, S.A.	847	-	118	965
Sondika Zinc, S.A.	805	10	109	924
Telvent Factory AG	6	(6)	-	-
Teyma Uruguay, S.A.	505	(90)	42	457
Tipmega, S.A.	300	(300)	-	-
Zindes, S.A.	2,074	14	394	2,482
Consolidated Befesa	3,581	(69)	114	3,626
Consolidated Telvent Sistemas y Redes, S.A.	-	3,031	279	3,310
Elimination between consolidated companies	1,421	(1,530)	(1,691)	(1,800)
Total	**35,400**	**10,174**	**606**	**46,180**

The inclusion of High Plans Corporation in the Group has an effect of Th.Eur. 8,824 in Other Movements (additions). (See Note 6.6 on the acquisition of the holding in HIPC until January 16, 2002). Other movements likewise includes the effect of the companies Desarrollos Eólicos de Canarias, S.A., Desarrollos Eólicos de Corme, S.A. and Desarrollos Eólicos de Galicia, S.A. leaving the consolidated group (Th.Eur. 1,625).

Note 19.- Deferred Income.

19.1. The breakdown of the balance of this caption at December 31, 2001 was as follows:

Description	**Amount**
Capital grants	36,275
Deferred income from sale of wind power activity	6,000
Other deferred income	5,943
Total	**48,218**

19.2. The detail of capital grants is as follows:

Grant Beneficiary Company	Entity	Balance at 31.12.00	Other Movements	Amount Transferred to Results	Balance at 31.12.01
Abensur	European Commission	-	4,086	-	4,086
Alfagrán, S.A.	Mº. de Industria y Energía	433	(18)	(152)	263
Alfagrán, S.A.	Regional Incentives	-	22	(2)	20
Alfagrán, S.A.	Regional Incentives	-	344	(68)	276
Aluminios en Discos, S.A.	M. Economy and Finance	36	3	(4)	35
Aluminios en Discos, S.A.	Regional Government of Alava	-	89	(8)	81
Arce Sistemas, S.A.	Iberdrola	12	2	(1)	13
Compañía Industrial Asúa-Erandio, S.A. (Aser)	M. Economy and Finance	12	(1)	(11)	-
Aurecan, Ac.Usados y Rec.Energ. Andalucía, S.L.	M. Economy and Finance	559	(280)	(35)	244
Aureca, Aceites Usados y Rec.Energ. Madrid, S.L.	M. Economy and Finance	204	(102)	(11)	92
Aureval, S.L.	ICO	307	(56)	(12)	239
Auremur	M. Economy and Finance	-	817	(43)	774
Bioetanol Galicia, S.A.	Dep. of Industry and Trade	-	180	-	180
Bioetanol Galicia, S.A.	IDAE	-	421	-	421
Cartera Ambiental, S.A.	M. Economy and Finance	12	-	(5)	7
Complejo Medioambiental de Andalucía, S.A.	Con.M.Amb.J. Andalucia	661	(60)	(121)	480
Complejo Medioambiental de Andalucía, S.A.	Con.M.Amb.J. Andalucia	721	62	(127)	656
Cogeneración Villaricos, S.A.	ICO-BEI	276	-	(13)	263
Cogeneración Villaricos, S.A.	Junta de Andalucia	523	-	(24)	499
Desarrollos Eólicos de Buenvista, S.A.	IDAE	1,454	(1,454)	-	-
Desarrollos Eólicos de Canarias, S.A.	Canary Islands Government	276	(276)	-	-
Desarrollos Eólicos de Galicia, S.A.	MINER / IDAE	2,014	(2,014)	-	-
Ecocarburantes Españoles, S.A.	Comunidad de Murcia	18,896	(2,141)	(4,021)	12,734
Enernova Ayamonte, S.A.	Junta de Andalucía	529	46	(24)	551
Europea de Construcciones Metálicas, S.A.	IFA	-	8	(8)	-
Europea de Tratamientos Industriales, S.A.	M. Economy and Finance	661	(15)	(81)	565
Europea de Tratamientos Industriales, S.A.	MCT	-	10	(1)	9
Instalaciones Abengoa, Inabensa, S.A.	European Commission	277	-	(103)	174
Instalaciones Abengoa, Inabensa, S.A.	European Commission	6	-	(6)	-
Instalaciones Abengoa, Inabensa, S.A.	European Commission	84	-	(26)	58
Instalaciones Abengoa, Inabensa, S.A.	European Commission	445	-	(52)	393
Instalaciones Abengoa, Inabensa, S.A.	European Commission	90	(90)	-	-
Instalaciones Abengoa, Inabensa, S.A.	Sanlucar Solar Project	-	1,775	-	1,775
Instalaciones Abengoa, Inabensa, S.A.	Solgate	-	76	(30)	46
Nueva Electricidad del Gas, S.A.	Junta de Andalucía	-	347	(22)	324
Procesos Ecológicos Vilches, S.A.	Junta de Andalucía	-	810	-	810
Puerto Real Cogeneración, S.A.	Junta de Andalucía	409	(10)	(40)	359
Rontealde, S.A.	Basque Reg. Government	2,326	-	(120)	2,206
Retraoil, S.A.	MIE	-	10	(10)	-
S.A. De Instalaciones de Control (Sainco)	ICEX	-	39	(29)	10
S.A. De Instalaciones de Control (Sainco)	European Commission	90	-	(90)	-
S.A. De Instalaciones de Control (Sainco)	IFA	-	(30)	30	-
S.A. De Instalaciones de Control (Sainco)	European Commission	277	(2)	(259)	16
S.A. De Instalaciones de Control (Sainco)	IFA	(6)	6	-	-
S.A. De Instalaciones de Control (Sainco)	M. Science and Technology	625	-	(449)	176
S.A. De Instalaciones de Control (Sainco)	M. Science and Technology	-	361	(172)	189
Suministros Petrolíferos del Mediterráneo, S.L.	Impiva Subvention	-	14	(2)	13
Telvent Interactiva, S.A.	M. Science and Technology	66	-	(8)	58
Telvent Interactiva, S.A.	M. Science and Technology	-	71	(11)	60
Telvent Interactiva, S.A.	M. Science and Technology	-	109	(36)	73
Telvent Interactiva, S.A.	M. Science and Technology	-	406	(163)	243
Trademed, S.L.	ICO/Instituto Fomento Murcia	2,200	(1,199)	(58)	943
Unión Química Naval,	IFA	-	245	(20)	225
Unión Química Naval,	Junta de Andalucía	-	109	(10)	100
Valcritec, S.A.	M. Economy and Finance	937	2	(306)	633
Other companies	Other	(1)	1	-	-
Adjustment to consolidation criteria			884	4,021	4,904
Total		**35,411**	**3,607**	**(2,743)**	**36,275**

Capital grants are related to investments in Tangible and Intangible Fixed Assets. There are no cases of non-compliance at this stage or expected whereby the Entity awarding the grant could claim it to be returned.

A decrease of Th.Eur. 3,744, included in the column Other Movements, results from the wind power companies leaving the consolidated group (See Note 6.9). The total grants awarded in the year was Th.Eur. 8,444.

19.3. Deferred Income.

On September 14, 2001 and October 30, 2001, Asa Environment and Energy Holding A.G., a 100% held subsidiary of Abengoa, S.A., concluded an agreement with a third party for the sale of its overall wind power generation activity, including both the companies that owned the production plants and the assets and resources associated with the promotion, management and construction thereof. The agreement reached meant the sale of the most important subsidiary in this line of activity (Desarrollos Eólicos, S.A.) and its subsidiaries for a price of Th.Eur. 77,573, which was fully collected at the year end on December 31, 2001 (included in the deposits in Note 15), together with the exclusion of these companies from the Abengoa, S.A. consolidated group as from the aforementioned date on which the sale materialized (See Note 6.9, which gives details of companies leaving the consolidated group.).

According to interpretative studies supported by legal advisors of Abengoa, S.A., this sale agreement is subject to the relevant administrative notifications. For this reason, the amount received has been fully guaranteed to the acquirer. In particular, in spite of other interpretations of current legislation, subsequent to December 31,2001, a notification was received from the Secretary of State for Economy, Energy and Small and Medium-sized Companies, stating that the proceedings provided for in point 3 of Additional Provision 27 of Law 55/1999 dated December 29 had been initiated, by which the authorization of the operation is subject to a favourable resolution thereof and the voting rights of the shares involved are suspended until such favourable resolution were obtained. At the date of sign of these consolidated annual accounts, the Council of Ministers had not yet resolved on this matter and, although company management reaffirms its belief that there are no circumstances that could justify an unfavourable resolution in the administrative proceedings initiated and, consequently, on the authorization, the application of a conservative criterion makes it advisable not to recognise the result of this transaction in the year 2001, in view of the risk that it could be reverted in the event that it were not approved by the authorities.

Taking the foregoing considerations into account, it has been decided to make an accounting entry in accordance with the principle of conservative valuation. The difference between the price received for the sale and the sum of the net book value of the portfolio, any cost that may appear associated to the sale in the assets and the accounting provisions deemed relevant in the circumstances, is Th.Eur. 6,000 and will give rise to a deferred income that will materialize when the pertinent administrative authorisation were obtained.

19.4. The amount relating to other deferred income is Th.Eur. 5,943 and includes exchange rate gains and interest rate subsidies on grants from official entities.

Note 20.- Provisions for contingencies and expenses.

Th.Eur. 18,677 of the balance of this caption relates to a specific provision for contingencies that may arise as a result of arbitration proceedings initiated by Abengoa, generally in operations outside Spanish territory, which are in the resolution phase. In the opinion of the directors and legal advisors, Abengoa has sufficiently valid arguments for the amounts claimed to be recognized in its favour, although, applying the conservative valuation principle (See Note 7ñ), this provision is booked in the accounts. The contingencies are analyzed and updated at each year-end, adjusting the provision as necessary. During the year, the balance decreased by Th.Eur. 24,040 due to items related to the sale of wind power activity companies described in Note 19.3, as certain contingent events have came out which, after the sale, are no longer under the control of companies included in the consolidated group.

The rest of the balance for an amount of Th.Eur. 2,673 is contributed by Befesa Medio Ambiente, S.A. and other companies, relating to provisions for guarantees, personnel commitments and other provisions. (See Note 7.o.)

Note 21.- Other Provisions.

In accordance with the accounting principle of conservative valuation, as mentioned in Note 19.3, a provision of Th.Eur. 48,081 has been included in the year for provisions estimated in relation to the sale of the wind power electricity generation activity and the promotion and development of these areas.

These provisions are focused to cover certain elements that may not finally materialize, since there is a high degree of uncertainty, although, in the interest of said conservative valuation principle, which is based on the best estimates available at the closing date, they should be substantially provided for.

The events and elements that duly confirm that the possible income has been obtained or the expenses provided for incurred or that they will not materialize in the future will be monitored and reflected in the accounts in future years, so that any amount that may be considered as income will always receive an accounting treatment equivalent to that which would have been made if not provision had been required or if the provision that is reverted had not been duly booked.

Note 22.- Non-Trade Payables.

22.1. The detail of debts with financial institutions is as follows:

Description	**Balance at 31.12.01**
Short-term debts	110,341
Long-term debts	384,658
Total	**494,999**

This amount includes debt denominated in foreign currency for an amount of Th.Eur. 66,493, Th.Eur. 18,558 relating to companies resident in Spain, and Th.Eur. 47,935 to companies resident abroad.

22.2. Loan and credit facility payments are analysed as follows:

2002	2003	2004	2005	2006	Following	Total
110,341	10,480	7,293	119,496	117,123	130,266	494,999

The amounts maturing in the year 2005 onwards include a long-term syndicated loan signed on July 10, 2001 for an amount of Th.Eur. 340,000. It was granted to Abengoa, S.A. with the security of the pledge of shares in certain subsidiaries and likewise guaranteed by subsidiary companies. The loan has an estimated term of 6 years and repayment of the principal will commence from the year 2005 onwards. The loan is intended to finance investments in projects and other investments in companies that allow the Group's business and lines of activity to be expanded. Traditionally, Abengoa has maintained this line of long-term financing within the conditions established with the financial institutions.

22.3. Accrued interest due to financial institutions totals Th.Eur. 6,296.

22.4. Debt secured by real property mortgage totalled Th.Eur. 7,959 at December 31, 2001, coming, in general, from Befesa Medio Ambiente, S.A. and its subsidiaries.

22.5. Credit facilities for the discount of trade bills are renewable and may be extended at any moment. Therefore a quantification of credit limits is not relevant for the purpose of the annual accounts.

22.6. The equivalent for the breakdown of the most significant foreign currency debt with financial entities is as follows:

	Companies Located	
Currency	**Outside Spain**	**Spain**
Dirhams (Morocco)	1,013	-
Dollar (USA)	27,923	18,269
Peso (Argentine)	1,435	289
Peso (Chile)	554	-
Peso (Mexico)	7,800	-
Real (Brazil)	8,107	-
Sol (Peru)	1,103	-
Total	**47,935**	**18,558**

22.7. The average rate of the credit transactions is within market rates.

Note 23.- Tax Situation.

23.1. Abengoa, S.A. and 30 other Group companies (see Appendix V to these Notes) are taxed under the Special Regime for Company Groups for 2001, with the number 2/97. Likewise, Sociedad Anónima de Instalaciones de Control (Sainco) and 4 other companies and Befesa Medio Ambiente, S.A. and 7 other companies (see Appendix V hereto) are taxed in the year 2001 under the Special Company Group Regime with numbers 73/01 and 4/01 B, respectively. The rest of the Group companies are subject to corporate tax under the General Regime.

23.2. In order to calculate the taxable income of the consolidated tax group and the individual tax companies, the book profit is adjusted in accordance with any timing or permanent differences that may exist, giving rise to the pertinent prepaid and deferred taxes, resulting from applying the accounting principle of accrual. In general, prepaid and deferred taxes arise as a result of making the valuation criteria and principles in the accounts of individual companies consistent with those of the consolidated group, to which the parent company's criteria and principles are applied.

23.3. The corporate income tax payable, under either the general regime or the special regime for groups of companies, is the result of applying the pertinent tax rate to each taxpayer, pursuant to current legislation in each one of the tax territories and/or countries in which the different companies have their registered offices. The tax allowances and credits to which the different companies are entitled, which relate mainly to double inter-Company and international taxation and to investments made, are likewise applied. Some companies taxed under special individual regimes, have been entitled to tax reductions based on the rules applicable to their activities.

23.4. Reconciliation of the accounting result with the taxable income is as follows:

Reconciliation Accounting Result with Taxable Income	**Amount**
Consolidated profits after tax	42,112
Permanent differences	
- Originated from individual companies	15,637
- Originated from consolidation	7,350
Temporary differences	
- Originated from the individual companies	391
- Originated from consolidation	(28,353)
Losses for 2001 that cannot be offset	15,947
Tax carryfowards offset in 2001	(11,499)
Taxable Income	**41,585**

23.5. Tax carry forwards pending offsetting by the taxpayers that generated them, after deduction of those applied in the present year, and without taking those which have been substantially offset through the entries derived from the consolidation process into account, are as follows:

Expiry date	**Amount**
2002	1,256
2003	178
2004	256
2005	20,388
2006	497
2007	633
2008	412
2009	13,937
2010	3,816
2011	6,343
2012	1,237
2013	704
2014	1,650
2015	3,858
2016	6,162

23.6. Due to possible different interpretations of the tax legislation applicable to each one of the territories and/or countries in which the different companies are tax residents, there may be certain contingent tax liabilities. However, in the opinion of the tax advisors, the possibility of their materialisation is remote, and in any event, the amount, which could arise from this, would not significantly affect the annual accounts.

Note 24.- Guarantees Furnished with Third Parties and Other Contingencies.

Guarantees furnished to third parties, totalling Th.Eur. 471,196 at the year-end comprise guarantees for completed contracts as well as for bidding rights.

There are guarantees furnished between Group companies amounting to Th.Eur. 128,568. These guarantees are to secure financial operations recorded as liabilities on the consolidated balance sheet at December 31, 2001. The amount involved outside Spanish territory is Th.Eur. 128,531, relating to both foreign companies and Spanish companies operating abroad.

At year-end, Abengoa, S.A. holds a purchase option over certain shareholdings in the telecommunications area. Said option was obtained at a no significant cost for Abengoa, S.A. In the case it were executed in the future, the price will be agreed in that moment, taking into account the market situation and it is not likely that either the investment or the counter-guarantees provided for such shareholdings would have a significant effect on Abengoa's total balance sheet figure. To date, there is no final decision as to whether or not Abengoa, S.A. will execute this option. This decision will be adopted in the future, depending on the evolution of the circumstances and the business.

Note 25.- Income and Expenses.

25.1. Transactions carried out during the year by Abengoa, S.A. with Temporary Consortiums not included in the consolidation process amount Th.Eur. 18,902 (sales).

The volume of transactions carried out with Group and Associated Companies not included in the consolidation process is not significant.

25.2. The caption "Other Operating Income" on the consolidated profit and loss account relates to ancillary income, operating grants and all income not included under other income captions, except extraordinary income. The breakdown is as follows:

Description	Amount
Ancillary income	18,840
Consortium Integration	1,057
Integral Treatment (Note 6.3)	(7,988)
Operating grants	2,929
Total	**14,838**

25.3. The volume of transactions carried out in foreign currency is as follows:

Description	Amount
Sales	377,581
Purchases	263,403
External Services (Received)	61,006
External Services (Provided)	128,857

25.4. The distribution of the net turnover by activity is as follows:

Business Groups	Amount	%
Bioenergy	108,500	7.86
Environmental Services.	369,900	26.81
Systems and Networks	208,900	15.14
Engineering and Industrial Construction	692,578	50.19
Total	**1,379,878**	**100.00**

25.5. The distribution by geographical area is as follows:

Geographical Area	Amount	%
Domestic Market	**879,278**	**63.72**
- European Union	119,437	8.66
- OECD countries	168,156	12.19
- Other countries	213,007	15.43
International Market	**500,600**	**36.28**
Total	**1,379,878**	**100.00**

25.6. The net aggregated turnover of the companies included in the consolidation, which are not resident in Spain, was Th.Eur. 342,056. The consolidated annual accounts include the accumulated reserves and retained earnings of the individual consolidated companies in the shareholders' equity, not considering the effect of the hypothetical distribution thereof, since said reserves and retained earnings are used as a financing source in each one of the companies.

25.7. The average number of employees in the year is, by categories, as follows:

	Average Number		
Categories	**Spain**	**Outside Spain**	**Total**
Engineers and University Graduates	726	524	1,250
Technical Staff	388	280	668
Clerical Staff	714	516	1,230
Workmen and Auxiliary Personnel	3,711	2,679	6,390
Total	**5,539**	**3,999**	**9,538**

25.8. The detail of extraordinary income and expenses is as follows:

Income	**Amount**
Profits on sale of Intangible and Tangible Fixed Assets	7,442
Profits on sale of investments in other companies	1,566
Capital grants transfers to profit for the year	2,742
Other extraordinary income	3,698
Total	**15,448**

Income	
Loss on sale of Intangible and Tangible Fixed Assets	248
Loss on sale of investments in other companies	331
Variation in provisions for Tangible and Intangible Fixed Assets and Financial Investments	7,661
Other extraordinary expenses (includes severance payments)	5,870
Total	**14,110**

Net Extraordinary Losses	**1,338**

25.9. The detail of the contributions to the profit and loss account before tax is as follows:

	Amount
Sub-consolidated Asa Investment	2,059
Sub-consolidated Siema	(7,529)
Sub-consolidated Abener	20,320
Sub-consolidated Telvent Sistemas y Redes	3,875
Sub-consolidated Abengoa and Consolidation process	23,387
Total	**42,112**

The individual annual accounts of the Spanish companies included in the consolidation are filed at the Companies Registry of the province in which their corporate headquarters are located, pursuant to current mercantile legislation.

25.10. The net turnover figures of the companies with electricity operations as defined in Note 7 t) are the following

Activity	Amount
Production under special regime: cogeneration	117,296
Production under special regime: hydraulic	65
Production under special regime: Other	20,141
Production under special regime: wind	12,693
Total	**150,195**

25.11 The balance of consumption and other external expenses is Th.Eur. 887,341, of which Th.Eur. 604,750 relate to purchases, Th.Eur. 19,449 to variation in inventories, Th.Eur. 261 to purchases returned, Th.Eur. 258 to volume discounts on purchases and Th.Eur. 263,661 to work carried out by other companies.

The balance of personnel costs is Th.Eur. 225,500, of which Th.Eur. 166,487 relate to wages, salaries or similar and Th.Eur. 59,013 staff welfare charges or similar regimes.

25.12. The balance of the caption Work Carried out on Fixed Assets is Th.Eur. 84,051, relating to the expenses incurred by the companies on their fixed assets, using their equipment and personnel, which are capitalized. Of this amount, Th.Eur. 40,128 relate to purchase and sale transactions between companies in the consolidated group, to which consolidation criteria and principles, explained in Note 7.h, are applied. The rest relate to individual companies.

25.13. The balance of Other Financial Income is Th.Eur. 16,052, the most significant amounts relating to Other Financial Income Th.Eur.11,725 and Income from Fixed-Income Securities Th.Eur. 2,749.

Note 26.- Accounts with Related Companies.

26.1. The account held by Abengoa, S.A. with Inversión Corporativa I.C., S.A. at the year-end shows a nil balance.

26.2. Dividends paid to related companies in the year total Th.Eur. 5,657.

Note 27.- Other Information.

27.1. The total remuneration paid to the members of the Board of Directors and to the Board of Directors Advisory Council members of Abengoa, S.A. in the year 2001, including the remuneration of those who are also members of the management of the Company, was Th.Eur. 2,932 for salaries and subsistence allowances, and Th.Eur. 29 for other items.

27.2. There are no advances or loans given to the members of the Board of Directors or obligations contracted by them under guarantee.

Note 28.- Subsequent Events.

The acquisition of the company High Plains Corporation commenced in the year 2001. This process has ended in 2002 with a series of actions (See Note 6.6).

Since 2001 year end there have been no other subsequent events in the consolidated companies which could be considered significant for the interpretation of the annual accounts or which could significantly affect either the individual companies or the group.

Note 29.- Order Book.

The amount of outstanding orders at December 31, 2001 amounts to Th.Eur. 1,167,225.

Note 30.- Financial Statements in Pesetas.

We set out below, for information purposes, the consolidated balance sheets and profit and loss accounts for the years ended December 31, 2001 and 2000 expressed in millions of pesetas.

Consolidated Balance Sheets at December 31, 2001 and 2000

- Expressed in millions of pesetas -

Assets		31/12/2001	31/12/2000
A. Uncalled Share Capital		**0**	**15**
B. Fixed Assets			
I.	**Start-up and Capital Increase Expenses**	**2.596**	**2.192**
II.	**Intangible Fixed Assets**		
	Intangible fixed assets	15.362	11.211
	Provisions and amortisation	(9.345)	(9.266)
		6.017	**1.945**
III.	**Tangible Fixed Assets**		
	Tangible fixed assets	87.943	63.462
	Provisions and amortisation	(32.929)	(25.804)
		55.014	**37.658**
IV.	**Fixed Assets Project Finance**		
	Intangible fixed assets	5.443	5.051
	Provisions and amortisation	(1.440)	(647)
	Tangible fixed assets	52.941	56.435
	Provisions and amortisation	(6.098)	(4.694)
		50.846	**56.145**
V.	**Long-term Investments**		
	Investments in associated companies	2.566	1.956
	Long-term investments	2.217	6.772
	Other investments and loans	1.876	1.642
	Provisions	(354)	(837)
		6.305	**9.533**
Total Fixed Assets		**120.778**	**107.473**
C. Goodwill		**46.809**	**38.607**
D. Deferred Charges		**2.173**	**1.615**
E. Current Assets			
II.	**Stocks**	**41.007**	**36.899**
III.	**Accounts Receivables**		
	Trade receivables	58.491	53.687
	Amounts owed by associated companies	3.862	5.599
	Other receivables	22.489	21.185
	Provisions	(492)	(684)
		84.350	**79.787**
IV.	**Short-term Investments**		
	Short-term investments	9.514	17.726
	Loans to associated companies	261	194
	Other investments	24.894	3.350
	Provisions	(450)	(636)
		34.219	**20.634**
VI.	**Cash at Bank and in Hand**	**19.258**	**28.144**
VII.	**Accruals and Prepayments**	**911**	**534**
Total Current Assets		**179.745**	**165.998**
Total Assets		**349.505**	**313.708**

Consolidated Balance Sheets at December 31, 2001 and 2000

- Expressed in millions of pesetas -

Shareholders´ Equity and Liabilities		31/12/2001	31/12/2000
A. Shareholder´s Equity			
I.	**Share Capital**	**3.763**	**3.777**
II.	**Share Premium**	**18.304**	**18.304**
III.	**Revaluation Reserve**	**612**	**612**
IV.	**Other Reserves of Parent Company**		
	Distributable reserves	14.854	11.544
	Non-distributable reserves	753	648
		15.607	**12.192**
V.	**Reserves in Consolidated Companies**	**9.565**	**9.593**
VI.	**Reserves in Associated Companies**	**6**	**127**
VII.	**Cumulative Translation Adjustments**		
	In Subsidiaries Consolidated by line-by-line or Proportional Method	(2.028)	(361)
	In Companies consolidated by equity method	(10)	(6)
		(2.038)	**(367)**
VIII.	**Net Profit attributable to the Group**		
	Net income for the year	7.007	6.258
	Net Profit attributable to minority interests	(101)	(246)
		6.906	**6.012**
Total Shareholders´ Equity		**52.725**	**50.250**
B. Minority Interests		**7.684**	**5.890**
D. Deferred Income		**8.023**	**6.346**
E. Provisions for contingencies and expenses		**3.552**	**7.310**
F. Other Provisions		**8.000**	**-**
G. Project Finance			
I.	**Long-term Project Finance**	**23.228**	**31.364**
II.	**Short-term Project Finance**	**10.321**	**7.638**
Total Project Finance		**33.549**	**39.002**
H. Long-term Liabilities			
II.	**Loans**	**64.002**	**51.697**
III.	**Other Liabilities**	**12.010**	**5.288**
Total Long-term Liabilities		**76.012**	**56.985**
I. Current Liabilities			
II.	**Loans**	**18.359**	**27.149**
III.	**Amounts owed to Associated Companies**	**1.814**	**1.312**
IV.	**Trade Payables**	**120.900**	**102.371**
V.	**Other Non-Trade Payables**	**17.807**	**16.077**
VI.	**Other Payables**	**559**	**918**
VII.	**Accruals**	**521**	**98**
Total Current Liabilities		**159.960**	**147.925**
Total Shareholder´s Equity and Liabilities		**349.505**	**313.708**

Consolidated Profit and Loss for the years ended December 31, 2001 and 2000

- Expressed in millions of pesetas -

Expenses		31/12/2001	31/12/2000
	Decrease in stocks	0	0
	Materials consumed	147.641	135.521
	Personnel expenses	37.520	34.576
	R & D amortisation charges	1.641	1.314
	Other amortisation charges	6.603	5.516
	Change in trading provisions	0	311
	Other operating expenses	40.852	31.322
	Total Operating Expenses	**234.257**	**208.560**
I.	**Operating Profit**	**19.455**	**14.184**
	Financial expenses	11.167	8.478
	Loss on financial investments	136	4
	Change in financial investments provisions	69	623
	Negative exchange differences	1.925	1.084
	Total Financial Expenses	**13.297**	**10.189**
II.	**Net Financial Income**	**0**	**0**
	Participation in losses from companies under equity method	33	14
	Amortisation of goodwill	2.396	1.131
	Total Ordinary Expenses	**249.983**	**219.894**
III.	**Profits from Ordinary Activities**	**8.769**	**10.171**
	Loss on sale of fixed assets	41	163
	Decrease in provisions of tangible and intangible fixed assets	1.275	20
	Loss on sale of investments in consolidated companies	55	(1)
	Extraordinary amortisation of goodwill	0	1.600
	Extraordinary R & D amortisation charges	0	785
	Extraordinary expenses	977	1.197
	Total Extraordinary Expenses	**2.348**	**3.764**
IV.	**Net Extraordinary Income**	**222**	**0**
	Total Expenses	**252.331**	**223.658**
V.	**Net Profit before Tax**	**8.991**	**7.147**
	Corporate income tax	(1.984)	(889)
VI.	**Net Profit after Tax**	**7.007**	**6.258**
	Profit attributable to minority interests	(101)	(246)
VII.	**Profit attributable to the Group**	**6.906**	**6.012**

Consolidated Profit and Loss for the years ended December 31, 2001 and 2000

- Expressed in millions of pesetas -

Income		31/12/2001	31/12/2000
	Net turnover	229.592	200.424
	Increase in stocks	7.666	2.773
	Work done for own fixed assets	13.985	10.023
	Other operating income	2.469	9.524
	Total Operating Income	**253.712**	**222.744**
	Dividends from undertakings	180	290
	Other financial income	2.671	1.657
	Profits on short-term financial investments	0	3.635
	Positive exchange differences	1.826	1.207
	Total Financial Income	**4.677**	**6.789**
II.	**Net Financial Losses**	**8.620**	**3.400**
	Participation in profits from companies under equity method	363	376
	Amortisation of negative goodwill	0	156
	Total Income from Ordinary Activities	**258.752**	**230.065**
	Income from sale of fixed assets	1.238	132
	Income from sale of investments in consolidated companies	261	1
	Income from sale of investments in companies under equity method	0	0
	Capital grants transferred to profits for the year	456	371
	Other extraordinary income	615	236
	Total Extraordinary Income	**2.570**	**740**
IV.	**Net Extraordinary Losses**	**0**	**3.024**
	Total Income	**261.322**	**230.805**