Consolidated Directors' Report for the Year 2002

(Free translation from the original in Spanish)

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1.- Introduction.

1.1. The present Directors' Report is formulated in accordance with articles 171 and 202 of the Revised Text of the Limited Liability Companies Law, article 49 of the Commercial Code and the Seventh European Council Directive of June 13, 1983 (83/349/EEC).

Abengoa, S.A. is an industrial and technological company that, at the end of the year 2002, held a group formed by the following companies: the parent company itself, 200 subsidiaries and 31 associated companies. Likewise, it held direct or indirect interests in 224 Temporary Consortiums. In addition, the Group companies owns shareholdings of less than 20% in other companies.

Apart from this legal corporate structure, for operating management and administration purposes, Abengoa acts through the organizational structures, described in point 2.1. below.

1.2. In order to accurately measure and evaluate the business and the results achieved by Abengoa, the basis used must be the consolidated figures, which reflect the evolution of the business.

In addition to the accounting information provided in the Consolidated Annual Accounts and in the present Directors' Report, Abengoa is publishing an "Annual Report" describing the most important achievements in the year 2002. This Report is available in Spanish, English and French. Said Annual Report, which is printed before the General Shareholders' Meeting at which the Annual Accounts for 2002 are to be approved, includes both the consolidated financial statements of Abengoa and a description of the business strategy objectives and the most relevant accomplishments of the four Business Groups into which Abengoa was structured at December 31, 2002.

In addition to the printed edition, an abridged version of the Annual Report will be available in Internet, at the address http://www.abengoa.com. It is also possible to request a printed copy of the Annual Report from the aforementioned Internet address.

Furthermore, this web page also provides the regular information (quarterly or six-monthly) or significant events that it is compulsory for Abengoa to notify to the Stock Market National Commission under stock market rules.

1.3. The shares of Abengoa, S.A. have been listed on the stock exchange since November 29, 1996 and the Company files the legally required quarterly and six-monthly information.

All the shares of Abengoa, S.A. were first quoted on the Madrid and Barcelona Stock Exchange Markets and in the Stock Exchange Interconnection System on November 29, 1996. Simultaneously, a public offering was made by their shareholders Inversión Corporativa I.C., S.A. and its subsidiary Finarpisa, S.A., together with other shareholders.

For the two processes (listing and public offering), Abengoa published an Admission Prospectus and, together with their shareholders, the Initial Public Offering Prospectus. Both Prospectus were duly approved and registered by the Stock Market National Commission on November 12, 1996 and November 21, 1996, respectively.

The volume of shares included in the Public Offering was finally established at 33.03% of the share capital of Abengoa, S.A. and the offer concluded on November 29, 1996, the date on which the stock market operation was carried out.

Abengoa, S.A. had 6,038 shareholders as at June 30, 2002 according to the information provided by "Servicio de Compensación y Liquidación de Valores, S.A." on the occasion of the last General Shareholders' Meeting held on June 30, 2002. Leaving aside the interests held by the shareholders Inversión Corporativa I.C., S.A. and its subsidiary Finarpisa (55.16%), according to these data, the Company considers that Abengoa, S.A.'s free float capital at said date, leaving the reference shareholder's interest aside, was 44.84% at said date.

According to the data provided to the Company by Sociedad Rectora de la Bolsa de Valores de Madrid (governing body of the Madrid Stock Exchange), 34,488,670 shares were traded during 2002. The average daily volume traded in the year was 137,954 shares, in comparison with 110,031 in 2001 (25.2% higher). The minimum, maximum and average prices per share in the year 2002 were Euros 4.15, Euros 8.97 and Euros 6.02 respectively (the foregoing takes into account the split in the nominal value of Euro 1 per share to Euros 0.25 per share that took place in July 2001). The last price for the Abengoa shares in 2002 was Euros 5.60, 18.96% lower than on 31 December 2001 and 206.97% higher than the share price established for the public offering of shares on 29 November 1996.

1.4. Over recent years, Abengoa has carried out strategic actions that have consolidated the strategic plan defined in 1996 (the year in which the company was first listed on the Stock Exchange). In this period, it has taken advantage of the traditional activity's capacity as a springboard to generate businesses with greater value added and, at the same time, attain the diversification of activities and geographic markets.

The actions culminated in the year 2000 (mainly the acquisition of Befesa and the coming into operation of the first bioethanol production plant), were complemented by other strategic transactions in 2001 (sale of the wind power generation business). Likewise, in 2002, the steps taken concentrated on consolidating the capacities of the four business groups that today form Abengoa as an industrial and technological company, the activities of which are described later.

The following strategic operations performed over recent years should be highlighted:

Year 2000

- Acquisition of Befesa through a tender offer, with an investment of Mill.Euros 300.

- Coming into operation of the first Bioethanol plant in Spain, with a production capacity of 100 M.Litres/year, representing an investment of Mill.Euros 93.8.

- Capital increase in Abengoa, allowing the shareholders' equity to increase by Mill.Euros 75.1.

Year 2001

- Integration of Abengoa's Environment Division (specialised in environmental engineering) into Befesa, with a capital increase of Mill.Euros 12.4 in Befesa by means of the contribution of Abensur.

- Sale of the wind power activity for Mill.Euros 109.

Year 2002

- Acquisition of High Plains Corporation, the fifth largest bioethanol producer in the United States, by means of a tender offer, with an investment of Mill.Euros 100.

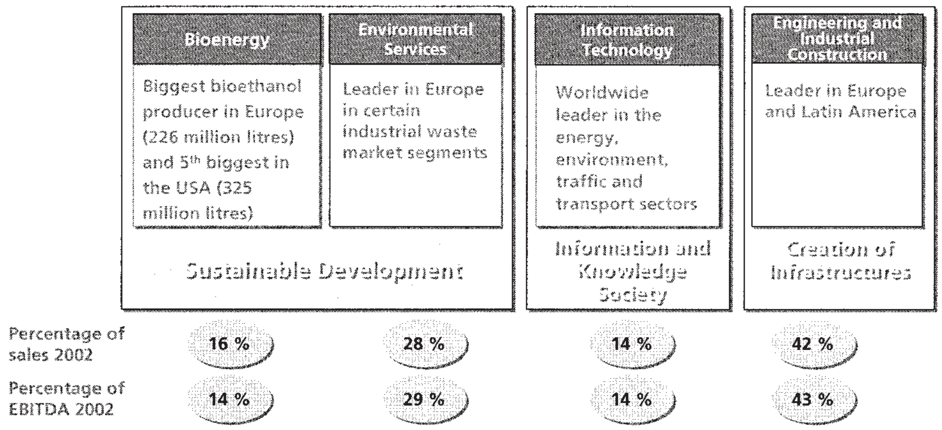
- Coming into operation of the second Bioethanol plant in Spain, with a production capacity of 126 M.Litres/year, representing an investment of Mill.Euros 92.1.

- The United States Department of Energy (D.O.E.) awarded a R&D project for the technological improvement of the ethanol production process, employing biomass, optimising the economy of the process and increasing the energy yield in ethanol production, also reducing the cost of producing ethanol and making it more competitive compared to gasoline.

In this period of diversification and growth, Abengoa has received the support of the financial markets, obtaining the funds needed in order to grow. Growth has been financed mainly through four income sources: i) Capital increase, ii) Funds generated by the traditional activity, iii) Financing without recourse applied to projects and iv) Long-term corporate financing.

1.5. <u>Current structure of Abengoa and nature of its business</u>.

- The result of the operations performed in the period 2000 – 2002 mentioned above configured Abengoa as an industrial and technological company that provides solutions for Sustainable Development, the Information and Knowledge Society and Infrastructure Creation, acting through four business units.



- Apart from the fact that it is structured into these four business units, there are currently two types of activity in Abengoa at present: a) <u>Engineering, Construction and Services</u>, which, in turn, is formed by traditional engineering activity, financed turnkey projects and recurrent and service activity, and b) <u>Sale of commodities</u>. These two types of business source exist, to a greater or lesser degree, in each of the four business units.

a) <u>Traditional engineering and construction activity</u>: its main income source is based on Abengoa's capacity to obtain contracts and relates to private bids, public tenders and private or other types of award. In this respect, it makes no difference whether Abengoa is providing a service (performing works) or delivery a specific asset (manufacturing).

- <u>Financed turnkey projects (integrated product)</u>: the main income source is Abengoa's capacity to obtain contracts, but this activity has a structured finance component (with or without capital investment).

  It is applied in significant High Tension Line projects (such as the ANEEL line in Brazil, the Ralco line in Chile and the CFE line in Mexico), Conventional and Combined Cycle Plants (such as El Sauz, CD S. Carlos), Cogeneration Plants (such as Motril), Biomass Plants (B. Jiennense, EHN), Bioethanol Plants (Castilla-León, Bioetanol Galicia, ETBE Huelva), Solar Plants and Electricity Plants with hydrogen fuel cells.

- Recurrent and service activities: their income source, although depending on a bid, is based on recurrent Operation and Maintenance (O&M) activity, spare parts and similar, the contracts for which usually have a term longer than one year. As significant examples, Sainco's contracts with electricity companies, the O&M contracts of Inabensa with vehicle manufacturers or electricity companies, Abentel with Telefónica, Sainco Tráfico with the Directorate General of Traffic and Municipal Councils, managements plants, industrial waste treatment, etc. may be highlighted.

b) Activities related to "commodities":

A sale of products activity, the income of which is correlated to the sale of a commodity. In this kind of activity, we distinguish between products: Metallic, Non-Metallic, Sale of electricity from any of Abengoa's production plants (Cogeneration, Biomass, Solar or others) and sale of ethanol and its derivatives.

- Metallic:

  Zinc. The income from this activity has two basic variables: i) a royalty and ii) the price of the metal. It falls within the Zinc Waste Recycling activity.

  Aluminium. This is encompassed in the Aluminium Waste Recycling activity.

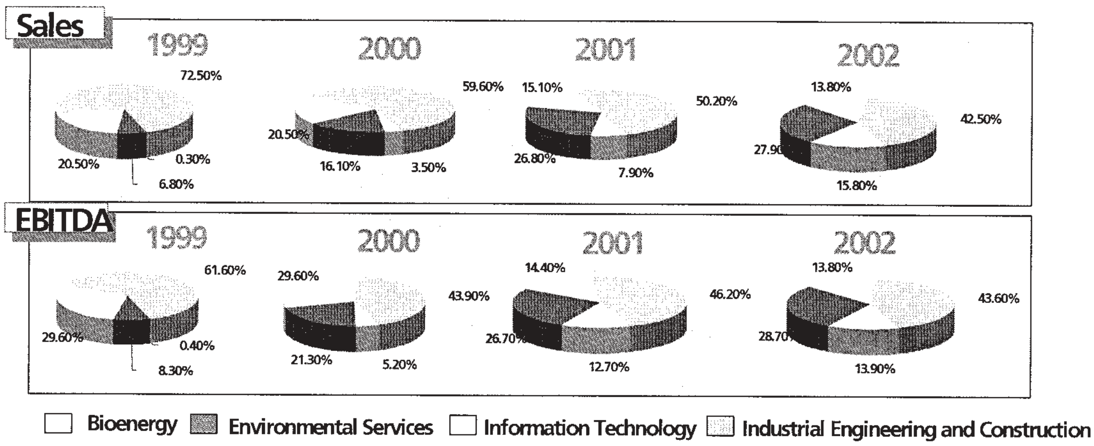
  Aluminium sales. Like zinc, a fee is obtained for withdrawing the waste, which, in turn, is treated, thus obtaining by-products that can be sold.

- Non-Metallic. Desulphurization: consists of recycling sulphur waste from refineries, which is transformed into sulphuric asset, generating, in turn, steam with which electricity is produced.

- Sale of electricity from any of Abengoa's production plants (Cogeneration, Biomass, Solar or other): Production of cogeneration or biomass plants; Energy Promoters (include Nuelgas, Cogesur, the bioenergy cogeneration activity and fuel cells), the part of electricity sales of the cogeneration plants of Environmental Services (Aureca, Aureval, Auremur).

- Sale of ethanol. Affected by i) the price of gasoline, ii) the price of grain and iii) the price of gas and DGS and CO2 derivatives.

Evolution of sales and EBITDA



- Today Abengoa offers a combination of businesses that represent a greater diversification in markets and customer portfolio and that reinforces its capacities in respect of its original Engineering business.

1.6. In the year 2002, Abengoa's net turnover was Mill.Euros 1,521.9, representing an increase of 10.3% on the preceding year.

The sales increase in the year 2002 was mainly due to the increase in the Bioenergy Business Group, which rose from Mill.Euros 108.5 in 2001 to Mill.Euros 240 in 2002, and the Environmental Services Business Group, which grew from Mill.Euros 369.9 in 2001 to Mill.Euros 425.0 in 2002.

The Earnings before Interest, taxes, depreciation and amortisation (Ebitda) was Mill.Euros 174.7, representing an increase of Mill.Euros 8.2 (4.9%) on 2001.

The net profit attributed was Mill.Euros 43.5, which shows an increase of Mill.Euros 2 (a 4.8% rise) on the profit after tax attributed the previous year (Mill.Euros 41.5).

The net cash flow generated in the year 2002 was Mill.Euros 118.3, which represented an increase of Mill.Euros 11.3 on the year 2001, an increase of 10.6%.

The Board of Directors proposes to the General Shareholders Meeting the distribution of a dividend of 0.14 Euros per share charged to the year 2002, representing a total pay-out of Mill.Euros 12.67 for the 90,469,680 outstanding shares.

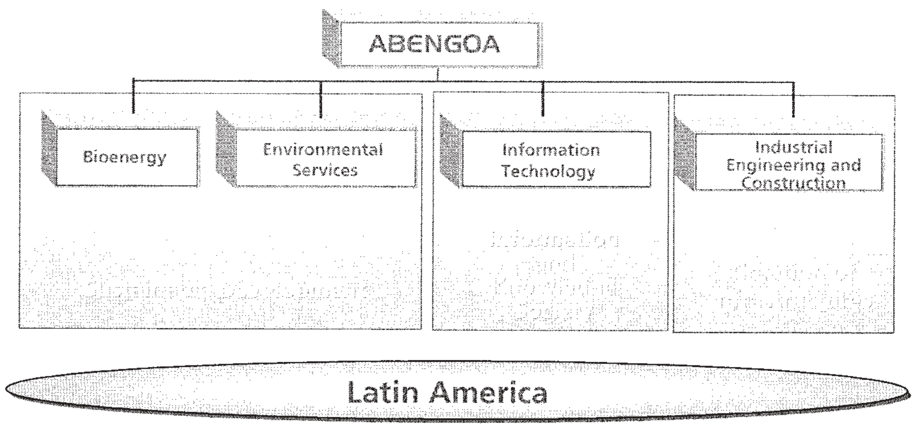
2.- Comments on the Evolution of the Business and Overall Situation of the Companies Included in the Consolidation.

2.1. General description and organization.

Abengoa was formed in Seville in 1941. Until 1996 it operated as an Engineering Company undertaking a range of activities. It is now an industrial and technological Company that provides solutions for sustainable development, the information and knowledge society and the creation of infrastructures.

At the 2002 year end, Abengoa's stock market capitalization was Mill.Euros 506.6, it was present in 38 countries and its sales in the year were Mill.Euros 1,521.9, with an Ebitda of Mill.Euros 174.7.

Abengoa operates through four Business Groups:



- The activities of the four Business Groups are as follows:

  - **Bioenergy**

    Production of ethyl alcohol from vegetable products (cereals, biomass). The alcohol (bioethanol) is used to manufacture ETBE (petrol component) or to be 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 recycling, industrial cleaning and environmental engineering services (engineering and construction for water treatment and waste management).

  - **Information Technology**

    Systems and Service Development and Integration. Systems for: Information Control, Private Telecommunications Networks, Business Process Payment and Automation for the Energy, Environment, Traffic, Transport and Public Administration Sectors. Services of: Hosting, Management, Administration and Maintenance of Technical Infrastructures.

  - **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.

  - **Latin America**

    Market where Abengoa has had a stable presence for more than 30 years through local companies that carry on all the activities of the Business Groups autonomously, applying the management rules of Abengoa as a whole.

2.2. Recent evolution.

2.2.1. The evolution of the main balance sheet and profit and loss account figures over the last years is shown below:

Description	2002	Δ%	2001	Δ%	2000	Δ%	1999	Δ%	1998	1997
	M.Euros		M.Euros		M.Euros		M.Euros		M.Euros	M.Euros
Equity	310.8	-2.0	316.9	+4.9	302.0	+50.4	200.6	+8.7	185.2	181
Total Assets	2,311.3	+10.0	2,100.6	+11.4	1,885.4	+57.4	1,197.9	+21.7	984.6	763

Description	2002	Δ%	2001	Δ%	2000	Δ%	1999	Δ%	1998	1997
	M.Euros		M.Euros		M.Euros		M.Euros		M.Euros	M.Euros
Sales	1,521.9	+10.3	1,379.9	+14.6	1,204.6	+39.0	866.2	+10.3	785.2	693
EBITDA (1)	174.7	+4.9	166.5	+31.8	126.3	+43.0	88.3	+17.7	75.0	64
Pr. Attrib. to Parent Comp.	43.5	+4.8	41.5	+15.0	36.1	+64.9	21.9	+10.1	19.9	18
Net cash flow	118.3	+10.6	107.0	+20.5	88.8	+59.8	55.6	+15.5	48.1	37

(1) Earnings before interest, taxes, depreciation and amortization.

2.2.2. On the balance sheet, the most significant aspect is the variation in the fixed assets between 1998 and 1997 with respect to 1996 due to the full consolidation of "Sociedad Inversora en Energía y Medio Ambiente, S.A." (Siema) from 1997 onwards. This is shown under the caption "Fixed Assets in Projects", which rose from Mill.Euros 21.3 in 1996 to Mill.Euros 178.2 in 1997, to Mill.Euros 245.0 in 1998, to Mill.Euros 306.5 in 1999, to Mill.Euros 337.4 in 2000, to Mill.Euros 305.6 in 2001 and to Mill.Euros 384.3 in 2002, basically as a result of tangible fixed assets representing the investments in the projects of Siema. These investments are located in the activities of water and environmental management and in energy-producing plants and installations belonging to the different Project promotion companies in which interests are held either by Siema or other subsidiaries of Abengoa, S.A.

The investments in these promotion companies are generally made through Project Finance, a financing formula agreed with the financial institution whereby the latter recovers the financing through the funds generated by the project. This type of funding is, therefore, without recourse to the shareholders.

The balancing item of these investments appears in the balance sheet liabilities under the caption "Financing without Recourse Applied to Projects", which, at the 2002 year end totals Mill.Euros 140.4 under the long-term caption and Mill.Euros 129.6 at short-term, in comparison with Mill.Euros 139.6 and Mill.Euros 62.0 respectively in 2001.

- The change in the size and structure of Abengoa's balance sheet in the last three years relates to certain actions, of which the final effect on the balance sheet may be seen in the following variations:

  a) The full consolidation of the holding in Befesa at the year end 2000 (91.00%). For purposes of the profit and loss account, however, said consolidation affected only the contribution relating to the six-month period at the year end 2000, since the tender offer concluded in June 2000, and to a full year for the first time in 2001, which closed with a shareholding of 92.05%.

  b) Capital increase in Abengoa in the year 2000, which allowed Abengoa's shareholders' equity to be increased by Mill.Euros 75.1 and was concluded with the full support of the investors in the month of August 2000. The increase in the shareholders' equity represents approximately a third of that which already existed, which was increased to Mill.Euros 302.0.

  c) Signature of a syndicated loan in 2001 for an amount of Mill.Euros 340 maturing at 6 years, signed with 38 financial institutions and structured to reinforce the company's financial resources after the acquisition of Befesa through the tender offer subsequently launched on the stock market.

  d) Divestment in the wind power activity in October 2001, representing a net reduction on the balance sheet of Mill.Euros 83.9 in Fixed Assets in Projects and Mill.Euros 64.9 in Financing without Recourse Applied to Projects

  e) Acquisition of the United States company High Plains Corporation, with an investment of 100 million US dollars. The whole investment was made using the Abengoa's available treasury resources and is shown on the balance sheet for 2001.

  f) Signature of a syndicated loan in 2002 for an amount of Mill.Euros 500 maturing at 6 years, signed with 51 financial institutions and structured to reinforce the company's financial resources after the acquisitions of Befesa and High Plains.

2.2.3. The contribution of the Business Groups to the Sales and the Ebitda shows the recent contribution of Bioenergy and Environmental Services, the weight of which, particularly the contribution to the Ebitda, has already become very significant (42% overall).

	Sales 2002			Sales 2001		Sales 2000	
Business Group	**M.Euros**	**% over total**	**∆ 01/00**	**M.Euros**	**% over total**	**M.Euros**	**% over total**
Bioenergy	240.5	15.8	132.0	108.5	7.9	41.7	3.5
Environmental Services	424.6	27.9	54.7	369.9	26.8	193.6	16.1
Systems and Networks	210.0	13.8	1.1	208.9	15.1	247.3	20.5
Engineering and Industrial Construction	646.8	42.5	(45.7)	692.5	50.2	722.0	59.9
Total	**1,521.9**	**100.0**	**142.1**	**1,379.8**	**100.0**	**1,204.6**	**100.0**

	Ebitda 2002			Ebitda 2001		Ebitda 2000	
Business Group	**M.Euros**	**% over total**	**∆ 01/00**	**M.Euros**	**% over total**	**M.Euros**	**% over total**
Bioenergy	24.2	13.9	3.0	21.2	12.7	6.6	5.2
Environmental Services	50.1	28.7	5.7	44.4	26.7	26.9	21.3
Systems and Networks	24.1	13.8	0.1	24.0	14.4	37.4	29.6
Engineering and Industrial Construction	76.3	43.6	-0.6	76.9	46.2	55.4	43.9
Total	**174.7**	**100.0**	**8.2**	**166.5**	**100.0**	**126.3**	**100.0**

2.2.4. In the year 2002, Abengoa's operations abroad also showed significant variations, since it continued to increase in volume but, primarily, diversified, as a result of the Bioenergy activity in the United States. Specifically, sales abroad accounted for Mill.Euros 611.8 (40.2%) of the Mill.Euros 1,521.9 turnover registered in 2002. Sales in Spain amounted to Mill.Euros 910.1 (59.8%) compared with Mill.Euros 879.2 in 2001 (63.7%).

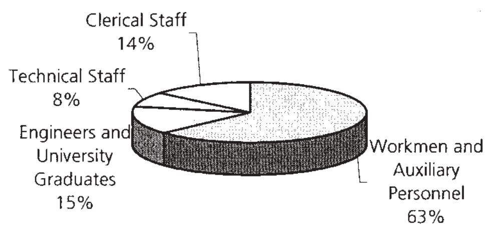
Local operations, that is, sales by local companies based in other countries, amounted to Mill.Euros 386.9, accounting for 25.4% of the total sales figure for 2002, while exports from companies based in Spain totalled Mill.Euros 224.9 (14.8%). In 2001 sales by local companies abroad accounted for 21.7% of the total figure and exports 14.6%.

The variation in the contribution of the different geographic areas may also be highlighted. Thus, Latin America, which represented 40% in 1999, dropped to 29.2% in 2000, 24.4% in 2001 and 21.9% in 2002. This variation was due to the greater weight of Europe, USA and Canada, with the inclusion of High Plains in 2002. The geographic distribution of sales was as follows:

(Exports and local company sales)	2002 M.Euros		2001 M.Euros		2000 M.Euros		1999 M.Euros	
USA & Canada	143.2	9.5%	5.8	0.4%	2.8	0.2%	0.3	0.0%
Latin America	333.7	21.9%	336.7	24.4%	352.3	29.2%	346.4	40.0%
Europe (rest)	94.4	6.2%	125.8	9.1%	76.5	6.3%	41.8	4.9%
Africa	10.9	0.7%	9.4	0.7%	14.2	1.2%	12.4	1.4%
Asia	29.6	1.9%	22.9	1.7%	10.6	0.9%	4.6	0.5%
Total foreign sales	**611.8**	**40.2%**	**500.6**	**36.3%**	**456.4**	**37.8%**	**405.5**	**46.8%**
-Local	386.9	25.4%	298.3	21.7%	253.5	21.0%	272.2	31.4%
-Exports	224.9	14.8%	202.3	14.6%	202.9	16.8%	133.3	15.4%
Total Spain	**910.1**	**59.8%**	**879.3**	**63.7%**	**748.2**	**62.2%**	**460.7**	**53.2%**
Consolidated total	**1,521.9**	**100.0%**	**1,379.9**	**100.0%**	**1,204.6**	**100.0%**	**866.2**	**100.0%**

2.2.5. With regard to the average number of employees, the comparative figures are as follows:

Average Number of Employees	2002	%	2001	2000	1999	1998	1997
Spain	5,946	71%	5,539	5,562	4,659	3,973	4,068
Abroad	2,483	29%	3,999	4,028	2,833	4,718	4,820
Total	**8,429**	**100%**	**9,538**	**9,590**	**7,492**	**8,691**	**8,888**



3.- Information on Significant Events after the Year End.

On January 31, 2003, Telvent, S.A., a subsidiary of Abengoa and the most important company in the Information Technology Business Group, acquired control of the Network Management Solution Division of Metso Corporation, by means of purchasing 100% of its subsidiaries in Canada and the United States, valued at M.Eur. 35, including the cash available. The two companies acquired, which will change their names to Telvent Canada and Telvent USA, have annual sales of MUSD 60 and employ more than 400 people in their offices in Calgary, Houston and Baltimore. The financing of this operation will involve a Leveraged Buy-Out.

This acquisition will provide Telvent with a leading position internationally in the Information Control Systems market for the gasoline, gas and electricity energy sectors and the water sector. The Division acquired has a select portfolio of technological applications for the aforementioned market.

No further events have occurred that could have a significant influence on the information contained in the Consolidated Annual Accounts formulated by the Directors as of today's date or that should be highlighted as significant for the different companies or the Group as a whole.

4.- Information on the Forecast Evolution of the Group.

4.1. In order to forecast the Group's prospects, it is necessary to take into account its evolution and development over recent years, from which it may be deduced that, in the medium term, there are prospects for growth. The strategy for the Group in the medium term is based on the growing contribution of the activities related to the Environmental markets, renewable fuels (bioenergy), together with continuity in the development of the Information Technology and Engineering and Industrial Construction activities.

4.2. In addition, as stated above, the reinforcement of Abengoa's capacity in the Environmental Services market through Befesa Medio Ambiente, S.A. and the increased bioethanol production capacity will also help to boost long-term prospects. To the extent to which current forecasts are met, Abengoa has a new base for its operations, which may remain stable and continuous over forthcoming years.

4.3. With the reservations appropriate to present circumstances, bearing in mind the increased flexibility in the organisational structure, the specialisation and the diversification of activities, within the investment possibilities forecast in the national market and the competitive capacity in the international market, together with the exposure of part of its activities to the sale of commodity products, the Group is expected to be in a position to continue to progress favourably in the future.

5.- Information on Research and Development Activities.

5.1. The program established for this type of activities have been substantially met. Abengoa, through the people responsible for this strategy in each business area, making a day-to-day effort regarding the increased degree of innovation in its technologies, as required by the characteristics of the activities carried out, essentially concentrating on the following objectives:

- Constant monitoring of the technologies which may affect each business area.
- Selection of the technologies portfolio which provides the Group companies with the maximum competitive advantage.
- Assimilation and implementation of the technology available from Transfer Agreements.
- Selection of the optimal channels to accede to technological development.
- Determination of the commercialization programmes for the technology developed.
- Use of institutional support for innovation and technology.

5.2. From among all this joint effort, attention should be drawn to the fact that, in 2002, the Research and Development activity was carried out in each Group Company in accordance with the needs arising from its respective market. Most of the projects fell within the scope of the R&D promoted by the Spanish authorities (actions taken by the Ministry of Industry and Energy) and the European authorities (Framework R&D Programs).

Abengoa performs its R&D either directly or through contracts with third parties, usually public bodies for innovation, university departments or other public and private entities. In addition, during the year, Abengoa made strategic investments in countries like the USA and Canada in pioneer companies that develop and own technologies in sectors defined as high priority, such as Biofuels and control systems, in order to facilitate the internalization and implementation of these technologies in these important emerging markets.

Research and Development is a strategic activity for Abengoa in order to plan its future. It is carried out in the Business Groups in accordance with the requirements of their respective markets in order to make the necessary competitive capacity permanently available.

5.3. In the year 2002, investment in R&D totalled Mill.Euros 9.9 in comparison with Mill.Euros 35.6 in 2001; Mill.Euros 17.5 in 2000, Mill.Euros 11.8 in 1999; Mill.Euros 13.0 in 1998 and Mill.Euros 6.1 in 1997, increasing the effort to update the Group's technological capacity, which totalled Mill.Euros 91.9 at December 31, 2002, being approximately Mill.Euros 76.4 at December 2001.

6. Quality and Environmental Management.

As a result of the path followed in earlier years, at the end of 2002, 67% of the Abengoa companies had Quality Management Systems certified under ISO 9000. Likewise, 33% of the companies had Environmental Management Systems certified under ISO 14000.

The percentage distribution by Business Group of the companies with Quality and Environment certifications is shown below:

Business Group	% Companies Certified under ISO 9000	% Companies Certified under ISO 14001
Information Technology	90	30
Engineering and Industrial Construction	71	29
Environmental Services	38	36
Bioenergy	-	-
Latin America	89	22

In the Bioenergy Business Group, attention should be drawn to the fact that the Spanish companies, Ecocarburantes, S.A. and Bioetanol Galicia, S.A., are in the development and implementation phase of an integrated management system for Quality, Environment and Safety at Work. The objective is to have the system fully implemented during the year 2003, in order to commence the certification procedures at the end of the year and obtain certification in 2004. The United States company, High Plains, is governed by local rules of greater influence in it sphere of production.

In 2002, two companies belonging to our Environmental Services Business Group obtained the Certificate of Verification, which demonstrates that the Environment Management System meets the requirements of the European Regulation on Eco-Management and Auditing (EMAS) and, therefore, three companies now hold said certificate and the adhesion of one of them to the EMAS has also been accepted.

As tools to improve the Quality and Environmental Management Systems, almost all the companies have implanted the new version of the two computer applications: one for management and problems resolution (PRR) and the other for processing the improvement actions (IA).

7. Information on the Acquisition of Own Shares.

7.1. Abengoa, S.A., together with its subsidiaries and associated companies, met the legal requirements on trading in own shares and does not currently hold any own shares on its portfolio and did not do so in 2002.

7.2. The parent Company did not accept any of its own shares as pledges or in any kind of mercantile deal or legal transaction.

7.3. Neither are there any shares of Abengoa, S.A., which are held by third parties that are able to act in their own name, but on behalf of companies belonging to the Group.

7.4. In the year 2001, incentive programs for management personnel and employees were introduced in Befesa Medio Ambiente, S.A. and Telvent Sistemas y Redes, S.A. These programs are based on the management personnel and employees' acquiring 401,946 shares in Befesa and 5,443 shares in Telvent Sistemas y Redes, S.A. through personnel loans granted to the purchasers by financial institutions. These loans bear a variable interest rate and mature at five years, being secured by the pledge of the shares acquired and, subsidiarily, by Abengoa. The holding of the shares by the management personnel and employees is linked to meeting a management objectives program over the next five years.

7.5. Finally, it is stated that any reciprocal holdings that have been established with companies in which shares are held are transitional and are within the limits of the Spanish Limited Liability Companies Act.