Consolidated Management Report for the Year 2004

(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 2004, held a group formed by the following companies: the parent company itself, 195 subsidiaries and 29 associated companies. Likewise, it held direct or indirect interests in 247 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 Financial Statments and in the present Management Report, Abengoa is publishing an "Annual Report" describing the most important achievements in the year 2004. This Report is available in Spanish, English and French. Said Annual Report, which is printed before the General Shareholders' Meeting at which the Financial Statments for 2004 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, 2004.

In addition to the printed edition, the mentioned Annual Report will be available in Internet, at the address www.abengoa.com.

The obligation to provide the market with useful, truthful, complete and balanced information in real time would not be sufficient if the appropriate means of transmitting this information are not adequate, guaranteeing that it is disseminated effectively and usefully. Therefore, as a result of new technology, the Aldama Report, the Financial System Reform Act and the Transparency Act recommend and impose the use of listed companies' websites as an information tool (including historical, qualitative and quantitative company data in it) and as a distribution tool (including current or personalised information in real time that may be accessed by investors).

Abengoa has therefore introduced a new website since the end of the first quarter 2002, characterised firstly by a more direct, rapid and efficient on-screen presentation and secondly by a broad and comprehensive information content and documentation made available to the shareholders in particular and to the general public.

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. It is also possible to request a printed copy of the Annual Report from the aforementioned Internet address.

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.

According to the data supplied to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Securities Recording, Clearing and Settlement Management Company) for the last General Meeting held on 27th June 2004, Abengoa, S.A. had 7,450 shareholders (24/06/04).

As on December 31, 2004, the company believes the free float to be 43.96% if the shareholding of Inversión Corporativa I.C., S.A. and its subsidiary Finarpisa (56.04%) is deducted.

According to the figures supplied to the company by Sociedad Rectora de la Bolsa de Valores de Madrid (Governing Body of the Madrid Stock Exchange) 34,726,928 shares were traded in 2004. The average volume of daily trading over the year was 138,354 securities. Minimum, maximum and average listed share prices in 2004 were 5.73 €, 7.81 € and 6.98 € respectively. The last closing price quoted for Abengoa shares in 2004 was 7.27 €, 26.0% higher than on December 31, 2003, and 242% higher than the share price established for the Public Offering on November 29, 1996.

1.4. Over the past decade, our results have increased at a compound annual growth rate (CAGR) of 28% as a consequence of the new Bioenergy, Environmental Services and Information Technologies activities, and also to the internationalization of our traditional activities. Over the same period, our sales abroad have increased at a compound annual growth rate of 17%.

The following strategic strategies adopted over recent years are noteworthy:

Year 2000

- A 300 M € investment to acquire Befesa, through a takeover bid.

- Start-up of the first Bioethanol plant in Spain with an initial production capacity of 100 M litres/year (currently 150 M litres/year), which required a 93.8 M € investment.

- Increase of Abengoa's capital which enabled a 75.1 M € increase in shareholders' capital.

Year 2001

- Abengoa's Environmental Division (specialized in environmental engineering) was integrated in Befesa, and Befesa's capital was increased by 12.3 M € through Abensur's contribution.

- Sale of the wind power activity for € 109 million.

Year 2002

- Acquisition of High Plains Corporation (now called Abengoa Bioenergy Corporation), the fifth largest bioethanol producer in the United States, by means of a 100 M € takeover bid.

- Start-up of the second Bioethanol plant in Spain (Bioetanol Galicia) with a 126 M litres/year production capacity, which required a 92.1 M € investment actually 176 M litres/year.

- The Department of Energy (D.O.E.) of the United States awarded an R&D&i project to enhance ethanol production process technology, using biomass, to improve the economy of process and increase energy performance from ethanol production and, thus, reduce the production cost of ethanol and make it more competitive with gasoline. Total investment, co-funded by the D.O.E., is 35.4 M $US, from 2003 though to 2006.

Year 2003

- Acquisition of Metso Corporation's Network Management Solutions Division, through the 100% purchase of its subsidiaries in Canada and the United States. The two companies purchased, currently called Telvent Canada and Telvent USA have put Telvent in a leading position at international level in the Control and Information Systems market for the oil, gas and electric energy sectors, and the water sector as well.

The total investment in both companies was 35 M $US.

- Construction began on the third Bioethanol plant in Spain (Biocarburantes de Castilla y Leon). It is located in Babilafuente (Salamanca) and required a 150 M € investment. The plant’s bioethanol production capacity is 200 M litres/year, to be directly blended in gasoline. The raw material will be grain, wine alcohol and biomass, the latter in a bioethanol production facility to be the first of its kind in the world.

- Exports of bioethanol to Europe commenced.

<u>Year 2004</u>

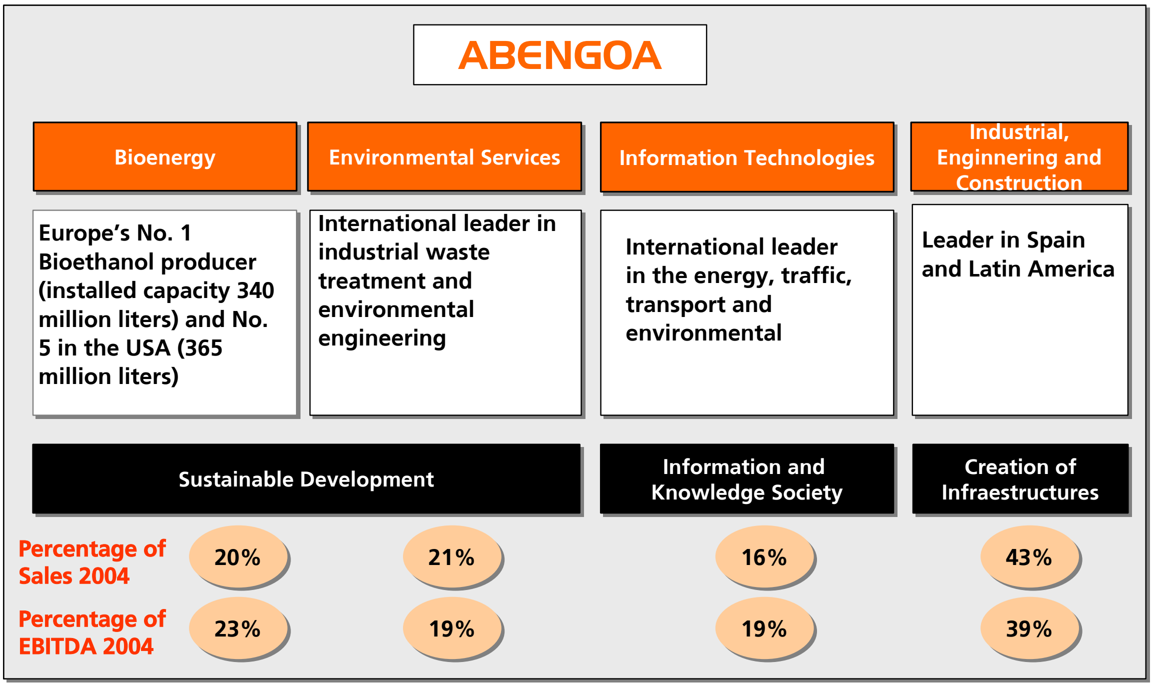
- On October 21, 2004, the execution and subscription to an increase of Telvent GIT capital was completed, and Telvent GIT was effectively listed on the American Nasdaq technological market. The total amount of the increase of capital, with paid-in surplus, was 61.2 M €. The company’s official listing on the stock exchange implies the continuity of the expansion of the Information Technologies activity through the obtaining of funds to finance the Business Unit’s growth, strengthen its financial structure and increase its potential by developing investments in R&D&i.

- Agreement to commence the construction of an 88 million gallon-a-year ethanol production facility in Ravenna, Nebraska. The facility, Nebraska’s largest and one of the largest in the United States will make Abengoa Bioenergy one of the largest ethanol producers in the United States.

- Commencement of the construction of the largest solar energy power plant to use tower and heliostat field technology for an 11 MW output, and the construction of a 1.2 MW two-fold concentration photovoltaic power plant.

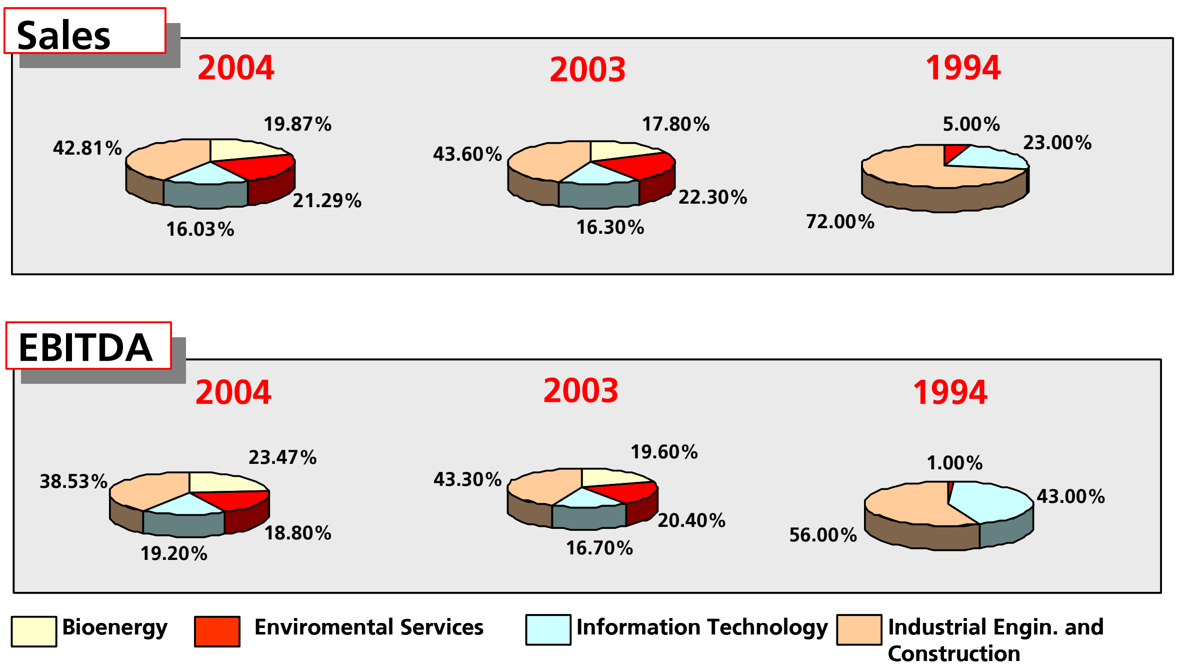
1.5. Current structure of Abengoa and nature of its business.

The result of the operations performed in the period 2000 – 2004 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.



The evolution of the Business Units is shown in the diagram here-below:

Evolution of Sales and EBITDA by Business Unit



1.6. - Consolidated sales at 31/12/04 were 1,687.1 M €, a 3.2% increase on the previous year. This increase in sales was achieved in spite of the unfavorable evolution of the currencies of countries in which Abengoa does 40.2% of its billing. The 9.1% depreciation of the US dollar in 2004 was especially significant.

All of Abengoa's Business Units increased their sales figure with the exception of the Environmental Services, due mainly to differences in the consolidation perimeter. The Bioenergy Business Unit went from 291.4 M € in 2003 to 335.3 M € in 2004, the Industrial Engineering and Construction Business Unit from 713.0 M € in 2003 to 722.3 M € in 2004 and, the Information Technologies Business Unit from 265.5 M € in 2003 to 270.4 M € in 2004.

- The Ebitda (earnings before interest, tax, depreciation and amortization) was 202.3 M €, which is a 17.1 M € (9.2%) increase on the 2003 figure.

  The contribution to the Ebitda by each Business Unit increased, with the exception of the Industrial Engineering and Construction Business Unit, with the contribution from the Bioenergy Business Unit of 47.5 M € (36.3 M € the previous year), a 30.8% increase, being of especially noteworthy, and the contribution from the Information Technologies Business Unit was 38.8 M € (31.0 M € the previous year), a 25.2% increase.

- It is important to mention the increase in the amortization of fixed assets to 59.2 M €, a 10.9% increase, and the effort made to amortize R&D&i, the figures for which went from 13.5 M € in 2003 to 14.9 M € in 2004 (+10.4%).

  Moreover, it is important to mention the amortization of the consolidation goodwill which in 2004 amounted to 19.4 M €.

- When comparing the company's financial statement for 2004 to that for 2003, it is important to underline the financial expenses for projects structured under the non-recourse financing scheme.

- The company's Foreign Partners experienced a significant increase (6.5 M € in 2004 and 0.8 M € in 2003), as a consequence, mainly, of the increase in capital of Telvent GIT when it was officially listed on the North American Nasdaq technological market.

- The after tax Result attributable to the parent company is 51.8 M €, a 10.1% increase on the figure for the 2003 (47.0 M €) financial year.

  The above result means a profit of 0.57 € per share as against the 0.52 € per share obtained in 2003.

- The net cash flow also increased by 13.4 % to 155.9 M € (137.5 M € in 2003).

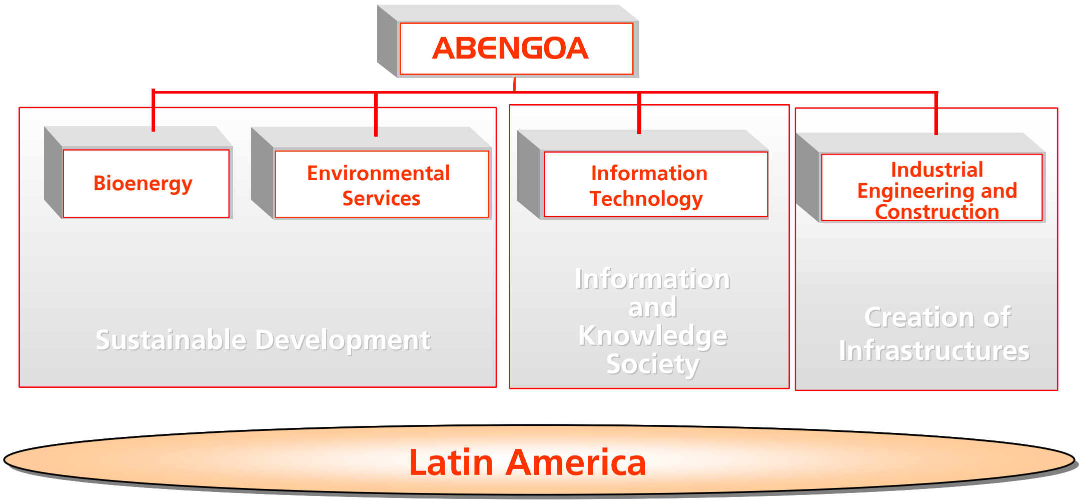
2.- Comments on the Evolution of the Business and Overall Situation of the Companies Included in the Consolidation.

2.1. General description and organization.

Abengoa was formed in Seville in 1941. It is an industrial and technological Company that provides solutions for sustainable development, the information and knowledge society and the creation of infrastructures.

At the 2004 year end, Abengoa's stock market capitalization was € 657.7 million, it was present in more than 70 countries and its sales in the year were € 1,687.1 million, with an Ebitda of € 202.3 million.

Abengoa operates through four Business Groups:



The activities of the four Business Groups 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). Production of DDGS (Distillers' Dried Grains and Soluble), a protein complement for animals and $C0_2$.

- **Environmental Services**

  Aluminium, salt slags and zinc waste recycling. Industrial Waste Management, Industrial and Hydrocarbon Cleaning. Environmental Engineering (engineering and construction for water treatment and waste management).

- **Information Technology**

  Specialized in RealTime IT solutions with high added value, in four specific sectors (Energy, Traffic, Transport and Environment), in Europe, North America, Latin America and Asia.

  With over 40 years experience in industrial supervisory control and business process management systems, Telvent executes projects and provides technical services in the field of mission-critical, real-time control and information management. Supported by a comprehensive portfolio of outsourcing and consulting services, Telvent manages IT and telecommunications infrastructure for an extensive international client base.

- **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, conventional power plants (cogeneration and combined cycle) and renewable energy facilities (bioethanol, biomass, wind, solar, geothermal), as well as those based on hydrogen and fuel cells. Turnkey telecommunications networks and projects. Merchandising of products related to aforementioned activities as well as manufacturing of auxiliary elements for energy and telecommunications.

- **Latin America**

  Market where Abengoa has had a stable presence, since 40 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	2004	∆%	2003	1994	CAGR(*) (94-04)
	M €		M €	M €	%
Equity	362.6	9.6	330.8	142.5	9.8
Total Assets	2,598.3	10.0	2,363.1	458.4	18.9

Description	2004	∆%	2003	1994	CAGR(*) (94-04)
	M €		M €	M €	%
Sales	1,687.1	3.2	1,635.3	453.0	+14.1
EBITDA (1)	202.3	9.2	185.2	15.7	+29.2
Pr. Attrib. to Parent Comp.	51.8	10.1	47.0	4.5	+27.8
Net cash flow	155.9	13.4	137.5	18.6	+23.7

(1) Earnings before interest, taxes, depreciation and amortization.
(*) CAGR: Compound Annual Growth Rate.

2.2.2. On the balance sheet, the most significant aspect is the increasing in the caption "Fixed Assets in Projects", which rose from € 178.2 million in 1997 to € 463.0 million in 2003 and € 552.0 million in 2004, basically as a result of tangible fixed assets representing the investments in certain projects located in Brazil. 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 by 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 2004 year end totals € 204.4 million under the long-term caption and € 163.0 million at short-term, in comparison with € 176.2 million and € 93.5 million respectively in 2003.

- 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 € 75.1 million 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 € 302.0 million.

  c) Signature of a syndicated loan in 2001 for an amount of € 340 million 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 € 83.9 million in Fixed Assets in Projects and € 64.9 million 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 € 500 million 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.

  g) Acquisition in the year 2003 of Metso Corporation's Network Management Solutions Division through the 100% purchase of its subsidiaries in Canada and the United States, with a total investment of 35 MUSD.

  h) Effective listing of Telvent GIT on the United State technological market Nasdaq. The total amount of the capital increase carried out, including the issue premium, was € 61.2 thousands.

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 2004			Sales 2003		Sales 1994
M €		% over total	Δ 04/03	M €	% over total	Δ 04/03	M €
Bioenergy	335.3	19.9	15.1	291.4	17.8	0.0	-
Environmental Services	359.1	21.3	-1.7	365.4	22.3	22.7	5.0
Information Technology	270.4	16.0	1.9	265.5	16.3	104.2	23.0
Engineering and Industrial Construction	722.3	42.8	1.3	713.0	43.6	326.1	72.0
Total	**1,687.1**	**100.0**	**3.2**	**1,635.3**	**100.0**	**453.0**	**100.0**

		Ebitda 2004			Ebitda 2003		Ebitda 1994
BBusiness Group	**M €**	**% over total**	**Δ 04/03**	**M €**	**% over total**	**Δ 04/03**	**M €**
Bioenergy	47.5	23.5	30.8	36.3	19.6	0.0	-
Environmental Services	38.0	18.8	0.6	37.8	20.4	0.2	1.0
Information Technology	38.8	19.2	25.3	31.0	16.7	6.8	43.0
Engineering and Industrial Construction	78.0	38.5	-2.7	80.1	43.3	8.7	56.0
Total	**202.3**	**100.0**	**9.2**	**185.2**	**100.0**	**15.7**	**100.0**

2.2.4. In 2004, in spite of the unfavorable impact of the foreign currency exchange rates, especially the US dollar, Abengoa continued to increase its activity abroad, in volume as well as diversification. The ever-increasing contribution from the United States and Canada by the companies in the Information Technologies and Bioenergy Business Units is especially noteworthy. Of the 1,687.1 M € billed in the 2004 financial year, 676.5 M € (40.1%) is from sales abroad. The activity in Spain amounted to 1,010.6 M € (59.9%) compared to 971.2 M € in 2003 (59.3%).

Of the total sales figure abroad, 451.2 M € (27.4%) correspond to local activity, that is to say, billing by the local companies established in different countries, and exportation by Spanish companies amounted to 225.3 M € (13.7%). In 2003, the local activity and exportation represented 27.1% and 13.6% respectively.

We would especially mention the variation in the contribution from the different geographical areas. Latin America has gone from representing 25.5% in 1994 to 16.9% in 2004. Likewise, the contribution from the USA and Canada, non-existent in 1994, is currently 12.9%.

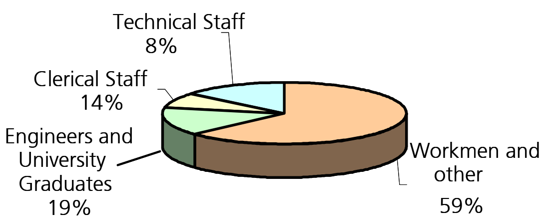
International Activity

	2004		2003		1994		CAGR(*) (94-04)
Exports and Sales by Local Companies	**M €**	**%**	**M €**	**%**	**M €**	**%**	**M €**
- USA and Canadá	217.5	12.9	209.8	12.8	-	-	-
- Latin America	285.6	16.9	332.9	20.4	115.3	25.5	9.5
- Europe (excluding Spain)	115.5	6.9	76.7	4.7	10.6	2.3	27.0
- África	31.6	1.9	27.8	1.7	4.6	1.0	21.1
- Asia	26.3	1.6	16.9	1.1	5.8	1.3	16.3
Total foreign sales	676.5	40.1	664.1	40.7	136.3	30.1	17.4
Total Spain	1,010.6	59.9	971.2	59.3	316.7	69.9	12.3
Consolidated total	1,687.1	100.0	1,635.3	100.0	453.0	100.0	14.1

(*) CAGR: Compound Annual Growth Rate.

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

Average Number of Employees	**2004**	**%**	**2003**	**1994**
Spain	5,357	57.5	5,521	6,166
Abroad	3,961	42.5	3,305	2,642
Total	**9,318**	**100%**	**8,826**	**8,808**



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

On February 4, 2005, the company Vinuesa Inversiones, S.L. notified the Stock Market National Commission and the Company of a reduction in its significant shareholding at said date, resulting in a final position of a 3.9% shareholding, which, thus, was no longer classified as significant (5% or multiples). It has been removed from the Capital Structure on the web page of Abengoa and from the Commission's Register of Significant Shareholdings. In addition, on February 2, 2005, State Street Bank notified the Commission and the Company of its position with a significant shareholding of 5.085%. It was, therefore, included in the aforementioned Register and on the Company's web page.

Since 2004 year end, no other 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 and currency different from the Euro, the Group is expected to be in a position to continue to progress favourably in the future.

5.- <u>Information on Research and Development Activities</u>.

5.1. Abengoa continued to increase its R&D&i effort in the year 2003 (in spite of the persistence of the world technology crisis), convinced that, to bear fruit, this effort requires a continuity that should not be interrupted by either crises or economic cycles.

Furthermore, it strengthened its presence and, in some cases, its leadership in different public and private institutions and forums, in which cooperation between the large technological companies is fomented and the short- and long-term future of R&D&i activity is decided.

5.2. 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.

5.3. From among all this joint effort, attention should be drawn to the fact that, in 2004 , 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.

5.4. In the year 2004, investment in R&D totalled € 23.3 million in comparison with € 17.5 million in 2003, increasing the effort to update the Group's technological capacity, which totalled € 117.0 million at December 31, 2004, being approximately € 105.3 million at December 2003.

For the year 2005, the company plans to make an even greater R&D&i investment effort, up to a sum of more than € 70 thousands. Special attention should be paid to the planned investments in projects related to the conversion of biomass and ethanol and solar energy-related projects.

6. Quality and Environmental Management.

The progressive implementation of the Quality Management Systems in the Abengoa companies, in both Spain and the other countries where they are present, is one of the strategic objectives of the group's quality commitment. This objective is built around the Quality Management model in accordance with the International Standard ISO 9001 and the EFQM Excellence model.

As a result of the path followed in earlier years, at the end of 2004, 83% of the Abengoa companies had Quality Management Systems certified under ISO 9001. Likewise, 73% of the companies had Environmental Management Systems certified under ISO 14001.

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

Business Group	**% Companies Certified under ISO 9001**	**% Companies Certified under ISO 14001**
Information Technology	100%	69%
Engineering and Industrial Construction	95%	81%
Environmental Services	65%	70%
Bioenergy	60%	60%

The Spanish companies of the Bioenergy Business Group, Ecocarburantes Españoles, S.A. and Bioetanol Galicia S.A., have developed and implemented an integrated management model for Quality, Environment and the Prevention of Risks at Work, which was certified by an international certification entity in 2004. Regarding the United States company Abengoa Bioenergy Corp., it is governed by the most influential local rules in its sphere of production.

As tools to improve the Quality and Environmental Management Systems, almost all the Group companies have implanted a new version of the two computer applications: for management and problems resolution (PRR) and 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 2004.

The Shareholders' General Meeting held on 27 June 2004 agreed to authorise the Board of Directors to make derived acquisitions, through purchases, of shares in the company that may be made either directly or via subsidiary companies or investees up to the maximum limit specified under current provisions at a price of between three euro cents (0.03 euros) per share minimum and one hundred and twenty euros and twenty cents (120.20 euros) per share maximum, being able to make use of this facility during a period of eighteen (18) months from this date and subject to that specified in Section Four of Chapter IV of the Revised Text of the Spanish Companies Act, expressly revoking the authorisation conferred to the Board of Directors, for the same purposes, by virtue of the agreement adopted by the Shareholders' General Meeting held on 29 June 2003.

To date, the Board of Directors has not made use of the prior authorisation.

On September 15, 2004, the Board of Directors of Abengoa, on the basis that the quoted price of the Company at that date, which was around 7 euros per share during the last quarter, did not reflect the Company's true growth potential, considered it of interest, from a financial point of view, for the Company to invest in its own shares. Notwithstanding, taking into account the fact that the Company is, by definition, a shareholder that possesses more information than the rest of the market and that, even without wishing to do so, its operations may influence the Company's share price, it adopted the pertinent rules and precautions in order to guarantee that there was no artificial influence on price formation. Consequently, making use of the authorization conferred by the General Meeting, the Board of Directors agreed to implement a program that made the acquisition of its own shares possible, earmarking a maximum amount of € 15 million last year, without exceeding, under any circumstances, 5% of the capital stock or paying a price higher than 7.25 euros per share, subject at all times to the applicable legal rules, particularly those contained in Title VII of Law 24/1988 on the Stock Market and in the Company's Internal Conduct Regulations on Stock Market Matters. Abengoa, S.A. did not acquire any of its own shares in the year 2004.

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 GIT, S.A., and in 2004 in Abengoa Bioenergía, S.A. These programs are based on the management personnel and employees' acquiring 358,880 shares in Befesa, 1,799,000 shares in Telvent, and 94,330 shares in Abengoa Bioenergía, 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.