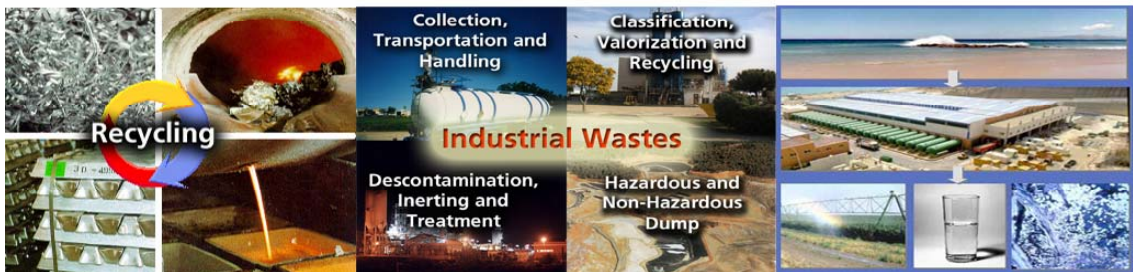


ABENGOA



Presentation of Results

1st Six Months 2004

Index

1. General Description of the Activities.
2. Main novelties per Business Unit.
3. Business Evolution. Highlights.
4. Details of the Profit and Loss Account and the Balance Sheet.
5. Relevant Events and other Communications.

1. General Description of the Activities



Founded in Seville in 1941, Abengoa is an industrial and technology company that provides solutions for Sustainable Development, the Information and Knowledge Society and the Creation of Infrastructures.

Over the past decade we have increased our results at an average annual growth rate (A.A.G.R.) of 20%, which is the result of the new Bioenergy, Environmental Services and Technology activities, as well as the internationalization of the company's traditional activities. Over the same period, our Sales abroad have increased at an average annual rate of 16%.

- We would especially mention the following strategic operations developed over the last few years:

2000

- The acquisition of Befesa which required an investment of 300 M €, by means of a Take-over Bid.
- The coming into operation of the first Bioethanol Plant in Spain, with a production capacity of 100 M Liters/year, which required an investment of 93.8 M €.
- An increase of Abengoa's capital which enabled the shareholders' funds to be increased by 75.1 M €.

2001

- Integration of Abengoa's Environmental Division (specialized in environmental engineering) in Befesa, with a 12.3 M € increase of Befesa's capital through a contribution by Abensur.
- Sale of the wind power activity for 109 M €.

2002

- Acquisition of High Plains Corporation (now called Abengoa Bioenergy Corporation), the fourth largest Bioethanol producer in the United States, with a 100 M € investment through a Take-over Bid.
- The coming into operation of the second Bioethanol plant in Spain, with a production capacity of 126 M Liters/year which required an investment of 92.1 M €.
- Awarding by the Department of Energy (D.O.E.) of the United States of an R&D project to improve the ethanol production process technology, through the use of biomass, improving the economy of the process and increasing the ethanol production energy performance, thus reducing the production cost thereof and making it more competitive with gasoline. The total investment, co-financed by the D.O.E. comes to 35.4 M US\$ from 2003 to 2006.

2003

- Acquisition of Metso Corporation's Network Management Solutions Division, by means of the acquisition of 100% of its subsidiaries in Canada and the United States. The two companies are now called Telvent Canada and Telvent USA and 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, as well as for the water sector.

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







- Construction commenced on the third Bioethanol plant in Spain, located in Babilafuente (Salamanca), which will finally require a material investment of approximately 150 M €. The plant will be capable of producing 200 M Liters/year of Bioethanol to be directly blended in gasoline. The raw material employed will be grain, wine alcohol and biomass, the latter in a Bioethanol production facility which will be the first of its kind anywhere in the world

- The exporting of Bioethanol to Europe commenced.

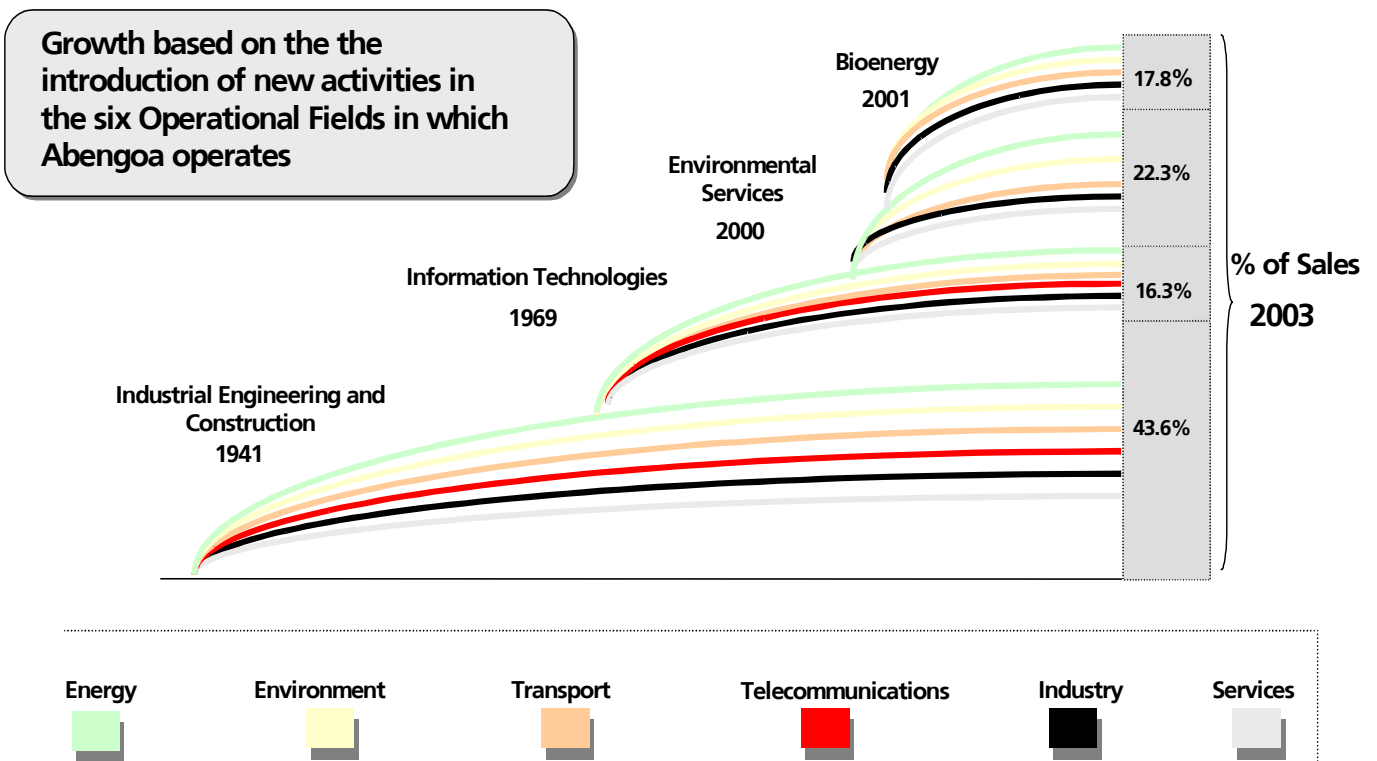
Strategic Orientation

- In Abengoa, technology is oriented towards six Operation Fields in which each business unit inter-relates to a greater or lesser extent:

- ⇒ Energy
- ⇒ Environment
- ⇒ Transport
- ⇒ Telecommunications
- ⇒ Industry
- ⇒ Services

	 Energy	 Environment	 Transport	 Telecom	 Industry	 Services
Bioenergy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Environmental Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information Technology	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Industrial Engineering and Construction	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

- The growth strategy is based on the introduction of new activities in the six Operation Fields.

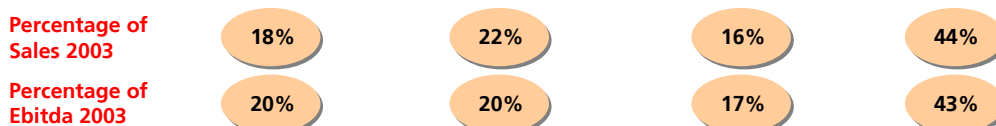
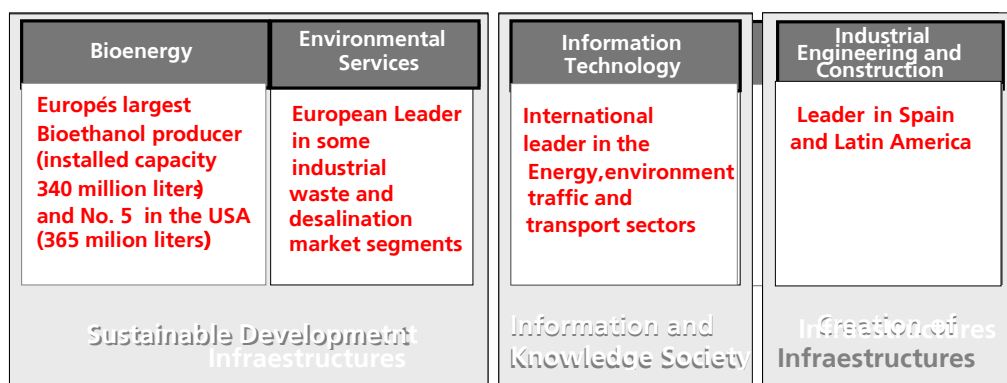


- Nowadays, Abengoa offers a combination of activities that represents a greater diversification in markets, customer portfolio, and which strengthens its capacities in relation to what its original Engineering business constituted.

	Engineering Company			Diversified Group with four different businesses		
	1993	Ebitda %	Sales%	2003	Ebitda %	Sales%
Business	Engineering	72	70	Engineering	43	44
	Info. Technology	21	23	Info. Technology	17	16
	Environmental Services	7	7	Environmental Services	20	22
Geography	•Spain		67	•Spain		59
	•Latin America		27	•Latin America		20
	•USA & Canada			•USA & Canada		13
	•Rest		6	•Rest		8

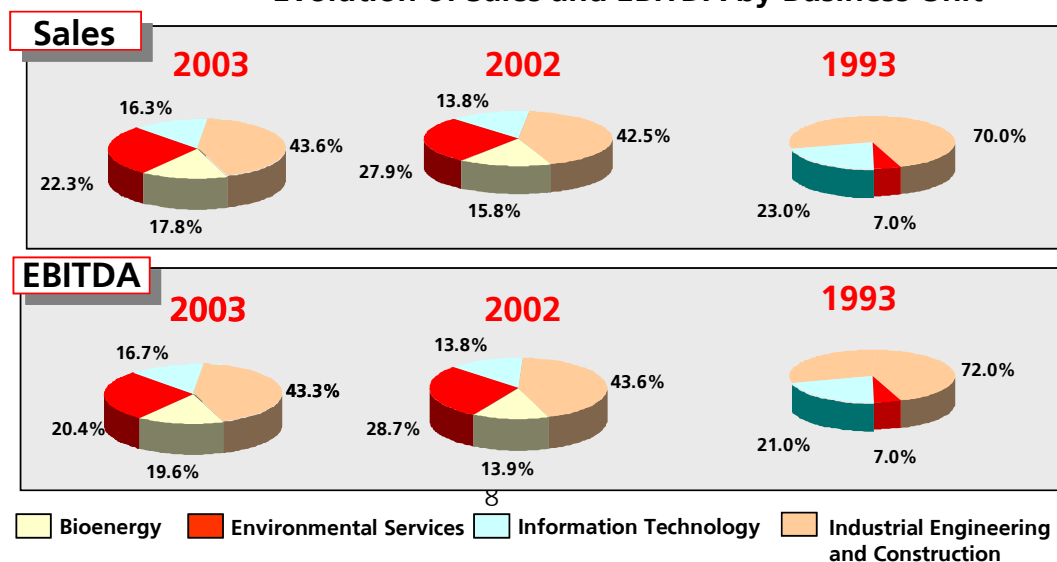
Abengoa's Current Configuration and the Nature of its Business

Abengoa is an industrial and technology company that provides solutions for Sustainable Development, the Information and knowledge Society and the Creation of Infrastructures, and which operates through four business units.



The evolution of the Business Units can be seen in the following graph

Evolution of Sales and EBITDA by Business Unit



2. Main Novelties per Business Unit

2

2.1 Bioenergy

Ethyl alcohol production from vegetable products (grain, biomass). The alcohol (Bioethanol) is employed to manufacture ETBE (a gasoline additive), or for direct blending with gasoline or gas oil. As a result of it being a renewable energy, the net CO emissions (greenhouse effect) are reduced. Production of DDGS (Distillers Dried Grain with Solubles), a protein complement for animals and CO.





Bioenergy

The most significant milestones regarding contracts signed or projects developed in the sectors in which the Bioenergy Business Unit operates were as follows:

- ◆ ETBE Huelva S.A., a company in which Abengoa Bioenergía, S.L. has a 90% and Cepsa a 10% shareholding, brought a plant into operation on June 24th 2004 to produce 34,000 t/year of ETBE (Ethyl Tertiary Butyl Ether) a gasoline additive made from a renewable source and produced by means of the catalytic etherification of Bioethanol, obtained from grain and Isobutylene, contained in the refinery's C currents. The Plant has been constructed on the site of Cepsa's La Rábida Refinery. The Bioethanol employed as a raw material is produced in the plants of Bioetanol Galicia, S.A. or Ecocarburantes Españoles, S.A.
- ◆ Abengoa Bioenergía R&D, an Abengoa Bioenergía subsidiary, has signed a strategic alliance agreement with SunOpta which will enable Abengoa to convert agricultural residues into ethanol, animal feed and biochemical products. Abengoa Bioenergía is developing, in line with its long-term sustainable growth strategy for producing ethanol from starch and biomass, a biomass technology to convert agricultural residues (sugarcane and corn stover) into ethanol.
- ◆ Abengoa Bioenergy R&D has completed construction and started operation of a pilot plant, to develop the processes and technologies that will enable the improvement of the Bioethanol production performances and the quality of the DDGS co-product in an effort to obtain higher protein content.
- ◆ In April 2004, Abengoa Bioenergy Corporation signed an agreement with Nordic Biofuels of Nebraska, L.L.C. that enabled it to take over control of

the company that is promoting the development of an ethanol plant project in Ravenna, Nebraska. The company is now called Abengoa Bioenergy of Ravenna.

Once the construction of the plant has been completed, Abengoa Bioenergy of Ravenna will be capable of producing 88 million gallons of ethanol per year, which will make it Nebraska's largest ethanol plant and one of the largest of the United States. The addition of the Ravenna plant will make Abengoa Bioenergy one of the largest ethanol producers of the United States.

- ◆ Construction of the third Bioethanol plant in Spain continues. It is located in Babilafuente (Salamanca) and requires a capital investment of approximately 150 M €. The plant's production capacity will be 200 M Liters/year of bioethanol to be blended directly in gasoline. The raw material used will be grain, wine alcohol and biomass, establishing a full scale Bioethanol production facility that will be the first of its kind to use biomass as a feedstock anywhere in the world.
- ◆ Abengoa Bioenergía recently signed a new contract to supply 900 m³ of Bioethanol to the Swedish oil company Preem and thus expanded its commercial relationship, which began last year, with this oil company. The bioethanol was shipped by tanker from the port of La Coruña to the terminal the oil company Preem Petroleum AB has at Skarvik, Gothenburg, where it will be blended directly with gasoline at 5% (E5).
- ◆ Bioethanol exports to Europe continue. A contract has been signed, together with Kraul & Wilkening u. Stelling Kommanditgesellschaft-GmbH & Co. (KWST), with PCK which is a British Petroleum (37.5%), Shell (37.5%), Total (16.6%) and Agip (8.4%) joint venture, to supply it with 43 million liters of dehydrated bioethanol at its Schwedt refinery (Germany) during the course of 2004. This contract must be added to that signed last year with the Swedish oil company Svenska Shell under which twelve million liters of bioethanol were supplied.
- ◆ With these new supplies, Abengoa continues its expansion throughout Europe while increasing and diversifying its customers among the

continent's oil companies and refineries, and is consolidating its presence in the markets where it already operates as well as participating in new emerging markets.

Highlights

- ◆ The accumulated ethanol sales volume through June 2004 was 112.8 million liters in Europe and 57.1 million gallons in the USA. Through June 2003, 100.1 million liters were sold in Europe and 52.3 million gallons in the USA.

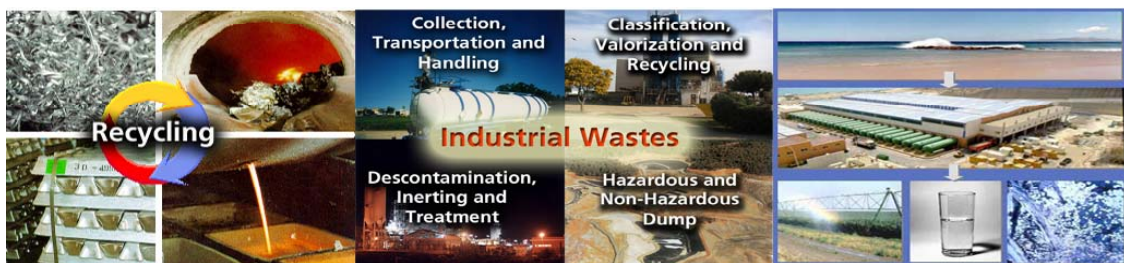
Through June 2004, the tendency in the price of ethanol, in Europe, has been to decrease slightly compared with the prices in the 2003 financial year, although prices have recovered towards the end of this half-year, with average prices for the first six months of the year being 0.515 €/liter (compared to 0.553 €/liter for the same period in the 2003 financial year). In the United States, taking into consideration the figures for the first six months of both financial years, the tendency has been favorable at 1.22 US\$/gallon (compared to 1.14 US\$/gallon in 2003). Considering the same period, the price of grain has risen greatly in Europe, reaching 153.8 €/Tm (as against 130.6 €/Tm), and also in the United States where the company has paid a final price of 2.83 US\$/Bu (compared to 2.61 US\$/Bu in 2003).



The average workforce of the Bioenergy Business Unit for the first six months of the 2004 financial year was 365, a 4.6% increase over the same period of the 2003 financial year.

2.2 Environmental Services

Recycling of aluminum, salt slag and zinc wastes. Industrial waste management, industrial and hydrocarbon cleaning. Environmental engineering (engineering and construction for water treatment and waste management).



The graphic features the words "Environmental Services" in a large, white, sans-serif font. The text is centered over a background of numerous small, overlapping, metallic-looking shapes that resemble crumpled foil or reflective particles, creating a textured, shimmering effect. The colors of the background are primarily shades of blue, purple, and silver.

Environmental Services

The most significant milestones regarding contracts signed or projects developed in the sectors in which the Environmental Services Business Unit operates were as follows:

- ◆ The awarding to Geida, a consortium formed by Befesa, Codesa, Sacyr-Vallehermoso and ACS, by the Algerian Energy Company (AEC) of the contract to construct and subsequently operate (B.O.T.) a seawater desalination plant at Skikda (Algeria), which will require a 100 US Dollars investment. The effectiveness of this contract is conditioned upon the closing of the financing.

The project will be carried out by the subsidiaries of Befesa Construcción y Tecnología Ambiental, Codesa, Sadyt, and Cobra.

Under the awarded B.O.T. project, Geida will hold 70% of the share capital of the Specific Project Enterprise (SPE) and the remaining 30% will be in the hands of the public enterprises Energía de Argelia (AEC) and Aguas de Argelia (ADE) for the subsequent operation of the plant for an initial 25-year period. The operation will result in revenue of 541.6 M € for the group.

The plant's desalination capacity will be 100,000 cubic meters a day and will supply some 500,000 inhabitants. It must be in operation in 2007, and therefore the contract establishes a 24-month construction period for the plant.

The Spanish consortium competed with the Barna-Lemna Spanish/American group and the Ionics-SNC American/Canadian group for this project, and

presented the most competitive bid in terms of cost per cubic meter of desalinated water, with a price of 0.7398 dollars per m³.

The technology employed in the project to desalinate the seawater is reverse osmosis.

The construction of the plant is included in an ambitious desalination plan, under which the intention is to desalinate a million cubic meters per day to alleviate the water scarcity in the North African country.

- ◆ The awarding to Befesa Construcción y Tecnología Ambiental of the 11 M € Segriá Sud Irrigation Project for Riegos de Cataluña, a public enterprise of the Autonomous Regional Government. Befesa CTA participates with 60%.
- ◆ Acquisition in March '04, of the company Gestión de Residuos del Cerrato in Palencia, which together with the obtaining of the Non-hazardous Waste Manager's license in the Autonomous Region of Madrid and the commencement of the same activity in Andalusia, constitutes a significant milestone in Befesa GRI's diversification process.
- ◆ In January 2004, Befesa acquired the remaining 30% of Berako's (currently called Befesa Tratamientos y Limpiezas Industriales) share capital from a group of minority shareholders. By virtue of the purchase agreement, Befesa now controls 100% of Befesa Tratamientos y Limpiezas.
- ◆ Contracting of the first tank cleaning project by ET2C, a joint venture established by Befesa TLI and Veolia, for Total, at Dongue, in Angola (Africa).
- ◆ Befesa Gestión de Residuos Industriales awarded the contract to remove 20,000 Tm of contaminated soil, for Dragados.
- ◆ Geida, and under the same structure as indicated in the first point above, has been awarded the contract for another desalination plant at Oran (Algeria), with a larger capacity than the aforementioned plant, which will enable the treatment of 150,000 cubic meters with a total investment of 125 M €.

- ◆ In line with Befesa's environmental policy and strategy, the companies Befesa Zinc Aser and Befesa Desulfuración have obtained the EMAS European environmental certificate in acknowledgement of their advances in environmental management.
- ◆ Befesa Construcción y Tecnología Ambiental has been awarded, in a joint venture with Ecasur.10, a contract valued at more than 4 M € for the water supply system on the Villanueva de Cordoba connection with the northern area of the Province of Cordoba.

This project is part of the program the Regional Government of Andalusia is undertaking in the north of the province, to renovate the networks that are inserted in the mains carrying pressurized water, to guarantee the supply of 350 liters per inhabitant/day for the next 25 years for everyone living in the northern area.

- ◆ Befesa CTA, in a joint venture with Egmasa, has been awarded two contracts to construct four urban waste transfer stations for the Regional Government of Castilla-La Mancha. Total value of the contracts exceeds 2 M €.

Befesa CTA will design the project and construct the four urban solid waste transfer stations in Molina de Aragon and in Sigüenza, each with a transfer capacity of 12 tons/day, and in Cifuentes and Yebra, with a transfer capacity of 10 and 15 tons/day respectively. These facilities are part of Castilla-La Mancha's Urban Waste Management Plan.

- ◆ Befesa Construcción y Tecnología Ambiental has been awarded, under a joint venture with Benito Arnó e Hijos, S.A., the construction works contract for the water capturing pumping stations and the first drive section of the Segriá Sud Irrigation Project. The contract value is in excess of 11 M € and it has been awarded by Regs de Cataluña, S.A. (REGSA), a public enterprise controlled by the Autonomous Government of Catalonia.

The Segriá-Sud rise consists of two pumping stations: a capturing station that draws water from the Riba-Roja reservoir at contour height 75, and a re-drive station that raises the water to contour height 331.

- ◆ Befesa Construcción y Tecnología Ambiental, in consortium with Iberinco, has been awarded the more than 13 M € contract to design the project and the turnkey execution of the works for the Itoiz Dam Toe Power Station, in Navarra.

The project consists of the engineering, construction, testing and operation for a year of the Itoiz Dam Toe Hydroelectric Power Station. The total installed output will be 27 megawatts, with annual production projected at 136 GWh/year which is equivalent to six per cent of Navarra's energy needs.

The scope of the project consists of the power station civil work, 120 meters of power conduit, two turbines each of 14,298 kilowatts connected to a 31.5 MVA transformer and a 27.5 kilometer, 66 kV DC power line. The power station will be fully automatic.

- ◆ Befesa Construcción y Tecnología Ambiental has been awarded a contract for more than 6 M € to execute the modernization and consolidation works for the irrigation systems belonging to the Common Canal Irrigation Subscribers' Community of Carlet, in Valencia.

The project contemplates the construction of the irrigation infrastructures for the 3 systems employed on the irrigation surface area. The first system includes 46.9 kilometers of distribution piping network as well as more than 500 hydrants and plot off-takes from where each user will take water. The second system comprises the canal off-take system and a 2,400 cubic meter regulation reservoir; a pumping, filtering and subscriber station with the corresponding electricity supply; 8.7 kilometers of distribution piping network and more than 100 hydrants and plot off-takes.



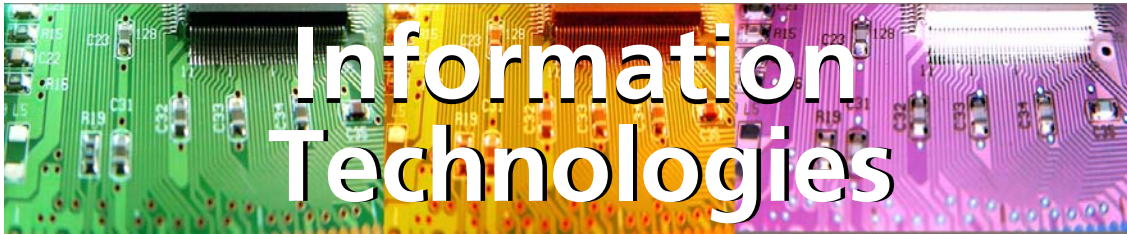
The 18.6% drop, 272 employees, in the average workforce in the first half of 2004, compared to the same period in 2003 for the Business Unit, is a consequence of the divestments in Tracemar, Elsur and Aguas de Baena, and the restructuring processes in the aluminum sector towards the end of the last financial year

2.3 Information Technologies

A specialist in RealTime IT solutions with high added value in the specific industrial sectors of Energy, Traffic, Transport, Environment and Public Administration in the Americas, Spain and China.

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. With the most comprehensive portfolio of outsourcing and consulting services, and employing a technology-neutral philosophy, Telvent manages IT and telecommunications infrastructure for an extensive international client base.





The following information highlights the most important contract awards and project milestones for the first six-month period of this year (January through June 2004), in the key industry sectors in which Telvent operates:

Energy

- ◆ Contract for the gas line administration system for PECO Energy Company of Pennsylvania. The system will control an infrastructure consisting of 10,620 kilometers of natural gas transmission and distribution mains, and 29 natural gas gate stations that control and monitor natural gas deliveries to their distribution system, serving a customer base of 450,000 people.
- ◆ Contract to supply Petrobras Transporte (Transpetro) with backup liquids and gas management control systems. Telvent will provide engineering and commissioning of the two-offsite control centers that will serve as backup to the National Masters in Rio de Janeiro. The new SCADA, liquids and gas management systems will address security and safety concerns, allowing for uninterrupted monitoring and control of the national pipeline network of Brazil.
- ◆ Telvent was selected to supply Substation Automation and RTU equipment to Oncor, the regulated energy delivery arm of TXU Corp. Oncor delivers electricity to residential and business consumers and supports one of the largest energy infrastructures in the world.

- ◆ Contract to deliver a control and monitoring system for Pakistan's new products pipeline. Telvent was selected to supply its OASyS SCADA and information management system to the Pakistan Arab Pipeline Company's (PAPCO) White Oil Pipeline. This technology solution will provide the control and automation functionality to assist PAPCO in managing the new pipeline safely and efficiently.
- ◆ Gas Management System contract for the Gas Authority of India Limited (GAIL). Telvent will supply its web-based Pipeline Operations Logistics, and Revenue Information System (Polaris) to manage contracts, nominations, gas scheduling, allocations and billing. Part of Telvent's suite of advanced business applications, Polaris will interface with GAIL's in-house SCADA systems for optimizing the value of their real-time data.
- ◆ Telvent signed an agreement with ChevronTexaco to use Telvent's SimSuite Pipeline High Fidelity Leak Detection System on several of ChevronTexaco's North American pipelines. ChevronTexaco and Telvent will work cooperatively to examine the Company's more than 48,280 kilometers of pipeline to determine the best use of high fidelity leak detection.
- ◆ Telvent will provide a Windows-based OASyS DNA SCADA system for the safe operation of the Trans Thailand Malaysia (TTM) pipeline and related facilities. The turnkey solution will include modules from Telvent's Gas Measurement Applications (GMAS) and Liquid Management System (LMS). The project involves onshore and offshore pipelines that transport gas from the Malaysian-Thai Joint Development Area (offshore) to the Peninsular Gas Utilization pipeline at Changlun in Kedah, Malaysia. This linkage will mark a major step towards realizing the trans-ASEAN Gas Grid project.
- ◆ Zhongxian-Wuhan Gas Pipeline project by the PetroChina Pipeline Company Limited. Telvent will install its turnkey OASyS SCADA system to monitor and control the 1,347 kilometer pipeline linking Sichuan-Chongqing gas fields with the Hubei and Hunan provinces in South Central China. Telvent's project scope includes the LangFang Control Center extension and the Backup Control Center in Wuhan.
- ◆ Full acceptance for the SimSuite Pipeline Leak Detection System for the Caspian Pipeline. The completion of the extensive Leak Detection Field Test

represents the final sign-off required for the Caspian Pipeline Consortium (CPC) Crude Oil Pipeline System project, which included the supply of a fully integrated SCADA, enhanced leak detection and modeling system.

- ◆ Provisional acceptance for Phase One of the Egyptian Natural Gas Company (GASCO) Data Transmission Project, which includes the implementation of an OASyS SCADA system and a Digital Radio Network. The system connects 127 sites with four Local Centers and one Grid Control Center. GASCO, which is majority-owned by the Egyptian government, and is the national producer, processor and distributor of gas products, owns and operates a 3000-kilometer high-pressure gas transmission and distribution pipeline network.
- ◆ Telvent completed the West Texas Pipeline OASyS SCADA Upgrade Project for Kinder Morgan Energy Partners - L.P (KMP). The West Texas Pipeline extends from the Denver City Hub 127 miles south to Reeves County, Texas. KMP is the largest publicly traded pipeline limited partnership in the United States. The company owns or operates more than 25,000 miles of pipelines, which transport more than two million barrels per day of gasoline and other petroleum products and up to 7.8 billion cubic feet per day of natural gas. KMP is also the leading provider in the U.S. of CO₂, which is used in enhanced oil recovery projects.
- ◆ Contract to supply 160 Medium Voltage Distribution Network Tele-control Units for Endesa Distribución.
- ◆ Signing of the contract for the Distribution Network Modernization and Improvement Project for Tunisia with the company Société Tunisienne de l'Electricité et du Gaz (Steg). The contract will enable control and management of this network through the implementation of six control centers which will serve as the electricity distribution offices for the capital Tunis, and the North, Center, Northwest and South areas. The installed system also includes the corresponding applications based of SCADA OASyS and DMS applications.
- ◆ Project awarded to supply, install and commission eight Metering Concentrators for the Federal Electricity Commission (CFE), in Mexico.

These systems are pioneers in measurement treatment and management, and feature powerful protocols focused on high-speed communications and reliability (for example, MMS which is to be deployed for integration into CFE's information network).

- ◆ Contract to automate Zone 15 of the New York City Transit Authority's (NYCTA) system. Representing a continuation of a series of previous Telvent projects, it includes the installation of an OASyS SCADA system to be used as an interface with the existing transit system. The NYCTA transports over 3.5 million passengers a day through more than 400 stations along over 800 miles of track. The transit system consists of three main lines that provide a service for one of the most densely populated areas of the United States – the Bronx, Brooklyn, Queens and Manhattan.
- ◆ Contract to upgrade the OASyS DMS SCADA system for the Chattanooga Electric Power Board (CEPB), which is the 15th largest municipal utility in the U.S., supplying 156,000 commercial, household and industrial customers in the southeast portion of Tennessee and the northwest area of Georgia. CEPB purchases its electricity from the Tennessee Valley Authority and distributes it over a 600-square mile service area.
- ◆ Contract to supply SAGE 2200 RTUs to Connective Power Delivery in the U.S. Connective services a million homes and businesses in the regulated electricity and natural gas markets. This company also provides electricity distribution services in the States of Delaware, New Jersey, Maryland and Virginia.
- ◆ Contract from the Illinois Municipal Electricity Agency (IMEA) to replace its field equipment with new SAGE 2200 RTUs. IMEA is formed by 40 boroughs in Illinois, which possess and handle their own electricity systems. Besides its main task of purchasing and coordinating electricity distribution in bulk, IMEA also provides engineering, communications, economic development, legislative and regulator services to its members.
- ◆ Contract to supply the new SAGE 2200 RTU to the Electricity Commission of Trinidad and Tobago which is the sole energy transmission and

distribution company for the Republic of Trinidad and Tobago, supplying electricity to the 1.25 million residents on those islands.

Completion of the project to supply Iberdrola with an Integrated Optic Cables System (SICOID). This contract will enable more efficient management of Iberdrola's optic fiber network and, as a consequence, will increase the quality of the service it offers its customers. Telvent leveraged its experience in the management of networks and technology for GE Network Solutions to develop a sophisticated centralized cable network management system for Iberdrola. The installed system will enable Iberdrola to register all of the fiber optics with their state, occupation, and supported services, as well as determine physical network locations and electricity network interrelationships, providing the system with the intelligence necessary to provide all of the elements required for a high degree of telecommunications network continuity and connectivity.

- ◆ Contract with "EGO Ankara Gas Distribution" (EGO) for the design and installation of an OASyS DNA control, measurement, and information management system for the regional distribution stations. The project also includes digitalizing of the existing lines and the integration of the existing Geographical Information System.
- ◆ Contract with Buckeye Pipe Line company, which includes the installation of an OASyS DNA SCADA system in one of its principal control centers, replacing the existing hardware and software. This Control Center is used to manage a pipeline that transports natural gas from several Texas points. Buckeye Pipe Line is a subsidiary of Buckeye Partners', one of the largest American pipeline carriers of refined petroleum products, with approximately 6,100 kilometers of pipeline.
- ◆ Wabash Valley Power Association (WVPA) has awarded Telvent an order for nine SAGE 2200 RTUs, destined for a new WVPA member cooperative, EnerStar. Wabash Valley Power is a generation and transmission cooperative based in Indianapolis, Indiana, which provides wholesale electricity to 27 distribution systems in Indiana, Illinois, Michigan and Ohio, USA.
- ◆ Hydro Ottawa has placed an order for eight SAGE 2200 RTUs as part of their ongoing amalgamation project. Hydro Ottawa Limited, a wholly

owned subsidiary of Hydro Ottawa Holding Inc., is the local electric distribution company for the City of Ottawa. As the second largest municipal distribution company in the province, Hydro Ottawa Limited is responsible for the delivery of electricity to more than 270,000 customers.

- ◆ Alabama Electric has contracted Telvent to provide eight SAGE 2200 RTUs, based on the web interface capabilities of this advanced field equipment. Alabama Electric Cooperative services more than 350,000 consumers through their member cooperatives located throughout Alabama and Florida.
- ◆ Southern California Gas Company (SoCal Gas) signed off on the Factory Acceptance Test (FAT) milestone on April 23rd. SoCal Gas, a division of Sempra Energy, operates a natural gas transmission and storage facility, as well as a distribution operation. The project scope includes the transmission and storage portions of SoCal Gas and involves installing twelve Station OASyS DNA systems, all connected to the existing OASyS Master Station. A future initiative is planned to upgrade the Master Station.
- ◆ Based in Fairbanks, Alaska, the Golden Valley Project was a SCADA replacement involving advanced applications, and requiring significant development work in protocols and application functionality. Now entering the warranty phase, this milestone closes the project, collects final project payment, and begins two years of software/hardware warranty provision.
- ◆ Contract for the supply, installation and start-up of the Distributed Control System (DCS) for the Cycle Combined plant for CFE's Hermosillo property in Mexico.
- ◆ Definitive receipt of the project for the Applications Management and Control System for the Crude Oil Pipeline constructed by Techint in Ecuador.
- ◆ Definitive receipt of the project for the supply of the Distributed Control System (DCS) for the Thermal Plant of El Sauz in Mexico property of CFE in Mexico.

- ◆ Telvent has been awarded the Pembina Quindar SCADA system upgrade contract for the Drayton Valley, pipeline system in Alberta, Canada. Telvent will provide an OASyS 6.3UX system with advanced LMS (Liquids Management System) applications. The project also included an initial co-engineering phase, to determine the project scope and requirements.

- ◆ Telvent achieved completion of the Site Acceptance Test for the Cascade natural gas pipeline system. The system includes OASyS DNA with Gas Measurement and Gas Day Operations, as well as other special project applications. The new OASyS DNA system will replace the previous system, which was installed by Telvent.

- ◆ Successfully completed the LMS & GMS Backup Projects at Petrobras, Brazil's state-owned Oil and Gas Company. The systems were built and commissioned in Rio de Janeiro for Petrobras-Transporte (Transpetro), and represent another stage in a longstanding, successful relationship between Petrobras and Telvent, which has in place since the first OASyS system was installed in 1992.

- ◆ Telvent has been awarded a contract to provide a redundant Windows-based OASyS 6.2 SCADA upgrade for a system delivered in February 2002. The system includes an interface to a Windows 2000 based Converge Load Management System. This integration increases safety by enabling the Load Management System to shed load as required, based on load data acquired and transferred from the OASyS system via a TCP/IP connection between servers.

- ◆ Contract for the supply, installation and start-up of eleven RTU remote stations for the Electric Energy Distributor Company Electrocosta/Electricaribe in Colombia. This contract consolidates our position with this client, representing the third delivery of Telvent-supplied remote stations.

- ◆ Contract for two new Substation Control Systems for Red Electrica of Spain, enabling the upgrading of its installation network. This project reinforces the strong relationship that Telvent has developed with Red Electrica, which is important for potential future projects.

- ◆ Contract to upgrade BP Cochin's OASyS 5.2.2 SCADA System with OASyS. The project will include a primary control center, an offsite backup center, 47 Station OASyS sites and a remote operations center. In Canada, BP is a premier producer of natural gas and natural gas liquids.
- ◆ Telvent will supply an integrated, turnkey OASyS DNA SCADA system to the Electric, Gas and Bus Authority (EGO) in the Turkish capital city of Ankara, together with its in-country consortium partners. EGO is responsible for the municipal transport network (buses, subways, light rail) and the city's gas distribution. OASyS DNA will interface with EGO's GIS system to monitor and control the gas supplied by BOTA, the national Petroleum Pipeline Corporation, to the 18 High-Pressure Gas Delivery Stations, 214 Regulator Stations and 218 High-Consumption Customer Stations.
- ◆ Georgia Power Company (GPC) has taken delivery of nine additional RTUs, which will replace the legacy Telvent RTUs installed over 20 years ago. GPC has a network of underground substations that supply and control electric power to the downtown area of Atlanta. Georgia Power serves customers in 92,000 of the state's 95,000 square kilometers.
- ◆ Contract for NSTAR to upgrade its outdated RTUs. As Massachusetts' largest investor-owned electric and gas utility, NSTAR has been transmitting and delivering electricity and natural gas for more than 100 years, and is currently servicing nearly 1.4 million residential customers.
- ◆ Contract with Trojan Pipeline L.P. based in Houston, Texas to provide a new SCADA system and advanced Liquids applications. Phase I of the project will provide Trojan with OASyS DNA and key liquid calculations. Phase II will provide LMS (Liquids Management System) to upgrade the existing software.
- ◆ Contract for the supply of Remote-control systems for Endesa in Andalusia (Sevillana-Endesa), Balearics (Gesa-Endesa), Aragon (Erz-Endesa) and Catalonia (Fecsa-Endesa), including more than 40 Integrated Control and Protection Systems for substations and more than 300 Remote-control systems for the automation of the Half Tension infrastructure. Year to date,

this project increases the number of installed Endesa automated substations to 32, and the number of Half Tension systems to more than 100.

- ◆ Supply of the iSCADA Control and Communication System for Comgas, the Gas Distribution Company of São Paulo's State in Brazil.

- ◆ Maintenance contract for Light's Distribution Control System (SGD) in Rio de Janeiro, including three years of 24x7 maintenance covering the coordination of all SGD equipped subsystems, as well as the outsourcing services for user interface and data base construction.

- ◆ Control and protection system for Coxipó and Rondonópolis de Areva T&D substations within the Aneel concession for the 230 kV line of Coxipó-Cuibá-Rondonópolis, which was awarded to the Amazonian Consortium.

Environment

- ◆ Contract for the Control System project for managing the potable water supply of Gran Amman (Jordan). The project includes the turnkey design and installation of the monitoring, control, data acquisition and telecommunications system for the district of Gran Amman which has a surface area of approximately 700 km² and supplies a population of almost two million. The 85 facilities to be controlled include well water off-takes, pumping stations, reservoirs and storage tanks. The project also includes a stand-alone building to serve as the Daboug dam Control Center, in Amman itself.

- ◆ Contract with the National Meteorology Institute to supply and install Automatic Weather Observation Systems (AWOS) for the Pamplona and Sabadell airports.

- ◆ Contract for the emissions control system for the Arcos de la Frontera Combined Cycle Power Station (Cadiz).

- ◆ Contract for the installation of a network of hydro-weather stations for the State Water Commission (CEA) of Querétaro (Mexico). This is a turnkey hydro-meteorological data monitoring project for several hydrographic catch-basins in the area of Mexico DF and Chiapas. The project includes the station infrastructure as well as the installation, commissioning and maintenance of metering equipment, Saimet+ data-logger units and Telvent communications elements for GOES satellite.

- ◆ Emissions Control System for Guaymas State TPP (Mexico), for CFE.

- ◆ ATIS (Airport Terminal Information System) Systems for Madrid and Barcelona airports, for AENA.

- ◆ Delivery of the Emissions Control System for El Sauz TPP (Mexico), for Abener.

- ◆ The Emissions Control System was completed for Guerrero Negro TPP (Mexico) for CFE.

- ◆ The first OASyS DNA project for the water industry was implemented for Southwest Florida Water Management District (SFWMD). SFWMD is the world's largest water control system, with 1,728 kilometers of canals, 1,160 kilometers of dykes, 200 principal ports and water regulation structures, and 27 main pumping stations.

- ◆ Commencement of the water distribution project in the City of Columbus. The project includes the replacement of approximately 80 existing RTUs with the new SAGE 2200 unit, which will be employed to manage the city's water distribution facilities. The project also includes a new spectrum radius extension system.

- ◆ Within the scope for the upgrade project for the Flight Field and other complementary works in Torrejon's Air Base, a contract was awarded by AENA to the UTE Air Base. The project scope covers the supply and implementation of meteorological enhancements for the Air Navigation Integrated System in Torrejón's air base, including the meteorological field instrumentation, the data acquisition, treatment, visualization and diffusion

of the meteorological-aeronautical information system, and the data delivery, analysis and presentation in the Control Tower, as well as other associated project components.

- ◆ Supply for the Air Quality Surveillance Stations (RVCA) in the Madrid-Barajas Airport enlargement.
- ◆ Fulfillment of the Environmental Impact Declaration for the Expansion Project for the Airport System of Madrid, Aena, resulted in Telvent being awarded the supply, installation and maintenance contract (2 year period) for the analytical equipment utilized for zone emission monitoring. The Project includes the necessary upgrade to meet the new regulatory requirements for the existing stations by means of the supply of complementary instrumentation, supply of a new station, supply of a Mobile Unit, computer modifications and two years of preventive and corrective maintenance.
- ◆ Within the project scope of the Communication Systems and Air Traffic Control Centers of Panama, Telvent will supply and install the meteorological enhancements to the Air Navigation Integrated Systems in A. Gelabert and Tocumen airports, including the meteorological field equipment, the data acquisition, treatment, visualization and diffusion of the meteorological-aeronautical and weather information System, and the data communication, analysis and visualization in the Control Tower as well as other project associated components.
- ◆ Telvent has been awarded a contract for implementing an Air Quality Monitoring Network for the cities of Tegucigalpa and S. Pedro Sula (Honduras). The project scope covers the supply, installation, and start-up, and also includes training courses for technical personnel in the Environmental Municipal Management Units, as well as future responsibility for managing network operations. The Air Quality Monitoring Network consists of three measurement stations situated in the urban core, with the capacity for real-time measurement of solid pollutants as well as gaseous (SO₂, NO_X, CO and O₃) pollutants. Each station incorporates an Ambitel remote unit, developed by Telvent, which is responsible for information acquisition, presentation and storage. Each station also includes a (dynamical gauge and calibration gases) calibration system as well as a fire

prevention system. These installations represent the first implementation of Air Quality Monitoring Networks for Central America and the Caribbean.

Traffic

- ◆ Completion of the Centralization Project for the City of Pontevedra's General Traffic Department. This project included the centralization of 26 intersections, the installation of a closed circuit television system equipped with 18 cameras, and the implementation of a parking control system. This has all led to the improvement of city traffic control and facilitates the application of the "Traffic Plan" based on real-time remote data.
- ◆ Award of the contract to maintain, develop and operate the high capacity network of Vizcaya for a two-year period (which can be extended for a further two years), by carrying out the development and maintenance of the roads, and all the linking intersections, sidings and other functional elements. The technical support for this project is funded by the Regional Government of Vizcaya and the Department of Transport and Public Works.
- ◆ Completion of the ITS (Intelligent Traffic System) Facilities on the Radial-4 Toll Highway, along with the signaling, safety and control systems for the M-50 false tunnel, which are part of the Concesionaria Madrid R-4.
- ◆ Award of the contract to expand the Cañiza tunnel safety and control systems, which includes the upgrading and expansion of the energy and control systems, enlargement of the ventilation system, as well as enhancements to the emergency exits and the fire detection and extinguishing systems.
- ◆ Award of the maintenance contract for the ITS facilities on Autopista del Sol for the Concessionaire, Ausol. The contract covers a 20 month period (with a one-year extension option) of the ITS facilities managing 100 km of highway and nine tunnels.
- ◆ Contract to design, supply, install and commission the Traffic, Toll and Communications System for the Bucharest-Constanza Highway, which represents the first highway in Romania to be equipped with ITS (Intelligent Traffic System) technology. The project includes the installation of a control

center for highway operations, which will utilize the Odyssey management system.

- ◆ Award of the Anchieta – Inmigrantes Highway Tunnels project (for Ecovías), in Brazil.
- ◆ ITS system project for the Centrovías Highway in Brazil, which relies on a Control Center, equipped with the latest Odyssey system technology, which manages, in real-time, more than 200 km of highway equipped with a CCTV, emergency telephones connected by fiber optics, variable signaling panels, meteorological stations and vehicle monitoring stations.
- ◆ Commencement of the expansion project for the Multi-tunnel network in the city of Barcelona, which include the installations within the Oreneta, Guineueta, Poble Nou, Vila Olímpica, Pla del Palau and Colom tunnels. The System will be integrated with the Badal, Mitre, Camélies, La Rovira and Forum 2004 tunnels. Once this project is finalized, all of the urban and semi-urban centralized tunnels will be managed from the Integrated Tunnel Control Center, developed for the city of Barcelona. The operation of this system, in operation since September 2003, will be included under the maintenance contract for the Basic Road Network of Barcelona, which has been under Telvent control since October 2001, also includes the maintenance of all of the non-centralized area tunnels.
- ◆ Forum 2004. The inauguration of the Forum 2004 recognized the completion of the upgrade and replacement components for CCTV's Infrastructures and optical fiber network, traffic access control system, and the enclosure and the equipment for the Municipal Coordination Center.
- ◆ Awarded the project for the signaling and control equipment installation in the A-4 motorway: between the 60+200 kilometric point and the 233+000 kilometric point. This project included the supply of signaling and control equipment, the construction of a mini-center of management in Valdepeñas, and the integration of control software within the Traffic Management Center of Madrid.
- ◆ Awarded the project for the signaling and control equipment installation on the M-50 motorway, between the A-1 and A-2 (Madrid). In addition to

enabling automated signaling and control, Telvent will also integrate the control software in the Traffic Management Center of Madrid.

- ◆ Maintenance contract for the ITS of Vía Cintura in Palma de Mallorca

- ◆ Beijing Supercenter. Installation of the retroprojectors in Beijing control center. This contract for Beijing Capital Highway Development Co. Ltd. includes the implementation of a highway operations management system monitoring and controlling all of the Highways of Beijing province. With this important project, the Chinese government advances towards the modernization of the road infrastructures control system for Beijing, in preparation for the 2008 Olympics, for which Beijing is the official host.

- ◆ For New York City Transit Authority (NYCTA), delivery of four Zone Control Substations, as well as three Substations for the Harlem zone. In addition, Telvent has presented a proposal for related new projects

- ◆ Award of the General Traffic Management contract for “Connection of the Traffic Control and Management System in the Almuradiel-Bailen section of the N-IV with the Seville Traffic Management Center”, for an amount of 288,673.00 Euro. The purpose of this project is the interconnection and data and video transmission between the existing Traffic Management System in Bailen (Kilometric point 293 of the N-IV) and the Seville Traffic Management Center. To do this, communications equipment will be installed in the Bailen NCA as well as in the Seville TMC and the entire existing communications network in both centers will be configured to allow seamless, integrated communications.

- ◆ Signing of the Exclusivity Agreement with the GATSOMETER BV Company (Holland) to market their Traffic Measuring Equipment (radar) throughout the entire national territory.

- ◆ Award of the maintenance of the traffic-light installations and operation of the traffic control room of the City of Lugo, for two more years.

- ◆ Contract for providing technical assistance for road safety in the State highway network in western Andalusia
- ◆ Supply of ITS System for the Intervias License Holder to control various highways in the Sao Paulo region.

Transport

- ◆ Contract signed with the Chinese authorities to supply the automatic ticketing system and radio communications system for Tianjin Metro. The project, funded with FAD loans, includes the commissioning of 22 stations along a 27-kilometer route. Its commissioning is scheduled for late in 2005.
- ◆ Awarded the contract for the supply and installation of the Toll system in South Bergara for the AP-1 Vitoria-Eibar Motorway. The contract includes four entrance lanes equipped with Telvent's antennas and compatible with T-Via. Including this installation, Telvent has now sold more than 100 remote Toll antennas since it started commercializing its new product at the end of 2003. This product represents the outcome of a successful R&D investment of four million Euro, which will be completed this year, with the presentation of Telvent's FreeFlow or non-channeled Toll innovative solution. In December, Telvent supplied remote Toll antennas for the Toll System of North Bergara, consisting of four entrance lanes.
- ◆ Provisional Acceptance of the Tetra Radio-Communication System for Tianjin-Binhai's Light Train. Telvent has developed a solution for the mobile communications in the 800MHz band, taking advantage of the TETRA standards (Terrestrial Trunk Radio). This technology allows resolution of the communication and voice and data transmission problems that the companies and public telephony and data services cannot provide to private companies (including communications between terminals without using fixed infrastructure (DMO); lower times of calls establishment (on 300 msg); transmission of voice and information simultaneously from the same terminal; and encrypted in the air or group calls.
- ◆ Infrastructure Maintenance contract for Renfe. This contract covers the extension of the Centralized Railway Traffic Control System of Barcelona

implemented by Telvent, to include those lines within the South area of Catalonia. With these enhancements, the TR-3000 system, which is based on Telvent's OASyS system technology, will control all Renfe's railway lines in Catalonia

- ◆ Strategic partnership between Telvent and Buscom Oy, the first company in the world to introduce contact-free cards within the Public Transport applications. This partnership is due in part to the agreement that Telvent developed with Buscom global solutions in Fare Collection Management and Control for Buses, whose products will be marketed by Telvent.
- ◆ Completion of the supply, installation and start-up for the Plaza de España parking project in the Ferrol Northeast parking lots (Masaveu Group)
- ◆ Start-up of all the systems in the Bilbao Exhibition Center, both parking and accreditation systems, for the Biennial Tool Machine. Telvent has designed, supplied and installed the Clients' Access Control and Management Systems of the fairground enclosure of Bilbao, BEC - Bilbao Exhibition Center, which relies on a newly constructed multifunctional building that incorporates the latest technology innovations.
- ◆ Awarded the Supply and Installation of Telepeaje de Tabasa's System in "Túnel de Vallvidrera". The contract includes the installation of eight Telvent antennas, primarily in the old automatic lanes with the transaction T-Via incorporated. Recently another six antennas were installed to equip the manual lanes with this electronic means of payment. This successful implementation means that the remote toll (OBE) tag will be a means of payment accepted in all of the Tabasa's routes, either manual or automatic. Including this installation, Telvent has now sold more than 100 remote Toll antennas since it started commercializing its new product at the end of 2003. This product represents the outcome of a successful R&D investment of four million Euro, which will be completed this year, with the presentation of Telvent's FreeFlow or non-channeled Toll innovative solution.
- ◆ Telvent was awarded the Control and Management System of Parking Areas for Trucks that the company Guitrans-Sintragi is proposing in Urnieta

(San Sebastian). This project consolidates the installation of the new product developed by Telvent, called Web.Park, which also incorporates a license plate recognition system designed especially for heavy vehicles with trailers, simultaneously identifying the tractor unit and the trailer unit (and therefore the load), at the entrance as well as the exit of the parking area, thereby guaranteeing control of the location of both units at all times.

- ◆ Two agreements have been signed with the Malaga Port Authority: (1) Supply and installation of the Closed Circuit Television for surveillance of facilities, and (2) Supply and installation of the Maritime Port Traffic Control Center, including AIS subsystem. Both projects will increase land security at the port and will ensure optimum operational efficiency of ocean traffic. After the Malaga P.A. project is completed, it will have an integrated security management and operation system and navigational aid using the latest technology integrating radar to aid in navigation, radiogoniometry, and A.I.S. (Automatic Identification System).
- ◆ Expansion of the maintenance agreement for the Management Center of the Spanish Fishing Fleet for the Fishing and Inspection Secretariat. In addition, expansion of the maintenance service of the Management Center for the Spanish Fishing Fleet and of the Exclusive Economic Zone.
- ◆ Telvent will manage the toll system expansion project for eight additional routes for the Renovation Concessionaire in the region of Sao Paulo, Brazil.

Other

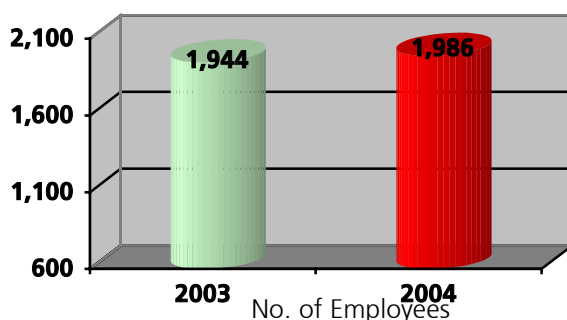
- ◆ Completed outsourcing of Metrovacesa's central information systems, including upgrading the platform and system support, including the SAP platform on which all the corporate tools operate. The entire service will be managed 7x24 from Telvent's Data Center in Valgrande.
- ◆ Contract for the Regional Government of Andalusia's Backup Center. The project scope covers the implementation of a data center service which constitutes a Node in the Regional Government's corporate network, which will enable a higher level of computerized safety, database backup, applications continuity, disaster recover, and housing-hosting for all the

Regional Government of Andalusia's critical services. This project is part of the initiatives being taken under the Second Modernization Plan for Andalusia.

During the month of June, Telvent initiated remodeling work for the CPD of SADESI, which is department within the Andalusian Government that manages the corporate network. This contract, awarded at the end of May, consists of the creation of an enclosed, full observation area in the building that houses the CPD servers that manage the corporate network.

- ◆ During June, Telvent carried out the latest work in installing a CRM solution for the Public Service for the Ministry of Innovation, Science and Enterprise for the Andalusian Government. In addition to the installation of the software solution, Telvent also completed a project for monitoring and coordinating the telephone operators who are providing telephone service to the public, prioritization of incidents, and optimization of a public information database for designated management personnel.
- ◆ Telvent issued version 3.5 of the corporate platform of Authentication and Electronic Signature of the Andalusia Government @firma. This version incorporates new functions such as the online file signature, the server signature and the web multi-signature. The complete version of @firma 4.0 will be delivered in the month of July.
- ◆ Telvent did the Consulting for the Analysis and Redesign of the communications infrastructure and information systems for the City Government of Línea de la Concepción. The study carried out will be used as the base Strategic Plan for the installation of future technological platforms in the City Government, and will assist its progress towards its Electronic Administration objectives.

Evolution of the Workforce

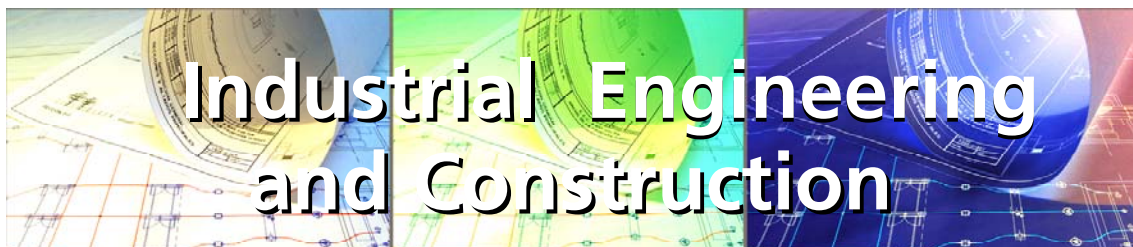


The average workforce in the information technologies Unit over the first half of 2004 was 1,986, a 2.2% increase on the average for the same period in the 2003 financial year.

2.4 Industrial Engineering and Construction

Engineering, construction and maintenance of electrical and mechanical infrastructures and instrumentation for the energy, industry, transport and services sectors. Promotion, construction and operation of conventional industrial and power (cogeneration and combined cycle) and renewable (bioethanol, biomass, wind, solar and geothermal) plants, as well as those based on hydrogen and fuel cells. Turnkey telecommunication networks and projects. Marketing of products related to the aforementioned activities, as well as the manufacturing of auxiliary equipment for the energy and telecommunications sectors.



A graphic banner for 'Industrial Engineering and Construction'. The background is a collage of technical drawings, including electrical schematics and mechanical parts, overlaid on a grid. The text 'Industrial Engineering and Construction' is written in a large, bold, white sans-serif font across the center of the image.

Industrial Engineering and Construction

The main novelties regarding contracting, new plants, price evolution, etc. in the Industrial Engineering and Construction Business Unit were as follows:

- ◆ Abengoa, through its subsidiary Inabensa, has been awarded several MV/LV Rural Electrification contracts for the Office National de L'Électricité (ONE) in Morocco for more than 24 M €. These contracts are to be executed in the provinces of Taroudant and Chichaoua (southern area), Boulemane (central area), and Chefchaouen and Nador in the northern area.
- ◆ Inabensa has been awarded a contract, under a consortium in which it holds 70%, for the Instituto Costarricense de Electricidad (ICE), for the design, construction, supply of equipment, materials and services, and the commissioning of the Palmar, Cóbano and Cahuita substations. The contract value for Abengoa is 7.2 M €.
- ◆ Powergrid Corporation of India has awarded Inabensa the 2.4 M € contract for the design, engineering and supply of equipment and materials for the 765 kV power transmission line circuit between the towns of Sipat and Seoni.
- ◆ A 3 M € contract has been awarded by Ford España, S.A. for the electrical installation works in the Almusaffes (Valencia) factory's engine plant, for the C-Car project.
- ◆ Distribution (MV and LV lines) and maintenance (HV lines) works continue for Endesa, in Catalonia and the Balearic Isles, and for Iberdrola, in the

eastern and northern areas. The total contract value in 2004 is 18 M €. The works are being executed under multiyear contracts.

- ◆ During the course of 2004, Abengoa's telecommunications subsidiary, Abentel, continues working under the global customer loop contract and is executing installation and maintenance works for Telefónica de España. The foreseen contracting value for 2004 is 46 M €.
- ◆ Regarding solar energy, construction commenced in June 2004, on Europe's largest solar power plant that will employ tower and heliostat field technology. Its output will be 11 MW. The financing for the construction of a 1.2 MW double concentration photovoltaic power station has also been arranged. Likewise, 3 new companies have been set up to develop new solar energy projects.
- ◆ Hynergreen, Abengoa's subsidiary for the development of fuel cells is a member of the Advisory Board to the European Hydrogen and Fuel Cell Technology Platform, which has recently been launched by the European Commission.

The Platform's main objective is to facilitate and accelerate the development and deployment of European energy systems based on fuel cells and hydrogen.

Chile:

- ◆ Codelco Chile División El Teniente; Ventilator Installation Project for Diablo Regimiento. Works commenced in March.
- ◆ Transelec; Changing of the Breakers in Antuco Power Plant. The works under this contract commenced in March and their completion is scheduled for October 2004.
- ◆ The Ciruelos substation project and the power supply line to the Celulosa Valdivia Plant have been completed for Celulosa Aranco.
- ◆ Chena- Maipú 110 kV HV line, for Chilectra.
- ◆ El Monte sewage system, 11 Kilometers of collectors for Aguas Andinas.

Uruguay:

- ◆ Enlargement of the Solís Theater Reconstruction contract.
- ◆ Contract with Ambev in Peru for the civil work for a brewery in Lima.
- ◆ Pre-awarding of a contract for two wastewater treatment plants.

Peru:

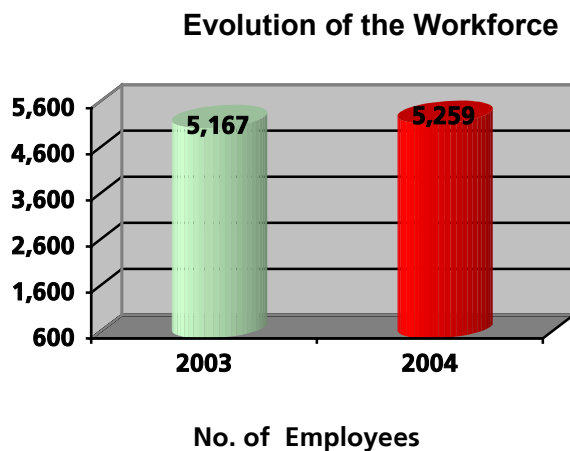
- ◆ Distribution Center for the Von Humboldt Center.
- ◆ Civil Construction Works for a brewery for Ambev.
- ◆ Civil Works for a water treatment plant for Dedini.
- ◆ Interceptor Norte for Sedapal.
- ◆ Renovation of the Low Voltage Networks in Chiclayo, for Electronorte.
- ◆ Primary, secondary and connection networks in Trujillo, for Hidrandina.
- ◆ Primary, secondary and connection networks in Tingo María, for Electrocentro.

Brazil:

- ◆ Signing with the Agencia Nacional de Energía Eléctrica (ANEEL) of the new ATE Energy Transmitter concession to construct and operate the 525 kV Londrina-Assis-Araraquara line.
- ◆ The concession period for the Northeast Energy Transmitter commenced in January. This is the Xingó-Angelim and Angelim-Campina Grande power transmission line which will result in income of 62.3 million Reales per annum. Abengoa holds a 50% share.

Mexico:

- ◆ Relocation of the Hermosillo 115 kV line – Contract C 2003/004 for Abener.
Completed on 15.01.04.
- ◆ Project 55 - Contract PIF 001/2003: Two 230 kV lines and two 230/115 kV substations for CFE.
Completed on 09.01.04
- ◆ CFE: Project 706 - Contract PIF 001/2003: Eleven 230/138 and 115 kV lines and ten 400/230/138 and 115 kV substations.
Contract signed on 15.01.04



The average workforce in the Industrial Engineering and Construction Business Unit over the first half of 2004 was 5,259, a 1.8% increase on the average for the same period in the 2003 financial year.

3

3. Business Evolution. Highlights.**3.1 Bioenergy**

Bioenergy	June '04	June '03	Var (%)
Sales	153.2	159.2	-3.8
E bitda	17.0	14.1	20.6
E bitda/Sales	11.1%	8.9%	

The accumulated sales through June are 153.2 M € compared to the 159.2 M € to June in the previous financial year, which is a 3.8% reduction due to the 10% depreciation of the dollar in relation to the euro. This effect has been partially offset by the volume of exports to Europe and by the increase in sales in the USA.

The Ebitda has increased 20.6% and has gone from 14.1 M € in 2003 to 17.0 M € in 2004. The increase is centered in Europe where, in spite of the poorer price scenario, the results are improving as a consequence of the larger volume of sales made (exportation contract) and the optimization of plant performances. In the USA, the higher prices paid for grain are being offset by the improvement in the ethanol prices and the Ebitda is maintaining a similar level.

Highlights

- ◆ The accumulated volume of ethanol sales through June 2004 is 112.8 million liters in Europe and 57.1 million gallons in the USA. Through June 2003, 100.1 million liters were sold in Europe and 52.3 million gallons in the USA.

Up to June 2004, the tendency of the ethanol price in Europe has been for a slight drop compared to the prices for the 2003 financial year, although there have been signs of recovery towards the end of the half-year period. The average price for the first six months of the year was 0.515 €/liter (as against a price, for the same period of the 2003 financial year, of 0.553 €/liter). In the United States, taking into consideration the figures for the first six months of both financial years, the tendency has been favorable at 1.22 US\$/gallon (compared to 1.14 US\$/gallon in 2003). Over the same period, the price of grain has risen sharply in Europe to 153.8 €/Tm (as against 130.6 €/Tm), and in the United States, where the company has paid a final price of 2.83 US\$/Bu (compared to 2.61 US\$/Bu in 2003).

3.2 Environmental Services

Environmental Services	June '04	June '03	Var (%)
Sales	166.4	188.8	-11.9
Ebitda	18.0	19.6	-8.2
Ebitda/Sales	10.8%	10.4%	

During the first six months of 2004, the sales of the Environmental Services Business Unit have fallen 11.9% as a consequence of:

- The exit of the water management companies Abensurasa, Elsur and Aguas de Baena from the consolidation perimeter.
- The delay in the execution, during the first six months of 2004 compared to the same period of 2003, of the Environmental Engineering activity. In spite of this, greater intensity in execution volume is expected for the second six months of the year.

In spite of the reduction in sales, the Ebitda on sales has increased to 10,8% to June 2004 compared to 10.4% to June 2003; that is to say that even though there has been a lower volume of sales due to the divestments and the delay, the margins are higher compared to those of the previous financial year.

The evolution per activity area has been as follows:

- Industrial Waste Management: its evolution continues to be positive compared to last year. Through June 2003, 414 million Tm were treated while, through June 2004 the number of tons has increased 2.2% and has reached almost 423 million Tm.

- Engineering and Services: as has been indicated previously herein, there are two main conditioning factors. On the one hand, the strategic divestment made towards the end of last year in the Water Management activities, and on the other, the delay to date in execution. In the case of the former there has been a reduction in Sales and Ebitda, while in the latter, and in addition to the lower sales volume, there has also been a worsening of the margins. Nonetheless, things are expected to recover somewhat during the second six months.
- Aluminum Waste Recycling: this activity has developed positively compared to the previous financial year, due mostly to the restructuring process carried out during the course of 2003 which has enabled the improvement of the profit and loss account. A recovery in this activity can be seen both in the volume and margins.

3.3 Information Technologies

Information Technologies	June '04	June '03	Var (%)
Sales	136.8	140.0	-2.3
E bitda	15.9	15.2	4.6
E bitda/Sales	11.6%	10.9%	

The sales of the Information Technologies Business Unit during the first six months of 2004 have been positive in the Energy, Environment and Public Administration sectors and sales in outsourcing services have also increased in keeping with the strategic policy established by Telvent. Another positive fact is that the percentage of our sales figures from added value applications is ever-increasing, which is resulting in an improvement in the operating margins.

To the contrary, the Traffic and Transport sectors' sales have dropped 20% compared to the same period in 2003. Telvent's activity in the Traffic sector, focused mainly on the public administrations in charge of traffic management, will be more seasonal in 2004 which will result in a much higher work load during the course of the second half of the year. Therefore, the delay to date will be recovered over the forthcoming months.

In spite of the aforementioned, the Ebitda/Sales ratio increased from 10.9% in 2003 to 11.6% in 2004, as a consequence of the incorporation of products with a higher added value as has already been mentioned herein, and of the greater contribution from the outsourcing business.

3.4 Industrial Engineering and Construction

Industrial Engineering and Constructio	June '04	June '03	Var (%)
Sales	344.2	311.0	10.7
Ebitda	40.2	40.7	-1.2
Ebitda/Sales	11.7%	13.1%	

The sales of the Industrial Engineering and Construction Business Unit have increased 10.7% during the first six months of 2004 compared to the same period in the previous year, increasing by 33.2 M €, and reaching 344.2 M €. The Ebitda has decreased compared to the previous year by 0.5 M €.

4

4. Details of the Profit and Loss Account

4.1 Profit and Loss Account (June '03 and June '04)

The consolidated sales figure through June 2004 is 800.6 M €, a 0.2% increase in spite of the fact that the dollar has depreciated 10%. The Ebitda has also increased 1.7%, and the positive development of the Bioenergy Business Unit is especially noteworthy. The profit attributable to the parent company through June 30, 2004 has increased 0.9% compared to the same period in 2003 and has reached 21.8 M €.

	June '04	June '03	Var (%)
Sales	800.6	799.0	0.2
Ebitda	91.1	89.6	1.7
% Ebitda/Sales	11.4	11.2	
EAT attributable to parent company	21.8	21.7	0.9
Net Cash Flow	77,3	74.4	4,0

Highlights per Business Unit

Sales	June '04	June '03	Var (%)	%June'04	%June'03
Bioenergy	153.2	159.2	-3.8	19.1	19.9
Environmental Services	166.4	188.8	-11.9	20.8	23.7
Information Technologies	136.8	140.0	-2.3	17.1	17.5
Industrial Engineering and Construction	344.2	311.0	10.7	43.0	38.9
Total	800.6	799.0	0.2	100.0	100.0

Ebitda	June '04	June '03	Var (%)	%June'04	%June'03
Bioenergy	17.0	14.1	20.6	18.7	15.7
Environmental Services	18.0	19.6	-8.2	19.8	21.9
Information Technologies	15.9	15.2	4.6	17.5	17.0
Industrial Engineering and Construction	40.2	40.7	-1.2	44.0	45.4
Total	91.1	89.6	1.7	100.0	100.0

Ebitda/Sales	June '04	June '03
Bioenergy	11.1%	8.9%
Environmental Services	10.8%	10.4%
Information Technologies	11.6%	10.9%
Industrial Engineering and Construction	11.7%	13.1%
Total	11.4%	11.2%

◆ **Net Amount of the Business Figure-Sales**

The consolidated sales through June 30th 2004 come to 800.6 M €, which is a 0.2% increase on the previous year. The decrease in the Bioenergy Business Unit is caused by the 10% depreciation of the dollar. In the Environmental Services Business Unit, one has to take into consideration the different consolidation perimeter that exists after the sale of the water concession businesses, Abensurasa, Elsur and Aguas de Baena, which have led to a decrease in sales as well as in the Ebitda figure. The Information Technologies Business Unit expects to increase sales in the second half of the year, due to the seasonal aspect of its business, especially in 2004. Sales by the Industrial Engineering and Construction Business Unit have increased 10.7%. This includes an increase in activity at home and abroad.

Sales	June '04	June '03	Var (%)
Bioenergy	153.2	159.2	-3.8
Environmental Services	166.4	188.8	-11.9
Information Technologies	136.8	140.0	-2.3
Industrial Engineering and Construction	344.2	311.0	10.7
Total	800.6	799.0	0.2

◆ **Ebitda**

At June 30th 2004 the Ebitda figure (Earnings before interest, tax depreciation and amortization) was 91.1 M €, an increase of 1.5 M € (1.7%) compared to same period of the previous financial year.

Ebitda	June '04	June '03	Var (%)
Bioenergy	17.0	14.1	20.6
Environmental Services	18.0	19.6	-8.2
Information Technologies	15.9	15.2	4.6
Industrial Engineering and Construction	40.2	40.7	-1.2
Total	91.1	89.6	1.7

The Bioenergy Business Unit's figures have increased 20.6%, due mainly to its operations in Europe where, in spite of the poor price scenario, its results are better as a result of the larger sales volume (exportation contract) and optimization of the different plant performances. In the Environmental Services sector, one must take into account the fact that the water management companies, Abensurasa, Elsur and Aguas de Baena are no longer within the consolidation perimeter and this has led to a decrease in sales and Ebitda. The Information Technologies Business Unit expects to recover its execution volume during the second half of the year, due to the seasonal factor that affects its businesses, especially true in 2004. In spite of it, in the first six months they increased their Ebitda by 0.7 M €. The Industrial Engineering and Construction Business Unit decreased its Ebitda 1.2%.

◆ Taxes

	June '04	June '03	Var (%)
EBT	31.1	32.2	-3.5
Corporate Tax	-7.8	-9.6	-19.1
External Partners	-1.5	-0.9	55.3
EAT	21.8	21.7	0.9
Tax Rate	25.0%	29.8%	

The corporate tax costs have been 7.8 M € in the first six months of 2004 as against 9.6 M € for the same period in 2003. The tax rate for the first six months has been 25.0% compared to the 29.8% registered in the same period in 2003 due to the registering of certain tax credits.

◆ **Earnings After Tax Attributable to the Parent Company (Net Result)**

	June '04	June '03	Var (%)
EAT attrib. parent company	21.8	21.7	0.9
% EAT / Sales	2.7%	2.7%	

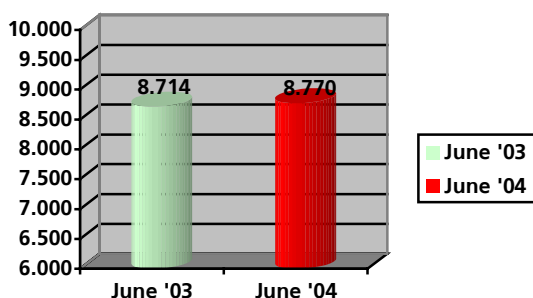
The earnings after tax, attributable to the parent company, in the first six months of 2004 are 21.8 M €, which is up 0.9% compared to that obtained in the same period of the previous financial year (21.7 M €).

◆ Net Cash Flow

	June '04	June '03	Var (%)
Net Cash Flow	77.3	74.4	4.0
% Cash Flow / Sales	9.7%	9.3%	

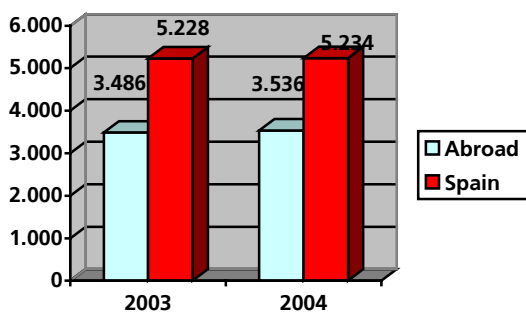
The Net Cash Flow increased 4.0% in the first six months of 2004 to 77.3 M € (74.4 M € in the same period in 2003).

◆ Evolution of the average workforce



The average workforce has increased by 56 people compared to the same period last year. This is mainly due to the incorporation of Telvent Canada's and Telvent USA's workforces during the entire first six months of 2004 and only partially in 2003.

◆ Origin of the workforce



As can be seen, the average workforce in Spain doesn't change significantly, while it increases abroad due to the incorporation of Telvent Canada's and Telvent USA's workforces during the entire first six months of 2004 and only partially in 2003.

4.2 Consolidated Balance Sheet to June 30, 2003 and to June 30, 2004.

	June '04	June '03
A) Shareholders by non-exacted outlay	0,0	0.0
B) Fixed Assets	966,5	864.5
C) Consolidation Goodwill Fund	311,5	319.1
D) Costs to be spread over several financial years	12,6	23.8
E) Working Assets	1.251,6	1,106.0
Stock	233,2	222.0
Debtors	590,9	547.3
Temporary Financial Investments	236,0	174.6
Treasury	182,9	152.0
Adjustments for periodification	8,6	10.1
Total Assets	2.542,1	2,313.5
A) Shareholders' Funds	345,2	317.5
B) External Partners	65,9	36.9
C) Negative Difference of Consolidation	0,2	0.0
D) Revenue to be spread over several financial years	82,9	85.4
E) Provisions for Risks and Costs	49,0	27.5
F) Long Term Creditors	812,9	776.5
G) Short Term Creditors	1.186,1	1,069.6
Total Liabilities	2.542,1	2,313.5

Abengoa's Total Assets in 2004 came to 2,542.1 M € which is a 9.9% increase over the figure for 2003, which was 2,313.5 M

◆ Position regarding Net Debt

	June '04	June '03	Var (%)
Bank Debt	619,0	623.8	-0.8
Treasury	-182.8	-152.0	20.3
Temporary Financial Investments	-2360	-174.6	
Net Recourse Debt	200.2	297.2	-100.0

5. Relevant Events and other communications

5

Description of events such as:

1. Relevant events reported to the CNMV
2. Stock Exchange Evolution

1. Relevant Events Reported to the CNMV

Details of the Relevant Events during the First Six Months of 2004

◆ **Written Communication of 06.02.2004, (number 47393).**

- The Company reported the appointment of Mr. José Luis Méndez López as a company director, through the cooptation procedure, in representation of Corporación Caixa Galicia, S.A.U. Likewise, it notified the fact that the Audit Committee is formed by Mr. José Luis Méndez López (in representation of the aforementioned) as Chairman, and by Mr. José Joaquín Abaurre Llorente and Mr. José B. Terceiro Lomba as members, and the Appointments and Remuneration Committee is formed by Mr. Ignacio de Polanco Moreno as Chairman, and by Mr. José Luis Aya Abaurre and Mr. José B. Terceiro Lomba as members, in accordance with the resolutions adopted by the Board of Directors on the 28th January 2004.

◆ **Written Communication of 09.02.2004 (number 47401).**

- The Company forwarded the Annual Corporate Governance Report for the 2003 financial year, approved by the Board of Directors on January 28th 2004.

◆ **Written Communication of 01.03.2004 (number 47941).**

- The Company forwarded the periodic public information for the Second Six Months of 2003.

◆ **Written Communication of 04.03.2004 (number 15972).**

- Presentation of the Company to Analistas 2004.

◆ **Written Communication of 16.03.2004 (number 16032).**

- The Company reported that the Regional Government of Andalusia had awarded Telvent the multiyear contract for the "Critical Services Back-up and Continuity Center" for the different Andalusian Public Administration Departments, under the Regional Government of Andalusia's coordination strategy policy for data processing security. Telvent will use the state-of-the-art technology center in Seville, which has been developed through a collaboration agreement with Xfera Móviles, S.A.

◆ **Written Communication of 04.27.2004 (number 8129).**

- Forwarding of the certified Annual Accounts, the Management Report and the Auditor's Report, individual and consolidated for the 2003 financial year.

◆ **Written Communication of 05.11.2004 (number 39.569)**

-The Company reported on Telvent Git, S.A. having initiated the application procedure for its listing on the North American stock exchange NASDAQ.

◆ **Written Communication of 05.07.2004 (number 49.595)**

-Notification of the appointment of Abengoa, S.A's Consolidation and Audit Manager.

◆ **Written Communication of 05.17.04 (number 16.368)**

-The Company forwarded the rectification article published by Cinco Días, in relation to the information it had published on 05.14.2004.

◆ **Written Communication of 06.08.2004 (number 50.462)**

-Notice of the calling of the Ordinary Shareholders' Meeting of Abengoa, S.A. and the resolutions to be submitted thereto.

◆ **Written Communication of 06.30.2004 (number 50.898)**

-Forwarding of the resolutions adopted by the General Shareholders' Meeting of Abengoa, S.A., held on 06.27.2004.

◆ **Written Communication of 06.30.2004 (number 16.570)**

-Details of the resolution passed regarding the distribution of the dividend for the 2003 financial year.

2. Stock Exchange Evolution

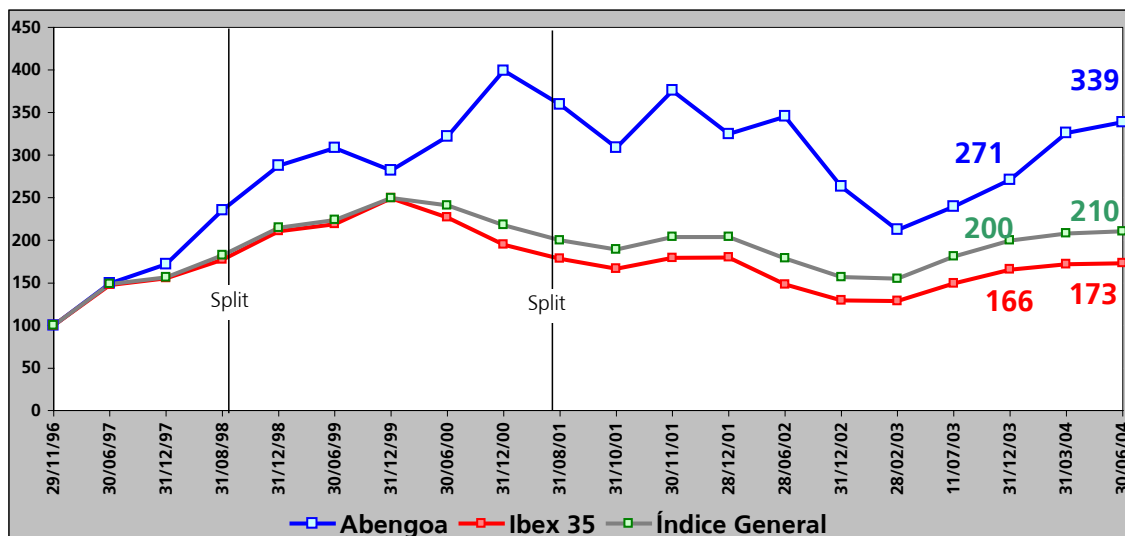
Share Performance

As of June 30th 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 given to the company by the Sociedad Rectora de la Bolsa de Valores de Madrid (Governing Body of the Madrid Stock Exchange) 18,932,313 shares were traded during the first six months of 2004. The average volume of daily trading during the first six months was 150,256 securities compared to 127,361 in 2003 (an 18% increase). The minimum, maximum and average listed share prices during the first half of 2004 were 5.73 Euro, 7.81 Euro and 6.76 Euro respectively. The closing price listed for Abengoa shares on June 30th 2004 was 7.21 Euro, 24.96% higher than that of June 30th 2003, and 239% higher than the share price established for the Public Offering on the 29th November 1996.

Evolution since the Initial Public Offering in 1996

As a historical reference, since Abengoa's Initial Public Offering on the 29th of November 1996, the company's securities have increased 239% which is 3.4 times the initial price. During this same period, the Madrid Stock Exchange has increased 110% and the select IBEX 35 has gone up 73%.



◆ **Disclaimer**

This document has been drawn up by Abengoa, S.A. for the sole purpose of presenting its results for the first six months of 2004. The information provided herein is based, partially, on data that have not been audited by external companies. The company accepts no responsibility for the data shown herein or for the extrapolations that could be made based on the same. Likewise, the company does not accept responsibility for the strict accurateness and preciseness of the information and opinions contained in the document.

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Please do not hesitate in contacting out Investor Relations Department for any consultation you may wish to make.

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