

# ABENGOA



## Presentation of Results

1<sup>st</sup> Quarter 2004

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## 1. General Description of the Activities



Established 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 last decade, we have increased our results at a compound annual growth rate (CAGR) of 20% as a consequence of the new activities related to Bioenergy, Environmental Services and Information Technologies, as well as through the internationalization of our traditional activities. Over this same period, our Sales abroad have increased at a compound annual growth rate (CAGR) of 16%.

The following strategic operations have been developed over recent years:

### 2000

- A 300 million € investment to acquire Befesa through a take-over bid.
- Start-up of the first Bioethanol plant in Spain, with a 100 million liter per year production capacity, in which 93.8 million € was invested.
- Capital increase in Abengoa which enabled the shareholder capital to be raised by 75.1 million €.

## **2001**

- Abengoa's Environmental Division (specialized in environmental engineering) was integrated in Befesa, and Befesa's capital was increased by 12.3 million € through Abensur's contribution.
- Sale of the wind power activity for 109 million €.

## **2002**

- High Plains Corporation (now known as Abengoa Bioenergy Corporation) the fifth largest bioethanol producer in the United States was acquired for 100 million € through a take-over bid.
- Start-up of the second Bioethanol plant in Spain, with a 126 million liter per year production capacity, in which 92.1 million € was invested.
- The Department of Energy (D.O.E.) of the USA awarded the company an R&D project to improve 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 petrol. Total investment, co-funded by the D.O.E., will be 35.4 million \$ from 2003 – 2006. .

## **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, nowadays known as Telvent Canada and Telvent USA, place 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 made in both companies was 35 million €.

- Construction began on the third bioethanol plant in Spain, in Babilafuente (Salamanca). The material investment is 150 million €. The plant will have a production capacity of 200 million liters/year of Bioethanol for direct use (blending) in gasoline. The raw material will be cereals, wine alcohol and biomass, the latter in a bioethanol production facility which will be the first of its kind in the world.
- Exports of Bioethanol to Europe started.

### Strategic Orientation

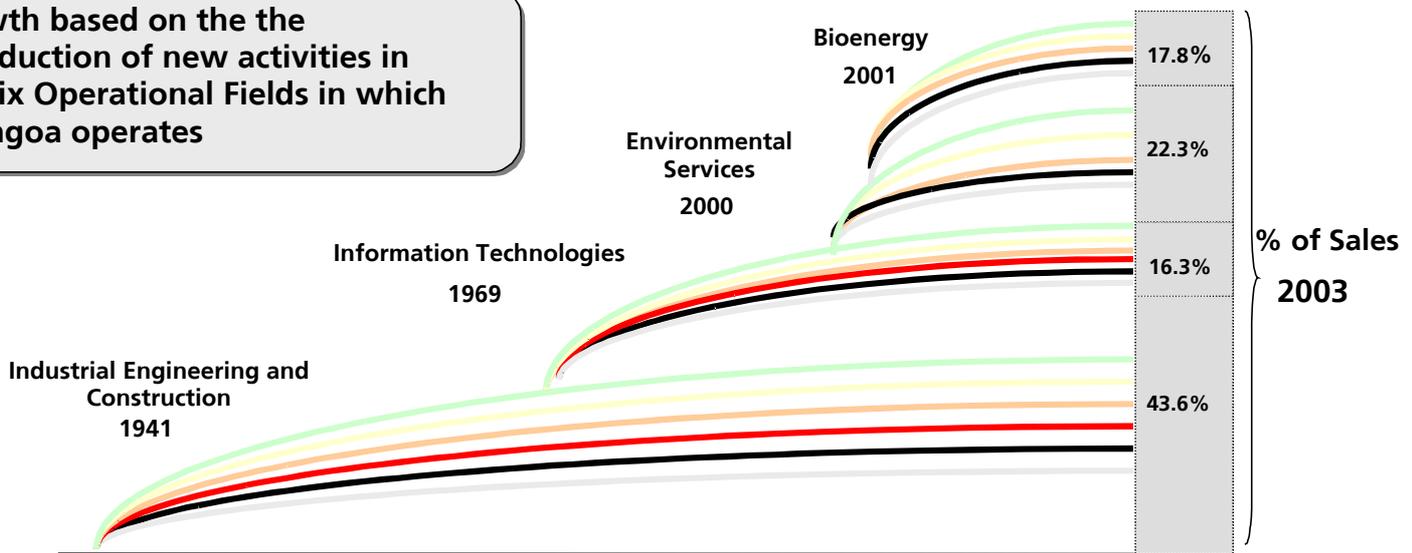
- Technology in Abengoa focuses on Six Operational Fields in which each business unit interrelates to a greater or lesser extent:

- ⇒ 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"/>					
Industrial Engineering and Construction	<input checked="" type="checkbox"/>					

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

**Growth based on the the introduction of new activities in the six Operational Fields in which Abengoa operates**

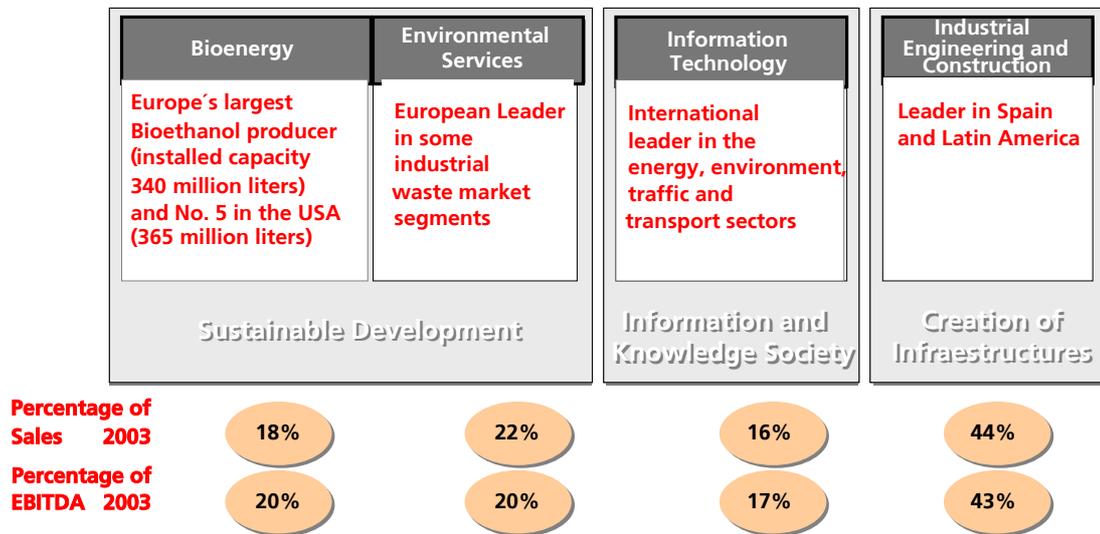


- Abengoa offers a combination of activities that represent greater diversification in markets, customer portfolio, and which strengthen its capacities vis-à-vis its original engineering business.

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

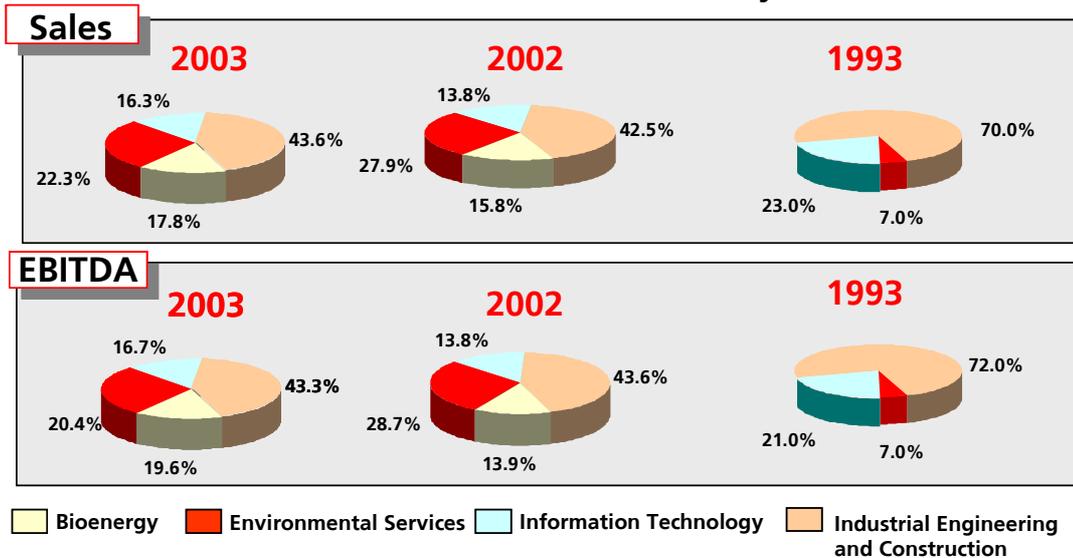
**Current Configuration of Abengoa and the Nature of its Business**

Abengoa is an industrial and technology company that provides solutions for Sustainable Development, the Information and Knowledge Society, and the Creation of Infrastructures, operating 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 by Business Unit

# 2

## 2.1 Bioenergy

Production of ethyl alcohol using vegetable products (cereals, biomass). The alcohol (bioethanol is used to manufacture ETBE (a petrol additive), or to be blended directly with petrol or gas oil. In this way, upon it being a renewable energy, net CO<sub>2</sub> emissions are reduced (greenhouse effect). Production of DDGS (Distillers Dried Grain with Solubles), a protein complement for animals and CO<sub>2</sub>.





- ◆ The construction of the third bioethanol plant in Spain continues at a good pace. It is located in Babilafuente (Salamanca) and requires a material investment close to 150 M€. The plant's production capacity will be 200 M Liters/year of bioethanol to blended directly in gasoline. The raw material will be cereals, wine alcohol and biomass, the latter being in a bioethanol production facility which will be the first of its kind at commercial scale anywhere in the world.
- ◆ Sales of ethanol during the first quarter of 2004 were 49.8 million liters in Europe and 32.1 million Gallons in the USA.
- ◆ In the first quarter of 2004, the price of ethanol has been on the decrease in Europe when compared with prices in the 2003 financial year, with an average price of 0.51 €/liter (as against 0.53 €/liter in 2003). In the United States this tendency has been favorable at 1.17 US\$/gallon (as against 1.11 US\$/gallon in 2003). The price of grain has increased greatly in Europe, 149.8 €/tm (compared to 132.6 €/tm in 2003) as a consequence of the poor harvest of grain in 2003. In the United States, in spite of there having been a good harvest in 2003, prices have risen greatly as a consequence of the final inventory forecasts expected for the 2004/05 crop. Nonetheless, as regards the first quarter, the company has achieved beneficial hedging of its cereal in relation to market prices (grain at 2.38 US\$/Bushel, as against 2.48 US\$/Bushel in 2003).
- ◆ A contract to supply Bioethanol to Europe. An agreement has been signed together with Kraul & Wilkening u. Stelling Kommanditgesellschaft-GmbH & Co. (KWST) with PCK (a joint venture established by British Petroleum (37.5 per cent), Shell (37.5 per cent), Total (16.6 per cent) and Agip (8.4 per cent), to supply 43 million liters of dehydrated bioethanol to its Schwedt refinery (Germany) during the course of 2004. This contract has to be added to the one signed last year with

the Swedish oil company Svenska Shell, under which twelve million liters of bioethanol were supplied.

- ◆ Through these new supplies Abengoa continues its expansion throughout Europe while increasing and diversifying its customers among the Continent's oil companies and refineries, consolidating its presence in the markets it is already active in and participating in new markets.



The Bioenergy workforce to March 2004 consisted of 362 employees, 4.6% more than for the same period in 2003.

## 2.2 Environmental Services

Befesa leads three environmental services markets in Spain:  
Industrial waste management, environmental engineering and  
services and aluminum residues recycling.





# Environmental Services

The following are the main noteworthy aspects related to the Environmental Services activity:

- ◆ Geida (a consortium integrated by Befesa, Codesa, Sacyr-Vallehermoso and ACS), was awarded the contract to construct and subsequently operate (B.O.T.) a seawater desalination plant in Skikda (Algeria), in which 100 million euro will have to be invested. The coming into force of this contract is conditioned by the financial closure of the operation.

In accordance with the awarded B.O.T. project, Geida will possess 70% of the Specific Project Company's (SPE) share capital and the remaining 30% will be held by the public enterprises Algerian Energy Company (AEC) and Algerian Water Company (ADE) during the course of the subsequent operation of the plant over an initial 25-year period. This operation will result in earnings for the group of 541.66 million euro during the project life.

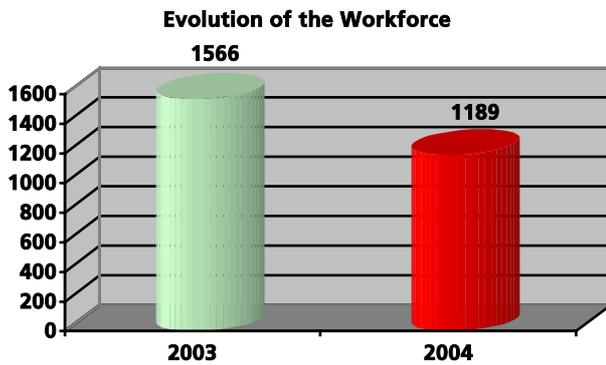
The plant's desalination capacity will be 100,000 cubic meters a day to supply a population of almost 500,000. It must be in operation in 2007,

The Spanish consortium competed against the Hispano-American group Barna-Lemna and the American-Canadian one, Ionics-SNC Lavalin, for this project and presented the most competitive tender in cost terms per cubic meter of desalinated water. The price tendered was 0.7398 dollars per cubic meter. Reverse osmosis is the technology to be employed.

Construction of the plant is part of an ambitious desalination plan, the scope of which is to eventually reach a desalination capacity of one million cubic meters per day to alleviate the water scarcity in the North African country.

Furthermore, the Spanish consortium, Geida, has been pre-qualified to participate in a further four calls for tenders for desalination projects in the country which will be awarded over the next few months.

- ◆ Award of the Segriá Sud Irrigation Project Works for Riegos de Cataluña, a Catalanian Regional Government public enterprise. The contract value is 11 million euro in which Befesa CTA has a 60% share.
- ◆ The acquisition, in March '04, of the company Gestión de Residuos del Cerrato in Palencia.
- ◆ Obtaining of the license to operate as a Non-Hazardous Waste Manager in the Autonomous Region of Madrid.
- ◆ The commencement of the activity in Andalusia.
- ◆ In January 2004, Befesa executed the acquisition agreement for the outstanding 30% share capital of the company Berako (currently called Befesa Tratamientos y Limpiezas Industriales) from a group of minority shareholders. In virtue of this agreement, Befesa now controls 100% of Befesa Tratamientos y Limpiezas.



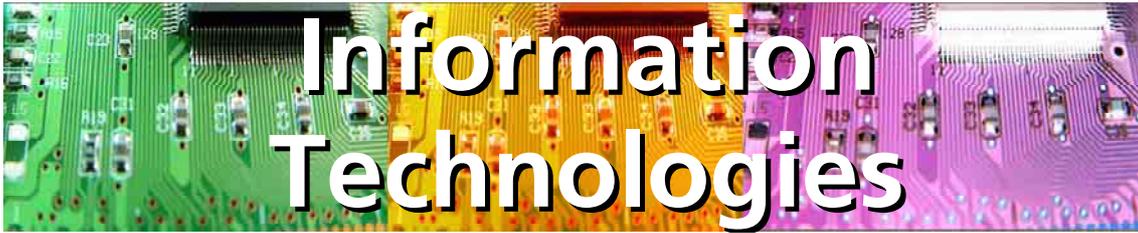
There has been a 24% drop in the Business Unit's workforce, that is to say 377 people, as a consequence of divestments in Tracemar, Elsur and Aguas de Baena, together with the restructuring processes carried out in the aluminum sector towards the end of last year.

## 2.3 Information Technologies

Telvent specializes in Real Time IT solutions with a high added value for specific industrial sectors such as Energy, Environment, Traffic and Transport. Telvent is the leading company in these sectors in Spain, North America, Latin America and Asia.

With more than 40 years' experience in industrial control and monitoring and business process management systems, Telvent executes projects and provides technical services in the field of critical applications, and real-time control and information management, which is complemented by a complete offering of outsourcing and consultation services, the success of which is evident in the extensive list of international clients, for which Telvent provides technological and IT infrastructure management services.





# Information Technologies

The most significant milestones as regards contracts signed or projects developed in the sectors in which we operate are as follows:

## Energy

- ◆ Gas pipelines administration contract for the company PECO Energy of Pennsylvania (USA). The system will control an infrastructure comprising 10,620 kilometers of natural gas transport and distribution system, as well as 29 stations to supply more than 450,000 customers.
- ◆ A contract to supply a liquid and gas management back-up control system to the Brazilian company Petrobrás Transporte (Transpetro). Telvent will provide engineering services and commission two control centers that will serve as external back-up for the Main Control Center in Rio de Janeiro.
- ◆ Telvent has been selected to supply Oncor, TXU Corp's energy regulation and distribution subsidiary, with an Automation Substation and the Remote Communication Unit (RTU) equipment.
- ◆ A contract to supply a control and monitoring system for the new oil pipeline in Pakistan. Telvent has been selected to supply its SCADA OASyS and information management systems for the "White Oil" pipeline belonging to the Pakistan Arabian Oil Pipelines Company (PAPCO).
- ◆ The Gas Management System Contract for the Gas Authority of India (Gas Authority of India Limited, GAIL). Telvent will supply its web-based Pipeline Operations Logistics system and the income Information System (Polaris) to manage contracts, gas planning, allocations and billing. The part of the advanced management applications set Polaris will be connected to GAIL's interior SCADA systems to optimize the value of its data in real time.

- ◆ An agreement with Chevron-Texaco to employ Telvent's high reliability leak detection SimSuite System on several of Chevron's North American oil pipelines. Chevron-Texaco and Telvent will work together to examine the company's more than 48,280 kilometers of oil pipelines to determine the most suitable use of the high reliability leak detection system.
- ◆ Telvent will supply a Windows-based OASYS DNA SCADA system to ensure safe operation of the Trans Thailand Malaysia (TTM) gas. The turnkey solution will include Gas Metering Applications (GMAS) modules and the Liquids Management System (LMS). This project comprises aboveground and underwater gas pipelines that convey gas from the Malaysia-Thailand Joint Development Area (underwater) to the Peninsular Gas Utilization gas pipeline in Changlin, in Kedah, Malaysia.
- ◆ A contract to replace the SCADA system for Valero L.P. in San Antonio, Texas (USA). The new SCADA system and Liquids Management System (LMS) applications will monitor the piping that transports the oil to refineries, as well as the piping that transports refined products from the refineries to their distribution terminals.
- ◆ A contract awarded by PetroChina Pipeline Company Limited for the Zhongxian-Wuhan Gas Pipeline project. Telvent will perform the turnkey installation of its OASyS DNA system to monitor and control the 1,347 kilometer pipeline that joins the Sichuan-Chongqing gas fields with the provinces of Hubei and Hunan in the Center South of China. The scope of Telvent's project includes the enlargement of Lang Fang Control Center and the back-up Control Center in Wuhan.
- ◆ Acceptance of Ecopetrol (Colombia) for the OASyS DNA system in January. The project consisted of the upgrading of the OASyS 5.2.2 system that had been in operation since 1997. This was the first international project in which Telvent's OASyS DNA system was employed.
- ◆ Acceptance of the SimSuite Pipeline Leak Detection System for the Caspian oil pipeline. The leak Detection Field Tests are the final requirement for completion of the oil pipeline System project for the Caspian Pipeline Consortium (CPC) which includes the supply of a totally integrated SCADA system, the leak detection system and modeling system.

- ◆ Provisional acceptance of the first phase of the Information Transmission project for the Egyptian Natural Gas Company (GASCO) which includes the implementation of an OASyS SCADA system and a Digital Radio network. The system connects 127 locations to four Local Centers and a Network Control Center. GASCO, the majority of which is Egyptian government owned, is the national gas products producer, processor and distributor and owns and operates 3,000 kilometers of high pressure gas pipeline and the gas distribution network.
- ◆ Completion by Telvent of the upgrading project OASyS SCADA system on the gas pipeline in West Texas, for Kinder Morgan Energy Partners - L.P (KMP). The West Texas gas pipeline runs from the center of the city of Denver, 127 miles south to Reeves county, Texas. KMP is the largest public-owned company in charge of gas pipelines in the United States. The company possesses or manages more than 25,000 miles of pipelines that transport more than two million barrels a day of gasoline and other oil products and up to 7,800 million cubic feet a day of natural gas.
- ◆ A contract to supply 160 Remote Control Units for the Medium Voltage Distribution Network for Endesa Distribución.
- ◆ Signing of a contract for the Distribution Network Modernization and Upgrading Project in Tunisia with Société Tunisienne de l'Electricité et du Gaz (Steg). This contract will enable control and management of said network through the creation of six control centers, for electricity dispatching in the northern, central, northwestern, southern and southwestern areas of the capital Tunis, with their respective applications based on SCADA OASyS and DMS applications.
- ◆ A contract with Elecnor to supply, install and commission the Telecommunication Systems included in the Pidiregas 706 project (Comisión Federal de Electricidad). It corresponds to the supply of new Sicle Systems for Transmission Network Substations. With this new contract, Telvent consolidates its leading position in Integrated Control and Protection Systems for Substations in Mexico.
- ◆ Awarding of the Project to supply, install and commission eight Metering Concentrators for Comisión Federal de Electricidad, CFE, in Mexico. These systems are pioneers in metering treatment and management and use powerful protocols oriented towards high speed and reliable communications, such as the MMS, for their integration in CFE's information network.

- ◆ Commissioning of the electricity metering Management Pilot Project for Valencia Port (Iberdrola). This system, based on the Telvent Metering System (TMS) and provided exclusively by Telvent in Spain, will enable the Valencia Port Authorities to manage their customers' energy services through a bi-directional and extendable communications infrastructure, which uses the low voltage electricity network itself as the means of communication.
- ◆ Commissioning of the DMS Electric Management Applications Project for Comisión Federal de Electricidad. This project included the supply and installation of DMS applications for analysis and decision-taking purposes in relation to the events that occur on the distribution network in the area of Puebla, in Mexico. It provides the distributor with extremely useful tools for upgrading the quality of the energy supply.
- ◆ Contract to automate Zone 15 of the New York City Transit Authority's (NYCTA) system. As a continuation of a series of previously executed projects, it includes the installation of an OASyS SCADA system that is used as an interface with the existing transits system. The NYCTA transports more than 3.5 million passengers a day through more than 400 stations on 800 miles of track. The transit system consists of three main lines that serve one of the most densely populated areas of the United States – The Bronx, Brooklyn, Queens and Manhattan.
- ◆ A contract to upgrade the OASyS DMS SCADA system for Chattanooga Electric Power Board (CEPB). It is the 15<sup>th</sup> largest municipal utility in the US and provides a service for more than 156,000 commercial, residential and industrial customers in
- ◆ A contract to supply the new SAGE 2200 RTUS to Conectiv Power Delivery in the USA. This company provides a service to more than a million homes and businesses in the regulated electricity and natural gas markets. Conectiv Power Delivery provides electricity distribution services to the States of Delaware, New Jersey, Maryland and Virginia.
- ◆ A contract from the Illinois Electricity Municipal Agency (IMEA) to replace its field equipment with the new SAGE 2200 RTUS. IMEA comprises 40 boroughs in Illinois that possess and manage their own electricity systems.

- ◆ A contract to supply the new SAGE 2200 RTU for the Electricity Commission of Trinity and Tobago, and it supplies electricity to the islands' 1.25 million inhabitants.
- ◆ Completion of the project to provide Iberdrola with an Integrated Optic Cables System (SICOID). This contract will enable more efficient management of Iberdrola's fiber optic network and, consequently, an increase in the quality of the service offered to its customers. Telvent exploited its experience in the management of GE Network Solutions' networks and technologies to develop a sophisticated centralized management system for Iberdrola's cable network that enables the all the fiber optic cables to be documented with their status, occupation, services supported, location on a map of all the elements of the network and inter-relation with the electricity network it supports, providing the system with the intelligence required to equip all the elements that make up the telecommunications network with continuity and connectivity.

#### Environment

- ◆ The contract for the Control System Project for potable water Supply Management in the area of Gran Amman (Jordan). The project comprises the turnkey design and installation of the monitoring, control and data acquisition and communications system for the district of Gran Amman, which covers an area of approximately 700 Km<sup>2</sup> and supplies a population of close to two million. There are, among the 85 installations to be controlled, well off-takes, pumping stations, reservoirs and storage tanks. Furthermore, the project includes a singular building to be used to house the Control Center for the Dabouq dam, in Amman itself.
- ◆ A contract to supply and install Automatic Weather Observation Systems (AWOS) for the airports of Pamplona and Sabadell, for the National Meteorology Institute. (Spain)
- ◆ A contract for the emissions control system for the Combined Cycle Power Station in Arcos de la Frontera, Cadiz (Spain).
- ◆ A contract for the Hydro-climatological Stations Network for the State Water Commission (CEA) of Querétaro (Mexico). It is a turnkey project for the monitoring of hydro-meteorological data in several hydrographical basins in the area of Mexico FD and Chiapas. The project comprises both the infrastructure and the

installation, commissioning and metering equipment maintenance services, Saimet+ data-logger equipment, as well as Telvent communications elements for GOES satellite.

- ◆ Emissions Control System for the TPP in the State of Guaymas (Mexico), for CFE.
- ◆ ATIS Systems (Airport Terminal Information System) for Madrid and Barcelona airports, for AENA (Spain).
- ◆ The Atmospheric Contamination Monitoring Network (RVCA) has been completed for the Municipality of Tegucigalpa (Honduras).
- ◆ The Atmospheric Contamination Monitoring Network (RVCA) has been completed for the Municipality of San Pedro Sula (Honduras).
- ◆ 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.
- ◆ Telvent's first OASyS DNA project in the water industry for Florida Water Management District (FWMD). FWMD is the world's largest water control system with 1,728 canals, 1,160 kilometers of dykes, 200 main ports and water regulation structures, and 27 main pumping stations.
- ◆ Commencement of the city of Columbus water distribution project. The project includes the replacing of approximately 80 existing RTUs with the new SAGE 2200 which will be used to manage the city's water distribution installations. The project also includes a new extension spectrum radio system.

#### Traffic

- ◆ Completion of the Centralization Project for the city of Pontevedra for the General Traffic Department. This project includes the centralization of 26 intersections, the installation of closed circuit TV with 18 cameras and the implementation of a parking control system. This has all resulted in an improvement of urban traffic control and facilitates the application of the "Traffic Plan" in accordance with the true situation.

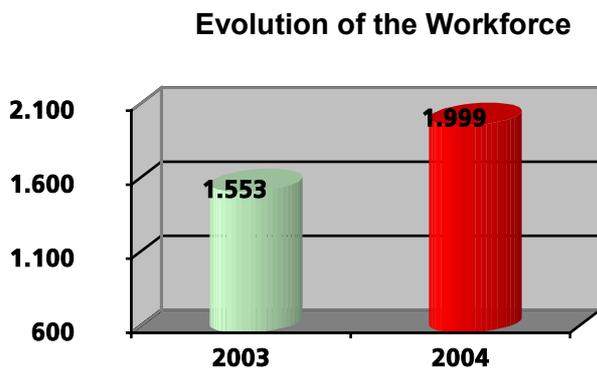
- ◆ Awarding of the maintenance, exploitation and operation contract for the Vizcaya high capacity network for two years (extendable for a further two years), carrying out the exploitation and conservation of roads, all the branch link intersections, sidings and other functional elements. The technical assistance for this project is financed by the Local Government of Vizcaya and the Department of Transport and Public Works.
- ◆ Completion of the ITS (Intelligent Traffic System) Installations project on the Radial-4 Toll Highway, as well as the signaling, safety and control systems for the false tunnel on the M-50, executed for Concessionaria Madrid R-4.
- ◆ Awarding of the Cañiza tunnel safety and control systems enlargement contract, which involves, among others, the upgrading and expansion of the energy and control systems, enlargement of the ventilation system, emergency exits and fire detection and extinguishing systems.
- ◆ Awarding of the maintenance contract for the ITS installations on the Sol Highway for Concessionaria Ausol, which involves the maintenance for 20 months (extendable for a further year) of the ITS installations on 100 km of highway and those of nine tunnels.
- ◆ The contract to design, supply, install and commission the Traffic, Toll and Communications Control System on the Bucharest-Constanza Highway which, thanks to this system, will become the first highway equipped with ITS technology in Rumania. The project contemplates the installation of a control center from where the operation of the highway will be managed by means of an Odyssey management system.
- ◆ Reception of the Anchieta – Inmigrantes Highway Tunnels project (Ecovías), in Brazil.

#### Transport

- ◆ Sign of the contract to supply the Tianjin Metro automatic ticketing system and radio communications system. The project, funded with FAD loans, includes the commissioning of twenty two stations on twenty seven kilometers of track and its coming into operation is scheduled for late in 2005.

Others

- ◆ Complete outsourcing of Metrovacesa's central information systems, including technological renovation of the platform and back-up of all the systems, including the SAP platform on which the corporate tools function. The entire service will be 7x24 managed from Telvent's Data Center in Valgrande.
- ◆ The contract for the Regional Government of Andalusia's Back-up Center, providing a data center service that constitutes a corporate network Node for the Regional Government, which will enable a greater level of informatics security, database back-up, applications continuity, recovery from disasters and housing for all the Regional Government of Andalusia's existing critical services. This project is included under the initiatives of the Second Modernization Plan for Andalusia.



The Information Technologies workforce at the end of March 2004 was 1,999, a 28.7% increase on the same period in 2003, due to the inclusion of Telvent Canada's and Telvent USA's workforce.

## 2.4 Industrial Engineering and Construction

Engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industrial, transport and services 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. Commercialization of products related to the aforementioned activities as well as manufacturing of auxiliary elements for energy and telecommunications.



## 2.4 Industrial Engineering and Construction

### Industrial Engineering and Construction:

- ◆ Awarded five MV/LV Rural Electrification contracts for an overall value of more than 18 M€, for Office National de L'Électricité (ONE). 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.
- ◆ Contracting in a consortium in which its share is 70%, the design, construction, supply of equipment, materials and services for Instituto Costarricense de Electricidad (ICE), and the commissioning of Palmar, Cóbano and Cahuita substations, providing earnings of 7.2 M€.
- ◆ A contract has been signed with Powergrid Corporation of India for the design, engineering, galvanization and supply of equipment and materials for the 765 kV electricity transmission lines circuit between the villages of Sipat and Seoni. Total contract value is 2.4 M€.
- ◆ Awarded us the 3 M€ contract for the electrical installation works in the engine plant of its Almusafes factory (Valencia), for the C-Car project.
- ◆ Execute, of the global customer loop contract, for the performance of installation and maintenance works with Telefónica de España, with contracting for 2004 forecast at 46 M€.
- ◆ Hynergreen, Abengoa's subsidiary for fuel cell development is now represented on the Advisory Council of the European Hydrogen and Fuel Cell Technology Platform, which has recently been established by the European Commission.

The platform's main objective is to facilitate and accelerate the development and use of worldwide competitive European energy systems based on fuel cells and hydrogen to be applied in the transport sector and the stationary and mobile sector. This Platform is lead by a high level Advisory Council.

## **Chile**

- ◆ Codelco Chile División El Teniente, Ventilators Assembly project for Diablo Regimiento. Works commenced in March.
- ◆ Transelec, Switch Changing in Antuco Power Plant. Works under this contract commenced in March and completion is scheduled for October 2004.
- ◆ Ciruelos Substation Project and power supply line to Celulosa Valdivia's plant for Celulosa Arauco.
- ◆ Chena- Maipú 110 kV HV line for Chilectra
- ◆ El Monte sewer system, 11 Km of collectors for Aguas Andinas.  
Telefónica Ctc Chile

## **Uruguay**

Enlargement of the Solís Theater Reconstruction contract.

## **Perú**

- ◆ Civil Works for the construction of a brewery for Ambev.
- ◆ Civil Works for a water treatment plant for Dedini.
- ◆ Northern Interceptor for Sedapal.
- ◆ Rehabilitation of Low Voltage Networks in Chiclayo, for Electronorte.
- ◆ Primary and secondary networks and connections in Trujillo, for Hidrandina.
- ◆ Primary and secondary networks and connections in Tingo María for Electrocentro.

## **Brasil**

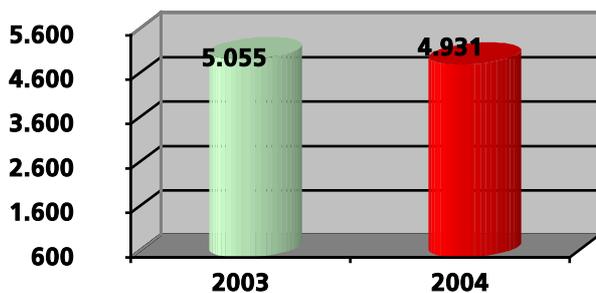
- ◆ A contract was signed with Agencia Nacional de Energía Eléctrica ANEEL, in the presence of the Country's President, for the new HV Energy Transmitter concession that will construct and operate the 525 kV Londrina-Assis-Araquara line.

- ◆ The concession period from Nordeste Transmisora de Energía commenced in January for the Xingó-Angelim and Angelim-Campina Grande transmission line. This will mean a gross incomes of 62.3 millions of brazilian reais. Abengoa participates on 50%.
- ◆ , compared with previous years, from our customers in the USA, Argentina, Japan, Paraguay, etc...
- ◆ With the objective of broadening our markets, the company is tendering in non-traditional markets (Egypt, Iraq,...) and is processing homologations in UL (for the US market) and in Telefónica de España.

### **México**

- ◆ Re-routing of the 115 kV Hermosillo line – Contract C 2003/004, for Abener. Completed on 15.01.04
- ◆ Project 55 - Contract PIF 001/2003: Two 230 kV lines and 2 Substations 230/115 kV, for CFE. Completed on 09.01.04.

**Evolution of the Workforce**



The Industrial Engineering and Construction workforce suffered a 2.53% decrease.

### 3. Evolution of the Businesses. Highlights

# 3

#### 3.1 Bioenergy

Bioenergy	Mar. '04	Mar. '03	Var (%)
Sales	77.2	80.6	-4.2%
Ebitda	7.3	4.6	58.7%
Ebitda/Sales	9.5%	5.7%	

The Bioenergy business unit's sales have fallen over the first three months of the year and have gone from 80.6 M€ in 2003 to 77.2 M€ in 2004 (a 4,2% drop) in spite of the fact that the dollar, the currency in which the Business Unit obtains half its revenue, has depreciated 14.25%. At Ebitda level, there has been a 58.7% increase over the first three months of 2004 as against the same period in 2003.

Due to:

- a) An improvement in the price of ethanol in the USA which has gone from 1.11 US\$/Gallon in 2003 to 1.17 US\$/Gallon in 2004.
- b) In the United States, in spite of there having been a good harvest of grain in 2003, prices have risen greatly as a consequence of the final inventory forecasts expected for the 2004/05 crop. Nonetheless, as regards the first quarter, the company has achieved beneficial hedging of its cereal in relation to market prices (grain at 2.38 US\$/Bushel, as against 2.48 US\$/Bushel in 2003).

### 3.2 Environmental Services

Environmental Services	Mar. '04	Mar. '03	Var (%)
Sales	84.1	96.4	-12.8%
Ebitda	9.5	12.3	-0,2461964
Ebitda/Sales	11.3%	12.8%	

During the first quarter of 2004, the Environmental Services Business Unit's sales have dropped compared to the 12.3 million euro (12.8%) for the previous year, due to:

- The variations experienced in the consolidation perimeter (divestment in Tracemar, Elsur and Aguas de Baena).
- Lower secondary aluminum production level as a consequence of the restructuring carried out towards the end of last year in this activity. In spite of the afore-mentioned, Befesa maintains sufficient capacity to exploit the better expectations this market appears to have in the medium term.
- Delay in the execution of the Environmental Engineering activity in the first quarter of 2004 compared to the same period in 2003.

### **3.3 Information Technologies**

<b>Information Technologies</b>	<b>Mar. '04</b>	<b>Mar. '03</b>	<b>Var (%)</b>
<b>Sales</b>	<b>72.9</b>	<b>74.0</b>	<b>-1.5%</b>
<b>Ebitda</b>	<b>8.2</b>	<b>8.0</b>	<b>2.5%</b>
<b>Ebitda/Sales</b>	<b>11.2%</b>	<b>10.8%</b>	

- ◆ The sales of the Information Technologies Business Unit have dropped compared to March 2003, due mainly to the keeping in line with budget compliance last year, while the 2004 budget is more highly concentrated in the year's last three quarters. This recess in sales, which is expected to be recovered over the next few months through the execution of important projects that have already been contracted. Also the sales of Telvent has been affected by the weakness of the dollar.
- ◆ The contracting evolution has been affected in the traffic area, the slowdown effect in activities with the Public Administration, resulting from the uncertainty of the general elections held in Spain on March 14.
- ◆ In spite of this, and given the improvement tendency of the different economic indicators, the Ebitda/Sales ratio has increased 0.4%, and has gone from 10.8% in 2003 to 11.2% in 2004. In consequence of the incorporation of a high added value products and slowdown of general expenses.

### **3.4 Industrial Engineering and Construction**

<b>Industrial Engineering &amp; Construction</b>	<b>Mar. '04</b>	<b>Mar. 03</b>	<b>Var (%)</b>
<b>Sales</b>	<b>191.3</b>	<b>160.0</b>	<b>19.6%</b>
<b>Ebitda</b>	<b>21.8</b>	<b>20.2</b>	<b>7.9%</b>
<b>Ebitda/Sales</b>	<b>11.4%</b>	<b>12.6%</b>	

The sales of the Industrial Engineering and Construction Business Unit for the first quarter of 2004 have increased 19.6% compared to last year, and have reached 191.3 M€, due mainly to the installations business in Spain. The Ebitda has increased 1.6 M€ compared to the previous year and has gone from 20.2 M€ in the first quarter of 2003 to 21.8 M€ in 2004. The Ebitda/Sales ratio has gone from 12.6% in the first quarter of 2003 to 11.4% in the first quarter of 2004.

# 4

## 4. Details of the Profit-and-Loss Account

The profit attributable to the parent company at 31<sup>st</sup> March 2004 increased by 3.2% compared to the same period for the year 2003 and rose to 11.5 M€. The earnings before tax have increased in the first three months of 2004 by 12.7% compared to the same period in 2003, and have reached 15.6 M€.

	Mar. '04	Mar. '03	Var (%)
<b>Sales</b>	<b>425.5</b>	<b>411.0</b>	<b>3.5</b>
<b>Ebitda</b>	<b>46.8</b>	<b>45.1</b>	<b>3.7</b>
<b>% Ebitda/Sales</b>	<b>11.0%</b>	<b>11.0%</b>	
<b>EBT</b>	<b>15.6</b>	<b>13.8</b>	<b>12.7</b>
<b>EAT attrib. parent company</b>	<b>11.5</b>	<b>11.2</b>	<b>3.2</b>
<b>Net Cash Flow</b>	<b>33.3</b>	<b>32.8</b>	<b>1.5</b>

**Highlights per Business Unit**

<b>Sales</b>	<b>Mar.04</b>	<b>Mar.03</b>	<b>Var (%)</b>	<b>% Mar.04</b>	<b>% Mar.03</b>
<b>Bioenergy</b>	77.2	80.6	-4.2	18.1	19.6
<b>Environmental Services</b>	84.1	96.4	-12.8	19.8	23.5
<b>Information Technologies</b>	72.9	74.0	-1.5	17.1	18.0
<b>Industrial Engineering and Construction</b>	191.3	160.0	19.6	45.0	38.9
<b>Total</b>	425.5	411.0	3.5	100.0	100.0

<b>Ebitda</b>	<b>Mar. '04</b>	<b>Mar. '03</b>	<b>Var (%)</b>	<b>% Mar.04</b>	<b>% Mar.03</b>
<b>Bioenergy</b>	7.3	4.6	58.7	15.6	10.2
<b>Environmental Services</b>	9.5	12.3	-22.8	20.3	23.5
<b>Information Technologies</b>	8.2	8.0	2.5	17.5	18.0
<b>Industrial Engineering and Construction</b>	21.8	20.2	7.9	46.6	38.9
<b>Total</b>	46.8	45.1	3.7	100.0	100.0

<b>Ebitda/Sales</b>	<b>Mar. '04</b>	<b>Mar. '03</b>
<b>Bioenergy</b>	9.5%	5.7%
<b>Environmental Services</b>	11.3%	12.8%
<b>Information Technologies</b>	11.2%	10.8%
<b>Industrial Engineering and Construction</b>	11.4%	12.6%
<b>Total</b>	11.0%	11.0%

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

The consolidated sales at 31.03.04 reached 425.5 M€, which is a 3.5% increase on the previous year. The increase in sales is due mainly to the increase attributable to the Industrial Engineering and Construction business unit, which went from 160.0 M€ at 31<sup>st</sup> March 2004 to 191.3 M€ at 31<sup>st</sup> March 2004. The abovementioned increase has come about in spite of the unfavorable evolution of the dollar which has depreciated 14.25% and the unfavorable aluminum trade cycle that is having a significant affect since the second half of last year.

<b>Sales</b>	<b>Mar. '04</b>	<b>Mar. '03</b>	<b>Var (%)</b>
<b>Bioenergy</b>	77.2	80.6	-4.2
<b>Environmental Services</b>	84.1	96.4	-12.8
<b>Information Technologies</b>	72.9	74.0	-1.5
<b>Industrial Engineering and Construction</b>	191.3	160.0	19.6
<b>Total</b>	425.5	411.0	3.5

◆ **Ebitda**

The Ebitda figure (Earnings before investments, taxes, depreciation and amortization) at 31<sup>st</sup> March 2004, a 1.7 M€ increase on the same period for the previous year (3.7% more).

<b>Ebitda</b>	<b>Mar. '04</b>	<b>Mar. '03</b>	<b>Var (%)</b>
<b>Bioenergy</b>	7.3	4.6	58.7
<b>Environmental Services</b>	9.5	12.3	-22.8
<b>Information Technologies</b>	8.2	8.0	2.5
<b>Industrial Engineering and Construction</b>	21.8	20.2	7.9
<b>Total</b>	46.8	45.1	3.7

By business unit, Abengoa has increased the contribution to the Ebitda in all areas except that of Environmental Services which, as has been previously mentioned, has been greatly affected by the unfavorable trade cycle in the aluminum sector.

◆ **Taxes**

	<b>Mar. '04</b>	<b>Mar. '03</b>	<b>Var (%)</b>
<b>EBT</b>	<b>15.6</b>	<b>13.8</b>	<b>13.0</b>
<b>Corporate Taxes</b>	<b>-3,6</b>	<b>-2.0</b>	<b>80.0</b>
<b>External Partners</b>	<b>-0.5</b>	<b>-0.6</b>	<b>-16.7</b>
<b>EAT</b>	<b>11.5</b>	<b>11.2</b>	<b>2.7</b>
<b>Tax Rate</b>	<b>23.0%</b>	<b>14.5%</b>	

Corporate tax costs have been 3.6 M€ in the first three months of 2004 as against 2.0 M€ for the same period in 2003. Thus, the tax rate for the first quarter of 2004 was 23.0% compared to 14.5% for the same period in 2003.

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

	<b>Mar. '04</b>	<b>Mar. '03</b>	<b>Var (%)</b>
<b>EAT attrib. parent compan</b>	<b>11.5</b>	<b>11.2</b>	<b>3.2</b>
<b>% EAT / Sales</b>	<b>2.7%</b>	<b>2.7%</b>	

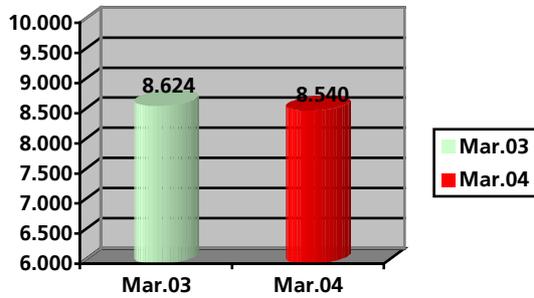
The Result after tax attributable to the parent company for the first three months of 2004 is 11.5 M€, a 3.2% increase on the same period in the 2003 financial year (11.2 M€).

◆ **Net Cash Flow**

	<b>Mar. '04</b>	<b>Mar. '03</b>	<b>Var (%)</b>
<b>Net Cash Flow</b>	<b>33.3</b>	<b>32.8</b>	<b>1.5</b>
<b>% Cash Flow / Sales</b>	<b>7.8%</b>	<b>8.0%</b>	

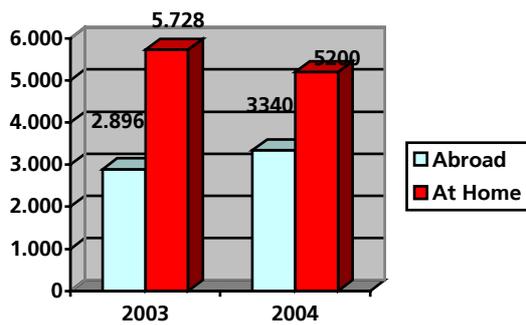
The Net Cash Flow also increased 1.5% in the first three months of 2004 and reached 33.3 M€ (32.8 M€ for the same period in 2003).

◆ Evolution of the average workforce



There were 84 people less in the average workforce compared to the same period in the previous year, due mainly to the divestments in Tracemar, Elsur y Aguas de Baena.

◆ Origin of the Workforce



As can be seen, the average workforce dropped in Spain as a consequence of the divestments mentioned in the previous paragraph, while it increased abroad due to the incorporation of Telvent Canada's and Telvent USA's workforces.

## 5. Relevant Events and other communications

# 5

Description of the events such as:

1. Relevant events about which the CNMV was informed
2. Stock Exchange Evolution

## **1. Relevant events reported to the CNMV**

### List of the Relevant Events corresponding to the First Quarter of 2004

◆ **Communication dated 06.02.2004, (No. 47393).**

- The Company communicated the appointment as director, by cooptation procedure, of Corporación Caixa Galicia, S.A.U. represented by Mr. José Luis Méndez López. Likewise, the Audit Committee has been 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 by Mr. Ignacio de Polanco Moreno as Chairman and by Mr. D. José Luis Aya Abaurre and Mr. José B. Terceiro Lomba as members, in compliance with the resolutions adopted by the Board of Directors on 28<sup>th</sup> January 2004.

◆ **Communication dated 09.02.2004 (No. 47401).**

- The Company forwarded the 2003 Corporate Governance Annual Report, approved by the Board of Directors on 28<sup>th</sup> January 2004.

◆ **Communication dated 01.03.2004 (No. 47941).**

- The Company forwarded the periodical public information corresponding to the Second Six Months of 2003.

◆ **Communication dated 04.03.2004 (No. 15972).**

- Presentation of the Company to Analistas 2004.

◆ **Communication dated 16.03.2004 (No. 16032).**

- The Company informed of the Regional Government of Andalusia having awarded Telvent the multi-annual contract for the "Critical Services Back-up and Continuity Center" for the departments of the Andalusian Administration, within the coordination strategy established as regards the Regional Government of Andalusia's informatics security policy. Telvent will employ the high technology data center in Seville which has been developed as a consequence of a collaboration agreement with Xfera Móviles, S.A.

◆ **Communication dated 27/04/2004 (No. 8129).**

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

## **2. Evolution on the Stock Exchange**

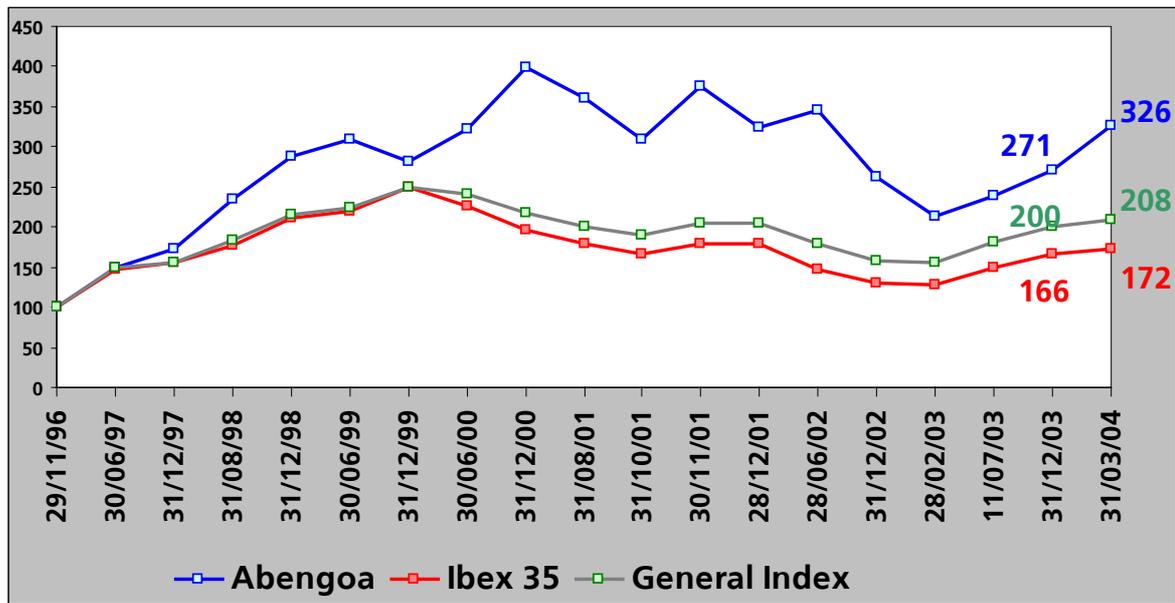
### **Share Performance**

As on 31<sup>st</sup> March 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 data supplied to the company by Sociedad Rectora de la Bolsa de Madrid some 9,911,888 shares were traded in the first three months of 2004. The average volume of daily trading over these three months was 157,331 securities compared with 142,151 in 2003 (a 10.7% increase). Minimum, maximum and average listed share prices in the first quarter of 2004 were 5.73 euro, 6.94 euro and 6.47 euro respectively. The closing price quoted for Abengoa shares on 31<sup>st</sup> March 2004 was 6.94 euro, 52.5% higher than that on 31<sup>st</sup> March 2003, and 226% higher than the price established for the public offering on 29<sup>th</sup> November 1996.

**Evolution since its Initial Public Offering in 1996**

As a historical reference, since Abengoa’s initial public offering on 29<sup>th</sup> November 1996, the companies securities have revalorized 226% which is 3.2 times the initial price. During this same period the Madrid Stock Exchange General Index has revalorized 108% and the select IBEX 35 has gone up 72%.



◆ **Disclaimer**

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