

ABENGOA



Annual Results 2004

Index

1. General Description of the Activities.
2. Main Novelties per Business Unit.
3. Business Evolution. Highlights.
4. Consolidated Results and Balance at 31.12.2003 and 31.12.2004
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, our results have increased at a compound annual growth rate (CAGR) of 28% as a consequence of the new Bioenergy, Environmental Services and Information Technologies activities, and also to the internationalization of our traditional activities. Over the same period, our sales abroad have increased at a compound annual growth rate of 17%.

- The following strategic strategies adopted over recent years are noteworthy:

2000

- A 300 M € investment to acquire Befesa, through a takeover bid.
- Start-up of the first Bioethanol plant in Spain with an initial production capacity of 100 M liters/year (currently 150 M liters/year), which required a 93.8 M € investment.
- Increase of Abengoa's capital which enabled a 75.1 M € increase in shareholders' capital.

2001

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

2002

- Acquisition of High Plains Corporation (now called Abengoa Bioenergy Corporation), the fourth largest bioethanol producer in the United States, by means of a 100 M € takeover bid.
- Start-up of the second Bioethanol plant in Spain (Bioetanol Galicia) with a 126 M liters/year production capacity, which required a 92.1 M € investment.
- The Department of Energy (D.O.E.) of the United States awarded an R&D&I project to enhance ethanol production process technology, using biomass, to improve the economy of process and increase energy performance from ethanol production and, thus, reduce the production cost of ethanol and make it more competitive with gasoline. Total investment, co-funded by the D.O.E., is 35.4 M \$US, from 2003 though to 2006.

2003

- Acquisition of Metso Corporation's Network Management Solutions Division, through the 100% purchase of its subsidiaries in Canada and the United States. The two companies purchased, currently called Telvent Canada and Telvent USA have put Telvent in a leading position

at international level in the Control and Information Systems market for the oil, gas and electric energy sectors, and the water sector as well. The total investment in both companies was 35 M \$US.

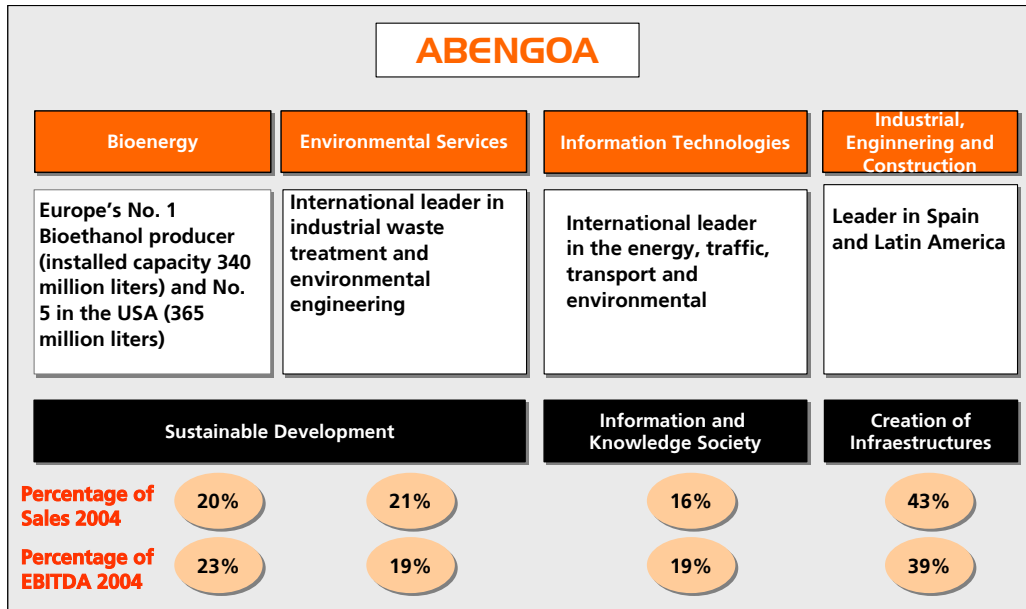
- Construction began on the third Bioethanol plant in Spain (Biocarburantes de Castilla y Leon). It is located in Babilafuente (Salamanca) and required a 150 M € investment. The plant's bioethanol production capacity is 200 M liters/year, to be directly blended in gasoline. The raw material will be grain,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

2004

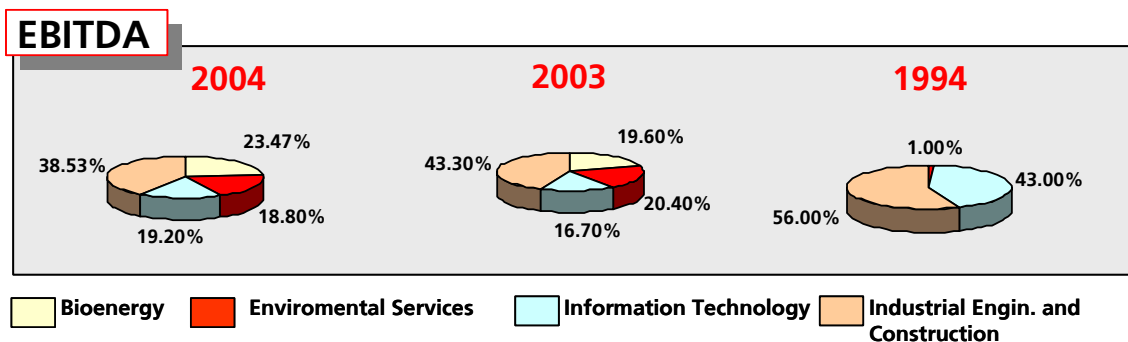
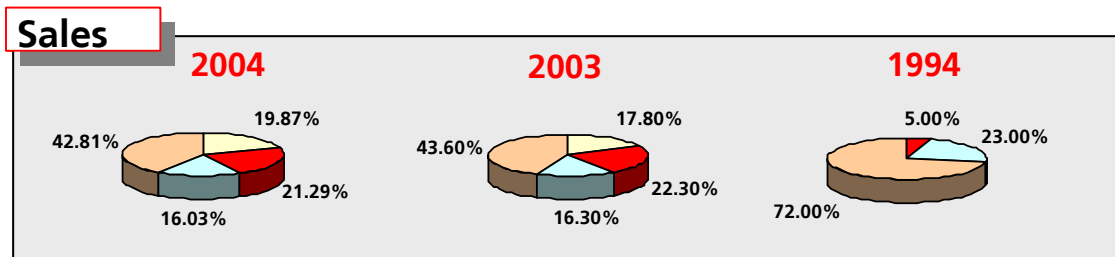
- On October 21, 2004, the execution and subscription to an increase of Telvent GIT capital was completed, and Telvent GIT was effectively listed on the American NASDAQ technological market. The total amount of the increase of capital, with paid-in surplus, was 61.2 M €. The company's official listing on the stock exchange implies the continuity of the expansion of the Information Technologies activity through the obtaining of funds to finance the Business Unit's growth, strengthen its financial structure and increase its potential by developing investments in R&D&I.
- Agreement to commence the construction of an 88 million gallon-a-year ethanol production facility in Ravenna, Nebraska. The facility, Nebraska's largest and one of the largest in the United States will make Abengoa Bioenergy one of the largest ethanol producers in the United States.
- Commencement of the construction of the largest solar energy power plant to use tower and heliostat field technology for an 11 MW output, and the construction of a 1.2 MW two-fold concentration photovoltaic power plant.

Abengoa's Current Configuration and the Nature of its Business

- Abengoa operates through four Business Units:









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



Orientación Estratégica

The aim of Abengoa’s strategic development is to generate options for the future through new market penetration and the introduction of new and existing products. Therefore, its growth strategy is based on the introduction of new activities in the six Operational Fields in which Abengoa is present and where its different Business Units complement one another.

Operational Fields		Operational Fields	
Business Units	Year of establishment		
- Industrial Engineering and Construction	1941		Energy
- Information Technologies	1969		Environment
- Environmental Services	2000		Transport
- Bioenergy	2001		Services
			Industry
			Telecommunications

- Abengoa currently offers a combination of activities that represent greater diversification in markets, customer portfolio, and which strengthen its capacities in relation to what was its original Engineering business.

Evolution 1994 - 2004					
		Engineering		Diversified Group with 4 different businesses	
		1994		2004	
Business		Sales %	EBITDA %	Sales %	EBITDA %
Bioenergy		-	-	20	23
Environmental Services		5	1	21	19
Info. Technology		23	43	16	19
Indust. Engin. & Const.		72	56	43	39
Geography		%		%	
USA and Canada		-	-	12,9	
Latin America		25,5		16,9	
Europe (Spain excluded)		2,3		6,9	
Africa		1,0		1,9	
Asia		1,3		1,6	
Total Abroad		30,1		40,2	
Total Spain		69,9		59,8	
Consolidated Total		100,0		100,0	

Innovation Strategy in Abengoa

Innovation is results oriented and pursues three groups of tangible objectives:

- Diversification: new products and services.
- Differentiation: enhancement and adaptation of those that already exist.
- Process enhancement.

Intangible objectives include the acquisition of essential competencies and, above all, the generation of options for the future. The latter is closely linked to value through growth prospects and the development of new businesses.

Abengoa implements its innovation policy in several ways; in-house innovation aimed at providing specific solutions for individual customers and in-house developments. There is also outsourced innovation based on collaboration agreements with universities, Research Centers, or third parties, in which case the work is usually shared. On other occasions technology is purchased. Another method employed over recent years is the acquisition of strategic financial interests in technological companies.

Investment in R&D&I

	2003		2004		2005 (P)	
	M €	% on/ Sales	M €	% on/ Sales	M €	% on/ Sales
Main Projects						
Ethanol efficiency enhancement (waste starch)	0.4		1.0		1.2	
Conversion of biomass to ethanol	0.4		3.8		19.6	
Hydrogen Technology. Fuel Cells	2.2		0.6		2.8	
Aluminum efficiency enhancement	0.0		0.6		0.2	
Vitrification	0.0		0.8		2.9	
Electric, environmental, oil and gas control centers	6.2		6.4		6.5	
Road and rail traffic, and ticketing systems	3.4		3.7		3.6	
Public Administration support systems	1.1		1.5		1.6	
Solar Energy	0.0		0.6		32.4	
Other Projects	3.8		4.3		5.8	
Total Investment in R&D&I	17.5	1.1%	23.3	1.4%	76.6	4.1%

2. Main Novelties by 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, net CO₂ emissions (greenhouse effect) are reduced. Production of DDGS (Distillers Dried Grain with Solubles), a protein complement for animals and CO₂.





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

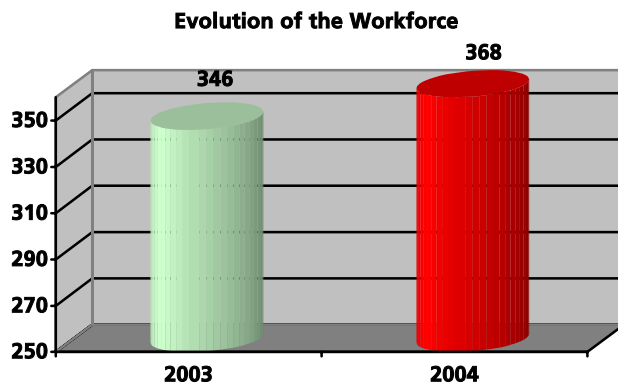
- ◆ In 2004, Abengoa Bioenergy successfully completed the ethanol supply to PCK's refinery – a British petroleum (37.5%), Shell (37.5%), Total (16.6%) and Agip (8.4%) joint venture – to supply 43 million liters of dehydrated bioethanol to its refinery at Schewedt (Germany) under a one-year contract it signed jointly with Kraul & Wilkening u. Stelling Kommanditgesellschaft-GmbH & Co. (KWST) who also supplied part of the volume.
- ◆ Abengoa Bioenergy's exports in 2004 were completed with the following spot supplies:
 - The supply of 0.9 million liters of bioethanol to the Swedish oil company Preem, which expanded the commercial relationship that had commenced with this oil company the previous year.
 - A contract with Ruhr-Petrol, a Germany-based trading company, to supply 10 million liters of bioethanol for the Miro refinery, in Karlsruhe, Germany.
 - A contract was signed in October, with Lyondell, to supply 11.4 million liters for ETBE production at the Fos chemical plant.

- 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.
- ◆ Furthermore, Abengoa Bioenergy holds the following exportation order portfolio for 2005:
 - 11 million liters for Lyondell, for ETBE production at Fos, France, to be delivered in one shipment in January.
 - 10 million liters with Ruhr Petrol for its supply to Exxon and Conoco at the Miro refinery, to be used for ETBE production. Shipments will be made in January and February to the port of Rotterdam.
 - 7 million liters to Alcodis for supply to BP at the Miro refinery in Germany, to be used for ETBE production. The shipment will be made to the port of Rotterdam in February and March.
- ◆ Greencell, an Abengoa Bioenergy subsidiary, successfully produced hydrogen from ethanol, and thus demonstrated the viability of the use of bioethanol as a hydrogen "vector", through the development and evaluation of a 10 kW prototype.
- ◆ 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 L.L.C.

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.

- ◆ Construction of the third Bioethanol plant in Spain continues. It is located in Babilafuente (Salamanca) and requires a material 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.



No. of employees

The average workforce of the Bioenergy Business Unit in 2004 was 368 employees, a 6.4% increase in relation to the same period in 2003.

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).





Environmental Services

The most significant milestones as regards contracts signed or projects developed in the sectors in which the Environmental Services business unit operates in 2004, were as follows:

Industrial Waste Management

During the year, the Industrial Waste Management Business Unit treated 1.25 million tons, a 10.6% increase on the previous year. The breakdown of the different activities is as follows:

Salt Slag Recycling

During the year, 146,000 tons of salt slags were treated at our plants in Valladolid and Whitchurch (United Kingdom), which is a 5% increase on the previous year's figure. Long-term contracts were signed with IMCO Recycling UK Ltd and Bernard Metals Ltd. These guarantee the supply of raw materials for the next five years.

Zinc Waste Recycling and Desulphurization

During 2004, 110,000 tons of steel powders were treated and 42,500 tons of Waelz oxide produced. In addition, more than 20,000 tons of different types of waste zinc were recycled, a significant increase of the previous year's volume.

Industrial Waste Management

Some 586,000 tons were treated during the year. This is a 22% increase on the previous year.

The most relevant events during the financial year were:

- ◆ The acquisition, in March 2004, of the company Gestión de Residuos del Cerrato, in Palencia, which together with the obtaining of the license to operate as a Non-hazardous Waste Manager in the Autonomous Region of Madrid, and the commencement of the same activity in Andalusia, were important milestones in Befesa GRI's diversification process. In this sense, the Non-hazardous Industrial Waste Classifying Plant, in Madrid, was brought into operation and commenced functioning in January. Works on the Non-hazardous Waste Classifying Plant in Seville were completed, and the facility will be brought into operation early in 2005.
- ◆ As the most important R&D&I activity, we would mention that the works, currently at an advanced stage, are being carried out on the Preparation Plant for Fuels originating from Hazardous Industrial Waste Management activities at the Albega Plant, in Palos (Huelva). The new facility will be brought into operation in the first half of 2005.

Industrial Cleaning and Hydrocarbons

This activity has consolidated the merging, in Befesa Tratamientos y Limpiezas Industriales, of the different companies that operated in the industrial cleaning sector.

The year's most important events were the start-up of the company ET2C, a Befesa Tratamientos y Limpiezas Industriales and Beolia joint venture, specialized in crude oil tank cleaning. The company conducted its first works for Total, in France.

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.

Engineering and Services

The contracting volume in this activity was good in 2004, and the most important contracts obtained 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, Sadyr, 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 541.7 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.

- ◆ Geida, and under the same structure as indicated previously, 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 €.

- ◆ The Ministry of the Environment has awarded Befesa and Telvent, together with Ferrovial-Agromán, a 47.7 M € contract for an Automatic Hydrographic Information System (SAIH) for the river Duero catchment basin, which will enable the implementation of the management and exploitation of the catchment basin's hydraulic resources, as well as the improvement of the meteorological information required for flood forecasting and tracking. The objective is to minimize and control any possible damage that might be caused.

The network will include a series of control stations where the data supply equipment will be installed. To this end, 97 gaging stations, 84 rain-gages, 45 canal gaging stations, 16 control frames and 13 snow gages will be built at a total of 27 reservoirs.

Likewise, five data control centers are to be installed in Burgos, Leon, Palencia, Salamanca and Valladolid. They will receive information from the Catchment Basin Data Control Center that serves as an information and control center for the complete river Duero SAIH.

- ◆ Befesa CTA was awarded the 24-million euro contract to execute the enlargement, modernization and consolidation works in the irrigation area of the User Community of Sur-Andevalo.

The Sur-Andevalo User Community's current irrigated surface area is in excess of 5,000 hectares, split into 375 plots. A further 4,000 hectares, split into another 205 plots will be transformed into an irrigated area under the enlargement plan. The entire irrigation area is within the municipal districts of Villanueva de los Castillejos, Gibraleon, Cartaya, and San Bartolome, in the province of Huelva.

The objective of this project is to construct the infrastructure required to execute, in a rational manner, the enlargement of the approximately 4,000 newly-incorporated hectares, maintaining the Community's current exploitation and operation system in order to achieve a completely homogenous irrigation area, with the same operating and exploitation features.

To this end, the activities included, among others, the installation of more than 45 kilometers of 400 to 1,300 millimeter diameter pipes for the primary and secondary distribution networks. Seven new storage reservoirs were constructed for an overall volume of 746,000 cubic meters, and three new pumping stations were built.

Befesa will also commission the infrastructure required for centralized command and control of the entire irrigation area. This is currently equipped with a very low level of automation, which leads to the risk of loss of irrigation hours, water or unsuitable functioning and, therefore, exploitation costs are more expensive.

- ◆ Befesa Construcción y Tecnología Ambiental has been awarded the more than 18 M € contract to execute the Irrigation System Modernization works for the Guiamets reservoir (Tarragona) Irrigation Subscriber Community.

The works consist of the reforming of the Els Guiamets reservoir off-take, the main piping system and the seven irrigation networks into which the irrigation area is split into. This totals more than 92 kilometers of high-density polyethylene piping, and the group and individual plot off-takes. Finally, three pumping stations will be constructed to pressurize the network and the irrigation networks and raising stations will be automated with a radio communications system.

- ◆ 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.

- ◆ Last July, Codesa, a company belonging to Befesa's Environmental Engineering section, completed the construction of the new 20,000 cubic meter/day capacity Liquid Effluent Biological Treatment Plant at ENCE's factory in Huelva.

The liquid effluent with the greater organic load from the cellulose production process is mixed with re-circulated bio-solids. Nutrients are added to this mixture and air is injected to favor the quick growth of the micro-organisms that feed off the organic matter. This reduces the oxygen demand of the final effluent. The produced sludge is valorized as a raw

material for the manufacturing of agricultural fertilizers and/or as a fuel to be used in ENCE-Huelva's biomass boilers.

In addition to this plant, Codesa is building another similar one for ENCE's factory in Pontevedra. Its treatment capacity is 46,800 cubic meters/day and the contract value is 5 M €.

- ◆ Codesa was awarded a 2.6 million euro contract to construct an effluent treatment plant for the Paper Mill Guipuzcoana de Zicuñaga, where paste and paper is manufactured. This plant performs the primary treatment, which will consist of two parallel lines:
 - One of the lines will treat the effluent from the Kraft paste manufacturing processes and its flow will be 1,200 m³/hr.
 - The second line, with a 500 m³/hr flow, will treat the effluent from the paper machine.

The basic treatment process in both lines consists of homogenization, followed by a physical-chemical treatment and primary settlement. The sludge from both lines will be forwarded to a sludge line consisting of a thickening and dehydration process.

This new contract consolidates Codesa as a reference company in effluent treatment in the paste and paper sector on the home market.

Aluminum Waste Recycling

During the 2004 financial year, the Aluminum Waste Recycling unit consolidated the restructuring process conducted in 2003 and treated 115,000 tons of aluminum-content waste, which is a 17% increase on 2003's volume.

We would likewise mention the Trading activity under which 17,400 tons were negotiated. Furthermore, the works carried out by the Technology

Division for Aluminio Dunkerque (Pechinery), Industhan Zinc (India), and Balco (India) are also noteworthy.

◆ **Befesa Argentina**

Plants in Pacheco and Campana. Industrial wastes carrier and handler.

Customers and executed works:

- Edesur, Dupont, Daimler Chrysler, PBB Polisor-Dow Chemical, Dana Argentina, Monsanto and Unilever: PCB conditioning and exportation. New contracts with Coca-Cola, FEMSA of Buenos Aires, Pilkington Automotive Argentina, Edesur, Metrovías.
- Operation Alfa Laval Plant and US Filter Plant: hydrocarbon recovery plant Slop Oil unit, tank 265. Catre area waste collection and treatment, al La Plata refinery, for Repsol YPF.
- Government of the city of Buenos Aires: conditioning of thallium sulfate and lindane waste.
- Daimler Chrysler, Ford, Peugeot-Citroen, Toyota Argentina and Volkswagen (Automobile Industry), Esso, Repsol YPF and Shell CAPSA (Oil Industry), Bayer Argentina, Lanxess, Raffo, GlaxoSmithKline Argentina, Cardinal Health (Pharmaceutical Laboratories), Rohm & Hass, TFL, Procter&Gamble (Chemical Industry): collection, incineration, inerting and final disposal at a security deposit.

Befesa Argentina continued to work on improving its Integral Management System, based on standards ISO 9001 and ISO 14001, which were re-audited by TÜV Rheinland on December 2 and 3, during the 1st Follow-up Audit.

Licenses and authorizations obtained and/or renewed during the year:

- Pacheco Facility: annual environmental certificate.
- Campana Facility: special authorization certificate and annual environmental certificate.
- Handler/exporter: annual certificate.
- Carrier: annual environmental certificate, industrial and hazardous waste carrier, and special authorization certificate, non-hazardous industrial waste carrier.

◆ **Befesa Chile**

- An industrial waste treatment plant at study stage.
- Integral waste treatment for mining companies.

Contract with Minera Noronda for waste management and treatment.

◆ **Befesa Mexico**

Its establishment process in the country continues through the development of all its business activities.

It has presented a contaminated land remediation bid to Petróleos Mexicanos (Pemex).

◆ **Befesa Perú S.A. – Chilca Environmental Complex**

In 2004, Befesa Peru increased its customer portfolio by more than 50% compared to the previous year and also expects to increase it again in 2005. It currently has more than 120 customers.

During the last year, it gained important customers in the mining (Yanacocha and Antamina), oil (Repsol, Exxon Mobil, Shell, Petroperú) and electric (Edelnor, Edegel, Eletroandes, Etevensa) sectors, and, although in lesser numbers but by no means of less importance, in the pharmaceutical

laboratory and analysis sector which is arranging for the management of its wastes in accordance with the legislation in force.

An important milestone in the wastes sector was the recent approval of the Regulations of the General Law on Solid Wastes No. 057-2004/SA, which enables the first steps to be taken towards putting the sector in order and also puts a stop to excessive informality, something that adds value to Befesa Peru's treatment facility. In 2005, Befesa Peru will try to capture a share of the generators sector that continues to dispose of its waste at land refill sites and dumps.

The Environmental Management System was standard UNE EN: ISO 14001 certified in June. This was an objective that had been established for 2004. Likewise, for 2005, the objective is to implement the ISO 9001 Quality Management System.

It is expected that Befesa will obtain the definitive authorization to export PCB and PCB-contaminated transformers by year-end.

Quality:

The Environmental Management System was standard ISO 14001:1996 certified for the activities at the safety deposit located in Chilca.

The National Industries Society awarded us, through its quality management committee, the "ISO Acknowledgement" prize for having obtained the ISO 14001 certificate in 2004.

Human Resources:

A Citizen Assistance Plan was put into practice, and is reflected through collaboration in providing breakfasts at state-run colleges, participation in school competition activities, collaboration in festivity organization in the provinces in which the company is active, and in activities as auspicious as

the "Adopt an Athlete" aid program, through which the participation of an athlete in the Special Olympics of Japan 2005 was assured.

◆ Befesa Brazil

Projects and documents are in the process of being studied. Its field of activity will be established in 2005.



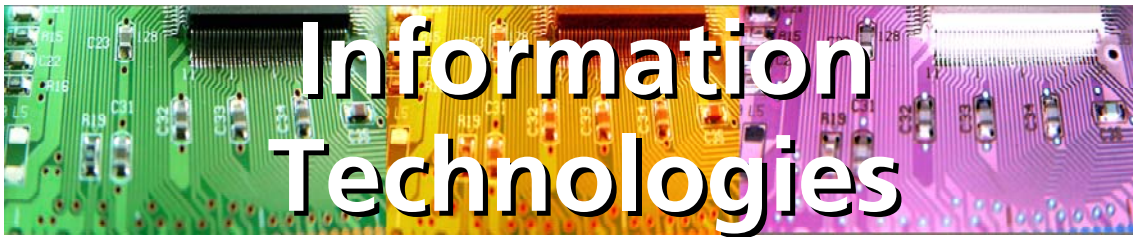
The average workforce of the Environmental Services business unit in 2004 was 1,244 employees, that is to say, 10.4% less than in 2003. This is a consequence of the divestments in Tracemar, Elsur and Aguas de Baena.

2.3 Information Technologies

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

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





Information Technologies

The most significant accomplishments during 2004, in terms of contracts awarded and project milestones, consist of the following:

Energy

Electric

In Spain:

- ◆ Contract to supply 160 Medium Voltage Distribution Network Tele-control Units for Endesa Distribución.
- ◆ Completion of the project to supply Iberdrola with an Integrated Optic Cable 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.
- ◆ Contract for two new Substation Control Systems for Red Electrica de España (Spanish Electric Network of Spain), enabling the upgrading of its installation network.
- ◆ Contract for the supply of remote monitoring and 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.

- ◆ Engineering and installation contract for the first cell of broadband access for the electric red project from Iberdrola. Telvent has been selected as one of the companies to help expand access in order to assist Iberdrola with its distribution plans for Spain.
- ◆ System for the Control of Burners in the Thermal Power Plant of Narcea for Unión Fenosa Generación. This System is responsible for executing the monitoring and control algorithms for the burners of the Plant's Group III's liquid fuel.

In North America:

- ◆ Contract to supply the Substation Automation and RTU equipment to Oncor (the regulated energy delivery subsidiary of TXU Corp). Oncor delivers electricity to residential and business consumers and supports one of the largest energy infrastructures in the world.
- ◆ Contract to automate Zone 15 of the New York City Transit Authority's (NYCTA) system. NYCTA carries over 3.5 million passengers per day along 800 miles of track and has over 400 stations. The transit system has three main rail lines to serve the needs of one of the most 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.
- ◆ Contract to supply several units of the new SAGE 2200 RTU field device to the following companies: Conectiv Power Delivery in USA, Electricity Commission in Trinity and Tobago, Wabash Valley Power (WVPA) in USA, Hydro Ottawa Limited in Canada, Alabama Electric Company in USA,

Niagara Mohawk in USA, Illinois Municipal Electricity Agency (IMEA) in USA, Oncor in EEUU, Sho-me Power in USA, and Exelon in USA.

- ◆ Supply of nine RTU units for Georgia Power Company (GPC). GPC has a network of underground substations that supply and control electric power to the downtown area of Atlanta.
- ◆ Contract for NSTAR to upgrade its outdated RTUs. NSTAR is 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.
- ◆ The North Georgia Electric Membership Corporation (NGEMC) has awarded a contract for the improvement of its electrical distribution systems. NGEMC is located in the heart of the Georgia textile region, and supplies energy to over 93,000 clients.
- ◆ The Southwest Louisiana Electric Corporation (SLEMCO), an existing client since 1982, has awarded Telvent the project for the improvement of its electric distribution system. SLEMCO provides energy in Louisiana to over 80,000 clients.
- ◆ Telvent has been awarded the control to update existing infrastructure and to provide a Control Service Center situated on the campus of the National Health National Institute (NIH). The project includes the installation of an OASyS DNA SCADA system, advanced electric applications and automation of substation platforms. The NIH contract represents the most important project involving automated substations in North America during 2004, and includes the installation of 81 new sites.

Latin America:

- ◆ 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.
- ◆ Contract for the supply, installation and start-up of eleven RTU remote stations for the Electric Energy Distributor Company Electrocosta/Electricaribe in Colombia.
- ◆ 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.
- ◆ 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.
- ◆ Contract for supplying and commissioning of 20 "OCRIS" (telecontrolled post switches) units for the Distribution Control System for the Regional Electricity Co-operative (Cooperativa Regional de Electricidad, CRE) in Santa Cruz de la Sierra, Bolivia.
- ◆ Contract for the control and supervision of 20 substations belonging to the electric energy transport system operated by the ONS company in Brasil. The 20 field installation sites are located in Rio de Janeiro, São Paulo, Brasilia, Goiás, Mines Gerais and Paraná.

Others:

- ◆ Contract for the modernization and improvement of the Distribution Network of Tunis for the Société Tunisienne de l'Electricité et du Gaz (Steg) company.

- ◆ Contract for the supply of 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.

Oil and Gas

In North America:

- ◆ Contract for the gas line administration system for PECO Energy Company of Pennsylvania (USA). The system will control an infrastructure consisting of 10,620 kilometers of natural gas transmission and distribution mains, and 29 natural gas gate stations, serving a customer base of 450,000 people.
- ◆ 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 more than 48,280 kilometers of company pipeline to determine the best use of high fidelity leak detection.
- ◆ Completed the West Texas Pipeline OASyS SCADA Upgrade Project for Kinder Morgan Energy Partners - L.P (KMP).
- ◆ Contract to upgrade the Pembina Quindar SCADA system for the Drayton Valley pipeline system in Alberta, Canada.
- ◆ Contract to upgrade BP Cochin's OASyS 5.2.2 SCADA System with the latest OASyS platform technology. 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.

- ◆ Contract with Trojan Pipeline L.P. based in Houston, Texas to provide a new SCADA system and advanced Liquids applications.
- ◆ Contract from the Piedmont Natural Gas Company to consolidate its pipeline distribution and transportation systems. Piedmont distributes natural gas to 940,000 clients, including industry clients as well as business and residential consumers.
- ◆ Contract from the Portland Pipeline Corporation (PMPL) to replace its pipeline monitoring and control system with an OASyS DNA SCADA system. PMPL operates 375 kilometres of crude oil pipeline, extending from Portland, Maine, in the United States, to Montreal, Quebec, in Canada.
- ◆ Contract from Buckeye Pipe Line Company for providing the necessary technology and services for integrating the new acquisitions from Shell Pipeline within the current control system infrastructure.
- ◆ Contract with Alyeska Pipeline Services Company to deliver an Integrated Oil Movement System (IOMS) in support of the Trans Alaska Pipeline System.
- ◆ Awarding of a contract to supply a new OASyS SCADA system for Great Lakes Gas Transmission (GLGT) company. Great lakes is a major gas distribution company that transports Canadian gas to the Great Lakes region.
- ◆ Awarding (adjudication) of the project to replace the Nederland Terminal Sunoco Logistics's SCADA Partners L.P system. Nederland is a major marine terminal that provides inventory management, and storage and distribution services to refineries and other important end users of crude oil.
- ◆ Final acceptance for the SEMPRA/SoCal Field SCADA system. SoCal Gas, a division of Sempra Energy is responsible for managing natural gas storage, transmission and distribution.

In Latin America:

- ◆ Definitive receipt of the project for the Applications Management and Control System for the Crude Oil Pipeline (OCP) constructed by Techint in Ecuador.
- ◆ Definitive receipt of the project for the Automation of the Camisea Pipeline constructed by Techint in Peru.
- ◆ Completed the LMS & GMS Backup Projects at Petrobras, Brazil's state-owned Oil and Gas Company.
- ◆ Supply of the iSCADA Control and Communication System for Comgas, the Gas Distribution Company of São Paulo's State in Brazil.
- ◆ Awarded the contract for the automation of 11 Storage and Distribution Terminals for Pemex Refinacion. The contract was awarded in three public tenders, which add an additional 17 terminals to the number of installations that have already been automated by Telvent in Mexico.

In China:

- ◆ Contract for the Zhongxian-Wuhan Gas Pipeline project awarded by the PetroChina Pipeline Company Limited. The project scope includes the management of a 1,347 kilometer pipeline linking Sichuan-Chongqing gas fields with the Hubei and Hunan provinces in South Central China.
- ◆ Delivered to CPPE (China Petroleum Pipeline Engineering Corporation) an OASYS SCADA and Station Control System that will administer the petroleum pipeline transmission network of TieDa. CPPE is a subsidiary of the China National Petroleum Corporation (CNPC).

- ◆ Contract with China Petroleum Chemical (Petrochemical) Corporation (Sinopec) company to design, install and start-up a control and information management system for the new Luwan products pipeline. Sinopec is the major producer and distributor of refined liquid products China and in the rest of Asia.

In other countries:

- ◆ Contract to deliver a control and monitoring system for Pakistan's new products pipeline. The scope of this project includes the supply of OASyS SCADA and information management systems for the Pakistan Arab Pipeline Company's (PAPCO) White Oil Pipeline.
- ◆ 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.
- ◆ Supply of a Windows-based OASyS DNA SCADA system for the safe operation of the Trans Thailand Malaysia (TTM) pipeline and related facilities. 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.
- ◆ 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.
- ◆ Contract for the project to improve the SCADA system for the Public Corporation of Gas in Greece (DEPA) S.A. DEPA is now responsible for the import, transport, and storage of natural gas; the construction and administration of the Transport System; and the sale of natural gas on a national level.

- ◆ Factory Acceptance Testing for Telvent's Istanbul Gas Distribution Corporation (IGDAS) project, located in Istanbul, Turkey has been completed. Telvent's systems will supervise and monitor the gas distribution network for the city of Istanbul, consisting of over 2,270,000 clients.
- ◆ Telvent received the Final Acceptance Certificate for the BOTAS Project (Turkey). The project included the construction of a new Control Center building, replacement of the current SCADA System, supply and integration of RTUs, and installation of the pipeline management software.

Traffic

In Spain:

- ◆ Completion of the Centralization Project for the City of Pontevedra's General Traffic Department.
- ◆ 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)
- ◆ Completion of the ITS (Intelligent Traffic System) Facilities on the Radial-4 Toll Highway, along with the signalling, 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.
- ◆ Award of the maintenance contract for the ITS facilities on Autopista del Sol for the Concessionaire, Ausol covering a 20 month period (with a one-year extension option).
- ◆ Subsequent to the inauguration of the Forum, in 2004 Telvent achieved 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 signalling and control equipment installation on the M-50 motorway, between the A-1 and A-2 (Madrid).
- ◆ Maintenance contract for the traffic light facilities and management of the traffic control center of the City of Lugo, for an additional two years.
- ◆ Contract for providing technical assistance for Traffic Safety for the national highway network of western Andalusia.
- ◆ Technical Assistance to support different sanction units of the Provincial Traffic Headquarters of the State Traffic Office (Dirección General de Tráfico, DGT).
- ◆ Two-year extension of the integral conservation of Piedrafita, providing a 24-hour road assistance and vigilance service throughout the year.
- ◆ Awarding of the Dynamic Signaling and Traffic Management Project in the A-8, routes: Santander-Castro Urdiales and Torrelavega-Pésues; in the A-67, route: Polanco-Torrelavega-Los Corrales de Buelna; and in the S-20, circumvolution North Santander, for the General Traffic Division.
- ◆ Awarding of the Traffic Diversion Works in Avenida Meridiana, Barcelona, aimed at the building of the Metro Interchange in La Sagrera, for the Barcelona Town Council.
- ◆ Contract for hardware and software conservation, and for assistance with the Network Gigabit exploitation and Multitunnel Systems of Tunnels from Basic Network of Barcelona 2004-2005, for Council County of Barcelona.
- ◆ Awarded the contract to supply and install the systems detailed in the project for the Traffic Management Center in the city of Ceuta.

- ◆ Within the Digital City of Almeria project. Telvent will install intelligent management systems for urban traffic, accesses control and systems to help the exploitation of the urban transport. For this project we will be implementing our most advanced of traffic control and road safety systems.

In Latin America:

- ◆ Contract for the Anchieta – Inmigrantes Highway Tunnels project (for Ecovías), in Brazil.
- ◆ Contract for the ITS system (Intelligent Traffic System) project for the Centrovías Highway in Brazil.
- ◆ Supply of an ITS System for Intervías Concessionaire in Brazil that will be used for the management of several roads in the Brazilian state of São Paulo.
- ◆ Contract for the extension of the Renovías toll in the state of São Paulo, Brazil.
- ◆ Contract for the installation of the Motorway Management System for the Intervías Concessionaire in the state of São Paulo, Brazil.

In China:

- ◆ Contract in China (Beijing SuperCenter). The scope of this project includes the installation of retroprojectors in the management control centre in Beijing. This contract for Beijing Capital Highway Development Co. Ltd, also includes the installation of a management system for the motorway access networks and ring roads of the city of Beijing.

- ◆ The awarding of the Traffic Centralisation project for the city of Xin Xian, in the Chinese province of Henan, to carry out the centralization of the urban traffic for that city.
- ◆ Awarded the contract for Urumqi UTC, for the supply, installation and start-up of an urban traffic management and control system in the Chinese city of Urumqi.
- ◆ Awarded the contract for Er Dos UTC, for the traffic centralization project in the city of Er Dos, in China.

In other countries:

- ◆ Contract to design, supply, install and commission the Traffic, Toll and Communications System for the Bucharest-Constanza Highway in Romania.
- ◆ Contract for the Urban Traffic Centralisation project for the city of Haiphon in Vietnam.
- ◆ Renovation of the toll system installed in the Concession of the Envalira Tunnel (Andorra).
- ◆ As a complement to the Traffic activity, the contracts and important milestones for the systems that have been awarded, include the following:
- ◆ Contract for Extension and Modification System of Location of Noses by Satellite of the General Secretariat of Maritime Fishing for General Direction of Patrimony.
- ◆ Contract to extend Bermeo's Navigation and Fishing Simulator.
- ◆ Provisional receipt of Tactical Malingerer to Naval Military School for the Spanish Navy.

- ◆ Contracting of two Malingerers of Liquid Charges to Central Finance Office and Contracts of the General Secretary Community matters, Turkey.
- ◆ Contract with the Spanish Navy for the manufacture and supply of a Navigation and Manoeuvring Simulator for Marín's Naval Military School.
- ◆ Contract to extend Bermeo's Navigation and Fishing Simulator for the Social Maritime Institute of Vizcaya.
- ◆ Contract with the Social Maritime Institute of Gijon to extend its Navigation and Fishing Simulator.
- ◆ Contract with the Social Maritime Institute of Huelva to extend the Navigation and Fishing Simulator of Isla Cristina.

Transport

In Spain:

- ◆ Contract for the Supply and installation of the Toll system in South Bergara for the AP-1 Vitoria-Eibar Motorway.
- ◆ Increase of Centralized Railway Traffic Control System of Barcelona to Maintenance RENFE.
- ◆ Strategic partnership between Telvent and Buscom Oy, the first company in the world to introduce contactless-cards within the Public Transport applications.
- ◆ Completion of the supply, installation and start-up of the Plaza de España parking project in the Ferrol Northeast parkings (Masaveu Group).
- ◆ Awarded the supply and installation of the toll system for Tabasa's System in "Túnel de Vallvidrera".

- ◆ Telvent was awarded the Control and Management System of Parking Areas for Trucks that the company Guitrans-Sintragi is proposing in Urnieta (San Sebastian).
- ◆ The awarding of the Maintenance of the Ticket Sales and Cancellation System for Bilbao for a one-year period, with an optional extension for a further two years.
- ◆ The supply, installation, and maintenance of new Ticketing equipment for the most significant stations of the EuskoTren.
- ◆ Contracting to supply the infrastructure, deployment and operation of transactional system for Alsa, through the Movelia Passenger Transport Operator Association.
- ◆ The awarding of the contract for supplying and implementing Toll Equipment for Traveller Access Control on Line 3 of the Madrid Underground.
- ◆ Contracted to supply and install software for the accomplishment of the "Pilot Test with Technologie Without Contact" to underground from Madrid in the Zone A (Fuenlabrada Area).

In Latin American

- ◆ Multiservice network for Valparaiso underground in Viña del Mar, Chile. All of the control data, video-phone and corporate data will be transported through fiber optic for the management and exploitation of the underground.
- ◆ Awarded the toll system expansion project for eight additional routes for the Renovation Concessionary in the region of Sao Paulo, Brazil.

In China

- ◆ Contract signed with the Chinese authorities to supply the automatic ticketing system and radio communications system for Tianjin Metro.

Environment

In Spain:

- ◆ 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).
- ◆ ATIS (Airport Terminal Information System) Systems for Madrid and Barcelona airports, for AENA.
- ◆ Supply for the Air Quality Surveillance Stations (RVCA) in the Madrid-Barajas Airport enlargement.
- ◆ Contract with Aena for the supply, installation and subsequent management of the analytical equipment utilized for zone emission monitoring for the Airport System of Madrid, for a two year period.
- ◆ Maintenance and preservation contract for the Air Quality Monitoring and Surveillance Network for the Autonomous Community of Valencia (Spain), for a period of one year.
- ◆ Renewal of the maintenance contract of the Environmental Vigilance Network of the Los Barrios Thermal Power Station in the Campo de Gibraltar (Cadiz) for Endesa Generación and Endesa Ciclos Combinados.

- ◆ The contracting of the Geographical Information System (GIS) for the administration of the Water Framework Directive in the Hydrographical Confederation of the Guadalquivir (Ministry of Environment).
- ◆ Contract awarded for the Automatic Water Information System (SAIH) for the basin of the Duero river for the Ministry of Environment. Telvent will fulfil this project together with Befesa (Abengoa's subsidiary for Environmental Services).
- ◆ Supply and installation of meteorological equipment to Vitoria Airport, as requested by the National Institute of Meteorology.
- ◆ Supply and installation contract for Meteorological equipment for the Santander Airport.
- ◆ Project for the supply and installation of Detection of Beams System in Canaries, for the National Institute of Meteorology.
- ◆ Successfully concluded the installation of the ATIS (Automatic Service of Information of Terminal Area) System for the Barcelona airport. This system will allow data acquisition and processing, in real time, of the meteorological and operational information for the airport, and its broadcasting to aircraft.

In North America:

- ◆ Contract for the 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.
- ◆ Water distribution project in the City of Columbus in USA.

- ◆ Contract to supply an Emergency Control Center for the City of Houston, which will include a SCADA system that will allow the city to collect and analyze realtime information for all surface water resources, enabling efficient management of the overall system.

In Latin America:

- ◆ Contract for the installation of a network of hydro-climatologic stations for the State Water Commission (CEA) of Querétaro (Mexico)
- ◆ Emissions Control System for Guaymas State TPP (Mexico), for CFE (Electrical Federal Commission).
- ◆ 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 (Electrical Federal Commission).
- ◆ Contract for the supply and installation of the meteorological enhancements for the Air Navigation Integrated Systems in A. Gelabert and Tocumen in Panama airports.
- ◆ Contract for an Air Quality Monitoring Network for the cities of Tegucigalpa and S. Pedro Sula (Honduras).

In other countries:

- ◆ Contract for the Control System project for managing the potable water supply of Gran Amman (Jordan). The district of Gran Amman has a surface area of approximately 700 km² and supplies a population of almost two million.

- ◆ Provisional receipt of the first three of six AWOS installations, in Meknes, Errachidia and Ouarzazate Airports, for National Meteorology Direction (DMN) of Morocco.

Others

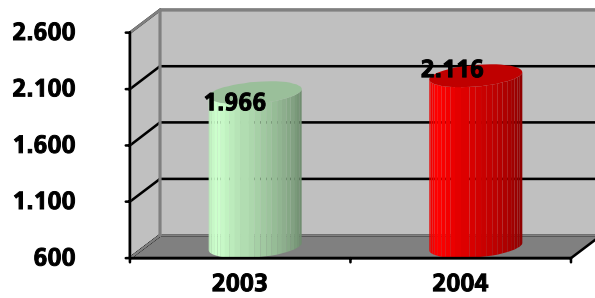
Public Administration and Health sector.

- ◆ Contract for the Regional Government of Andalusia's Backup Center.
- ◆ Contracting from Almeria's Excmo Council, for the administrative concession for the design, construction and exploitation development of a Digital Services Advanced Center for the urbanization of "El Toyo " and Almeria's City.
- ◆ Completion of the implementation of a CRM solution for the Public Service for the Ministry of Innovation, Science and Enterprise for the Andalusian Government.
- ◆ A contract for the platform implementation of Electronic Administration services developed by the Andalusian government.
- ◆ The awarding of the Consultancy and Technical Assistance tender for the Maintenance of the Andalusian Public Shows and Games Information System (Sistema de Información de Juegos y Espectáculos Públicos de Andalucía, SISJUEP).
- ◆ The completion of the installation of the application servers and the user terminals, together with the adaptation and structured wiring and network electronics for the municipal offices of the La Línea de la Concepción Town Hall.

Outsourcing Area and Technologies Infrastructures Management

- ◆ 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.
- ◆ Telvent has inaugurated in Seville its fifth Data Center within the Iberian Peninsula. This center is provided with the same technical first level characteristic as all the other centers, and, as with the previous Telvent installations, it has become a Neutral Data Center reference in the south of Spain.
- ◆ Contracting with Hewlett Packard (HP) to provide the infrastructure for housing in both the main data centre (Alcobendas) and the backup data centre (Fuencarral) inside the Outsourcing process of the Uralita information systems (client of HP).
- ◆ Renovation of Red.es contract for housing its information systems and services for Housing, Moving and Administered Services.
- ◆ Contracting with Twenty4help to install all of its technological platforma, as well as the Call Center to support operations activity (approximately 40 persons) in the Data Center from Valgrande. Twenty4help it is a company dedicated to the technical support of large companies within the IT sector companies such as Microsoft and Sony Ericcson.
- ◆ Contracting with ISP that will embed its technological platform in Valgrande's Data Center, that is currently being hosted in the Data Center of a competitor company.
- ◆ Contracting with Selgam Tower for its Call Center supporting its clients in Valgrande. They will start by giving service to its client TPI utilizing a 15 person staff.

Evolution of the Workforce



The average workforce of the Information Technologies business unit in 2004 was 2,116 employees, a 7.6% increase on that of 2003.

2.4 Industrial Engineering and Construction

Engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industrial, 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 telecommunications 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.





2.4 Industrial Engineering and Construction

The main novelties in relation to contracts awarded, new plants, price evolution, etc., in the Industrial Engineering and Construction business unit were as follows:

- ◆ The Instituto Costarricense de Electricidad (ICE) awarded Abener, an Abengoa subsidiary, the 158 million dollar turnkey construction contract for Garabito Combined Cycle Power Plant, on the west coast of Costa Rica.

- ◆ Moreover, and as a part of the internationalization process carried out by the Industrial Engineering and Construction Business Unit, Abener was awarded two contracts by the Comisión Federal de Electricidad of Mexico, the first of which is the turnkey construction of the Internal Combustion Engine for the Baja California Sur II Power Plant, with the contract value being 60 million dollars. The second contract, valued at 31 million dollars, is for the modernization of the Emilio Portes Gil Thermal Power Plant in the city of Rio Bravo, state of Tamaulipas (Mexico).

- ◆ During 2004, the one-year continuous operation availability test period was successfully completed on the enlargement to 450 MW of the combined cycle of El Sauz (Mexico) Thermoelectric Power Plant. This was executed by Abener.

- ◆ On June 24, Abener handed over the ETBE (a composite currently used in gasoline as a detonation suppressant as a replacement for lead) production plant that was constructed at Cepsa's La Rabida (Huelva) refinery, following the successful services viability and measurement tests.

The plant's main features are an ETBE production of 34,028 t/year, a butane consumption of 123,270 t/year, and an ethanol consumption of 15,372 t/year.

- ◆ Inabensa, an Abengoa subsidiary, has completed, in consortium with Eptisa, the 36 million dollar turnkey construction of the oil product storage plant at Nouakchott, in Mauritania.
- ◆ Abengoa, through its subsidiary Inabensa, was awarded several MV/LV Rural Electrification contracts by the National Electricity Board (ONE) in Morocco for more than 31 M €. The contracts are to be executed in the provinces of Taroudant, Chichaoua and Agadir (southern area), Boulemane (central area), and Chefchaouen and Nador in the northern area.
- ◆ Likewise, this increase of activity in Magreb has lead to Inabensa being awarded packets for treatment plants, pumping stations, and electricity and telephone works for the "Saidía Mediterranean Tourist Resort" project the Spanish company Fadesa is going to execute in the north of Morocco for an approximate value of 11.8 M €.
- ◆ Inabensa has been awarded, under a JV, the contract for the works included in the Electric System project for the New Terminal Area at Barcelona airport. The contract value is approximately 19 M €.
- ◆ Likewise, Inabensa has been awarded a contract, under a 70% consortium, for the Instituto Costarricense de Electricidad (ICE), for the design, construction, supply of equipment, materials and services, and commissioning of Palmar, Cóbano and Cahuita substations. Abengoa's share in the contract is valued at 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 lines circuit between Sipat and Seoni.
- ◆ Ford España, S.A. awarded us a 3 M € contract for the electric installation works in the engine shop at its Almusaffes factory (Valencia), for the C-Car project.
- ◆ Distribution (for MV and LV lines) and maintenance works (for HV lines) continue for Endesa, in Catalonia and the Balearic Isles, and for Iberdrola, in Levante and the Northern Sector, under the pluri-annual contracts we have signed. The value of the contracts for the 2004 financial year is 18 M €.
- ◆ In 2004, Abengoa, through its telecommunications subsidiary Abentel, continues to work on the global customer loop contract by carrying out installation and maintenance works for Telefónica de España. The contract value foreseen for 2004 is 46 M €.
- ◆ In relation to solar energy, work commenced in June 2004 on the construction of the largest solar power plant using tower technology and heliostat field technology with an 11 MW output, and the funding for the construction of a 1.2 MW two-fold concentration photovoltaic plant has been closed. Likewise, three new companies have been set up to develop the new solar projects.
- ◆ Hynergreen, an Abengoa subsidiary for the development of fuel cells, has become a member of the Advisory Board of the European Hydrogen and Fuel Cell Technology Platform, recently launched by the European Commission.

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

◆ Teyma Abengoa (Argentina)

The company maintained its presence in the Argentinean Market, and achieved greater diversification and expanded its customer base.

Customers and executed works:

- Yaciretá Binational Body: design, construction and industrial installations.
- Compañía de Teléfonos del Interior (CTI): property management, detailed engineering, civil works and erection of 600 radio-link sites.
- Telefónica de Argentina: public telephone works.
- Other customers: Transener, Repsol YPF, Transba, Nortel.

The Quality Management System was re-certified in accordance with standard ISO 9001:2000, and implementation of the Environmental Management System according to standard ISO 14001 advanced. Its certification is scheduled for during the first quarter of 2005.

◆ Abengoa Chile

Important projects were completed and others commenced, while the recurrent telephone network and high-voltage line maintenance works continued.

Customers and executed works:

- HQI Transelec: transformation to 500 kV high voltage line of the 2 x 220 kV Charrúa-Ancoa 1-2 lines, and terminations of the 1 x 220 kV Charrúa-Ancoa 3 high voltage line, and replacing of conductors at SET Antuco.
- Chilectra: route modification of the 110 kV Cerro Navia-Renca line.
- Minera Collahuasi: construction of the filter yard, belts sector.
- Aguas Andinas: El Monte sewage system.

In progress:

- Endesa Chile: Optic fiber links for Maule power plants.
- Codelco Norte Chuquicamata: relocation of 100 kV electric feeders, line 4 Tocopilla-km 6, and the Chuquicamata-Calama Line, and contract no. 25064-TK-04 electric substation, 13.8 kV distribution and mine loop.
- Minera Collahuasi: southern distribution system.
- HQI Transelec: 1 x 220 kV Charrúa-Chillán line and repair of the 2 x 220 kV Tarapacá- Lagunas line.
- Codelco División el Teniente: assembly and commissioning of the Diablo Regimiento project ventilation system.
- BDS: Pichincha freshwater well system, Inca and Coposa pavilion at Collahuasi Mine.
- Codelco Norte Chuquicamata: installation of the third 220/110 kV auto-transformer in consortium with Siemens Chile, Siemens Brazil and Siemens AG.
- Esvál: Héroes del Mar drinking water networks.

Recurrent activities:

- Chilectra: maintenance and minor works on high-voltage lines. Contract SOT-SOC 2004/08.
- Telefónica CTC Chile: external plant and service order works. Contract PRI 47.

Certifications:

Renewal of the ISO 9001:2000 Quality Management certificate and ISO 14001 Environmental management certificate.

Risk Prevention Management (OHSAS 18000) certifying process under way.

R&D activities: Activities continued within the framework of the bioethanol development project, study of key variables of the hydrolysis and

fermentation process, in collaboration with Universidad de Concepción and CORFO.

◆ **Teyma Uruguay**

Subsequent to the crisis the country went through, Teyma Uruguay met the objectives established for 2004, doubling 2003's billing figures, and the workforce returned to an average of one thousand employees.

Customers and executed works:

- Montevideo City Corporation (IMM):
 1. Sewage network rehabilitation and recovery works, strengthening of collectors and piping replacement on the Arteaga network.
 2. Road repair and paving works in Montevideo.
 3. Pumping stations, Cañada Jesús María, Colón and Pantanoso pressurized pipelines and Pantanoso main collector.
 4. Rehabilitation of the Teatro Solís prior to contracted dates.
 5. Through Consorcio Ambiental del Plata (CAP), in a 1,210 ha area with a population of 150,000, household refuse collection service, street cleaning and removal of material to final destination. Innovative collection system employed.
- Obras Sanitarias del Estado (OSE): liquid waste treatment plants in the city of José Pedro Varela, with three pumping stations and their respective pressurized pipelines. Enlargement of the city of Florida's sewage network. Treatment of the Arroyo Carrasco catchment basin.
- Banco Hipotecario del Uruguay: design, project and construction of the "curtain wall" for head offices façade change, including the disassembly of more than 3,000 pieces of reinforced concrete (1,000 kg each).
- Gaseba Uruguay: project and installation of polyethylene pipes, household connections with their respective regulating systems.
- Hospital de Clínicas: hanging of the "curtain wall" on the main façade.

- Administración Nacional de Usinas-UTE: improvements to the low, medium and high voltage distribution network in the Central Distribution Sector's management area.
- Corporación Vial del Uruguay: construction of the new bridge of the Arroyo las Espinas on route 10.
- MVOTMA: housing construction for passives.
- Administración Nacional de Puertos: Montevideo port infrastructure maintenance works and replacement of the water network in its northern sector.
- Chipper S.A.: chipboard stockyard at La Tablada.
- Ence-Eufores: construction of the new chipboard stockyard in the Peñarol district of Montevideo. Construction of workshop and changing-room building at the logistics terminal of M'Bopigua, in Fray Bentos. Enlargement of the chipboard plant at Young.
- Ambev: construction of a new brewery and a liquid waste treatment plant (partnership with Abengoa Peru).
- Servicios Forestales: through its subsidiary Pandelco, with a 10% market share, crop services for the country's main operators.

Teyma Uruguay and its subsidiaries Pandelco and CAP are the only companies in Uruguay to simultaneously hold the ISO 9001 Quality, ISO 14000 Environmental and UNIT 18001 Occupational Health and Safety certificates.

◆ **Abengoa Mexico**

23 years after its arrival in Mexico, Abengoa maintains its position as one of the main transmission line and electric substation electromechanical installations integrator companies for the Comisión Federal de Electricidad (CFE).

Abengoa México also participates in infrastructure projects for Petróleos Mexicanos (Pemex), and in the water treatment and management market.

Customers and executed works:

- Comisión Federal de Electricidad (CFE): 55 TL transmission network for the Baja California Sur I CCPP (contract: PIF 001/2003), execution of the works required for the construction and installation of two transmission lines, 230 kV and 115 kV, length 49.6 km-C; two substations, 230 kV and 115 kV with total capacity of 133.3 MVA; ten high voltage feeders in the State of Baja California Sur (consortium formed by Abengoa México, Elecnor, S.A. e Isolux de México).
- Comisión Federal de Electricidad (CFE): 28 TL network associated with Altamira II, III y IV (3rd phase) (contract: PIF 018/2002), execution of the works required to construct and install three 400 kV transmission lines, total length almost 291 km, in the states of San Luis Potosí, Zacatecas, Jalisco and Aguascalientes (Abengoa México and Elecnor, S.A. consortium).

In progress:

- Comisión Federal de Electricidad (CFE): 104 SLT 706 Sistemas Norte (1st phase), execution of the works required for the construction and installation of eleven transmission lines – 230 kV, 138 kV and 115 kV, total length almost 432.8 km, and ten transformation substations – 400, 230, 138 and 115 kV, with a total capacity of 1,533.33 MVA, 18.0 MVAR, of the inductive type, and thirty feeders, in the states of Coahuila, Chihuahua, Durango and Baja California Norte. Contracted value: US\$ 78,249,980.25.
- Mitsui de México: substation for a combined cycle in Valladolid (Yucatan). For the 500 MW combined-cycle plant being constructed by Mitsui-Toshiba-ICV for the CFE, in the city of Valladolid (Yucatan), construction of the electric substation that links the power plant and CFE's electric substation.

◆ Comemsa (Mexico)

Its factory is at full production capacity and it has greatly improved on the expected performance ratios. Its main objective for 2005 is to consolidate its entry on the North American market.

Customers and executed works:

- Actividades Industriales y de Servicios, S.A. (Cobra): transmission towers for Project 70 TL Rivera Maya, supply of five 400 kV dc types and three types of towers for 115 kV dc, for a total of 7,600 tons.
- Abengoa México, S.A. de C.V.: transmission towers for Project 104 TL 706 Sistemas Norte 1st phase. Design and manufacturing of towers for 230 and 400 kV, for a total of 2,900 tons.
- Elecnor, S.A.: transmission towers for Project 104 TL 706 Sistemas Norte 1st phase. Design and manufacturing of towers for 400 kV, for a total of 1,500 tons.
- Control y Montajes Industriales CYMI, S.A.: transmission towers for TL 614 and 615. Supply of fifteen types of ac and dc towers for 230 kV, for a total of 2,300 tons.
- Abengoa México, S.A. de C.V.: substation structures for Project 104 TL 706 Sistemas Norte, Herradura, Quevedo, Menonita, Durango and Cautlan substations. Design, manufacturing and supply of high and low voltage structures, for a total of 500 tons.
- Elecnor, S.A.: Valladolid substation structures – supply of high and low voltage structures, for a total of 500 tons, and Piedras Negras substation – supply of 150 tons of high voltage structures.
- Euroinsta México, S.A. de C.V.: 1,150 tons of telecommunication towers for the development of the telephone network of Telefónica Móviles de México.
- Mexsemi, S.A. de C.V.: 800 tons of telecommunication towers, for the development of the telephone network of Telefónica Móviles de México.
- Swecomex, S.A. de C.V.: manufacturing and supply of a total of 400 tons of steel structures.

In progress:

- Control y Montajes Industriales CYMI, S.A.: TL 709, supply of seven types of dc towers for 230 kV, coming to a total of 2,000 tons.
- Control y Montajes Industriales CYMI, S.A.: TL 615 b supply of four types of towers for 230 kV, coming to a total of 100 tons.
- Inabensa, S.A.: Cóbano, Palmar and Cahuita substations (Costa Rica). Supply of a total of 270 tons of high and low voltage structures.

◆ Abengoa Peru

In a small and highly competitive market, Abengoa Peru increased its customer portfolio and expanded its activities, increasing its capacity to offer and executing projects under alliances with other local companies and Abengoa. This situation allows it to look to a very promising 2005.

Customers and executed works:

- Red de Energía del Perú S.A.: changing of the Lima Zapallal-Chimbote 1 conductor to 220 kV.
- Electronorte S.A.: remodeling of distribution networks and rehabilitation of low voltage networks in the business units of Chiclayo and branches.
- Hidrandina S.A.: expansion of the primary and secondary distribution networks, and household connections at three settlement areas. El Porvenir, three populated centers. Libertad Noroeste, two populated centers. Huanchao, province of Libertad, for 5,172 beneficiaries.
- Electrocentro S.A.: enlargement of the distribution networks in the city of Tingo María. 400 beneficiaries.
- Asociación Cultural Peruano Alemana de Promoción Educativa "Alexander Von Humboldt": construction of the youth center.

In progress:

- Lima Airport Partners: electric substation civil works at Jorge Chávez International Airport.
- Ambev Perú: civil works at Ambev Peru's brewery, executed jointly with Teyma Uruguay.
- Codistil Dedini: effluent treatment plant at Ambev Peru's brewery.
- Banco de Materiales: edification of 1,512 single family dwellings, conditioning and paving works for the El Mirador de Pachacutec pilot project.
- Electronorte S.A.: rehabilitation of medium voltage feeders at the business units of Chiclayo, Cajamarca and branches – 2nd phase.
- Electronoroeste S.A.: 60 kV Piura-Sullana transmission line.
- Electronoroeste S.A.: remodeling of the 33 kV Zorritos-Cabeza de Vaca transmission line.
- Hidrandina S.A.: Unit VI: feeders and links at Chimbote, Casma, Huaraz, Caraz, Paiján and Chepén.
- Minera Barrick Misquichilca S.A.: electric and instrumentation works for the Alto Chicama mining project.
- Ministry of Energy and Mines: Unit I of the electric frontier expansion program, consisting of the construction of an 80 km, 60 kV transmission line and four small electric systems in the Province of Piura which includes 855.4 km of primary lines plus primary and secondary networks and household connections for 26,268 beneficiaries.

Quality:

Once the training, environmental evaluation and definitive documentation stages for the system had been completed, the implementation of the ISO 14001 Environmental Management System commenced for the activities at head office.

Human Resources:

The implementation of the HHRR Management System commenced back in September 2003. It is based on the competences the work station description and classification must cover, recruiting and selection and training. The first stage was completed in 2004.

◆ **Bargoa (Brazil)**

Bargoa continued to grow and increased its volume of business by more than 150% compared to the previous year.

Its traditional customers are Brazil's main stationary telephone operators, in particular Telemar.

On the foreign market, Telefónica de Argentina's activity was important. Our traditional USA, Japanese, Latin American and Central American countries' markets continued to be active, and the commencement of activities in the Spanish and Egyptian markets is noteworthy.

The Fundación Instituto Miguel Calmon de Estudios Sociales y Económicos awarded the company the prize for the sector's best company of Rio de Janeiro in 2003.

Important improvement works have been undertaken at our Camorim and Lagoas facilities, some of which will be completed in 2005.

Bargoa was extremely active in the development of new products, which enabled it to attend to the new needs of the market. An ambitious Product Development program has also been established for 2005.

◆ **Abengoa Brazil**

It continues to occupy a leading position among the companies involved in Brazil's high voltage transmission lines market. Of a total of 2,869 km of

contracted lines, 1,562 km are in operation (Expansión, ETIM, NTE and STE), 370 km under construction (ATE) and 937 km (awarded under competition-auction at Sao Paulo Stock Exchange are awaiting signing of the concession contract in March 2005.

Customers and executed works:

- Nordeste Transmissora de Energia (NTE) (concessionaire)-Agencia Nacional de Energia Eléctrica (ANEEL): construction and operation of the 500 kV, 200 km Xingó/Angelim transmission line, and the 230 kV, 186 km Angelim/Campina Grande transmission line. In operation since January 2004.
- Sul Transmissora de Energia (STE) (concessionaire)-Agencia Nacional de Energia Eléctrica (ANEEL): construction and operation of the 389 km, 230 kV Uruguaiana/Maçambará/Santo Ângelo/Santa Rosa transmission line. In operation since July 2004.
- Expansión Transmissora Itumbiara (ETIM)-Marimbondo (concessionaire)-Agencia Nacional de Energia Eléctrica (ANEEL): construction and operation of the 212 km, 500 kV Itumbiara/Marimbondo transmission line. In operation since June 2004.

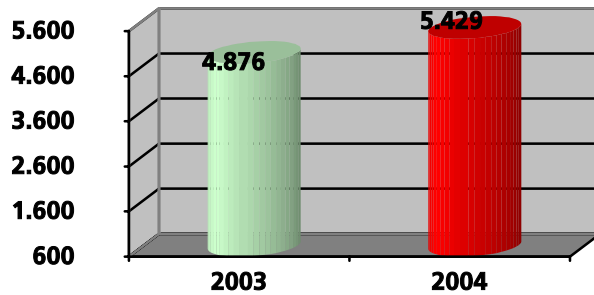
In progress:

- ATE Transmissora de Energia (concessionaire)-Agencia Nacional de Energia Eléctrica (ANEEL): construction and operation of the 370 km, 525 kV Londrina/Assis/Araraquara transmission line.

New contracts:

- Lot A– Leilão 002/2004 (concessionaire): Agencia Nacional de Energia Eléctrica (ANEEL): construction and operation of the 937 km, 500 kV Colinas/Ribeiro Gonçalves/São João do Piauí -Sobradinho/Ribeiro Gonçalves Substation transmission line. The concession contract is to be signed in March 2005.

Evolution of the Workforce



The average workforce of the Industrial Engineering and Construction Business Unit in 2004 was 5,591, a 9.1% increase on the average for 2003.

No. of employees

3

3. Evolution of the Businesses. Highlights**3.1 Bioenergy**

Bioenergy	Dic. '04	Dic. '03	Var (%)
Sales	335.3	291.4	15.1
Ebitda	47.5	36.3	30.8
Ebitda/Sales	14.2%	12.5%	

The Bioenergy business unit's accumulated sales to December were 335.3 M € as against 291.4 M € for 2003, a 15.1% increase which is mainly due to exports in Europe and the increase of sales in the US. This was achieved in spite of the 9.1% depreciation of the dollar compared to the same period the previous year.

The Ebitda increased 30.8% from 36.3 M € in 2003 to the current 47.5 M €. The increase is mainly centered in Europe where, in spite of the poor price scenario, results have improved as a consequence of the greater sales volume (export contracts) and the optimization of plant performance levels. In the US, the higher grain prices have been compensated by the improvement in ethanol prices and the same Ebitda level has been maintained.

Main Highlights

- ◆ The accumulated volume of ethanol sales to December 2004 was 261.4 million liters in Europe and 105.5 million gallons in the US. To December 2003, 200.1 million liters had been sold in Europe and 107 million gallons in the US.

- ◆ During 2004, the tendency in the price of ethanol has been a slight drop compared to prices in the 2003 financial year, although a recovery has been made towards the end of the period, and accumulated average prices to-date of 0.524 €/liter have been obtained (compared to a price, for the same period in 2003, of 0.530 €/liter). In the United States, taking into consideration the figures to December for both years, the tendency has been favorable at 1.28 US\$/gallon (compared to 1.14 US\$/gallon in 2003). Considering the same period, the price of grain has risen sharply in Europe to 145.5 €/ton (compared to 131.5 €/ton), and in the United States, where the company has obtained a final price of 2.61 US\$/Bu (compared to 2.54 US\$/Bu in 2003).

3.2 Environmental Services

Environmental Services	Dic. '04	Dic. '03	Var (%)
Sales	359.1	365.4	-1.7
Ebitda	38.0	37.8	0.6
Ebitda/Sales	10.6%	10.3%	

The Environmental Services Business Unit's sales to December 2004 dropped 1.7% in comparison to 2003. This was due to the water management companies Abensurasa, Elsur and Aguas de Baena, exiting the Consolidation perimeter.

In spite of the reduction in sales, the Ebitda on sales margin increased from 10.3% in 2003 to 10.6% in 2004. That is to say, there has been a lower sales volume due to divestments, but margins have been up on last year's.

The evolution by Business Unit was as follows:

- Industrial Waste Management: Its evolution continues to be positive compared to the previous year. To December 2003, some 1.13 million tons were treated while to December 2004, the number of tons increased 10.6% and reached almost 1.25 million tons.
- Engineering and Services: In 2004, almost all the goals that had been set were met, and the contract portfolio for future years has been strengthened enormously. In this respect, we would especially mention important contracts at home and abroad and most especially abroad for the construction of two desalination plants in Algeria for a contract value of 225 million euro. Befesa holds a 50% participation in these projects.
- Aluminum Waste Recycling: The evolution of the activity has clearly been positive, and this is due mainly to the restructuring process carried out in 2003 which has enabled the Balance Sheet to be enhanced. There has been a clear recovery in volume and margins in this activity.

3.3 Information Technologies

Information Technologies	Dic. '04	Dic. '03	Var (%)
Sales	270.4	265.5	1.9
Ebitda	38.8	31.0	25.3
Ebitda/Sales	14.4%	11.7%	

The accumulated sales in the Information Technologies Business Unit over the 12 months of 2004 have behaved in a positive manner in all the sectors in which we operate, with the Environment and Outsourcing being especially noteworthy. In the Energy and Traffic sectors, the delay accumulated during the first two quarters as a result of greater seasonality in 2004 and which most affected the Traffic sector, was positively recovered in accordance with what was foreseen.

The greater proportion of sales in North America means that the Euro/US\$ exchange rate has an ever-increasing impact on the Information Technologies Business Unit's sales figures.

The positive trend of an ever-increasing percentage of our sales being the result of high added value applications continues and this leads to the enhancement of our operating margins which results in an improvement of the Ebitda, which has increased from 11.7% in 2003 to 14.4% this year. The enhancement of the operating margins is also closely linked to the constant improvement of our in-house processes, which leads to an increase in efficiency in the normal course of operations.

3.4 Industrial Engineering and Construction

Industrial Engineering & Construction	Dic. '04	Dic. '03	Var (%)
Sales	722.3	713.0	1.3
Ebitda	78.0	80.1	-2.7
Ebitda/Sales	10.8%	11.2%	

The Industrial Engineering and Construction Business Unit's sales in 2004 increased 1.3% on the previous year's volume and reached 722.3 million euro, in spite of its greater exposure to foreign currencies. The Ebitda fell by 2.1 million euro in relation to the previous financial year, and went from 80.1 million euro in 2003, to 78.0 million euro in 2004. Likewise, the Ebitda/sales ratio went from 11.2 percent in 2003 to 10.8 percent in 2004.

4

4. Consolidated Financial Statement and Balance Sheet at 31-12-2003 and 31-12-2004

Consolidated Profit and Loss for the years ended December 31, 2004 and 2003

- Expressed in thousands of Euros -

	<u>31/12/2004</u>	<u>31/12/2003</u>
Expenses		
Materials consumed	1.046,918	1.019,745
Decrease in stocks	0	3,424
Personnel expenses	271,634	243,252
R & D amortisation charges	14,894	13,487
Other amortisation charges	59,179	53,376
Change in trading provisions	2,536	3,424
Other operating expenses	272,216	253,717
Total Operating Expenses	1.667,377	1.590,425
I. Operating Profit	125,673	114,940
Financial expenses	72,200	61,965
Loss on financial investments	0,117	0,012
Change in financial investments provisions	1,484	0,123
Negative exchange differences	20,838	14,545
Total Financial Expenses	94,639	76,645
II. Net Financial Income	0	0
Participation in losses from companies under equity method	0	0,329
Amortisation of goodwill	19,434	19,380
Total Ordinary Expenses	1.781,450	1.686,779
III. Profits from Ordinary Activities	60,430	66,218
Loss on sale of fixed assets	0,618	0,915
Decrease in provisions of tangible and intangible fixed assets	7,745	2,295
Loss on sale of investments in consolidated companies	0,011	0,946
Extraordinary expenses	29,028	31,494
Total Extraordinary Expenses	37,402	35,650
IV. Net Extraordinary Income	2,922	0
Total Expenses	1.818,852	1.722,429
V. Net Profit before Tax	63,352	64,497
Corporate income tax	(5,022)	(16,687)
VI. Net Profit after Tax	58,330	47,810
Profit attributable to minority interests	(6,546)	(0,761)
VII. Profit attributable to the Group	51,784	47,049

Consolidated Profit and Loss for the years ended December 31, 2004 and 2003

- Expressed in thousands of Euros -

Income	31/12/2004	31/12/2003
Net turnover	1,687,125	1,635,314
Increase in stocks	25,067	0,000
Work done for own fixed assets	58,624	31,912
Other operating income	22,234	38,139
Total Operating Income	1,793,05	1,705,365
Dividends from undertakings	3,579	3,656
Other financial income	11,545	14,892
Profits on short-term financial investments	11,892	15,025
Positive exchange differences	18,180	11,464
Total Financial Income	45,196	45,037
II. Net Financial Losses	49,443	31,608
Participation in profits from companies under equity method	3,634	2,595
Total Income from Ordinary Activities	1,841,88	1,752,997
Income from sale of fixed assets	6,137	0,319
Income from sale of investments in consolidated companies	0,096	5,328
Income from sale of investments in companies under equity method	0,088	0,084
Capital grants transferred to profits for the year	3,596	3,826
Other extraordinary income	30,407	24,372
Total Extraordinary Income	40,324	33,929
IV. Net Extraordinary Losses	0	1,721
Total Income	1,882,204	1,786,926

The net profit attributable to the Group in the 2004 financial year increased 10.1% compared with the same period in 2003 and reached 51.8 M €.

The earnings before tax has decreased 1.8% compared with 2003 and has reached 51.8 M €.

	Dec. '04	Dec. '03	Var (%)
Sales	1,687.1	1,635.3	3.2
Ebitda	202.3	185.2	9.2
% Ebitda/sales	12.0%	11.3%	
Net Profit before Tax	63.4	64.5	-1.8
Net Profit attributable to the Group	51.8	47.0	10.1
Net Cash Flow	155.9	137.5	13.4

Highlights per Business Unit

Sales	Dic. '04	Dic. '03	Var (%)	% Dic.'04	% Dic.'03
Bioenergy	335.3	291.4	15.1	19.9	17.8
Environmental Services	359.1	365.4	-1.7	21.3	22.3
Information Technologies	270.4	265.5	1.9	16.0	16.2
Industrial Engineering and Construction	722.3	713.0	1.3	42.8	43.6
Total	1,687.1	1,635.3	3.2	100.0	100.0

Ebitda	Dic. '04	Dic. '03	Var (%)	% Dic.'04	% Dic.'03
Bioenergy	47.5	36.3	30.8	23.5	19.6
Environmental Services	38.0	37.8	0.6	18.8	20.4
Information Technologies	38.8	31.0	25.3	19.2	16.7
Industrial Engineering and Construction	78.0	80.1	-2.7	38.5	43.3
Total	202.3	185.2	9.2	100.0	100.0

Ebitda/Sales	Dic. '04	Dic. '03
Bioenergy	14.2%	12.5%
Environmental Services	10.6%	10.3%
Information Technologies	14.4%	11.7%
Industrial Engineering and Construction	10.8%	11.2%
Total	12.0%	11.3%

◆ Net Amount of the Business-Sales Figure

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

Sales	Dic. '04	Dic. '03	Var (%)
Bioenergy	335.3	291.4	15.1
Environmental Services	359.1	365.4	-1.7
Information Technologies	270.4	265.5	1.9
Industrial Engineering and Construction	722.3	713.0	1.3
Total	1,687.1	1,635.3	3.2

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

◆ Ebitda

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

Ebitda	Dic. '04	Dic. '03	Var (%)
Bioenergy	47.5	36.3	30.8
Environmental Services	38.0	37.8	0.6
Information Technologies	38.8	31.0	25.3
Industrial Engineering and Construction	78.0	80.1	-2.7
Total	202.3	138.8	9.2

The contribution to the Ebitda by each Business Unit increased, with the exception of the Industrial Engineering and Construction Business Unit, with the contribution from the Bioenergy Business Unit of 47.5 M € (36.3 M € the previous year), a 30.8% increase, being of especially noteworthy, and the contribution from the Information Technologies Business Unit was 38.8 M € (31.0 M € the previous year), a 25.3% increase.

◆ International Activity

In 2004, in spite of the unfavorable impact of the foreign currency exchange rates, especially the US dollar, Abengoa continued to increase its activity abroad, in volume as well as diversification. The ever-increasing contribution from the United States and Canada by the companies in the Information Technologies and Bioenergy Business Units is especially noteworthy. Of the 1,687.1 M € billed in the 2004 financial year, 676.5 M € (40.2%) is from sales abroad. The activity in Spain amounted to 1,010.6 M € (59.8%) compared to 971.2 M € in 2003 (59.3%).

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

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

The geographical distribution of sales is as follows:

Activity Abroad							
Exportation and Local Company Sales	2004		2003		1994		CAGR (94-04)
	M €	%	M €	%	M €	%	%
- USA and Canada	217.5	12.9	209.8	12.8	0.0	0.0	-
- Latin America	285.6	16.9	332.9	20.4	115.3	25.5	9.5
- Europe (Spain excluded)	115.5	6.9	76.7	4.7	10.6	2.3	27.0
- Africa	31.6	1.9	27.8	1.7	4.6	1.0	21.1
- Asia	26.3	1.6	16.9	1.0	5.8	1.3	16.3
Total Abroad	676.5	40.2	664.1	40.7	136.3	30.1	17.4
Total Spain	1,010.6	59.8	971.2	59.3	316.7	69.9	12.3
Consolidated Total	1,687.1	100.0	1,635.3	100.0	453.0	100.0	14.1

CAGR = Compound Annual Growth Rate

◆ Goodwill

Details of the Goodwill by participated company at 12.31.04 and 12.31.03 are given in the table below.

	Dec. 04	Dec. 03	Var (%)
Befesa	153.0	162.4	-5.8
Abengoa Bioenergy Corporation	47.2	50.0	-5.5
Telvent North America	17.3	18.8	-8.0
Others	93.1	86.4	7.8
Total	310.6	317.6	-2.2

◆ Extraordinary Results

	Dec. 04
Extraordinary Income	
Profits on sale of Intangible and Tangible Fixed Assets	6.1
Disposal of investment in group companies	0.2
Capital grants transfers to profit for the year	3.6
Provision for contingencies and expenses application	
Other extraordinary income	30.4
Total Extraordinary Income	40.3
Extraordinary Losses	
Disposal of Intangible and Tangible Assets	0.6
Variation in provisions for Tangible and Intangible Fixed Assets	7.7
Disposal of investment in group companies	0,0
Provision for Contingencies and Expenses	25.5
Other extraordinary expenses	3.5
Total Extraordinary Losses	37.4
Net Extraordinary Income/Losses	2.9

◆ Taxes

	Dic. '04	Dic. '03	Var (%)
EBT	63.4	64.5	-1.8
Corporate Taxes	-5.0	-16.7	-69.9
External Partners	-6.5	-0.8	760.2
EAT	51.8	47.0	10.1
Tax Rate	7.9%	25.9%	

Corporate Tax expenses for 2004 were 5.0 million euro compared to 16.7 million euro in 2003. Therefore, the tax rate for 2004 is 7.9% compared to 25.9% for the same period in 2003.

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

	Dic. '04	Dic. '03	Var (%)
EAT attrib. parent company	51.8	47.0	10.1
% EAT / Sales	3.1%	2.9%	

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

◆ **Net Cash Flow**

	Dic. '04	Dic. '03	Var (%)
Net Cash Flow	155.9	137.5	13.4
% Cash Flow / Sales	9.2%	8.4%	

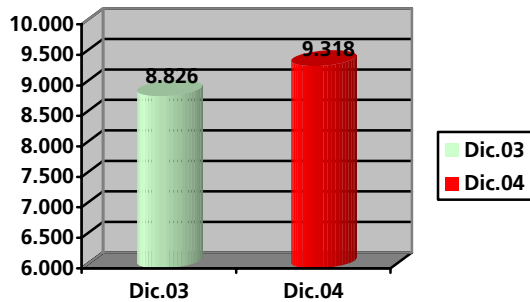
The Net Cash Flow increased by 13.4% to 155.9 M € (137.5 M € in 2003).

◆ **Evolution of the Main Highlights**

	2004	% Var 04-03	2003	1994	C.A.G.R.(*) 94-04
Sales	1,687.1	3.2	1,635.3	453.0	14.1%
Ebitda	202.3	9.2	185.2	15.7	29.2%
Net Profit Attr. To the Group	51.8	10.1	47.0	4.5	27.8%
Net Cash Flow	155.9	13.4	137.5	18.6	23.7%

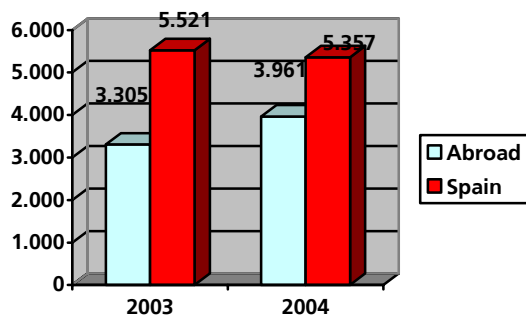
(*) C.A.G.R. = Compound Annual Growth Rate.

◆ Evolution of the average workforce



The average workforce increased by 492 employees compared to the same period the previous year.

◆ Origin of the Workforce



As can be seen, the average workforce in Spain dropped, due partly to the divestments made by the Environmental Services Business Unit, while it increased abroad as a consequence, mainly, of the larger contracting volume of the Industrial Engineering and Construction Business Unit in Latin America, and also to the incorporation of Xwave's workforce (a company purchased in 2004 that now belongs to the Information Technologies Business Unit).

Consolidated Balance Sheets at December 31, 2004 and 2003

- Expressed in thousands of Euros -

Assets	31/12/2004	31/12/2003
B. Fixed Assets		
I. Start-up and Capital Increase Expenses	17,642	14,009
II. Intangible Fixed Assets		
Intangible fixed assets	161,354	155,017
Provisions and amortisation	(92,055)	(85,932)
	69,299	69,085
III. Tangible Fixed Assets		
Tangible fixed assets	537,977	518,033
Provisions and amortisation	(236,827)	(220,192)
	301,150	297,841
IV. Fixed Assets Project Finance		
Intangible fixed assets	226,920	14,906
Provisions and amortisation	(17,386)	(5,144)
Tangible fixed assets	413,132	457,574
Provisions and amortisation	(70,592)	(58,347)
Financial fixed assets	0,000	54,074
	552,074	463,063
V. Long-term Investments		
Investments in associated companies	33,728	23,952
Long-term investments	47,496	36,839
Other investments and loans	44,337	20,373
Provisions	(13,556)	(5,893)
	112,005	75,271
Total Fixed Assets	1,052,17	919,269
C. Goodwill	310,638	319,375
D. Deferred Charges	17,741	15,468
E. Current Assets		
II. Stocks	200,456	202,125
III. Accounts Receivables		
Trade receivables	259,240	255,694
Amounts owed by associated companies	23,412	43,044
Other receivables	182,013	180,817
Provisions	(5,204)	(4,267)
	459,461	475,288
IV. Short-term Investments		
Short-term investments	153,525	114,789
Loans to associated companies	0,145	0,151
Other investments	148,742	47,522
Provisions	(1,606)	(0,662)
	300,806	161,800
VI. Cash at Bank and in Hand	252,145	264,471
VII. Accruals and Prepayments	4,844	5,317
Total Current Assets	1,217,712	1,109,001
Total Assets	2,598,261	2,363,113

Abengoa's Total Assets in 2003, raised to 2,598.3 M €, representing a 10.0% increase on the 2003 figure, which amounted to 2,363.1 M €.

Consolidated Balance Sheets at December 31, 2004 and 2003

- Expressed in thousands of Euros -

Shareholders' Equity and Liabilities	31/12/2004	31/12/2003
A. Shareholder's Equity		
I. Share Capital	22,617	22,617
II. Share Premium	110,009	110,009
III. Revaluation Reserve	3,679	3,679
IV. Other Reserves of Parent Company		
Distributable reserves	108,091	107,417
Non-distributable reserves	4,523	4,523
	112,614	111,940
V. Reserves in Consolidated Companies	120,138	87,696
VI. Reserves in Associated Companies	4,984	2,788
VII. Cumulative Translation Adjustments		
In Subsidiaries Consolidated by line-by-line or Proportional Method	(57,123)	(49,542)
In Companies consolidated by equity method	(6,091)	(5,454)
	(63,214)	(54,996)
VIII. Net Profit attributable to the Group		
Net income for the year	58,330	47,810
Net Profit attributable to minority interests	(6,546)	(0,761)
	51,784	47,049
Total Shareholders' Equity	362,611	330,782
B. Minority Interests	120,064	47,093
D. Deferred Income	42,004	74,407
E. Provisions for contingencies and expenses	51,923	37,284
G. Project Finance		
I. Long-term Project Finance	204,370	176,203
II. Short-term Project Finance	163,069	93,480
Total Project Finance	367,439	269,683
H. Long-term Liabilities		
II. Loans	532,662	545,754
III. Other Liabilities	129,189	98,051
Total Long-term Liabilities	661,851	643,805
I. Current Liabilities		
II. Loans	61,978	62,330
III. Amounts owed to Associated Companies	6,100	4,872
IV. Trade Payables	797,322	730,684
V. Other Non-Trade Payables	119,641	154,848
VI. Other Payables	4,161	2,437
VII. Accruals	3,167	4,888
Total Current Liabilities	992,369	960,059
Total Shareholder's Equity and Liabilities	2,598,261	2,363,113

◆ Net Debt

	dic-04	dic-03	Var (%)
L/T Debt with Credit Institutions	(532.7)	(545.8)	-2.4%
S/T Debt with Credit Institutions	(62.0)	(62.3)	-0.6%
Temporary Financial Investments	300.8	161.8	85.9%
Treasury	252.1	264.5	-4.7%
Total Net Debt	(41.7)	(181.1)	-77.1%
L/T Non-recourse Financing	(204.4)	(176.2)	16.0%
S/T Non-recourse Financing	(163.1)	(93.5)	74.4%

The Net Debt figure for 2004 is 41.7 M €, a 77.1% decrease compared to the 2003 financial year when it was 181.9 M €.

5. Relevant Events and other communications

5

Description of the 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 corresponding to the Second Semester of 2004

◆ **Written communication of 01.09.2004 (number 52452).**

The Company forwarded the information for the First Six Months of 2004.

◆ **Written communication of 06.09.2004 (number 52641).**

The Company informs regarding the provenance from Central Court number 4 in relation to the extension of the criminal investigation into the roles of Mr. Manuel Sánchez Ortega and Mr. Miguel A. Jiménez-Velasco in connection with the proceedings under way in that Court in relation to the acquisition of a shareholding in Xfera Móviles S.A.

◆ **Written communication of 21.09.2004 (number 52854).**

The Company informs of the resolution adopted by the Board of Directors on September 15th, 2004, in relation to the terms for implementing a program to purchase company's own shares.

◆ **Written communication of 04.10.2004 (number 53062).**

The Company informs in relation to the official listing admission process of Telvent GIT, S.A. on the NASDAQ, reported on May 11th, 2004, of the registering of the Information Prospectus with the U.S. Securities and Exchange Commission, to realize the public subscription offering of shares of Telvent GIT, S.A. in the United States.

◆ **Written communication of 21.10.2004 (number 53355).**

Further to the aforementioned, the Company reports that on October 21st, 2004, the execution and subscription of the increase of capital of Telvent GIT, S.A., has been successfully completed, and the effective listing of Telvent GIT commenced on the American NASDAQ stock exchange. The admission for official listing implies the continuation of the expansion strategy developed for the Information Technologies activity, through the obtaining of funds to finance the growth of this Business Unit, the strengthening of its financial structure and increasing its potential by developing R&D&I investments.

◆ **Written communication of 20.10.2004 (number 17070).**

The Company forwards a written communication in which it categorically denies certain allusions that have appeared in different means of communication in relation to the supposed link of its subsidiary Instalaciones Inabensa S.A. with payments made by third parties to government officials/civil servants in Costa Rica.

◆ **Written communication of 15.11.2004 (number 53896).**

The Company forwarded the information for the Third Quarter of 2004.

2. Evolution on the Stock Exchange

Share Performance

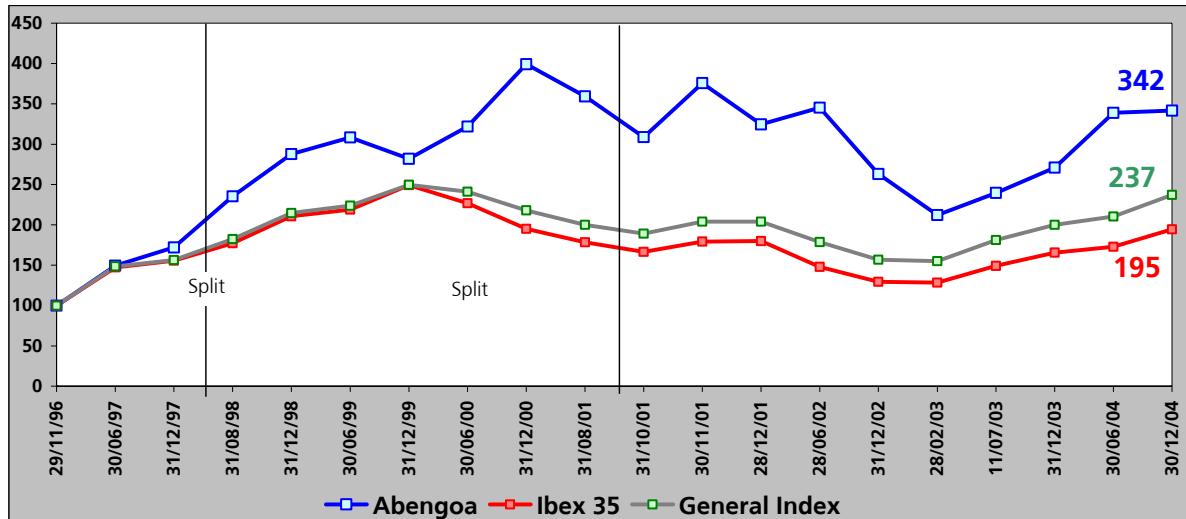
According to the data supplied to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Securities Recording, Clearing and Settlement Management Company) for the last General Meeting held on 27th Abengoa, S.A. had 7,450 shareholders (24/06/03).

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

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

Evolution since its Initial Public Offering in 1996

As a historical reference, since Abengoa’s Initial Public Offering on 29th of November 1996, the company’s shares have revalorized 242% which is 3.4 times the initial price. During this same period, the Madrid Stock Exchange has revalorized 137% and the select IBEX 35 has gone up 95%.



Disclaimer

This document has been drawn up by Abengoa, S.A. for the sole purpose of presenting its 2004 financial year results. 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.

Neither the company, nor its advisors or representatives shall be responsible for any type of damages derived from any use made of this document or its contents, or in connection with this document.

This document does not represent any type of offer or invitation to investors to purchase or apply for shares of any type and, the document does not, under any circumstances, constitute the bases of any type of document or commitment.

Please do not hesitate in contacting our Head of Investors Relations for any consultation you may wish to make.

Avda. Buhaira 2
41018 Seville (Spain)
Tel. 0034 954937111
E-mail: [jcyjimenez@abengoa.com](mailto:jcjimenez@abengoa.com)

ABENGOA

Juan Carlos Jiménez Lora
Head of Investors Relations