

ABENGOA



With the sun... we produce thermoelectric and photovoltaic electric energy



With biomass... we produce ecologic fuels and animal feed



With wastes... we produce new materials by recycling, and we also treat and desalt water to achieve a sustainable globe



With Information Technology... we transform data into knowledge... providing effective operational and business real-time decision making for traffic, transport, energy and environment



With engineering... we construct and operate conventional and renewable energy power plants, power transmission systems and industrial infrastructures

Presentation of Results

Financial Year 2006

Your Partner in Resources and Technical Solutions

Index

1. Our Commitment
2. General Description of the Activities.
3. Main Novelties per Business Unit.
4. Business Evolution. Highlights.
5. Consolidated Results and Balance Sheet at 31.12.2006.
6. Relevant Events and Other Communications.

1. Our Commitment



In Abengoa, we believe that the globe requires **Solutions** that allow our development to be more sustainable. Scientists tell us that **Climate Change** is a reality and from Abengoa, we believe the time has come to pursue and put these solutions into practice.

More than ten years ago, Abengoa decided to focus its growth on the creation of new technologies that contribute to **Sustainable Development** by:

- Generating **Energy** from renewable resources.
- Recycling Industrial **Wastes** and **Water** production and management.
- Creating **Infrastructures** that prevent new investments in assets that generate emissions.
- Creating **Information Systems** that assist in ensuring more efficient management of existing infrastructures.
- Establishing **New Horizons** for development and innovation.

To this end, we invest in Research, Development and Innovation, **R&D&I, Globally** extend the technologies with the greatest potential, and attract and develop the necessary **Talent**.

Moreover, through the **Focus-Abengoa Foundation**, we dedicate human and economic resources to promoting social action policies that contribute to social and human progress.

By doing this, we create **Long-Term Value** for our shareholders, contribute to the development of society in the areas in which we conduct our activities, and help to make the globe a better and more sustainable place for future generations.

2. General Description of the Activities

2

« Utilizing solar energy, biomass, wastes, information technologies, and engineering, Abengoa applies technological and innovative solutions for sustainable development »

The rational use of natural resources and our concern for ensuring that future generations may be able to use them as we ourselves have done is Abengoa's roadmap for the future. Moreover, as far as Abengoa is concerned, what is known nowadays as sustainable development does not exclusively mean preservation of the environment. Abengoa goes beyond that vision and raises its commitment to the social and human side of things.

In Abengoa, we have come to understand that our traditional engineering activity is nothing more than a valuable tool by which we can build a more sustainable world. In addition, over the past decade Abengoa's strategic plan has been much more intense and this is clearly demonstrated by the fact that we have undertaken an array of activities, among which the following are of note:

Solar

- In 2006, construction was completed on the world's largest tower and heliostat field technology 11 MW solar thermal power plant, and on a 1.2 MW double concentration photovoltaic power plant. These plants are located in the municipal district of Sanlúcar la Mayor (Seville, Spain) and are part of a future platform of solar thermal and photovoltaic power plants that will eventually produce more than 300 MW.

Abengoa is the leader on the home market in electricity generation from solar energy, with a development plan for more than 300 MW over the next few years.

« With the sun... we produce thermoelectric and photovoltaic electric energy »

Bioenergy

- In 2000, start-up of the first bioethanol facility in Spain with an initial production capacity of 100 M liters/year (currently 150 M liters/year), which required a € 93.8 million investment.
- In 2002, acquisition of High Plains Corporation (now Abengoa Bioenergy Corporation), the fifth largest bioethanol producer in the United States (current production capacity of 108 M gal/year), by means of a 100 million euro takeover bid. Start-up of the second bioethanol facility in Spain (Bioethanol Galicia), with a 126 M liters/year production capacity (currently 176 M liters/year), which required a € 92.1 million investment.
- Also in 2002, Abengoa was awarded by the United States Department of Energy (DOE) of an R&D&I project to enhance ethanol production process technology, utilizing biomass to improve the economy of process and increase energy yield from ethanol production and, thereby, reduce the production cost thereof and make it more competitive with gasoline. The total investment, co-funded by the DOE, is US\$ 35.4 million, from 2003 to 2006.
- In 2003, commencement of the construction of the third bioethanol facility in Spain, in Babilafuente, which produce 200 M liters/year of bioethanol for direct blending in gasoline. The raw material will be grain, wine alcohol and biomass, the latter in a bioethanol production facility that will be the first of its kind worldwide.

- In 2005, commencement of the construction of the fourth bioethanol facility in Nebraska (US) which will produce 330 million liters per year. Agreement with Cepsa for the construction of a biodiesel production plant on the lands of Cepsa's «Gibraltar» Refinery, in San Roque (Cadiz). The foreseen investment for the plant is € 42 million.
- In 2006, work commenced on the construction, in Lacq (France) of a 250 million liter/year capacity ethanol production plant. It will be Europe's first corn-based ethanol production facility, something that is very common in the US.

Abengoa is Europe's largest bioethanol producer and fifth in the US.

« With biomass... we produce ecologic fuels and animal feed »

Environmental Services

- In 2000, a € 300 million investment to acquire Befesa, through a takeover bid.
- During the last quarter of 2006, Befesa acquired the company B.U.S., Europe's largest industrial waste recycler.
- Abengoa has increased desalination capacity to more than 1,000,000 m³/day, which will enable supply for a population of 4.8 million.

Abengoa is international leader in industrial waste treatment and environmental engineering.

« With wastes... we produce new materials by recycling, and we also treat and desalt water to achieve a sustainable globe »

Information Technologies

- The technologies developed by Telvent allow high-performing companies to make real-time business decisions utilizing data acquisition and control systems and advanced operational applications that provide secure actionable information delivery to the enterprise in four industry segments considered essential for sustainable development: Energy, Traffic, Transport and the Environment.
- In 2003, Telvent acquired Metso Corporation's Network Management Solutions Division, now called Telvent Canada and Telvent USA, which put Telvent in a leading position at international level in the Real-Time Control and Information Systems market for the oil, gas, and electricity sectors, and for the water sector.
- In 2004, in order to facilitate the continuity of the expansion strategy for the Information Technology activity, while also increasing its potential through the development of R&D&I activities, Telvent GIT commenced its effective listing on the American NASDAQ technological market. In the same year, the North American Company Miner & Miner Consulting Engineers Incorporated (M&M), one of the world leaders in the development and implementation of Geographic Information Systems (GIS) software, was acquired.
- In 2005, the Perth based Australian company Almos Systems (now Telvent Australia), a leading provider of meteorological solutions, was acquired.
- In 2006, work continued under the strategy adopted several years ago with the acquisition of Blue Shield, PB Farradyne, and Maexbic.

Abengoa is international leader in the energy, traffic, transport and environment sectors.

« With Information Technology... we transform data into knowledge, providing effective operational and business real-time decision making for traffic, transport, energy and environment »

Industrial Engineering and Construction

- In Abengoa, we have come to understand that our traditional engineering activity is nothing more than a valuable tool by which we can build a more sustainable world. Many of the engineering products we develop are focused on sectors related with renewable energies, biofuels, industrial waste management and desalination.
- We are putting our trust in improving energy efficiency through cogeneration power plants. Abengoa produces more than 2,000,000 MWh per year by this method.
- In 2006, with the aim of strengthening our sustainable energy project execution capacity, the Poland based company Energoprojekt Gliwice, dedicated to engineering and consultancy services in the energy and industry sectors was acquired.

Abengoa is the leader in Industrial Engineering and Construction projects in Spain and Latin America.

« With engineering... we construct and operate conventional and renewable energy power plants, power transmission systems and industrial infrastructures »

New Horizons

In Abengoa, we are convinced that the innovative company, within a context of change and global competition, is an efficient and essential instrument for enabling progress towards a sustainable development society. The constant generation of new development and innovation horizons is one of our main strategic pillars.

- Hydrogen Technologies: with a clear perception of the need to search for new clean energy sources, in Abengoa we promote the development of hydrogen and fuel cell technologies by means of the

design, development and construction of energy systems based on the production and storage of this gas as an energy vector.

- ZeroEmissions Technologies: a new company established by Abengoa to agglutinate the activities focused on the fight against climate change. The activities developed are as follows:

1. R&D&I focused on developing alternative solutions that enable the elimination of high-capacity greenhouse effect gases. Their total elimination would mean the meeting of the most demanding reduction goals laid down internationally.
2. R&D&I in CO₂ sequestration and capture technologies as the first step towards the horizon of new CO₂ free generation plants. In this respect, Abengoa is participating in different national and international platforms and projects that are the first of their kind in this material.
3. CDM/JI Projects (Clean Development Mechanisms and Joint Implementation). By means of these two mechanisms developed in the Kyoto Protocol, countries that need to reduce emissions can achieve attainment of reduction commitments utilizing projects executed in other countries.
4. Participation in Carbon Funds: as a further step towards the attaining of Sustainable Development, Abengoa has decided to support diverse initiatives developed by Multilateral Institutions, different countries and important European companies. Abengoa has already committed itself to participating in the Spanish Carbon Fund (World Bank) and the Multilateral Carbon Credit Fund (EIB-EBRD).

Evolution 1996 - 2006

Business	Engineering Company		5 Business Unit	
	1996		2006	
	Sales %	Gross Cash Flows ^(*) %	Sales %	Gross Cash Flows ^(*) %
- Solar	-	-	-	-
- Bioenergy	-	-	18	17
- Environmental Services	8	8	21	20
- Information Technologies	24	14	17	15
- Industrial Engineering and Construction	68	78	44	48
Geography	%		%	%
USA and Canada	-		10.6	11.3
Latin America	26.3		27.6	24.4
Europe (excluding Spain)	2.8		11.9	9.0
Africa	0.9		4.0	3.0
Asia	4.2		1.6	1.4
Oceania	-		0.3	0.5
Total Abroad	34.2		56.0	49.6
Total Spain	65.8		44.0	50.4
Consolidated Total	100.0		100.0	100.0

(*) Gross Cash Flows from Operating Activities: Earnings before interest, tax, depreciation and amortization, adjusted by the works flows done for own fixed assets.

Development towards a sustainable world

Abengoa’s strategic development is based on the generation of future options that are necessary to attain a sustainable world. This is achieved basically by:

- **The strengthening of the geographic diversification of existing products** by reinforcing the markets in which, a priori, the best possibilities for expansion exist and in which Abengoa is already operating, with these being basically the United States, Canada, China, India, Brazil, Mexico, Northern Africa, and Europe.

Activity Abroad							
Exportation and Local Company Sales	2006		2005		1996		CAGR (96-06)
	M €	%	M €	%	M €	%	%
- USA and Canada	284.7	10.6	270.3	13.4	0.0	0.0	-
- Latin America	739.5	27.6	492.3	24.3	152.4	26.3	17.1
- Europe (excluding Spain)	319.0	11.9	122.2	6.0	16.4	2.8	34.6
- Africa	104.3	4.0	46.3	2.3	5.2	0.9	34.8
- Asia	43.5	1.6	47.3	2.3	24.4	4.2	5.9
- Oceania	8.8	0.3	3.4	0.2	0.0	0.0	-
Total Abroad	1,499.8	56.0	981.8	48.5	198.4	34.2	22.4
Total Spain	1,177.4	44.0	1,041.7	51.5	380.4	65.8	12.0
Consolidated Total	2,677.2	100.0	2,023.5	100.0	578.8	100.0	16.5

- **The introduction of new products that help combat climate change** by means of an investment plan, especially in the sectors related to

Bioenergy (new ethanol production plants in Europe and the United States), Solar (with a solar power plant construction program that will eventually reach a total installed output of more than 300 MW), Desalination (with desalination plants under construction in Algeria, India and Spain), High Voltage Line Concession Contracts (in Latin America and Asia) as well as future concession contracts for Public Buildings in Spain and abroad, and also in other more mature sectors such as Environmental Services (with the recent acquisition of Europe’s largest industrial waste recycling company) and Information Technologies.

Main Projects	2005		2006		2007 (F)	
	M €	% / Sales	M €	% / Sales	M €	% / Sales
Solar Energy	31.7		17.4		15.7	
Biomass conversion to ethanol	13.5		26.2		18.0	
Enhancement ethanol efficiency (residual starch)	1.1		1.6		1.1	
Hydrogen Technology. Fuel Cells	2.7		2.1		6.6	
Electricity, environmental, oil and gas control centers	6.8		7.6		8.8	
Road and rail traffic, and ticketing systems	3.6		5.6		4.5	
Public Administration support systems	2.1		2.2		2.4	
Geographic Information Systems (GIS)	2.2		2.3		2.9	
Vitrification	0.0		0.4		0.1	
Environmental Technology Center	0.0		0.0		0.8	
Desalination	0.0		1.0		1.6	
Enhancement aluminum efficiency	0.2		0.1		0.1	
Other Projects	2.0		2.0		6.9	
Total Investment R&D&I	65.9	3.3%	68.5	2.6%	69.5	2.4%

- **The intensification of R&D&I activities**, focused on results that allow diversification to be increased by creating new products and services and developing new markets by increasing differentiation, improving and adapting existing products and enhancing processes.
- **The commitment to social and human progress** while at the same time contributing to environmental preservation is, in Abengoa, one of the essential pillars on which Corporate Social Responsibility is based. Through the Focus-Abengoa Foundation the company’s social activity policies are brought into practice. This is done in a non-profit making manner with objectives being of general interest, focused on assistance, educational, cultural, scientific, research and technological development work. In 2006, Abengoa allocated € 5.8 million to these activities that strengthen the company’s commitment to society and sustainable development.

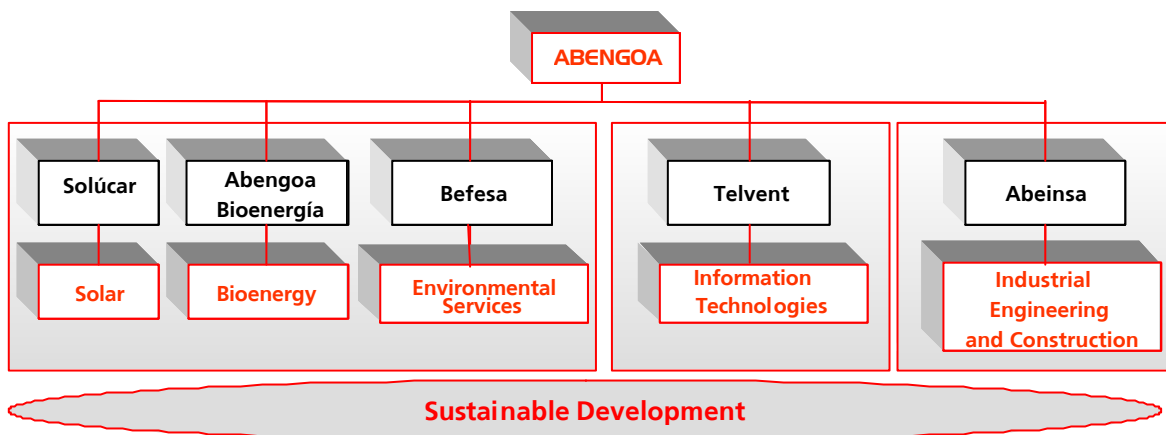
As a result of said strategy and as a consequence of the investment plan underway, Abengoa offers a combination of activities that represent greater diversification in markets and customer portfolio, while also consolidating its capacities as regards its original Engineering business.

Current Organization and Nature of its Business

There are two types of products in Abengoa:

- **Integrated Product**, in which the responsibility is global, including from the active promotion of the business, with or without investment in the capital, to the providing of financing solutions, the defining and design of the technologies to be applied, the «turnkey» construction and subsequently the Business Operation, Maintenance and Management Service. With these products there is a clear recurrence that endows more stability on Abengoa’s financial statements (business induced).
- **Conventional Product**, in which a specific item or service is sold and the investment in which goes against the customer’s balance sheet and, in addition, in which we are not responsible for the management thereof.

Abengoa is a technological company that applies innovative solutions for sustainable development in the infrastructures, environment and energy sectors.



It is present in more than 70 countries, where it operates with its five Business Units: Solar, Bioenergy, Environmental Services, Information Technology, and Industrial Engineering and Construction.

Abengoa provides solutions for:

- **Sustainable development:**

- ✓ Abengoa produces 619 million liters of ethanol per year, which avoids the emission of 1,691,486 tons of CO₂ to the atmosphere, which is equivalent to the annual emissions from a fleet of 700,000 vehicles.
- ✓ Abengoa produces 2,000,122 MWh per year of electricity from cogeneration, which means the avoid of the emission of 983,963 tons of CO₂ were this energy to be produced by conventional carbon thermoelectric power plants.
- ✓ Abengoa has a production plan for more than 300 MW of electric energy using the sun, equivalent to the annual consumption by a population of 500,000, which will prevent the emission of 742,900 tons of CO₂ per year.
- ✓ Abengoa treats more than 2,563,140 tons of industrial wastes, dedicating them to the production of new materials through the recycling of more than 1,297,000 tons.
- ✓ Abengoa has increased desalination capacity to more than one million cubic meters per day, which will enable supply for a population of 4.8 million.

- **The Information and Knowledge Society:** Our solutions:

- ✓ Manage more than 60% of the movements of hydrocarbons in pipelines in North and Latin America.

- ✓ Transport and distribute more than 140,000 GWh that provide electricity for a population of more than 80 million.
- ✓ Control vehicle traffic at more than 6,000 intersections that are used by more than 170 million people per day.
- ✓ Manage the displacements of more than 2,500 million passengers per year on train and metro networks.
- ✓ On a yearly basis, provide real-time traffic information on the state of roads and traveling times in response to 405,000 telephone enquiries and 5,000,000 monthly website visits.
- ✓ Provide landing and take-off security and efficiency for more than 700 million passengers a year at more than 150 airports.
- ✓ Manage water distribution for a population of more than 30 million throughout Europe, North America, Latin America and the Middle East.
- ✓ Monitor and report on the quality of the air inhaled by more than 20 million people in Europe and Latin America.
- ✓ For more than 30 million European citizens, facilitate access and e-business management with their public administrations and with other organizations and institutions.
- ✓ Reduce the patient waiting list by 15% in more than 250 health centers managed by more than 40,000 Health professionals.
- ✓ Verify the integrity and veracity of the passports of more than 18 million passengers per year.
- ✓ Enable 13 million users at more than 4,000 universities and research centers throughout Europe to exchange information.

- ✓ Provide the technological infrastructure from which news is distributed 24 hours a day to more than 400 million Spanish-speaking inhabitants worldwide.
- ✓ Ensure the correct distribution of more than 1,000 million liters of gasoline per month, sufficient to fill the fuel tanks of more than 22 million cars.
- **Creation of Infrastructures:**
 - ✓ Abengoa has constructed energy generation plants that, with a global installed rating of more than 5,000 MW, supply electric energy for a population of more than 4 million on four continents.
 - ✓ Abengoa possesses 4,406 km of high-voltage lines under concession contracts in Latin America, with a capacity of almost 9,300 MW, equivalent to the annual needs of a population of 10 million.
 - ✓ In Spain, in 2006, Abengoa has installed almost 140,000 new ADSL lines that allow more than 600,000 people to have broadband access to new value-add services.
 - ✓ In 2006, Abengoa conducted maintenance works, in Spain, on approximately 2,275,000 telephone lines (voice, data and video) with 24-hour SLA, providing coverage to some 5 million subscribers (11% of the population).

3. Main Novelties by Business Unit

3



Solúcar Energía is its holding company. This Business Unit's activity focuses on the design, promotion, finance attainment, construction and operation of electric energy generating plants that utilize the sun as their primary energy source. It possesses the know-how and technology required for thermoelectric solar power plants: plant receiver systems, parabolic cylinder and parabolic dish collectors, and for photovoltaic plants, with and without concentration.



With the sun... we produce thermoelectric and photovoltaic electric energy



The main milestones in the Solar Business Unit, in 2006, were as follows:

- ◆ Solúcar Energía, the parent company of Abengoa's Solar Business Unit, was visited by the representatives of twenty-five countries from the committee of experts from the solar energy sector, who participated in the SolarPACES International Symposium, held in the city of Seville.

During this symposium, the attendees visited the PS10 plant, the first tower technology thermoelectric power plant, and the Sevilla PV plant, the largest commercial photovoltaic solar energy power plant; both of which scheduled to be brought into operation during the second half of this year.

- ◆ Solúcar presented the Sanlúcar la Mayor Solar Platform to the town's local authorities. The objective thereof is the execution of different solar energy generating projects up to an output of 300 MW. Following the presentation made by Pedro Robles, managing director of Solúcar Energía and project chief, the municipal authorities were given a guided tour the different plants.

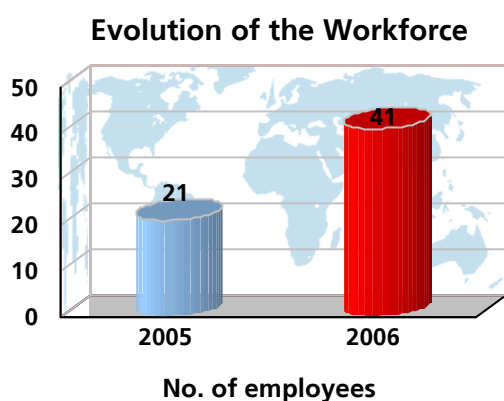
With this Solar Platform, Abengoa will install, in the municipal district of Sanlúcar la Mayor, the largest complex in the world dedicated to the production of solar energy destined for the public supply network. The overall investment in the projects is estimated at around 1,200 million euro throughout their different phases.

- ◆ Following several years of research and development of the technology known as tower and heliostat field, for electric energy harnessing from the renewable solar resource, construction work is being completed on the

world's first solar thermal tower plant that will produce electricity in a stable and commercial manner.

The 11 MW plant has been designed to produce 23,000,000 kWh a year, sufficient energy to supply a population of 10,000.

- ◆ Likewise, the construction of a 1.2 MW two-fold concentration photovoltaic plant is nearing completion. This plant, which utilizes the concepts of two-fold concentration and two-axis sun tracking, will produce around 2.4 GWh of electricity, which it will evacuate to the electricity grid as a Special Regime production facility.
- ◆ In addition, once the necessary license obtaining stage has concluded, construction has begun, of a 20 MW solar power plant, with tower and heliostat field technology and saturated steam generation in the solar receiver.



The average workforce of the Solar Business Unit in 2006 was 41, a 95.2% increase on the 2005 figure.

3.2 Bioenergy

Abengoa Bioenergía is its holding company. The Business Unit is dedicated to the production and development of biofuels for transport, bioethanol and biodiesel, among others that utilize biomass (cereals, cellulosic biomass, and oleaginous seeds) as the raw material. The biofuels are utilized for ETBE production (gasoline additive), or for direct blending in gasoline or gas oil. Given that they are renewable energy sources, biofuels reduce CO₂ emissions and contribute to the security and diversification of the energy supply while reducing the dependency on fossil fuels utilized in the transport sector and helping towards compliance with the Kyoto Protocol.



With biomass... we produce ecologic fuels and animal feed



The most important milestones as regards contracts signed or projects developed in the sectors in which Abengoa Bioenergy operates were as follows:

- ◆ Abengoa Bioenergy has continued its E85 fuel development plan that contemplates the promotion of said product (in collaboration with vehicle manufacturers) in public fleets and private company vehicles, as well as the implantation of a national scale distribution network.

E85 is a clean biofuel containing 85% bioethanol blended with 15% gasoline, which can be utilized in Flexible Fuel Vehicles («FFV»).

As part of its E85 development plan, Abengoa Bioenergy signed an agreement with General Motors, through its Saab make, that must now be added to that previously signed with Ford. The signing of both agreements establishes an activity framework for the development of the flexi-fuel vehicle market and E85, for the supply thereof throughout Spain as is now occurring in Sweden and the United States.

These stepping stones are fundamental for the development of these fleets and the to scale commercialization of the E85 biofuel, the use of which enhances energetics and significantly reduces greenhouse effect emissions compared to other fossil fuels.

- ◆ Abengoa Bioenergy R&D, Inc. (ABRD), an Abengoa Bioenergy Company focusing on research and development, signed a three-year research and development (R&D) agreement and a stock purchase agreement with Dyadic International, Inc., a biotechnology company.

Under the terms of the purchase agreement, Abengoa Bioenergy has agreed to invest US\$ 10 million in Dyadic, for which it will be issued 2,136,752 shares of Dyadic Common Stock at US\$ 4.68 per share (based on the closing sales price on October 25, 2006, as reported on the American Stock Exchange).

Dyadic will use the proceeds from this private sale to fund its R&D obligations under the R&D agreement, which has as its objective the development of a cost-effective enzyme production system for commercial application in Abengoa Bioenergy's bioethanol (cellulosic ethanol) production processes. The R&D agreement calls upon Dyadic to use its proprietary technologies to develop one or more enzyme mixture manufacturing systems customized to ABRD's proprietary biomass substrates.

The R&D agreement contemplates that Dyadic will perform both foundational research of general application to the cellulosic ethanol field and specific applications research for the achievement of the goals of ABRD's program.

- ◆ The French Government has authorized Abengoa Bioenergy France («ABF») to produce an additional 20,000 tons per year of corn-based bioethanol at the facility it is currently constructing in Lacq, southern France.

This volume, together with the 100,000 tons per year authorized previously brings the overall total for the project to 120,000 tons. For this new section, the project will be subject to partial relief from hydrocarbon taxation from 2008 to 2013.

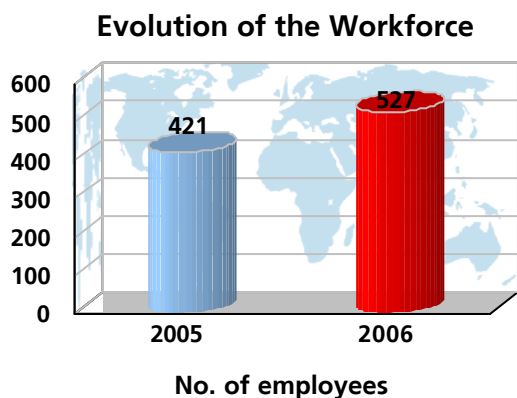
Furthermore, Abengoa Bioenergy has acquired the 8% stake that Aquitaine Industries held in the project, and has now increased its stake in Abengoa Bioenergy France to 64%.

Said facility’s production capacity will be 200,000 tons of bioethanol per year from corn and wine alcohol, while it will also be Europe’s largest capacity facility for corn-based bioethanol production.

- ◆ Bioetanol Galicia has commenced expansion works at its grain plant. These works will increase the overall plant’s production capacity to 146 million liters per year.

The works are to be executed in three stages. The first two stages consist of the replacing or enlargement of certain equipment or units by other larger capacity ones. In addition, systems that eliminate operation problems will be installed to achieve greater reliability and productivity. Of note among the scheduled works is the construction of a new 2,500 m³ fermenter and its associated equipment. The construction of the new installations will take five months, during which the facility will maintain its normal rhythm of production.

The third stage consists of minor works that will be managed internally by Bioetanol Galicia’s project team.



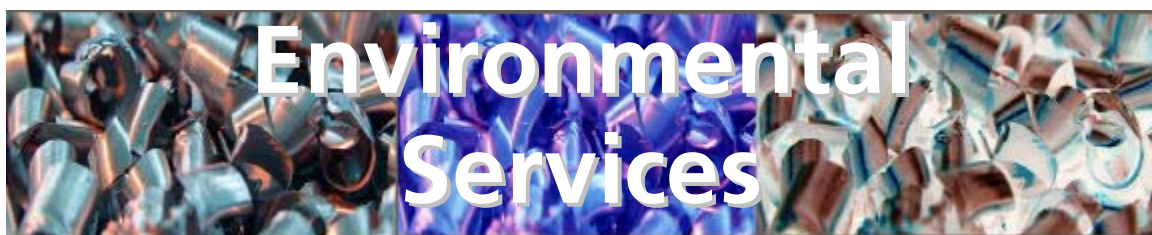
The average workforce of the Bioenergy Business Unit in 2006 was 527, a 25.2% increase on the 2005 figure.

3.3 Environmental Services

Befesa Medio Ambiente, the holding company of Abengoa's environmental services Business Unit, focuses its activity on providing environmental services for industry and on the construction of environmental infrastructures, while conducting aluminum waste recycling, zinc recycling, industrial waste management and environmental engineering activities.



With wastes... we produce new materials by recycling, and we also treat and desalt water to achieve a sustainable globe



Environmental Services

The most important milestones as regards contracts signed or projects developed in the sectors in which the Environmental Services Business Unit operates, in 2006, were as follows

- ◆ **Aluminum Waste Recycling.**- During 2006 this year 355,000 tons of aluminum-content wastes were treated. This is an increase of 11.6% on the previous year, and the fact that all the plants have operated satisfactorily is especially noteworthy.

Befesa has signed three important contracts, through its Division dedicated to the design and sale of equipment for the aluminum and zinc industry, with the aluminum producers Slovalco (Slovakia), Aluminum Bhareim (Bhareim) and Sohar Aluminum (Oman), for the construction of ingots belts to increase the aluminum pouring production level while also enhancing the quality of the ingots themselves. The contracts are for € 1.5 million, € 3.9 million and € 4 million, respectively.

Befesa Salt Slags has been authorized by the Environmental Agency of England and Wales to operate under an Integrated Environmental Authorization as established in the European Directive on Integrated Pollution Prevention and Control (IPPC). Befesa Salt Slags is thereby the only plant, in the United Kingdom, authorized to treat the salt slags generated during the secondary aluminum production process, and to manage aluminum wastes and other metallic residues.

- ◆ **Zinc Waste Recycling.**- During 2006, 148,000 tons of zinc and sulfur-content wastes have been treated. This is an increase of 20.3% on the 123,000 tons achieved in the previous year.

During 2006, Befesa Zinc Aser has finished the construction and installation of the new Waelz Kiln, to replace the existing one that increases its production capacity by about 50,000 tons (an additional 50%). Said kiln was brought into operation in September.

On October 27, the purchase agreement for the acquisition of one hundred percent of the shares of B.U.S. Group AB, for an enterprise value of € 330 million was signed. The acquisition will be non-recourse financed, the agreement for which was also signed that same day with Barclays. On December 4, the German Competent Authorities gave their approval for the operation, a necessary requirement for the same to go ahead.

B.U.S. is Europe's leading recycler of industrial wastes generated during the fabrication of common steel and stainless steel. Its treatment capacity is 575,000 tons per year and it possesses facilities in Duisburg and Freiberg, in Germany, Landskrona, in Sweden, and Fouquières and Gravelines, in France.

Thus, Befesa is in a privileged position to undertake the expanding of these types of treatment processes to the new countries that are becoming members of the European Union. With the integration of B.U.S., Befesa's «pro forma» profit in the full year 2006 will have increased by 0.7 euro per share.

- ◆ **Industrial Waste and Cleaning Management.**- During 2006 1.1 M tons of industrial wastes have been treated, which is in excess of the volume treated in 2005

The Albega industrial waste treatment center has been certified in accordance with the EU Eco-Management and Audit Scheme (EMAS) Regulation 761/01.

Befesa was awarded the Andalusia Environment Prize, under the Enterprise Environmental Management modality for its work in conserving and

preserving the environment. The company is dedicated to providing environmental services for industry and the construction of environmental infrastructures, and it outstood for having certified environmental management systems implemented at its facilities. In addition, in 2005 it invested more than a million euro in research, development and innovation programs and projects, which are an important part of the company's growth strategy.

Befesa inaugurated the new hazardous waste transfer facility that Rimacor, a company in which Befesa has the majority shareholding, has in Lucena, in the province of Cordoba. The 15,000 ton per year waste treatment facility is licensed to manage all hazardous industrial wastes pursuant to Royal Decree 952/1997, and Ministerial Order MAM/304/2002, with the exception of biosanitary, explosive, radioactive and infectious wastes. Due to its geographical location, the wastes the new plant will receive for treatment will be mostly from the timber sector: non halogenated solvents, resins, varnishes, paint and/or sanding powders, among others.

Befesa Perú has been awarded the Annual Prize 2006, for Responsible Management in the Handling of Solid Wastes, by the National Environmental Council of Peru (CONAM), following a study carried out thereby that has determined that the final destination of the wastes generated in the country is unsuitable.

Befesa PCB has been awarded Iberdrola's Supplier of the Year Prize, the aim of which is to recognize its providers' best practices en matters concerning sustainable development, quality, respect for the environment and occupational risk prevention in business management.

- ◆ **Environmental Engineering.**- In 2006, important contracts have been obtained, of note among which are:

The Ministry of the Environment, through the public company Acuamed, has awarded the JV (Joint Venture) formed by Befesa Construcción y

Tecnología Ambiental, FCC Construcción y Servicios, Procesos Ambientales (SPA) and Aqualia Gestión Integral del Agua, the 15-year build, operate and maintain contract for the lower Almanzora (Almería) desalination plant. The contract value is € 73 million.

This contract is included in the AGUA Program the Ministry of the Environment is undertaking to gradually resolve the deficiencies in water management, availability and quality throughout Spain, especially in the Mediterranean basins, with long-lasting and responsible solutions.

The Ministry of the Environment has awarded Befesa the contract, for more than € 10 million, for the design and construction of the wastewater grouping collectors and treatment plants for the villages of Almonte, Rociana del Condado, and Bollullos Par del Condado, in the Doñana National Park.

ACESA, the Ebro Valley Public Water Company, has awarded Befesa the project to supply water to 46 municipalities in the autonomous region of La Rioja, known as the «Oja-Tirón system», worth more than € 18 million. Befesa will construct the infrastructures required to resolve the supply problems in this region and guarantee the operation of the system to supply a population that is expected to reach 76,000 by 2025.

The Geida Consortium, formed by Befesa and Codesa, both from the Abengoa Group, has signed the financing contract for the design, construction, financing and 25-year operation of the Beni Saf seawater desalination plant, in Algeria. The 150,000 cubic meters per day production capacity project had originally been awarded to the consortium in 2004. Last April, the enlargement of the plant to 200,000 cubic meters per day was agreed following negotiations with the Algerian Government and the project and operation financing contracts have been signed. It means the contract amount goes from US\$ 117.5 million to US\$ 167.5 million. In addition, the consortium has also successfully negotiated the enlargement

of the Temclem-Hounaine desalination plant from 150,000 cubic meters per day to 200,000 cubic meters per day.

The company Maroc Phosphore has awarded the Befesa-Staip consortium the contract, valued at more than € 12 million, to construct the canal to transport 75,000 cubic meters of seawater to feed the cooling system and the other services of the new phosphoric acid production lines at its manufacturing complex in Jorf-Lasfar, a locality on the Atlantic Coast of Morocco about 150 km south of Casablanca.

Befesa has been awarded a contract, under a JV (Joint Venture), by Entidad Pública de Saneamiento de Aguas Residuales de la Comunidad Valenciana, to execute the construction works for the tertiary treatment process at Alcoy (Alicante) Wastewater Treatment Plant (WWTP). This more than € 10 million contract will enable the reutilization of the wastewaters for industrial purposes.

The Board of Governors of the Navarra Canal has awarded the consortium formed by Caja de Navarra, Acciona and Befesa, among other companies, the construction and operation contract for the first phase of the Navarra Canal irrigation area infrastructures, that is to say, up to the river Aragon, a tributary of the river Ebro. The consortium that will execute the works will provide the required financing, approximately € 180 million, and the administration; and irrigation subscribers will subsequently pay a canon over 30 years for the use thereof.

The Aguas de Bilbao Consortium has awarded Befesa Construcción y Tecnología Ambiental the more than € 8 million construction contract for the Ugarte-Kareaga wastewater mains and the array of interceptors required to collect the region's wastewaters.

Befesa has been awarded a contract valued at more than € 23 million by Empresa de Gestión Medioambiental, Egmasa, dependent on the Department of the Environment of the Regional Government of Andalusia,

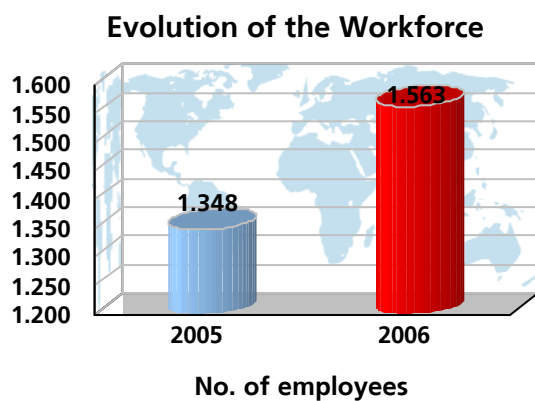
to execute the transfer splitting of the water supply mains from Retortillo reservoir to Ecija's potable water treatment plant (PWTP).

Befesa has been awarded, under a JT (Joint Venture) with Sando, a more than € 15 million contract by Hidroguardiana to enlarge and upgrade the «El Conquero» Drinking Water Treatment Plant (DWTP), in Huelva. The objective of the works awarded to Befesa is the enlargement of the «El Conquero» process line to ensure the treated water meets the quality parameters established in the legislation in force and increase its current 45,000 m³/day capacity to around 90,000 m³/day.

Befesa and the Municipality of Qingdao, in China, have established a «*joint venture*» (in which the participation will be 70 and 30 percent, respectively) to design, construct and operate a seawater desalination plant to be located in the aforementioned city. The desalination plant, utilizing reverse osmosis technology, will be capable of producing, during a first phase, 30,000 cubic meters of industrial and potable water per day. This could be upped to 100,000 cubic meters in a second phase. Befesa will be exclusively responsible for plant construction, valued at around € 54 million, as well as the operation thereof for twenty-five years. The city of Qingdao, with a population of around eight million, located to the extreme south of the Shandong Peninsula, on the banks of the China Sea, is the main destination for home tourism and will host the 2008 Olympic Games Sailing Competition.

Befesa, together with its Indian partner IVRCL Infrastructures & Projects, have completed the financing arrangements, under the DBOOT («*Design, Build, Own, Operate and Transfer*») modality, for the design, construction and operation of Minjur seawater desalination plant to supply the city of Chennai in the State of Tamil Nadu (India). The capacity of the plant, for which the contract was awarded in August 2005, will be 100,000 m³/day and it is scheduled to commence water production during the third quarter of 2008. Befesa will be exclusively responsible for the turnkey construction of the plant and the operation thereof over twenty-five years.

The investment for the development of Minjur plant is € 91 million, of which 77 percent will be non-recourse financed to the shareholders of the consortium by a syndicate of local banks lead by Canara Bank. Estimates are for earnings of more than € 600 million from the sale of water to the consortium from Minjur plant over its 25 operational years.



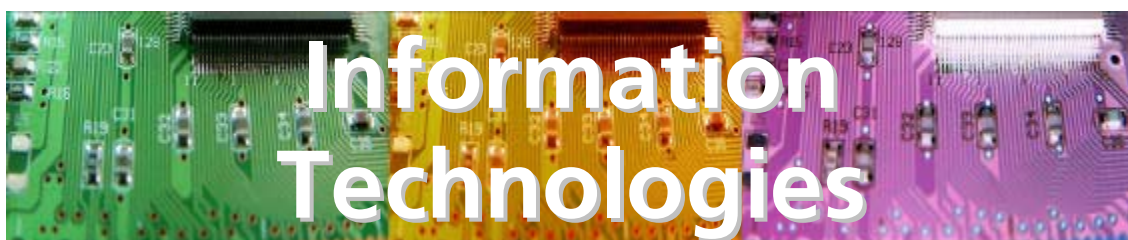
The average workforce of the Environmental Services Business Unit in 2006 was 1,563, a 15.9% increase on the 2005 figure.

3.4 Information Technologies

Telvent, the holding company of Abengoa's businesses in the Information Technology sector, is a specialist in Real-Time information technology (IT) solutions with high added value in four specific industry sectors (Energy, Traffic, Transport and Environment) in Europe, North America, Latin America, the Asia-Pacific region, and the Middle East and Africa. Its technology allows companies to make real-time business decisions utilizing data control and acquisition systems, as well as leading-edge operational applications that provide companies with secure and efficient information.



With Information Technology... we transform data into knowledge, providing effective operational and business real-time decision making for traffic, transport, energy and environment



The following information highlights the most important contract awards and project milestones categorized according to the selected industry sectors in which Telvent operates:

Energy

Oil & Gas

- ◆ Contract with Wisconsin Energies, of the United States, to upgrade its existing data control and acquisition system (SCADA) to OASyS DNA. This electricity and gas company serving a population of more than eight million in the states of Wisconsin and Michigan will thereby control its gas distribution network.

Contract amount: 0,9 M €.

- ◆ Contract with Pembina Pipeline Income Fund to upgrade their SCADA system controlling their Peace Pipeline system to OASyS DNA. Pembina Pipeline Income Fund is among the leading issuers in the Canadian energy infrastructure trust sector. Pembina's extensive network of conventional liquids feeder pipelines, oil sands infrastructure and ethylene storage provide an integral service to the Western Canadian energy industry.

Contract amount: 0.9 M €.

This is the third and largest (by distance and point counts) system provided for Pembina.

Electricity

- ◆ Contract with Hydro Ottawa, in Canada, to upgrade its data control and acquisition system (SCADA), replacing it with Telvent's OASyS DNA system. Hydro Ottawa Limited is the second most important electricity distribution company in the province of Ottawa.

Contract amount: 0.4 M €.

- ◆ Contract with Compañía Nacional de Fuerza y Luz (CNFL), in Costa Rica, to provide a distribution management center that includes advanced applications for early detection and management of network outages. It is a turnkey project, the objective of which is to greatly improve the quality of the electricity supply service in Costa Rica.

Contract amount: 0.4 M €.

This contract is a very significant reference in the Distribution Management Systems market as it will be decisive, together with the Cadafe project, for the consolidation of the Electric Suite platform Telvent is putting much of its trust into to strengthen its leading position in the electricity market worldwide.

- ◆ Contract with the Romanian company Energobit, for the supply of the remote telecontrol units and Control Centers for the substations in the Transylvania North distribution sector.

Contract amount: 0.9 M €.

This contract is a very significant reference in the substations control systems market, as it is Telvent's first important project in Eastern Europe in this sector.

- ◆ Contract with Siemens to supply an Integrated Control System for REE's (Red Eléctrica de España) Jordana Substation. The scope of the project includes control system engineering, programming and testing services.

Contract amount: 0.3 M €.

This contract is a new reference in Control Systems for REE and, moreover, it allows Telvent to consolidate its relations with Siemens in Spain.

- ◆ Contract with Abengoa Brasil, as part of Brazil's TOLE project, to supply a centralized dispatch for the operation of several transmission lines of the Brazilian northeast high voltage grid. Telvent will operate this infrastructure over fifteen years, charging a set monthly rate.

Contract amount: 1.3 M €.

- ◆ Contract with Elecnor to supply the Control, Monitoring and Protection Systems for three substations of the Federal Electricity Commission's transmission and distribution network in Mexico.

Contract amount: 1.0 M €.

Traffic

- ◆ Enlargement of the contract, to prolong the provision of services for Virginia State's Department of Transportation, in the United States, to maintain and upgrade highway management software in its intelligent traffic center.

Contract amount: 0.4 M €.

- ◆ Contract to provide management, installation, integration, testing, and training services for the Advanced Transportation Management System program for the Department of Transportation of the State of Michigan, in the United States.

Contract Amount: 4.3 M €.

- ◆ Enlargement of the contract to provide operation and management services for West Palm Beach county's Traffic Control Center, for Florida State's Department of Transportation, in the United States.

Contract Amount: 0.8 M €.

- ◆ Contract to provide system management, operation and administration services, training services and user assistance services for the «Hudson Valley Traveler» program in the Hudson Valley Transportation Control Center for New York State's Department of Transportation, United States.
Contract Amount: 7.5 M €.
- ◆ Contract with the United States' Transportation Research Council to revise and update the document entitled «A Guide to Emergency Response Planning at State Transportation Agencies». The original document was drawn up by Telvent following September 11 to assist state departments of transportation to improve their response programs in the event of terrorist attacks. The new guide will incorporate the best existing practices.
Contract amount: 0.3 M €.
- ◆ Contract with Servei Català de Trànsit (Catalonia Transportation Service), in Spain, to execute the work «Traffic Equipping on Highway G-16 (E-9), section km.p 21 (Terrassa) – km.p 16 (Sant Cugat), and video and data interconnection between Civicat, Tabasa, and Autema Control Centers». This contract will be executed under a 50/50 joint venture with Indra Sistemas, S.A.
Contract amount: 1.5 M €.
- ◆ Contract with Concessionaria Rodovia das Colinas S.A., in Brazil, to expand the ITS traffic control system. The contract includes the supply of 48 new pairs of SOS posts with fiber optic transmission technology, 43 new pairs of SOS posts with wireless transmission technology via GSM, spares, a traffic gauging station and 9 new closed circuit cameras. The new equipment will be integrated into the existing ITS system that was supplied by Telvent three years ago.
Contract amount: 1.1 M €.
- ◆ Contract with Concessionaria Centrovias S.A., in Brazil, to expand the ITS traffic control system. The contract includes the supply of 36 new pairs of

SOS posts, spares and 10 new CCTV cameras that will be integrated into the existing ITS system that was supplied by Telvent 4 years ago.

Contract amount: 0.6 M €.

It is a strategic contract that confirms Telvent's consolidation in the ITS sector in Brazil, and especially in the province of Sao Paolo.

Transport

- ◆ Contract with Electrans in Spain for the supply and installation of the fixed equipment telecommand system for the «Finca Adoc-Mercado» section of the Alicante light train. In addition to monitoring the status of the fixed equipment at the two new stations comprising the new section, Telvent will implement the following subsystems: a CCTV system, a PA system and a passenger information system.

Contract Amount: 0.8 M €.

- ◆ Contract with Cobra Instalaciones y Servicios S.A. in Spain for the supply and installation of a new parking lot management system at the Santiago airport.

Contract amount: 0.6 M €.

- ◆ Contract with the Sol Group in Spain for the supply and installation of the Web.Park parking lot control and management system at the Hotel Meliá Barajas parking lot.

Contract amount: 0.1 M €.

- ◆ Contract with Elsan-Packs in Spain for the supply and installation of the parking lot control and management system for the enlargement of the Asturias airport parking lot.

Contract Amount: 0.1 M €.

- ◆ Contract with Ortiz e Hijos in Spain for the supply and installation of the Web.Park parking lot control and management system for the Catedrático

Soler and Hermanos López Osaba parking lots in Alicante. Telvent will moreover supply both parking lots' vehicle license plate reading system, thereby reinforcing their security and access control.

Contract Amount: 0.2 M €.

- ◆ Contract with InterParking Hispania in Spain for the renewal of the parking lot control and management system at the Plaza Galicia parking lot. Telvent will implement its Web.Park parking lot control and management system.

Contract Amount: 0.1 M €.

Environment

- ◆ Contract with LVNL (Dutch ATC) for the commissioning of a weather data extraction system. The system will receive data through the meteorological information channel, process them and deliver the information to a PC.

Contract Amount: 0.3 M €.

This is the first time Telvent has provided such a system, and the reference thus opens up a new array of opportunities for similar projects.

- ◆ Contract with the Ministry of the Environment and Natural Resources of the Bolivarian Republic of Venezuela within the framework of the National Hydrometeorology Forecasting System Modernization Program (Project Venehmet) for the supply of weather observation systems to eleven of the country's largest airports. These systems will be installed at the Barcelona, Barquisimeto, Maracaibo, Porlamar, Puerto Ordaz, Maiquetía, Valencia, El Vigía, Charallave and San Cristóbal airports, as well as at the Libertador Air Force Base (Palo Negro-Maracay, Aragua State).

Contract Amount: 1.8 M €.

For Telvent, this project, along with the recent opening of Telvent Venezuela, reaffirms its commitment to growth, in addition to reinforcing its Latin American presence.

- ◆ Contract with Systems Interface Ltd. for the supply and installation of weather systems at Robin Hood Airport in Doncaster-Sheffield and John Lennon Airport in Liverpool. Telvent will provide the systems, see to the commissioning, hold training courses and conduct acceptance testing.
Contract Amount: 0.3 M €.

- ◆ Contract with Harry Pepper & Associates, Inc. in Canada to provide an OASyS DNA data acquisition and control system for the control center being built as part of the current contract with the water management company South Florida Water Management District (SFWMD). Telvent will modernize the system currently used to access, collect and distribute information on remote pumping plants.
Contract Amount: 0.7 M €.

- ◆ Contract with the Catalan Water Agency in Spain for maintenance services for the Muga, Fluviá and Bajo Ter river basin water control systems. The services include the preventive, corrective and evolutionary maintenance of the comprehensive stations used to measure water levels, flow rates and other water management data.
Contract Amount: 4.8 M €.

This contract marks the start of work on a new service model for hydrometeorological networks. This outsourcing model, which is based on service level agreements (SLAs) and has been used by Telvent with other projects in the past, is geared toward the purchase of quality-certified data rather than payment for the infrastructure and related maintenance service.

- ◆ Contract with Aena, in Spain, for the maintenance and management of data from the Barcelona airport's Environmental Quality Monitoring Network (EQMN). Services will include preventive maintenance, dynamic calibration and quality management for the data from five emission monitoring stations and one control center in the Barcelona airport's area of influence.
Contract Amount: 0.1 M €.

- ◆ Contract with Furnas Centrais Eléctricas S.A. in Brazil for an Air Quality and Weather Data Monitoring Station for the Santa Cruz thermoelectric power plant (775 MW) in Rio de Janeiro province. This project is emblematic in that it will enable monitoring of both the pollution from a gas power plant and the weather in the region. Telvent Brazil will install weather and gas sensors in the plant's proximities, as well as control stations (SCADA MyOASyS) at the plant itself, at Furnas's headquarters in Botafogo and at the provincial offices of the state environmental agency, FEEMA, in Copacabana. Telvent Brazil will moreover operate the weather network for three years.
Contract Amount: 0.6 M €.

Others

- ◆ Contract with Viajes Marsans in Spain for the expansion of technological services, including, among others, the implementation of a new Blade architecture and the upgrade of its Citrix solution. Viajes Marsans is a leading travel wholesaler and the largest in Spain in the tourism sector.
Contract amount: 0.2 M €.
- ◆ Contract with Yoigo in Spain for housing of its equipment in order to provide UMTS (third-generation mobile telephony services) network coverage. Thanks to its agreement with Vodafone, through which it interconnects at Telvent's Barcelona node, Yoigo can ensure its presence throughout the country, offering its services to millions of users.
Contract amount: 0.1 M €.
- ◆ Contract with ING Group, in Spain to house its platform in order to provide contingency services and thus ensure business continuity.
Contract amount: 0.3 M €.
- ◆ Contract with RTVE in Spain to enlarge its Internet platform and commence work on the project for content on demand.
Contract amount: 0.1 M €.

- ◆ Contract with the Autonomous Community of Madrid's Regional Transport Consortium in Spain for the consultancy services and integration of a support center for its corporate applications and the outsourcing of its Smart Transport Ticketing (STT) project to Telvent's facilities and data centers.
Contract amount: 0.6 M €.

- ◆ Contract with Pullmantur in Spain for the supply of infrastructure and integration, connectivity and monitoring services for the commissioning of Pullmantur's new *online* ticket sales portal. The project bears witness to the trust placed once again by Pullmantur, Spain's most veteran travel wholesaler, in Telvent and to Telvent's consolidation as a company specialized in ICT outsourcing solutions for the tourism sector.
Contract amount: 0.2 M €.

- ◆ Contract with the Directorate General of Traffic (DGT) in Spain for the redesign of both its Internet and Intranet websites and the restructuring of their content, with special focus on content relating to traffic, mobility and road safety.
Contract amount: 0.8 M €.

This project is of vital importance to Telvent, as it allows us to definitively consolidate our position as the DGT's leading information technology provider.

- ◆ Contract to build the Andalusian Environmental Information Network Channel in Spain. The project entails the building of a Web portal that enables compliance with environmental information objectives, functions and products, creation of the information catalogue and fostering of citizen participation in this sphere. It will also entail an analysis, review and general upgrade process for all the channel's current systems in order to ensure their technological and functional homogeneity, as well as the development of new, additional systems, where necessary.
Contract amount: 0.6 M €.

- ◆ Telvent was awarded the contract for the Santiago Metropolitan Hospital (HOMS) information system. HOMS is a private hospital complex that serves as a regional medical center offering advanced medicine. It will offer state-of-the-art health services based on the latest scientific and technological developments, providing needed services that were hitherto unavailable in the region.

Contract amount: 0.6 M €.

This is the first project undertaken in the Dominican Republic since the new office was opened in Santo Domingo.

- ◆ Contract with the Government of Cantabria's Department of Health and Social Services in Spain. The project will ensure the traceability of patients called in for outpatient visits through use of RFID technology and will include provision of the necessary IT equipment.

Contract amount: 0.8 M €.

- ◆ Contract with the Andalusian Health Service in Spain to develop its Corporate Radiology Information System and its Centralized Medical Imaging Management System.

Contract amount: 3.0 M €.

With this contract, we are continuing to enrich our TiCares solution through the incorporation of new departmental solutions able to manage large-scale projects. The new PACS system, which will provide support for the management of medical imaging for over seven million people, will be one of the world's largest in terms of storage volume and will afford us a highly strategic position with regard to winning new clients.

- ◆ Contract with the Ministry of Agriculture and Fisheries in Spain to expand the «Merchant Ship Location Systems» project, which consists of creating a monitoring and document management center for large-tonnage ships flying the Spanish flag through the use of satellite communications.

Contract amount: 0.5 M €.

- ◆ Contract with Aena in Spain for the supply of Tetra terminals for Madrid Barajas Airport. The project includes the supply, programming and commissioning of mobile, fixed and portable communication terminals.
Contract amount: 1.0 M €.

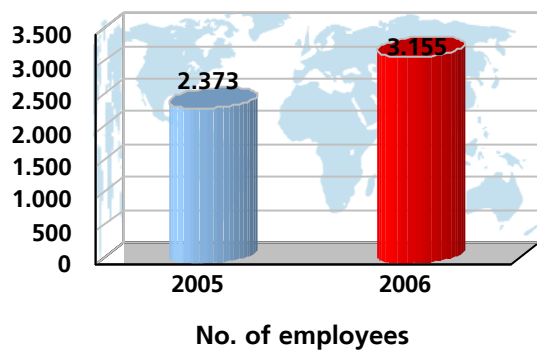
- ◆ Contract with Compet in Romania for the supply and commissioning of the communications network control center. The project consists of the design, supply and commissioning of a control center that enables surveillance and real-time action in relation to the core communications network.
Contract amount: 0.3 M €.

- ◆ Contract with TDM in Mozambique for the enlargement of the rural telephony network. The project consists of extending the project to regions (subnetworks) that were not initially included in the original project.
Contract amount: 1.1 M €.

- ◆ Contract with Aena in Spain to implement a digital Tetra (terrestrial trunked radio) network at the La Coruña airport. The project consists of a communications node equipped with two carriers in order to ensure the high availability required by the airports' emergency systems.
Contract amount: 0.2 M €.

This contract reaffirms Aena's continued support for Telvent after the projects at the Vigo, Ibiza, Minorca and Seville airports. Telvent has established a reputation as a reliable company for the execution of emergency radio communications projects at airports

Evolution of the Workforce



The average workforce of the Information Technologies Business Unit in 2006 was 3,155, a 33.0% increase on the 2005 figure.

3.5 Industrial Engineering and Construction

Abeinsa is Abengoa's holding company for this Business Unit, whose activity focuses on engineering, construction and maintenance of electric, mechanical and instrumentation infrastructures for the energy, industry, transport and services sectors: Promotion, construction and operation of industrial and conventional (cogeneration and combined cycle) power plants, and renewable energy (bioethanol, biodiesel, biomass, wind, solar and geothermal) power plants. Turnkey telecommunication networks and projects.



With engineering... we construct and operate conventional and renewable energy power plants, power transmission systems and industrial infrastructures

A banner with a colorful background of technical drawings and a globe. The text "Industrial Engineering and Construction" is written in large, white, bold letters across the center.

Industrial Engineering and Construction

The main novelties as regards contracting, new plants, price evolution, etc., during 2006 in Industrial Engineering and Construction were as follows:

- ◆ Abengoa confirmed its participation in the Multilateral Carbon Credit Fund (MCCF), by the signing of the adherence agreement. In this way, it becomes one of the six private companies at a European level that will benefit from the acquisition of carbon credits resulting from projects in Central European and Central Asian regions.

With this operation, Abengoa rises as the only industrial and technological company at a European level to participate in this initiative created to make it easier, to different countries and companies, the observance of the aims marked by the Kyoto Protocol. This will mean an active contribution of Abengoa to the sustainable development of those countries that receive the investment by the transference of clean technologies.

This participation will join the decision already taken by the Spanish Carbon Fund, created by the Government of Spain and the World Bank Group. Abengoa is the fourth private investor on this fund with € 4,5 million, just following the three important electrical companies in Spain.

- ◆ Abener Energía, S.A., has been awarded the contract to construct and operate a 150 MW solar-combined cycle hybrid power plant in Hassi R'Mel (Algeria), where one of the world's main natural gas reserves is to be found.

The plant will have a 25 MW parabolic-trough technology solar field and will supply complementary thermal energy to a 130 MW combined cycle plant. The surface area of the solar field will exceed 180,000 m² and the novelty of the project will be the electric exploitation of the heat generated

in the steam turbine itself, which in turn exploits the residual heat from the gas turbine.

- ◆ Instalaciones Inabensa has been awarded the contract for Package II of the electric interconnection system for the Central America countries (Siepac) that will interconnect Nicaragua, Costa Rica, and Panama.

It is to be a turnkey project valued at more than 89 million euro. The total length is 953 kilometers and the activities include the final engineering, supply of materials, civil works, access routes, compensations, installation and testing of materials, and commissioning of the 230 kV single circuit transmission lines, with pylons foreseen for a second circuit in the future, for 300 MW capacity.

- ◆ In addition, Inabensa has been awarded the turnkey project contract for the generation, transformation, transmission and/or sub-transmission and distribution system of the 16 MW Guapi hydraulic power plant in Colombia. The contract value is more than 61 million dollars.

This project is of vital importance for the Colombia electricity system as it will cover the demands of more than 80,000 inhabitants in the municipal districts of Guapi, Timbiqui, and Iscuande.

- ◆ Inabensa France SAS, the French subsidiary of Instalaciones Inabensa S.A., has been awarded the new 2006-2008 framework contract to execute high voltage overhead line modification and disassembly works for RTE EDF Transport. Inabensa France thereby continues its high voltage line activity in France upon it now having renewed the existing contract that dates back to 2003. The holder of this new 2006-2008 framework contract with RTE is Inabensa France, which in turn is responsible for a group of four companies. The overall figure committed by RTE is 75,850,000 euro.
- ◆ The Culture, Tourism Department of Castile and Lion Government awarded Instalaciones Inabensa, S.A., in joint venture, the construction works of the

Human Evolution Museum of Burgos. The awarding amounts to 51 million euro.

- ◆ In addition, the Madrid Regional Government has awarded Inabensa, through the company Madrid Infraestructuras del Transporte (Mintra), several contracts to supply installations for the infrastructure remodeling works on the existing and new lines of the Madrid metro system. The overall value of these contracts is approximately 22 million euro.
- ◆ Inabensa has been awarded, under a JV, the contract to execute the installation works for the Aircraft Parking Southern Platform, Phase II, of the New Area Terminal at Barcelona Airport. The contract value is approximately 24 million euro.

Inabensa has also been awarded, under a JV, the contract to execute the works required for the installation of the emergency generating sets and their associated equipment for the New Area Terminal at Barcelona Airport. The contracted works are part of Aena's Barcelona Plan and are for approximately 21 million euro.

These contracts consolidate Inabensa as one of the leading companies within the airport sector.

- ◆ As regards the consolidation of Inabensa's leading position in integral installations for the railway sector, the company has been awarded, in consortium with Abengoa Mexico, the contract valued at approximately 18 million euro to supply the electric energy and catenary for the Buenavista-Cuautitlan suburban railway network, in Mexico F.D.
- ◆ Inabensa continues to execute works for Endesa, in Catalonia and the Balearic Isles, and for Iberdrola, in Levant and the Northern Region, distribution works (for MV and LV lines) and maintenance works (HV Lines) under the pluri-annual contracts signed. The value of the contracts for the 2006 financial year is approximately 19 million euro.

- ◆ Seville City Council has awarded Inabensa, through the Public Transport Company (Tussam), the 3.4 million euro contract to execute the electrification works for the city's light overland metro line, which is part of the works to be executed under the Metrocentro project.
- ◆ In addition, Inabensa has been awarded the contract to execute the construction of a new administrative building for EMASESA, the Seville Municipal Water Supply and Sanitation Company (Empresa Municipal de Abastecimiento y Saneamiento de Aguas de Sevilla).
- ◆ The Town Council of La Nucía (Alicante) has awarded Inabensa, under a joint venture, the construction of the covered pavilion in the Camilo Cano municipal sports complex. The contract value is approximately € 6 million.
- ◆ On March 13, the President of Mexico inaugurated the repowering to 230 MW of the combined cycle of Hermosillo (Mexico) thermoelectric power plant, which was executed by Abener Energía.
- ◆ During 2006, Abengoa continues to execute, through its telecommunications subsidiary Abentel, the global customer loop contract, for installation and maintenance works for Telefónica de España. The expected contract value in 2006 is approximately 55 million euro.

Abengoa Chile

- ◆ Abengoa Chile has been contracted by Transelec to execute the reinforcement project for the 154 kV Itahue–San Fernando line. The contract value is 7.9 million euro and the execution period is 19 months.
- ◆ In addition, it has successfully completed the supply and installation of the lighting, power and low voltage network system for the railway network of Metro Regional de Valparaiso (MERVAL), on the underground sections between the cities of Valparaiso and Viña de Mar.

- ◆ A contract has been awarded by Chilectra to strengthen the 110 kV ring on the Los Almendros–El Salto line. The complexity of the works and the line route (which crosses important thoroughfares in Santiago) means that highly detailed planning and coordination with the municipal authorities is required. The works are being executed to meet the growing demand for electricity in the capital. The contract value is 1.2 million euro.
- ◆ Abengoa Chile has constructed, for Empresa de Obras Sanitarias del Bío Bío, two wastewater treatment plants: Colemu and Chimbarongo. The two projects required an investment of € 1.6 million and € 2.3 million, respectively. Both of these environmental enhancement projects improve the quality of life for a population of around 26,000.

The plants operate with two types of biological treatment processes: the first by means of the prolonged aeration of activated sludge, designed mainly to treat the wastewaters; and the second plant by means of anaerobic treatment focused on treating industrial wastes.

Abengoa Mexico

- ◆ Abengoa Mexico has signed a contract for more than 21 million euro with the Comisión Federal de Electricidad to remove the existing transmission cable, guard wire (protector against atmospheric discharges) and replace it with OPGW cable (optical ground wire) or optical guard cable, as it is also known, which will enable the enhancement of telecommunications in the south of Mexico.

The eleven-month project, which is expected to create an average of 100 jobs, was awarded by International Call for Tenders and will be executed under the «flat rate financed public work» modality.

- ◆ Abengoa Mexico has contracted with the Isolux-Techint Consortium the supply and installation of fiber optic guard wire on transmission lines (in two phases, of 700 km and 860 km, respectively), as well as the optic

systems, management systems, synchrony systems and electronic equipment. The total contract value is 23 million euro.

- ◆ An agreement has been reached with SDS, Sistema de Desarrollo Sustentable, to execute the civil and electromechanical assembly works at the Zimapan plant. The contract value is 8.1 million euro.

Abengoa Peru

- ◆ The president of Peru, Alejandro Toledo, attended the contract signing ceremony for the city of Huancavelica Integral Drinking Water and Sewerage System Project. The investment to be made in the project, which will benefit some 42,000 of the city's inhabitants, is twelve million dollars.
- ◆ Abengoa Peru has been awarded the contract for the supply, construction, installation and delivery of the Second Circuit of the 220 kV San Juan-Chilca Line, for Red de Energía del Peru, the country's main transmission company.

The line, located in the Costa area (Department of Lima), is 49 kilometers long. The objective of the project is to increase the transport capacity on the line's existing circuit (from 150 MVA to 180 MVA) and install the second circuit (180 MVA) to evacuate the energy generated in the new power plants that will be constructed in the Chilca area, south of Lima.

- ◆ Abengoa Peru has signed a more than three million euro construction contract with the company Milpo S.A.A. for a desalinated water drive line. The contract is included in the Cerro Lindo mining project for the production of zinc, lead, and copper concentrates, in the southern region of Lima, which is currently being developed by Milpo.

Abengoa will execute the installation of 46 kilometers of pipeline and the construction of three pumping stations. The new pressurized water drive line will originate at Jahuai beach and will reach the mine's processing

plant in the district of Chavin, province of Chinchá, where Abengoa will construct two water storage tanks, for the desalinated water, with a capacity of up to 3,800 cubic meters.

Comemsa

- ◆ Abengoa (through its Mexico based subsidiary Comemsa, dedicated to the fabrication of metallic latticework structures for power transmission and distribution lines) has signed a more than one million euro contract with the American company Southern California Edison (SCE), to supply electric towers for the «Rancho Vista» power transmission line. SCE is one of the sector's most important companies on the west coast of the United States, and is based in Los Angeles, California.

Comemsa will supply four types of electric towers, two 230 kilovolt towers and two more than 500 kilovolt towers. The project will commence in January 2007 and will be completed during the course of March and April that year.

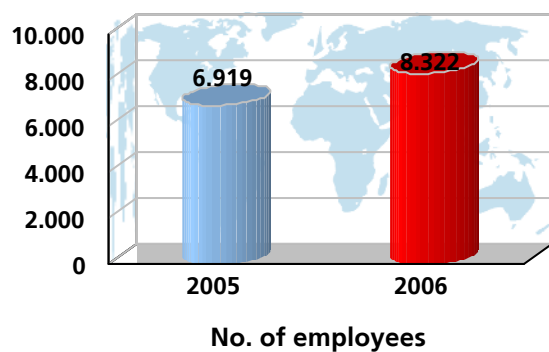
This new contract is very important for the Company, as the United States is a strategic market for Abengoa in which there are significant growth prospects within the electric engineering sector.

Teyma Uruguay

- ◆ Awarding of the works for Botnia, which consist of the civil work at the Frey Bentos Wastewater Treatment Plant. Said works comprise the aeration pool and cooling towers, as well as excavations, foundations, walls that are over 11 meters high, etc. The contract value is 6.2 million euro.
- ◆ Teyma has been awarded a contract by Antel, to supply and install metallic structures, towers, monopoles, and masts for telephone antennae, and the installation and disassembly of structures Antel possesses. The contract value is 4 million euro.

- ◆ A contract has been signed with Ence for the earthmoving works required for the construction of Ence's cellulose plant in M'Bopicua – Frey Bentos. The first phase has been concluded (0.5 million euro) and phase 2 will now commence. This includes all the excavation, ground leveling and compacting works, the protection of escarpments and construction of channels. The contract value is 4.2 million euro.

Evolution of the Workforce



The average workforce of the Industrial Engineering and Construction Business Unit in 2006 was 8,322, a 20.3% increase on the 2005 figure.

4. Evolution of the Businesses. Highlights

4

4.1 Bioenergy

Bioenergy	2006	2005	Var (%)
Sales	476.2	392.7	21.3%
Gross Cash Flows	49.9	43.8	14.0%
Gross Cash Flows/Sales	10.5%	11.2%	

The Sales of the Bioenergy Business Unit rose to 476.2 million euro as against the 392.7 million euro in 2005. This is a 21.3 percent increase. Bioethanol sales are responsible for 87% of said increase and, approximately, in three equal parts: the higher sales price of bioethanol in Europe; in the United States; and the higher volume of bioethanol sold to the European market following the coming on-line of the Biocarburantes Castilla y Leon facility.

The Gross Cash Flows from Operating Activities has risen less than the sales, about 14.0%, and went from the 43.8 million euro figure of 2005 to the current 49.9 million euro. The increase is obtained basically by the net between a better bioethanol price performance and the increase in operating costs as a consequence of the rise in the price of natural gas and grain in the European Union.

The Gross Flow margin on Sales remain at levels higher than those of business operation, once the costs associated with the Unit's focus on technological innovation and organic development of new production capacity are isolated.

Highlights

- ◆ The accumulated ethanol sales volume in 2006 is 361.6 million liters in the EU and 102.0 million gallons in the US. In 2005, 303.5 million liters were sold in the EU and 100.4 million gallons in the US. The start-up of the Biocarburantes de Castilla y León facility is the main growth factor in the EU (88 per cent).
- ◆ In 2006, the price of bioethanol in the EU has risen compared to the 2005 prices. The accumulated average price to-date has been 0.58 €/liter (as against 0.52 €/liter). In the United States, the price has also increased, 1.75 US\$/gal (as against 1.43 US\$/gal in 2005). In this period, the price of grain in the EU has been slightly higher than last year, 139.8 €/ton (as against 134.5 €/ton in 2005). The contrary has occurred in the United States where the price has been 2.46 US\$/b (as against 2.51 US\$/b in 2005). Also of note is the effect of the increases in the cost of natural gas in the EU, from 15.6 €/MWh in 2005 to 22.4 €/MWh in 2006, and in the United States from 8.19 US\$/mmbtu in 2005 to 9.45 US\$/mmbtu.

4.2 Environmental Services

Environmental Services	2006	2005	Var (%)
Sales	555.3	402.4	38.0%
Gross Cash Flows	58.0	40.4	43.7%
Gross Cash Flows/Sales	10.5%	10.0%	

In 2006, the Sales of the Environmental Services Business Unit (555.3 million euro) have increased on those for the previous year by 152.9 million euro, which is a 38.0% increase. This is due mainly to the increase in the volume of wastes treated in all the Group's areas, especially by the Aluminum Waste Recycling unit, and the increase in the volume of works executed by the Environmental Engineering unit. The increase in the price of metals has also had a positive effect on the sales for the period.

As regards the Gross Cash Flows from the Operating Activities, it has risen compared to 2005 by 17.6 million euro (43.7%). This is mainly due to the positive evolution in the aforementioned business areas. The Gross Cash Flows/Sales ratio has dropped to 10.5%, due mainly to the modification made in the mix of the Group's sales.

Likewise, upon applying international accounting standards, following the acquisition of the BUS Group towards year-end, Befesa's profit and loss account includes only the result corresponding to BUS for the month of December (the time as of from which Befesa took over control of the new sub-group) and, therefore, its effect in 2006 has been of very little importance. However, Abengoa's consolidated balance sheet includes the totality of the BUS sub-group's assets and liabilities and, as a consequence, the net debt experiences an important increase as a result of the financing undertaken for 330 million euro for said transaction.

4.3 Information Technologies

Information Technologies	2006	2005	Var (%)
Sales	476.3	362.6	31.4%
Gross Cash Flows	42.3	33.3	27.2%
Gross Cash Flows/Sales	8.9%	9.2%	

In 2006, the sales figure of the Information Technologies Business Unit rose to 476.3 M€, which is a 31.4% increase on the previous year's figure of 362.6 M€. This increase is essentially due to the organic growth of the activity. The Gross Cash Flows figure is 42.3 million euro, which is a 8.9 percent on sales and 27.2 percent increase on the previous year.

The Energy, Environment and Outsourcing sectors continue to perform well compared to the previous year, being of note the contribution from such important projects as that of Vattenfall, several projects in the electric sector in Spain, and the Oil and Gas activity in Mexico, which make our energy sector the most important, with sales of 215 M€.

During the course of the year, three new companies were incorporated into the Traffic and Transport sector: Beijing Blue Shield, in China; Farradyne, in the United States; and Maexbic, in Spain. The incorporation of Farradyne has allowed the Business Unit to accelerate development in North America, with the aim of exploiting business opportunities and consolidating its presence in the sector.

The incorporation of advanced solutions in our projects and the consolidation of our markets and geographical areas have contributed to the improvement of the gross margin as we had anticipated. Nonetheless, the increase in general expenses, due mainly to the implementation of the SOX, commercial and bid costs, as a consequence of the development and effort put into new markets, and the impact of the integration of the new companies purchased during the financial year, have resulted in the Gross Flow margin on sales dropping from 9.2% in 2005 to the actual 8.9% in 2006.

Finally, we would stress the continuous investment effort in R&D&I, with more than 16.5 M€ invested during the year as a platform for the development of new products and solutions that contribute to maintaining our growth and strengthening our profitability.

4.4 Industrial Engineering and Construction

Industrial E&C	2006	2005	Var (%)
Sales	1,169.4	865.8	35.1%
Gross Cash Flows	137.5	98.9	39.1%
Gross Cash Flows/Sales	11.8%	11.4%	

The Sales of the Industrial Engineering and Construction Business Unit in 2006 have increased on those of the previous year by 35.1%, and the figure has reached 1,169.4 million euro. The Gross Cash Flows from Operating Activities has also increased on the previous year by 38.6 million euro, and has gone from 98.9 million euro in 2005 to 137.5 million euro in 2006.

Of note in this positive evolution is the contribution from the construction of high-voltage lines in Brazil (in line with previous quarters), and the results from the line concessions that are in operation.

5. Consolidated Results and Balance Sheet at 31.12.2006

5

◆ Consolidated Profit and Loss Account at December 31, 2006

(figures in thousand of euros)

	31/12/2006	31/12/2005
Net turnover	2,677,186	2,023,515
Variation in inventories	2,541	(817)
Other operating income	134,690	35,704
Materials consumed	(1,645,700)	(1,162,857)
Personnel expenses	(402,719)	(325,908)
Depreciation and amortization expense	(68,679)	(52,906)
Research and development costs	(23,239)	(18,305)
Other operating expenses	(454,908)	(334,975)
Other net income/expenses		
I. Net Operating Profit	219,172	163,451
Financial income	24,430	22,709
Financial expenses	(119,239)	(70,409)
Net Exchange Differences	8,283	(1,695)
Other net financial income/expenses	(5,330)	(9,362)
II. Net Financial Loss	(91,856)	(58,757)
III. Participation in Profits/(Losses) of Associate Companies	7,532	5,359
IV. Consolidated Profit before Tax	134,848	110,053
Corporate income tax	(13,345)	(31,572)
V. Consolidated Profit after-Tax	121,503	78,481
Profit attributable to minority interests	(21,164)	(12,477)
VI. Profit for the Year attributable to the Parent Company	100,339	66,004
Number of ordinary shares in circulation (thousands)	90,470	90,470
VII. Earnings per Share for the Year's Result	1.11	0.73

	2006	2005	Var (%)
Sales	2,677.2	2,023.5	32.3%
Gross Cash Flows	287.9	216.4	33.0%
% Gross Cash Flows/Sales	10.8%	10.7%	
Net Profit Before Tax	134.8	110.1	22.5%
Net Profit Attributable	100.3	66.0	52.0%

◆ Highlights per Business Unit

Sales	2006	2005	Var (%)	% 2006	% 2005
Bioenergy	476.2	392.7	21.3	17.8	19.4
Environmental Services	555.3	402.4	38.0	20.7	19.9
Information Technologies	476.3	362.6	31.4	17.8	17.9
Industrial Engineering and Construction	1,169.4	865.8	35.1	43.7	42.8
Total	2,677.2	2,023.5	32.3	100.0	100.0

Gross Cash Flows	2006	2005	Var (%)	% 2006	% 2005
Bioenergy	49.9	43.8	14.0	17.3	20.2
Environmental Services	58.0	40.4	43.7	20.2	18.7
Information Technologies	42.3	33.3	27.2	14.7	15.4
Industrial Engineering and Construction	137.5	98.9	39.1	47.8	45.7
Total	287.9	216.4	33.0	100.0	100.0

Gross Cash Flows / Sales	2006	2005
Bioenergy	10.5%	11.2%
Environmental Services	10.5%	10.0%
Information Technologies	8.9%	9.2%
Industrial Engineering and Construction	11.8%	11.4%
Total	10.8%	10.7%

◆ Net Amount of the Business-Sales Figure

Abengoa's consolidated sales to December 2006 were 2,677.2 M €, a 32.3% increase on the previous year. All of Abengoa's Business Units increased their sales in this financial year.

Sales	2006	2005	Var (%)
Bioenergy	476.2	392.7	21.3
Environmental Services	555.3	402.4	38.0
Information Technologies	476.3	362.6	31.4
Industrial Engineering and Construction	1,169.4	865.8	35.1
Total	2,677.2	2,023.5	32.3

The Bioenergy Business Unit's sales were 476.2 M € as against 392.7 M € the previous year, which is a 21.3% increase on the last year. The Environmental Services Business Unit's sales were 555.3 M € in 2006 compared to 402.4 M € for the previous year, with a 38.0% increase. The Information Technologies Business Unit's sales were 476.3 M € as against 362.6 M € the previous year (a 31.4% increase). Finally, the Industrial Engineering and Construction Business Unit's sales were 1,169.4 M €, a 35.1% increase on the 865.8 million euro achieved in 2005.

◆ Gross Cash Flows from Operating Activities

The Gross Cash Flows from Operating Activities figure was 287.9 M €, which is a 33.3% increase on the 2005 figure.

Gross Cash Flows from Operating Activities	2006	2005	Var (%)
Bioenergy	49.9	43.8	14.0
Environmental Services	58.0	40.4	43.7
Information Technologies	42.3	33.3	27.2
Industrial Engineering and Construction	137.5	98.9	39.1
Total	287.9	216.4	33.0

The Bioenergy Business Unit's Gross Cash Flows were 49.9 million euro in this financial year as against the 43.8 million euro registered in 2005. This is a 14.0% increase. The Environmental Services Business Unit's Gross Cash Flows reached 58.0 million euro to the end of 2006 as against the 40.4 million euro to the end of 2005. This is a 43.7% increase. The Information Technologies Business Unit's Gross Cash Flows were 42.3 million euro as against the 33.3 million euro the previous year, a 27.2% increase. Finally, the Industrial Engineering and Construction Business Unit's Gross Cash Flows were 137.5 million euro as against the 98.9 million euro the previous year. This is a 39.1% increase.

◆ Taxes

	2006	2005	Var (%)
EBT	134.8	110.1	22.5
Corporate Taxes	(13.3)	(31.6)	(57.7)
External Partners	(21.2)	(12.5)	69.6
EAT	100.3	66.0	52.0
Tax Rate	9.9%	28.7%	

The earnings before tax were 134.8 million euro, which is a 22.5 percent increase on the 110.1 million euro in 2005.

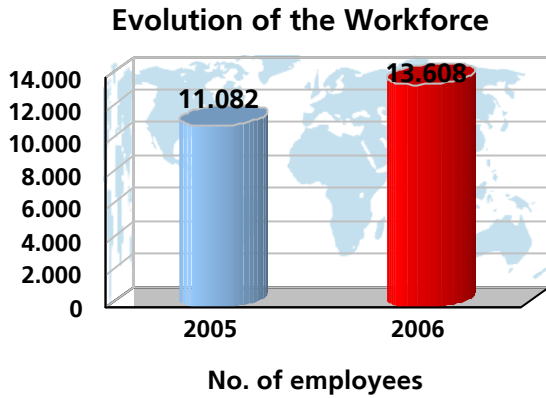
Company tax expenses in 2006 rose to 19.3 million euro. Thus, the tax rate for said period is 9.9%.

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

	2006	2005	Var (%)
EAT attrib. parent Co.	100.3	66.0	52.0
% EAT / Sales	3.7%	3.3%	

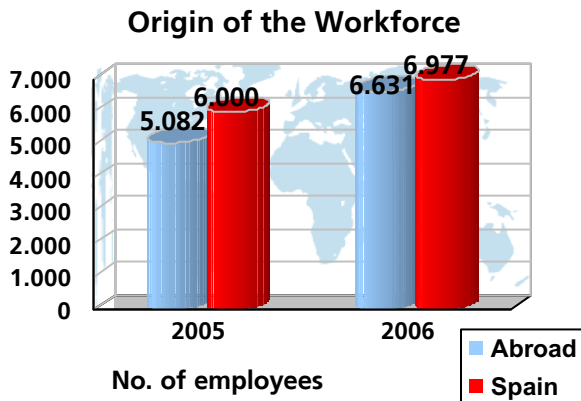
The earnings attributable to the parent company were 100.3 million euro, which is a 52.0 percent increase on the 66.0 million euro achieved the previous year.

◆ Evolution of the Average Workforce



The average workforce has increased by 2,526 compared to the number employed in 2005.

◆ Origin of the Workforce



As can be seen, the increase in the workforce numbers has mainly occurred abroad, due to the higher volume of Industrial Engineering and Construction projects in Latin America.

◆ Consolidated Balance Sheets at December 31, 2006

(figures in thousand of euros)

Assets	31/12/2006	31/12/2005
A. Non-Current Assets		
I. Intangible Assets		
Goodwill	595,519	303,425
Other intangible assets	42,133	52,371
Provisions and depreciation	(14,316)	(7,129)
	623,336	348,667
II. Tangible Fixed Assets		
Tangible fixed assets	996,074	873,924
Provisions and depreciation	(356,329)	(331,201)
	639,745	542,723
III. Fixed Assets in Projects		
Intangible assets	803,423	419,359
Provisions and depreciation	(23,863)	(11,824)
Tangible fixed assets	435,900	306,139
Provisions and depreciation	(68,553)	(31,907)
	1,146,907	681,767
IV. Financial Investments		
Investments in associate companies	52,602	50,036
Financial assets available for sale	47,087	30,685
Financial accounts receivables	45,481	53,514
Deferred tax assets	228,919	136,831
	374,089	271,066
Total Non-Current Assets	2,784,077	1,844,223
B. Current Assets		
I. Inventories		
	150,737	137,806
II. Clients and Other Receivables Accounts		
Trade receivables for sales and services	714,414	365,823
Credits and other receivables	267,639	159,772
	982,053	525,595
III. Financial Investments		
Financial assets at fair value	77,742	122,768
Financial assets available for sale	33,205	2,108
Financial accounts receivables	340,010	245,494
Derivative financial instruments	30,782	9,364
	481,739	379,734
IV. Cash and Cash Equivalents		
	1,027,972	435,366
Total Current Assets	2,642,501	1,478,501
Total Assets	5,426,578	3,322,724

Abengoa's total Assets in 2006 came to 5,426.6 M € which is a 63.3% increase on the figure for 2005, which was 3,322.7 M €.

Equity and Liabilities	31/12/2006	31/12/2005
A. Capital and Reserves		
I. Share Capital	22,617	22,617
II. Parent Company Reserves	226,677	226,622
III. Other Reserves	(79,716)	(20,302)
IV. Translation Differences		
At fully or proportionally consolidated companies	(10,143)	23,539
At companies consolidated by the equity method	2,865	3,916
	(7,278)	27,455
V. Retained Earnings	227,805	138,704
B. Minority Interest	151,021	131,095
Total Equity	541,126	526,191
C. Non-Current Liabilities		
I. Long-Term non-Recourse Financing (Project Financing)	796,068	386,365
II. Loans and Borrowing		
Bank loans	873,158	530,002
Obligations and other loans	151,422	134,198
Obligations under financial leasing	9,050	22,701
	1,033,630	686,901
III. Provisions for Other Liabilities and Expenses	58,434	47,702
IV. Derivative Financial Instruments	88,389	0
V. Deferred Taxes Liabilities	86,372	49,327
VI. Employee Benefits	4,610	1,605
Total Non-Current Liabilities	2,067,503	1,171,900
D. Current Liabilities		
I. Short-Term non-Recourse Financing (Project Financing)	457,802	284,475
II. Loans and Borrowing		
Bank loans	482,774	166,699
Obligations and other loans	15,093	28,059
Obligations under financial leasing	4,873	8,462
	502,740	203,220
III. Suppliers and Other Trade Accounts Payables	1,660,881	1,011,179
IV. Current Tax Liabilities	135,322	92,455
V. Derivative Financial Instruments	47,494	30,843
VI. Provisions for Other Liabilities and Expenses	13,710	2,461
Total Current Liabilities	2,817,949	1,624,633
Total Shareholder's Equity and Liabilities	5,426,578	3,322,724

◆ Net Debt Position

	2006	2005	Var (%)
Debt with Credit Institutions	(1,355.9)	(696.7)	94.6
Treasury	1,028.0	435.4	136.1
Temporary Financial Investments	481.7	379.7	26.9
Total Net Debt	153.8	118.4	29.9

The Net Debt figure for 2006 have reached 153.8 million euro (net cash position), which is a 29.9 percent increase on the previous year's figure.

◆ Consolidated Cash Flow Statement at December 31, 2006

(figures in thousand of euros)

	31/12/2006	31/12/2005
Gross Cash Flows from Operating Activities from Business Unit ^(*)	287,851	216,358
Financial results, amortizations, taxes and work done for Fixed Assets	(166,348)	(137,877)
I. Consolidated profit after-tax	121,503	78,481
Adjustments to the profit:		
Amortisations and provisions	68,679	52,906
Profit/loss through sale of tangible assets	0	6,627
Profit/loss through sale of shares	0	(8,170)
Result in investments available for sale	(1,506)	(126)
Results of financial assets at fair value	(16,445)	(17,353)
Results of secondary financial documents	(4,551)	500
Shares in profits/losses of associate companies	(7,532)	(5,358)
Taxes	13,345	31,572
Other non-monetary items	14,229	1,214
II. Cash generated by operations	187,722	140,293
Inventories	(35,531)	(130,123)
Clients and other collectable accounts	(496,329)	(46,699)
Suppliers and other payable accounts	636,518	279,415
Other circulating assets/liabilities	(46,238)	(43,798)
III. Variations in working capital	58,420	58,795
A. Net Cash Flows from Operating Activities	246,142	199,088
Companies in the group, multigroup and associate companies	0	(6,467)
Tangible fixed assets	(261,588)	(292,473)
Intangible assets	(656,656)	(212,314)
Other assets	(40,728)	(33,061)
Translation difference and perimeter variation effect	0	0
I. Investments	(958,972)	(544,315)
Companies in the group, multigroup and associate companies	0	0
Tangible fixed assets	1,600	26,918
Intangible assets	37,110	41,403
Other assets	21,861	10,752
Translation difference and perimeter variation effect	21,164	9,551
II. Disinvestments	81,735	88,624
B. Net Cash Flows from Investment Activities	(877,237)	(455,691)
Income from outside resources	1,434,565	624,497
Repayment from outside resources	(197,141)	(171,689)
Dividends paid	(13,778)	(12,984)
Other finance activities	55	0
C. Net Cash Flows from Finance Activities	1,223,701	439,824
Net Increase/Decrease of Cash and Equivalents	592,606	183,221
Cash or equivalent at the beginning of the year	435,366	252,145
Cash in Banks at the Close of the Year	1,027,972	435,366

(*) Earnings before interest, tax, depreciation and amortization, adjusted by the works flows done for own fixed assets.

	31/12/06	31/12/05
Consolidated Profit after-Tax	121,503	78,481
Taxes	19,345	31,572
Amortisations and provisions	62,679	52,906
Net Financial Loss	91,856	58,757
Participation in Profits/Losses of Associate Companies	(7,532)	(5,358)
Works done for own fixed assets	0	0
Gross Cash Flows from Operating Activities from Business Unit	287,851	216,358

6. Relevant Events and other communications

6

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 2006

◆ **Written communication of 30.08.2006 (Ref. 70.262)**

Information corresponding to the first half of 2006.

◆ **Written communication of 23.10.2006 (Ref. 71.744)**

Designation as Chairman of the Appointment and Remuneration Committee of Mr. Carlos Sebastián Gascón in substitution of Mr. Ignacio Polanco Moreno.

◆ **Written communication of 27.10.2006 (Ref. 71.967/8)**

Acquisition by Befesa of the company BUS Group AB by an enterprise value of 330 million euro and complementary presentation.

◆ **Written communication of 31.10.2006 (Ref. 71.987)**

The Company, regarding several buzzes published related to a potential exclusion offer for Befesa, and as the CNMV has required it, signifies that it is not his communication policy to attend such kind of news and does not have any notice about this matter.

◆ **Written communication of 14.11.2006 (Ref. 72.380)**

Designation as member of the Advisory Board of the Board of Directors of Mr. Luis Solana Madariaga.

◆ **Written communication of 16.11.2006 (Ref. 72.504)**

Information corresponding to the Third Quarter 2006.

◆ **Written communication of 04.12.2006 (Ref. 73.402)**

Notification of the German Competition authorities of its unconditional approval for the acquisition of the BUS Group AB by Befesa as previous condition and execution of the purchase.

2. Evolution on the Stock Exchange

Share Performance

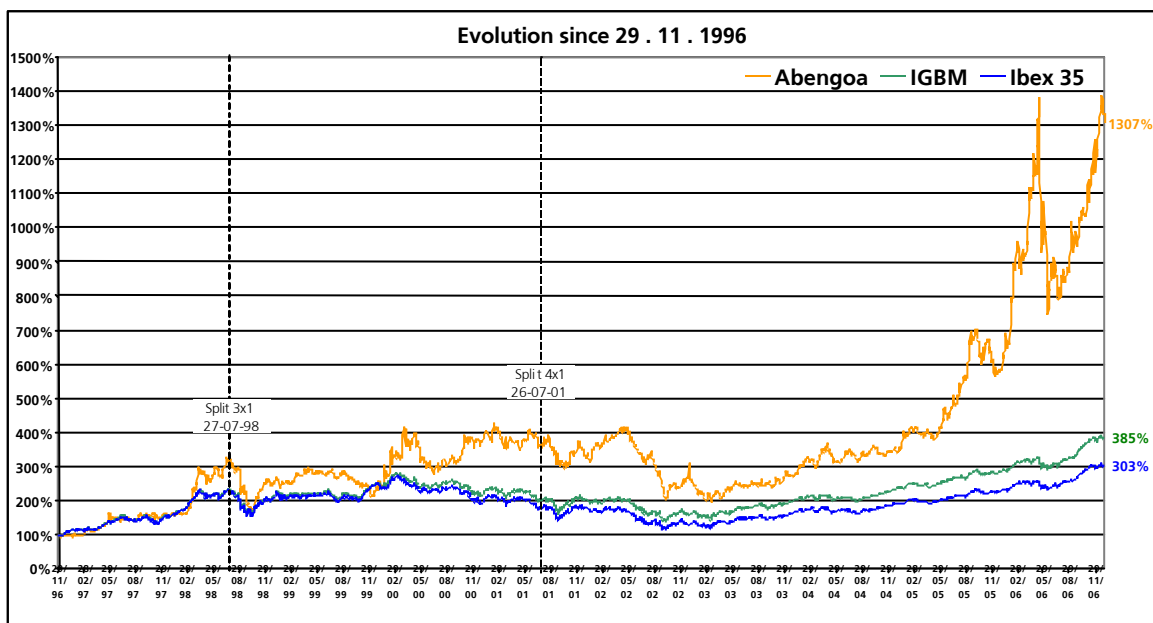
According to the data supplied to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Securities Recording, Clearing and Settlement Management Company) for the last Extraordinary General Meeting held on April 9, 2006, Abengoa, S.A. had 6,663 shareholders.

As on December 31, 2006, 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) 118,874,315 shares were traded in 2006. The average volume of daily trading over this period was 468,009 shares. Minimum, maximum and average listed share prices in 2006 were 12.35 euro, 29.98 euro and 20.79 euro, respectively. The final listed price of Abengoa's shares in this period was 27.81 euro/share, which is a 124% increase on the closing price for the previous year.

Evolution since its Initial Public Offering in 1996

As a historical reference, since Abengoa’s Initial Public Offering on November 29, 1996, the company’s shares have revalorized 1.207% which is 13 times the initial price. During this same period, the Madrid Stock Exchange has revalorized 285 % and the select IBEX 35 has gone up 203%.



◆ Disclaimer

This document has been drawn up by Abengoa, S.A. for the sole purpose of presenting its results for the first half of 2006. 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 Sevilla (España)
Tf. 0034 954937111
E-mail: jcjimenez@abengoa.com

ABENGOA**Juan Carlos Jiménez Lora**

Investor Relations Director