

# 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 the environment



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

Presentation of Results  
3<sup>rd</sup> Quarter 2006

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## 1. General Description of the Activities



In November 2006, Abengoa will celebrate the tenth anniversary of its listing on the Madrid and Barcelona Stock Exchanges. Over this last decade, the growth of the company's results has shown considerable solidity. In this sense, the results have increased an compound annual growth rate (CAGR) of 30%, as a consequence of the new Bioenergy, Solar, Environmental Services, and Information Technology activities, and also of the internationalization of our traditional activities. Over this same period, the Sales abroad have increased at an CAGR of 20.4%.

The keys to this notable increase on results lie in, among others, a succession of well-conceived strategic decisions coherent with the Strategic Plan, among which the following are of note:

2000

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

2001

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

## 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 M € takeover bid.
- Start-up of the second Bioethanol facility in Spain (Bioetanol Galicia), with a 126 M liters/year production capacity (currently 176 M liters/year), which required a 92.1 M € investment.
- Awarding 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 35.4 M \$US, from 2003 to 2006.

## 2003

- Acquisition of 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.
- 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.

## 2004

- Commencement of the effective listing of Telvent GIT on the American NASDAQ technological market, which facilitates the continuity of the expansion strategy for the Information Technology activity, while also increasing its potential through the development of R&D&I activities.
- Commencement of the construction of the largest thermoelectric solar energy power plant to use tower and heliostat field technology for an 11 MW output, and the construction of a 1.2 MW two-fold concentration photovoltaic power plant.
- Acquisition of 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.

## 2005

- Abengoa Bioenergía, through AB Bioenergy France, received authorization from the French Government to produce 40,000 tons per year of bioethanol at a plant to be constructed in the southwest of France. This project will be Europe's first corn-based bioethanol production facility. The end capacity of the project will depend on the Government's resolution in relation to the second round of authorizations, the public tendering for which is scheduled for sometime in the first half-year of 2006.
- Commencement of the construction of the fourth bioethanol facility in Nebraska (US) which will produce 330 million liters per year. To finance the project, a 90 million dollar credit has been obtained in the US financial market, in which sixteen institutional investors are participating. The facility will be that with the highest capacity in Nebraska and one of the largest in the US.

- Acquisition of the Perth based Australian company Almos Systems, a leading provider of meteorological solutions. With the integration of Almos Systems (now Telvent Australia), access is gained to a full range of leading-edge meteorological systems and high value-add solutions. In addition, the Australian location will be strategic for the development of new business opportunities in the Asia-Pacific region, one of the world's fastest growing areas.
  
- 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 M €.
  
- Strategic agreement with GE Energy Financial Services for the sale of an 80% interest in a packet of three transmission lines in Chile, with Abengoa retaining the remaining 20% interest.

## Strategic Orientation

As can be appreciated, Abengoa's strategic development has been based on the generation of options for the future by penetrating in new markets and introducing new products in its existing markets. Therefore, the growth strategy is based on the introduction of new activities in the six Operational Fields (Energy, Environment, Transport, Services, Industry and Telecommunications) in which Abengoa operates and where its five Business Units (Industrial Engineering and Construction, Information Technology, Environmental Services, Solar, and Bioenergy) complement one another.

The result of said strategy is that Abengoa now offers a combination of activities that represent a greater diversification in markets and customer portfolio, and which strengthens its capacities as regards what was its original business, engineering.

Evolution 1995 - 2005

Business	Engineering Company		Diversified Group with 5 different businesses	
	1995		2005	
	Sales %	EBITDA %	Sales %	EBITDA %
- Solar	-	-	-	-
- Bioenergy	-	-	19	20
- Environmental Services	6	1	20	19
- Information Technology	23	31	18	15
- Industrial Engineering and Construction	71	68	43	46
Geography	%		%	%
USA and Canada	-		13.4	5.0
Latin America	23.7		24.3	29.0
Europe (excluding Spain)	2.9		6.0	6.0
Africa	0.9		2.3	1.0
Asia	2.3		2.3	2.9
Oceania	-		0.2	0.1
Total Abroad	29.8		48.5	44.0
Total Spain	70.2		51.5	56.0
Consolidated Total	100.0		100.0	100.0

## The Value of Human Capital

However, a well-conceived strategy is not sufficient to ensure success. One must possess human capital, the persons required to successfully conduct all the strategic planning. That need extends to all members of the company's Workforce, but is especially necessary in those responsible for the design, implementation or adaptation of the company's strategy to the changing circumstances of the business context.

Only when there is capable management staff, trained and experienced in their respective specialties that are motivated and feel bonded to the Company and its future, can the Company feel confident about attaining its business goals.

Fortunately, it can be said that Abengoa now has a management team of these characteristics. It is a management team trained by persons with enormous professional capacity, with in-house experience, and within the same, in the fields of activity or the Operational Sectors in which they work.

If the strengthening of the links between the company and its principal managers has always been of importance, it can now be classified as essential.

Over the next ten years the company must take on ambitious challenges:

- Development of an Innovation strategy, focused on results that enables diversification to be increased by creating new products and services and developing new markets, increasing differentiation by improving and adapting existing products and enhancing processes



Main Projects	2004		2005		2006 (F)	
	M €	% / Sales	M €	% / Sales	M €	% / Sales
Enhancement ethanol efficiency (residual starch)	1.0		1.1		1.9	
Biomass conversion to ethanol	3.8		13.5		25.6	
Hydrogen Technology. Fuel Cells	0.6		2.7		3.6	
Enhancement aluminum efficiency	0.6		0.2		0.1	
Vitrification	0.8		0.0		4.0	
Environmental Technology Center	0.0		0.0		0.5	
Desalination	0.0		0.0		1.1	
Electricity, environmental, oil and gas control centers	6.4		6.8		7.1	
Road and rail traffic, and ticketing systems	3.7		3.6		4.0	
Public Administration support systems	1.5		2.1		2.2	
Geographic Information Systems (GIS)	0.0		2.2		2.3	
Solar Energy	0.6		31.7		17.6	
Other Projects	4.3		2.0		4.5	
<b>Total Inversión I+D+i</b>	<b>23.3</b>	<b>1.3%</b>	<b>65.9</b>	<b>3.3%</b>	<b>74.5</b>	<b>3.1%</b>

- Increment the Investment strategy, especially in the areas related with Bioenergy (new ethanol facilities in Europe and the United States), solar (with an ambitious construction plan for solar power plants until a global installed output of more than 302 MW is achieved), Desalination (where, in 2005, we have been awarded three desalination plant contracts in Algeria and one in India), High-Voltage Line Concessions (in Latin America and Asia) as well as future Public Building concession contracts both in Spain and abroad, and also in other more mature sectors such as Environmental Services and Information Technology, through the acquisition of other companies in the sectors.
- Strengthen geographic diversification by developing the markets where, in principle, the greatest possibilities for expansion exist and in which Abengoa already operates, which are basically the United States, Canada, China, India, Brazil and Europe.

Activity Abroad							
Exportation and Local Company Sales	2005		2004		1995		CAGR (95-05)
	M €	%	M €	%	M €	%	%
- USA and Canada	270.3	13.4	228.2	13.1	0.0	0.0	-
- Latin America	492.3	24.3	299.1	17.1	121.8	23.7	15.0
- Europe (excluding Spain)	122.2	6.0	123.5	7.1	14.7	2.9	23.6
- Africa	46.3	2.3	33.2	1.9	4.9	0.9	25.3
- Asia	47.3	2.3	27.7	1.6	11.9	2.3	14.8
- Oceania	3.4	0.2	0.3	0.0	0.0	0.0	-
<b>Total Abroad</b>	<b>981.8</b>	<b>48.5</b>	<b>712.0</b>	<b>40.8</b>	<b>153.3</b>	<b>29.8</b>	<b>20.4</b>
<b>Total Spain</b>	<b>1,041.7</b>	<b>51.5</b>	<b>1,034.1</b>	<b>59.2</b>	<b>360.9</b>	<b>70.2</b>	<b>11.2</b>
<b>Consolidated Total</b>	<b>2,023.5</b>	<b>100.0</b>	<b>1,746.1</b>	<b>100.0</b>	<b>514.2</b>	<b>100.0</b>	<b>14.7</b>

With the Company's resources and maximum commitment of its management staff, Abengoa will grow in size, get stronger and, above all, become more profitable.

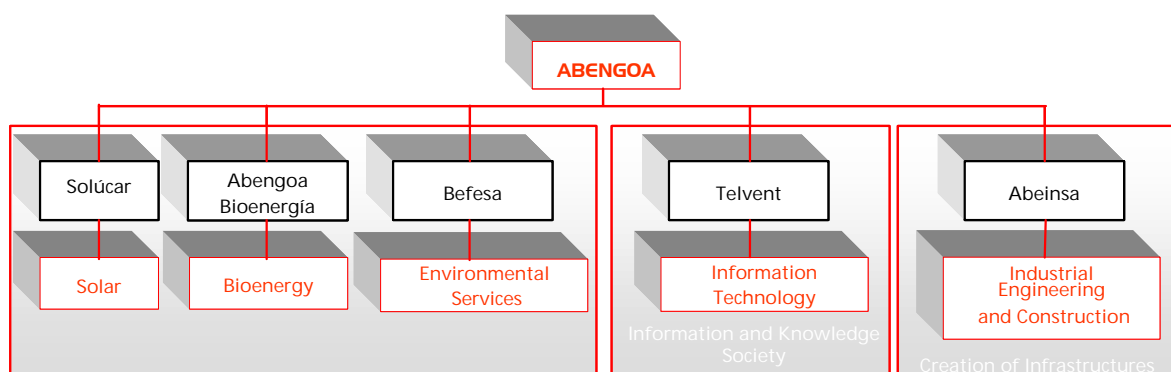
### Current Configuration and Nature of its Business

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.



It provides solutions for

- Sustainable development:
  - ✓ Abengoa produces 687 million liters of ecologic gasoline per year which avoids the emission of 1,459,078 tons of CO<sub>2</sub> to the atmosphere, which is equivalent to the annual emissions from a fleet of 600,000 vehicles.
  - ✓ Abengoa produces 2,068.497 MW/h per year of electricity from cogeneration, which means the avoid of the emission of 910,097 tons of CO<sub>2</sub> were this energy to be produced by conventional carbon thermoelectric power plants.
  - ✓ Abengoa has a production plan for 302 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 CO<sub>2</sub> per year.
  - ✓ Abengoa treats more than 1,653,000 tons of industrial wastes, dedicating them to the production of new materials through the recycling of more than 708,000 tons.
  - ✓ Abengoa has increased desalination capacity to 900,000 m<sup>3</sup>/day, which will enable supply for a population of 4.5 million.
- The Information and Knowledge Society: Our solutions:
  - ✓ Manage more than half the movements of hydrocarbons in pipelines in North and Latin America.
  - ✓ Transport and distribute more than 140,000 GW/h 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.
- ✓ Provide landing and take-off security and efficiency for more than 100 million passengers a year at more than 100 airports.
- ✓ Manage water distribution for a population of more than 25 million throughout Europe, North America, Latin America and the Middle East.
- ✓ 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.
- Infrastructure Creation:
  - ✓ 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 4,072 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 2005, Abengoa has installed almost 110,000 new ADSL lines that allow more than 500,000 people to have broadband access to new value-add services.

## 2. Main Novelties by Business Unit

# 2



Solucar 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 as regards contracts, new plants, evolution of prices, etc., in the Solar Business Unit 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 are scheduled to be brought into operation during the second half of this year.

- ◆ Solúcar has 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.

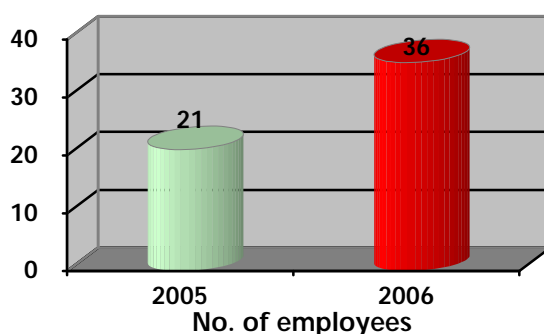
With this Solar Platform, Abengoa will install, in the municipal district of Sanlúcar la Mayor, the largest complex in the world dedicated to the production of solar energy destined for the public supply network. The overall investment in the projects is estimated at around 1,200 million euro throughout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

Evolution of the Workforce



The average workforce of the Solar Business Unit during the third quarter of 2006 was 36 people.

## 2.2 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 CO<sub>2</sub> 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 Bioenergía has initiated an E85 development plan that contemplates the promotion of these types of fleets for the public sector and private companies in collaboration with car manufacturers, and the implementation of a distribution network at national level in collaboration with different local authorities, public institutions and oil product distributors.

E85 is a clean biofuel containing 85% bioethanol blended with 15% gasoline, which can be utilized in Flexible Fuel Vehicles (FFV), the production and sale of which is also available in Spain.

- Ford España and Abengoa Bioenergía have announced the signing of a collaboration agreement to develop the market for Ford's flexible fuel vehicles (FFV) that utilize E85 produced by Abengoa Bioenergía.

The flexible fuel engines Ford manufactures at its Valencia factory use E85 or gasoline indistinctly without the vehicle's performance being affected, which will enable the gradual introduction of E85 in the market.

Ford has manufactured and supplied more than 30,000 flexible Ford Focuses for the Swedish market. These are operating in a totally successful manner from a technological and environmental point of view. Spain is the second market in Europe in which the expansion of

this new technology with intelligent engines at competitive prices will be focused, with the same guarantee and service coverage as any other Ford vehicle, and which upon utilizing the E85 ecological fuel, achieves the lowest level of CO<sub>2</sub> emissions in the market, given that in the full life cycle of the fuel CO<sub>2</sub> is acquired from the atmosphere to grow the plants that will finally be turned into the energy that will drive the vehicle.

- Abengoa Bioenergía and General Motors, through its Saab make, reached an agreement to develop the use of E85 in its line of hybrid vehicles on the Spanish market.

In virtue of this agreement, Saab will export its 9-5 BioPower ecological vehicle to Spain and the same will be commercialized as of from 2007.

- The signing of both agreements establishes an activity framework for the development of the flexible fuel vehicle and E85 market. As a first stepping stone, it will enable, among other things, the creation of an E85 distribution network throughout Spain, as is occurring in Sweden and the United States, where it is already available in more than 500 and 1,000 service stations, respectively.

In addition, they will lead to the signing of joint collaboration agreements with private companies, Local Authorities, Autonomous Regions or other organizations in the main Spanish cities, participating in the search for and signing of agreements with fuel or oil product distributors that have service stations or that are interested in installing supply points.

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.

- ◆ Ecoagrícola has signed a collaboration agreement with HAM (Harlow Agricultural Merchants Ltd.) to purchase wheat under the different contract modalities that are offered to EU farmers: Set-aside Lands and Energy Crops.

HAM is a Hertfordshire based company that has been operating for more than 25 years in the raw materials sector, offering all types of services. Although the agreement reached for the 2006 campaign is for wheat, Ecoagrícola intends to extend it to other cereals for the next campaign.

The United Kingdom is the EU's third largest producer of wheat with more than 15 million tons in the 2005/2006 campaign as against Spain's 4 million tons in the same period. This makes it one of the strategic countries as a supplier of raw materials under the Set-aside Lands and Energy Crops contract modalities for Abengoa Bioenergía's bioethanol production facilities.

Ecoagrícola has taken the first step in an EU country by offering to purchase cereals for energy use and has implemented a system in the marketplaces that guarantees the supply of raw materials for Abengoa Bioenergía's different bioethanol production facilities. It is an initiative it intends to continue to develop over the next few years in other countries.

- ◆ The European Commission, and to be specific the Commission's Directorate General for Research and Development (DG TREN), has encouraged the setting up of the European Biofuels Technology Platform with the aim of providing support for the development of the technology that enables the competitive production of biofuels, and to accelerate their introduction into the marketplace.

For the preparation of this Platform, a high level council «Biofuels Research Advisory Council (Biofrac)» was established. The council comprised a small number of specific «heavyweights» from the sector, including oil companies, biofuel producers, car and component manufacturers,

universities and research centers. Abengoa Bioenergía was represented by its chairman, Javier Salgado Leirado, who was appointed vice-president of Biofrac and who has played a very important role in the development of the works and in the defining of the content of the final document.

As a consequence of the works carried out within Biofrac, a document entitled «Biofuels in the European Union – A vision for 2030 and beyond» was published. It provides a vision of the expected development of biofuels in the long term, analyzes the current situation, assesses the pathways to achieving said development and shows how to overcome technological and non-technological barriers to expand the consumption of biofuels in the European Union and the rest of the world.

Said document puts special emphasis on production technologies and the use of biofuels while defining lines of development that must be taken into consideration in R&D&I project support programs. Among other aspects, it emphasizes the fact that there is potential for improvement in the first generation technologies, and that this must be exploited by developing R&D activities and that the second generation technologies have to be given a heavy push to enable them to reach a state of development that will allow their commercial implementation. In addition, the document recommends that special attention be paid to the cost-profit ratio and to the environmental impact prevented by the use of biofuels.

In June 2006, the Commission presented, in Brussels, the document developed within Biofrac that constitutes the Platform.

The development of biofuels is of essential importance in Europe given that the transport sector has a 98% dependence on gasoline to meet its energy demands and is responsible for more than 26% of the greenhouse effect emissions in Europe. Biofuels can, and must, enable a significant reduction in energy dependency, improve the environmental balance of the transport sector and also contribute, decisively, to maintaining the agricultural sector at European level.

Evolution of the Workforce



The average workforce of the Bioenergy Business Unit in the third quarter of 2006 was 503, a 30.3% increase on the 2005 figure.

## 2.3 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 the first nine months of 2006, were as follows:

- ◆ Aluminum Waste Recycling.- During this year 210,000 tons of aluminum-content wastes were treated. This is an increase of 5% on the same period 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 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 the first nine months of 2006, 151,000 tons of zinc and sulfur-content wastes have been treated. This represents a

10 percent reduction on the previous year. This reduction has been caused by the construction and installation during the course of the year by Befesa Zinc Aser of the new Waelz Kiln, to replace the existing one that increases our production capacity by about 50,000 tons (an additional 50%). Said kiln was brought into operation in September.

Befesa Zinc Sondika, a company belonging to the Zinc Waste Recycling Business Unit, has obtained the Environmental Management Certificate pursuant to standard UNE-EN-ISO 14001:2004 established by the Spain Standardization and Certification Association (AENOR). This certificate guarantees that Befesa Zinc Sondika meets all the requirements established in said standard, while also having continuous improvement mechanisms defined as objectives to ensure that its activity is conducted in an environment-friendly manner.

- ◆ Industrial Waste and Cleaning Management.- In the first nine months of 2006, some 742,000 tons of industrial wastes have been treated, which is in excess of the volume treated over the same period 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.

The Spanish Standardization and Certification Association (AENOR) awarded Befesa Gestión de Residuos Industriales the Environmental Management certificate that guarantees that all the activities conducted at its La Puebla de Alfindén center meet the requirements of the environmental management standard UNE-EN-ISO 14001:2004. The scope of the certificate includes the management of waste from the autonomous regions of Aragon, Navarra, Castilla and Leon, the Basque Country, and La Rioja.

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. The company's chairman, Javier Molina, collected the prize at the ceremony.

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 Plásticos was awarded the contract under the invitation to bid process by the Costa del Sol Pool of Municipalities–La Axarquía (Malaga), to provide the collection and management service for the agricultural plastic wastes generated as a consequence of the intense agricultural activity in the region. Around 900 tons of used agricultural plastic material is expected to be managed. In addition, this same company has signed an agreement with Gesalquivir, a company specialized in the management of wastes from the Lower Guadalquivir Pool of Municipalities, to manage the plastic wastes from the protected crops from the region's municipal districts.

- ◆ Environmental Engineering.- In this period, 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 euro. 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 euro, 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.

Befesa has been awarded a €2 million contract by the company Gestión Medioambiental (EGMASA), which belongs to the Department of the Environment of the Regional Government of Andalusia, to design and construct the new wastewater treatment plant to cover the needs of the municipalities of Durcal and Nigüelas (Granada). The treatment plant will be capable of treating the wastewater from a population of 8,000 and also of being enlarged according to the needs of the area.

Befesa will invest more than four million euro to resolve the water supply problem of the Barcelona municipalities of Sallent Avinyó, Artés and Calders, and the villages in the Morisco mountain range. The objective of the works is to draw off water from the river Llobregat, make it drinkable and subsequently distribute it.

Befesa has been awarded the contract to construct two hydroelectric plants for the dams at Pedrezuela and Valmayor in Madrid for Canal de Isabel II, valued at four million Euros. Valmayor and Pedrezuela are two of the reservoirs in Madrid's water supply system that are managed by Canal de Isabel II. Valmayor, with 124.4 cubic hectometer, controls the water from the River Aulencia, but is primarily fed by the Guadarrama, whose water it receives via the «Las Nieves» feeder. Pedrezuela, with 41 cubic hectometer, controls the River Guadalix.

Befesa Fluidos has been selected by Epremasa, which is owned by the Córdoba provincial government and is responsible for managing municipal wastes produced in the province, to construct a leachate unit at the waste treatment and reprocessing plant in Montalbán, for more than 0.9 million euro.

Last May, Befesa Fluidos was awarded two contracts for 1 million and 1.3 million euro, respectively, to construct two leachate treatment plants in Madrid and Zaragoza. The leachate plant to be constructed in Madrid will be at the «La Paloma» biomethanization facility located in the Valdemingomez Environmental Complex, the current dump utilized by the Madrid Local Authorities. In addition, Befesa will execute, for the Zaragoza Waste Sorting Plant, the supply, installation and start-up of another leachate plant it will construct at the same facility to treat a daily flow of 200 cubic meters.

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 over the last few days, the project and operation financing contracts have been signed. 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 financing contract for this project is expected to be signed in September.

The company Maroc Phosphore has awarded the Befesa-Staip consortium the contract, valued at more than 12 million euro, 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.

The Port Authority of Huelva has awarded the Joint Venture formed by Codesa and Befesa Construcción y Tecnología Ambiental the contract to execute the works required to channel the sewage generated in the recently rearranged Port Authority industrial estates, Villafría I and II, and in the outer port areas of Huelva and Punta del Sebo, a heavily industrialized area due to the presence of the Huelva chemical Pole. The project, valued at more than three million euro, includes the construction of the discharge mains and two pumping stations that will drive the wastewaters through the three sections the mains consist of.

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 euro contract will enable the reutilization of the wastewaters for industrial purposes.

Befesa has been awarded a more than 23 million euro contract by the company Gestión Medioambiental, S.A. (EGMASA) dependent on the Department of the Environment of the Regional Government of Andalusia, to execute the water supply pipeline splitting off works from Retortillo reservoir to the Drinking Water Treatment Plant (DWTP) in Écija.

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 euro, and the administration and irrigation subscribers will subsequently pay a canon over 30 years for the use thereof.

Agua y Gestión has been awarded the water supply and treatment services contract for the Extremaduran municipal district of Zafra. It is a 20-year concession contract that Agua y Gestión will develop under a JV with Grupo Empresarial Magenta. The contract was awarded by majority decision at the last meeting of the town council. Estimates are for billing during the 20-year concession period to be around 73 million euro. Agua y Gestión will be responsible for residential water distribution to some 17,000 Extremadurans, and for the operation and maintenance of the town's wastewater treatment works.

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

Befesa Fluidos has achieved the ISO 14001:2004 Environmental Management System certificate from Lloyd's Register Quality Assurance, an ENAC accredited company. The certificate verifies that Befesa Fluidos takes environmental criteria into account in the design and engineering of the

installations that it creates and obliges all its personnel to take the appropriate control and protection measures for the environment in which it operates, according to the requirements established by law.



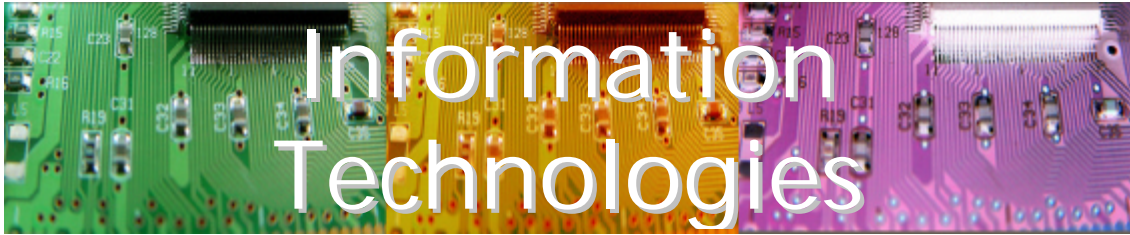
The average workforce of the Environmental Services Business Unit in the third quarter of 2006 was 1,435 employees.

## 2.4 Information Technologies

Telvent, the holding company of Abengoa's businesses in the Information Technology sector, is a specialist in RealTime 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

- ◆ Telvent has successfully completed the supply and installation of a gas distribution management and control system for Istanbul Gas Distribution and Trade Corporation (IGDAS). The system will control the city of Istanbul gas distribution network. The project consisted of the supply and installation of 743 RTUs, a central control system based on Telvent's OASyS platform, and a gas metering system.

Contract Amount: 3.6 M €.

This project strengthens Telvent's presence in the oil and gas sector in the Turkey and Middle East area, which is considered to be of great strategic importance due to its large reserves of oil and gas.

- ◆ Contract to upgrade the city of Calgary's (Canada) existing OASyS SCADA system to OASyS 6.2NT. The scope of the project includes the conversion of the control center's database and viewing system.

Contract amount: 0.5 M €.



- ◆ Contract to upgrade to OASyS DNA the SCADA system of Grand Bahama Power Company, in Canada, and to upgrade to SAGE 2300s and SAGE 1350s its remote data acquisition terminals.  
Contract amount: 0.2 M €.

### Electricity

- ◆ Contract with Cadafe, in Venezuela, for the supply, installation and commissioning of an integrated operation system for the national electricity distribution network of Venezuela, including the functions of incident management and electricity grid management.  
Contract amount: 8.2 M €.

This contract represents Telvent's entry into the electricity sector in Venezuela and the opportunity to demonstrate the integrated functionality of Telvent's Electric Suite product.

- ◆ Contract with CAF for the data telecontrol and management applications integration project for the suburban metro section between Buenavista and Cautitlan, in Mexico FD, to be constructed by a consortium of Spanish company, of which CAF is a member.  
Contract amount: 0.3 M €.

This contract is a very important reference in the energy control systems market for Electric Traction, and opens the door to a market, such as that of Mexico, where great efforts are scheduled to be made over the next few years.

- ◆ Contract with Abener for the supply, installation and commissioning of a distributed control system for the bioethanol facility Abener is to construct in Lacq, France.  
Contract amount: 0.7 M €.

This is one of the most noteworthy sectors under the renewable energies policy that is being developed throughout Europe.

- ◆ Contract with Abener for the supply, installation and commissioning of a distributed control system for the electric energy from Biomass production plant in the province of Salamanca, Spain.

Contract amount: 0.3 M €.

This contract is of great strategic interest given that, due to the change in legislation passed early this year, the biomass sector in Spain is expected come into its own again and numerous opportunities for control system suppliers with good references and know-how for these processes are expected to appear.

- ◆ Contract with Inabensa for the telecommand project for the new suburban metro section between Buenavista and Cautitlan, Mexico. The project includes the supply, integration and testing of the system, and covers from the control center to the catenary remotes.

Contract amount: 1.3 M €.

- ◆ Contract with Abeinsa, in Spain, for the supply of a delegated dispatch for the Abengoa-owned Generating Plants. With this system, the management of these plants is guaranteed pursuant to the recently published legislation. The contract is financed by Telvent and will be repaid by operation of the system over ten years.

Contract value: the figure will be based on operation quotas as of from January 2007.

This contract is of great strategic reference as it is Telvent's first reference for a structured project in the Spanish electric energy sector. The operation of this dispatch over ten years will enable us to acquire thorough know-how on this type of management and allow us to extend the model to other electricity companies.

## Traffic

- ◆ Contract with Motril Town Council (Granada), Spain, for the supply and installation of command and control boards for the town's public lighting installations. 85 public lighting command and control boards will be assembled and installed. Their installed capacity will range from 8 kVA to 70 kVA and they will be integrated by means of a public lighting telemanagement program and connected to the Motril town's existing computerized maintenance system. This project defines the specifications of the telemanagement equipment and the resulting energy savings of the lighting installations.

Contract amount: 1.0 M €.

With this project, Telvent offers leading-edge technological solutions for lighting operation in urban environments.

- ◆ Contract with the Traffic Department of the State of Virginia to provide operation and consultancy services for the Smart Traffic Control Center in northern region of Virginia, for five years.

Contract amount: 9.3 M €.

- ◆ Contract with the Department of Transport of the State of Missouri, United States, to provide operation management support for its traffic control system, known as «Gateway Guide», in Saint Louis, Missouri, United States. Over a maximum of four years, Telvent will provide system operation and monitoring personnel, and continuous training on incident management techniques, basic procedures and advanced operational techniques to enhance the techniques employed in the Traffic Control Center.

Contract Amount: 3.0 M €.

- ◆ Contract with Spain's Directorate General of Traffic to install kinemometers for Madrid's Traffic Control Center and their interconnection thereto. The objective is to achieve an important reduction in maximum traffic flow speeds, with the resulting improvement in road safety.

Contract Amount: 3.2 M €.

- ◆ Contract with Spain's Directorate General of Traffic to install kinemometers for the Northwest Traffic Control Center, in Galicia.  
Contract Amount: 1.8 M €.
  
- ◆ Contract with Spain's Directorate General of Traffic to execute the installation of the Traffic Control Center in the Directorate General of Traffic's new building in Madrid. The scope includes the installation of different traffic systems and the design and commissioning of an emergency control center for the most important systems.  
Contract amount: 8.2 M €.
  
- ◆ Contract with Concessionaria Centrovías, in Brazil, for the supply, installation and commissioning of 10 CCTV systems and 36 pairs of SOS posts, and the supply of a suite of spare parts.  
Contract amount: 0.6 M €.

## Transport

- ◆ Contract with Arcelor España S.A. to modify the CTC of the railways between Aviles and Gijon. The contract comprises the renewal of the actual Traffic Control system between Arcelor's factories in Asturias, based on Telvent's SCADA OASyS 6.3 platform.  
Contract Amount: 0.4 M €.
  
- ◆ Contract with Renfe Cercanías, in Spain, for the supply and installation of the access control system for Recoletos, Parla and Las Rozas suburban railway stations. The access control system to be supplied will allow the use of both contact-free and magnetic band technology.  
Contract amount: 1.2 M €.
  
- ◆ Contract with the Zabalburu XXI joint venture, in Spain, for the supply and installation of the Web.Park management and control system and the video monitoring system for Plaza de Zabalburu parking lot, in Bilbao (Biscay).  
Contract amount: 0.2 M €.

This contract represents Telvent's consolidation in the parking lot market in the metropolitan area of Bilbao.

## Environment

- ◆ Contract with the International Civil Aviation Organization (ICAO), in Argentina, to supply automated weather observation systems (AWOS), with runway visual range systems (RVR) for the Aeronautical Administration of Argentina. With this contract, Telvent will provide state-of-the-art automated weather observation systems for Argentina's five main airports (Mar del Plata, Mendoza, Cordoba, Resistencia, and Eizeiza).

Contract Amount: 0.7 M €.

This contract enables Telvent's participation in the Argentinean meteorology sector while strengthening its position as a leading provider in the sector.

- ◆ Contract with the Swedish Meteorological and Hydrological Institute (SMHI) to supply the central software for the data acquisition system (Project Nemo).

Contract Amount: 0.2 M €.

- ◆ Contract with Spain's National Institute of Meteorology (NIM) for the supply and installation of aeronautical meteorological equipment to replace and upgrade airport weather observation systems. With this contract, the NIM will homogenize and update the instrumentation and Weather Observation Systems at forty airdromes.

Contract Amount: 1.6 M €.

- ◆ Contract with the Department of the Environment of the Regional Government of Andalusia (Spain) for the maintenance of the Andalusia Environmental Quality Monitoring and Control Network (2006-2008). Telvent has been awarded the Andalusia AWQMN (Andalusia Air and

Water Quality Monitoring Network) contract. It is the country's largest and best equipped Environmental Quality monitoring network.

Contract amount: 2.4 M € (2006-2008), extendable to 2010.

Strategically, for Telvent this is the maintenance management reference for the country's largest and best equipped AWQMN.

- ◆ Contract with Bursa Water and Sewerage Administrations General Directorate (BUSKI), in Turkey, to supply an information system that will manage and ensure the city's drinking water supply. Telvent will install, operate and maintain information and communications system for the water network that supplies the metropolitan area of Bursa, an important agricultural and industrial city located about 100 from Istanbul. The project will result in a significant improvement in the quality of Bursa's drinking water.

Contract amount: 3.3 M €.

This project strengthens Telvent's presence in Turkey, where it has been operating since 1999.

- ◆ Contract with the National Meteorological Institute of Morocco to upgrade its meteorological radar network. The project contemplates the supply, installation and commissioning of the control and data processing hardware and software systems for the five meteorological radars integrated in Morocco's National Radar Network. They will be fitted with the most advanced technology available on the market.

Contract amount: 1.8 M €.

This project is one of the most important to have been awarded to Telvent at international level for the upgrading of a complete network of meteorological radars.

## Others

- ◆ Contract with Curia Bética of the Saint John of God Hospital Order, in Spain, to renovate the Hospital Management Systems at 14 hospitals in the province of Andalusia.  
Contract amount: 2.8 M €.

This project represents the first complete implementation of Telvent's TiCares solution for hospital management.

- ◆ Agreement with the Health Board of Cantabria to develop the Health Clinic Patient Management System in Cantabria.  
Contract amount: 0.4 M €.

This contract allows Telvent to participate from the initial phase in a project aimed at providing global solutions in the health information systems sector for the community of Cantabria, which is seeking to become a national and international reference in the implementation of health management and data systems.

- ◆ Contract with Spain's Ministry of Industry, Technology and Science for the analysis, design and development of the Pista Censo- Padrón project. This project includes the development of a unique database to enable the NIS (National Institute of Statistics) to manage the census at national level and a List of Municipal Inhabitants application.  
Contract amount: 0.5 M €.

This contract is the first specific application of the Telvent-developed BackOffice for local authorities, and it opens up a new market niche for the company.

- ◆ Contract with Huawei Technologies Spain to house a laboratory and technical center for the deployment of its activities in Spain.  
Contract amount: 0.1 M €.

- ◆ Contract with Transfer, in Argentina, for the Telecommunications and Teleprotection project associated with the San Juan Mendoza high voltage line.  
Contract amount: 0.5 M €.
  
- ◆ Contract with the General Secretariat of the Council of the European Union, in Brussels, for the Control Systems Maintenance project for the Council's Head Office Building.  
Contract amount: 1.0 M €.
  
- ◆ Contract with the Autonomous Data Processing Body of the Regional Government of Madrid to house the back-up center for Madrid City Council's Information Systems.  
Contract amount: 0.4 M €.
  
- ◆ Contract with T-Systems, in Spain, to house the data center of one of the world's leading security companies. T-Systems is one of Europe's leading providers of information and communication technologies (ICT).  
Contract amount: 0.8 M €.
  
- ◆ Enlargement of the contract with AENA, in Spain, for the Tetra radio-communications network at Ibiza airport. In this enlargement, terminals for the fire brigade and additional system equipment to integrate the ground to air radios are requested.  
Contract amount: 0.3 M €.
  
- ◆ Enlargement of the contract with AENA, in Spain, for the Tetra radio-communications network at Minorca airport. In this enlargement, terminals for the fire brigade and additional system equipment to integrate the ground to air radios are requested.  
Contract amount: 0.3 M €.



- ◆ Contract with Verio Spain, S.L., in Spain, for a 186 m2 enlargement to the existing technical surface area in our Madrid data centers.

Contract amount: 1.0 M €.

- ◆ Contract with BT España, Integración General de Sistemas, S.L., in Spain for the enlargement to 536.54 m2 of the space it occupies in our Madrid data centers.

Contract amount: 2.3 M €.

For Telvent, this represents an increase of its infrastructures and the enlargement of its electric capacity, and all thanks to the trust one of the country's main communication and technology services companies has in Telvent.

- ◆ Contract with the Ministry of Economy and Revenue, in Spain, for the development and implementation of a document and data management system for the Fishing Fleet Tracking Center of the General Secretariat of Maritime Fishing of the Ministry of Agriculture and Fishing.

Contract amount: 0.5 M €.

Telvent generates a new business through this data system for the Ministry of Agriculture.

- ◆ Contract with Seville City Council, in Spain, to supply and adapt the Rosmiman tool, from the company Idasa Sistemas, for the municipal buildings, parks and gardens areas.

Contract amount: 0.2 M €.

This is a strategic project for Telvent as it allows us access to a wide range of public institutions for the implementation of projects of similar characteristics.

- ◆ Contract with Spain's General Directorate of Traffic to provide back-up for the publication of documents via the Internet, while managing their

maintenance and development. Of note among said applications is the possibility of requesting an appointment via the Internet to for get your ID card renewed or the publication of traffic information, among others.

Contract amount: 0.3 M €.

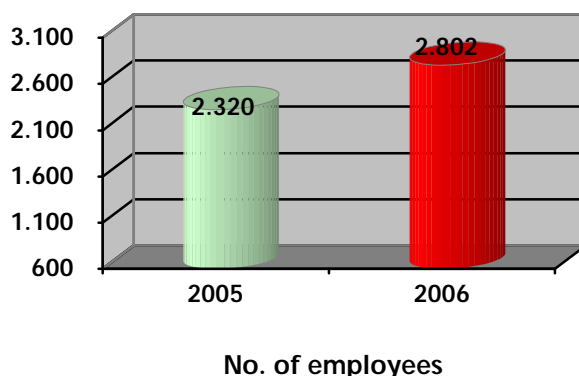
- ◆ Contract with the Innovation and Employment Agency of Seville, in Spain, for the development of a common Geographic Information System for the municipal companies of Seville that participate in providing the services the municipal companies (EMASESA, EMVISESA, LIPASAM, and TUSSAM) offer the city's inhabitants. In addition, the idea is to develop particular geographic information solutions in each of the member companies of the Association of Economic Interest of Seville.

Contract amount: 0.6 M €.

- ◆ Telvent was awarded a one-year support contract with the National Institutes of Health (NIH). The National Institutes of Health (NIH), a part of the U.S. Department of Health and Human Services, is the primary Federal agency for conducting and supporting medical research. Composed of 27 Institutes and Centers, the NIH provides leadership and financial support to researchers in every state and throughout the world.

Contract amount: 0.2 M €.

**Evolution of the Workforce**



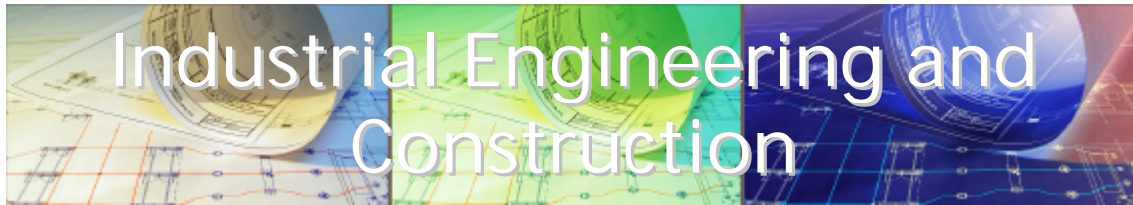
The average Information Technologies workforce in 2006 was 2,802, an 20.8% increase on the figure for the same period in 2005.

## 2.5 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



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

- ◆ 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 m<sup>3</sup> 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 Nucia (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 euro.

- ◆ 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 México

- ◆ Abengoa México 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 México 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 Perú

- ◆ The president of Peru, Alejandro Toledo, attended the contract signing ceremony for the city of Huancavelica Integral Drinking Water and



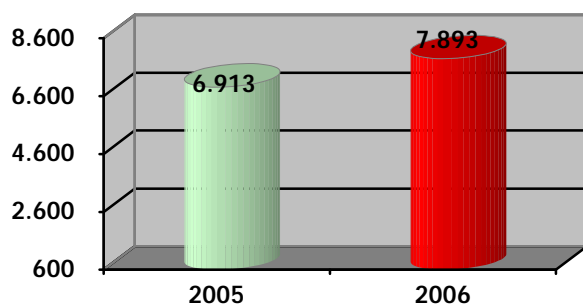
Sewerage System Project. The investment to be made in the project which will benefit some 42,000 of the city's inhabitants, is twelve million dollars.

- ◆ Abengoa Perú 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 Perú, 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.

#### 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**

No. of employees

The average workforce of the Industrial Engineering and Construction Business Unit in the first nine months of 2006 was 7,893, a 14.2% increase on the average for the same period in 2005.

## 3

## 3. Evolution of the Businesses. Highlights

3.1 Bioenergy

Bioenergy	sep-06	sep-05	Var (%)
Sales	325.2	287.6	13.1%
Ebitda	39.2	35.0	12.0%
Ebitda/Sales	12.1%	12.2%	

The sales of the Bioenergy Business Unit rose to 325.2 million euro as against the 287.6 million euro in 2005. This is a 13.1 percent increase that is due, mainly to the higher bioethanol sales prices in both the EU and United States, and to the higher electricity sales prices at the EU plants. Also of note is the higher volume of bioethanol sold to the EU and US markets.

The Ebitda has risen slightly less than the sales, about 12.0%, and went from the 35.0 million euro figure of 2005 to the current 39.2 million euro. The increase is obtained basically by the net between a better bioethanol (in both the EU and United States) and electricity (only in the EU) price performance and the increase in operating costs as a consequence of the rise in the price of natural gas (in both the EU and US).

Highlights

- ◆ The accumulated ethanol sales volume to September 2006 is 258.7 million liters in the EU and 75.0 million gallons in the US. Over the same period in

2005, 220.1 million liters were sold in the EU and 72.2 million gallons in the US.

- ◆ In 2006, the price of bioethanol in the EU has risen compared to the 2005 prices. The accumulated average price to-date has been 0.573 €/liter (as against 0.518 €/liter). In the United States, the price has also increased, 1.78 US\$/gal (as against 1.44 US\$/gal in 2005). In this period, the price of grain in the EU has been slightly higher than last year, 142.0 €/ton (as against 134.5 €/ton in 2005). The contrary has occurred in the United States where the price has been 2.39 US\$/b (as against 2.55 US\$/b in 2005). Also of note is the effect of the increases in the cost of natural gas in the EU, from 13.9 €/MWh in 2005 to 22.5 euro/MWh in 2006, and in the United States from 6.94 US\$/mmbtu in 2005 to 9.39 US\$/mmbtu.

### 3.2 Environmental Services

Environmental Services	sep-06	sep-05	Var (%)
Sales	364.4	269.3	35.3%
Ebitda	32.4	27.2	19.0%
Ebitda/Sales	8.9%	10.1%	

In the first nine months of 2006, the sales of the Environmental Services Business Unit (364.4 million euro) have increased on those for the same period the previous year by 95.1 million euro, which is a 35.3% 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 third quarter of 2006.

As regards the Ebitda, it has risen compared to 2005 by 5.2 million euro (19.0%). This is mainly due to the positive evolution in the aforementioned business areas. The Ebitda/Sales ratio has dropped slightly to 8.9%, due mainly to the modification made in the mix of the Group's sales.

### 3.3 Information Technologies

Information Technologies	sep-06	sep-05	Var (%)
Sales	302.0	245.0	23.3%
Ebitda	25.4	21.4	18.6%
Ebitda/Sales	8.4%	8.7%	

The sales of the Information Technologies Business Unit for the first nine months of the financial year have reached €302.0 million, which is a 23.3 percent (of which 17.5 percent corresponds to organic growth) increase on the 245.0 million euro achieved in the same period the previous year. The Ebitda is 25.4 million euro, which is a 8.4 percent on sales and 18.6 percent increase on the figure for the same period the previous year.

Of note is the first-time inclusion of Farradyne within the Business Unit's consolidation perimeter, with a sales contribution of €7.7 million. The acquisition of Farradyne fits in perfectly into the business unit's strategy upon it accelerating the development of its Traffic and Transport sector business in North America. The aim is to exploit business opportunities and consolidate the company's presence in the sector.

On the other hand, the Energy, Transportation and Outsourcing sectors continue to perform well compared to the previous year, with the contribution from such noteworthy projects as Vattenfall, Metro de Madrid and several projects in the electric sector in Spain being of note.

There has been an increase in general expenses. This is due mainly to the implementation of the SOX, commercial and bid expenses as a consequence of the development and effort dedicated to new markets, and

the impact of the integration costs for the companies acquired during the financial year. In addition, there have been some reductions in the margins of Oil & Gas projects in Latin America and the Middle East.

### 3.4 Industrial Engineering and Construction

Industrial Engineering & Construction	sep-06	sep-05	Var (%)
Sales	796.3	586.1	35.8%
Ebitda	99.2	69.1	43.5%
Ebitda/Sales	12.5%	11.8%	

The sales of the Industrial Engineering and Construction Business Unit in the first nine months of 2006 have increased on those of the same period of the previous year by 35.8%, and the figure has reached 796.3 million euro. The Ebitda has also increased on the previous year by 30.1 million euro, and has gone from 69.1 million euro in the first nine months of 2005 to 99.2 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.



## 4

## 4. Consolidated Results at 30.09.2005 and 30.09.2006

The consolidated sales to September 2006 were 1,787.9 M €, which is a 28.8% increase. The EBITDA increased 28.4% with the good evolution of the Industrial Engineering and Construction Business Unit, with a 43.5% increase on the same period last year, being of special note. The profit attributable to the parent company at September 30, 2006 increased 59.6% on the same period in 2005 and reached 71.8 M€.

	sep-06	sep-05	Var (%)
Sales	1,787.9	1,388.1	28.8%
Ebitda	196.2	152.7	28.4%
% Ebitda/Sales	11.0%	11.0%	
Net Profit Before Tax	94.0	76.2	23.4%
Net Profit attributable to the Group	71.8	45.0	59.6%
Net Cash Flow	131.8	92.6	42.4%

## Highlights per Business Unit

Sales	sep-06	sep-05	Var (%)	% Sep. '06	% Sep. '05
Bioenergy	352.2	287.6	13.1	18.2	20.7
Environmental Services	364.4	269.3	35.3	20.4	19.4
Information Technologies	302.0	245.0	23.3	16.9	17.7
Industrial Engineering and Construction	796.3	586.1	35.8	44.5	42.2
Total	1,787.9	1,388.1	28.8	100.0	100.0

Ebitda	sep-06	sep-05	Var (%)	% Sep. '06	% Sep. '05
Bioenergy	39.2	35.0	12.0	20.0	22.9
Environmental Services	32.4	27.2	19.0	16.5	17.8
Information Technologies	25.4	21.4	18.6	12.9	14.0
Industrial Engineering and Construction	99.2	69.1	43.5	50.6	45.3
Total	196.2	152.7	28.4	100.0	100.0

Ebitda/Sales	sep-06	sep-05
Bioenergy	12.1%	12.2%
Environmental Services	8.9%	10.1%
Information Technologies	8.4%	8.7%
Industrial Engineering and Construction	12.5%	11.8%
Total	11.0%	11.0%

◆ Net Amount of the Business-Sales Figure

Abengoa's consolidated sales to September 2006 were 1,787.9 M €, a 28.8% increase on the previous year. All of Abengoa's Business Units increased their sales in the first nine months of this financial year.

Sales	sep-06	sep-05	Var (%)
Bioenergy	325.2	287.6	13.1
Environmental Services	364.4	269.3	35.3
Information Technologies	302.0	245.0	23.3
Industrial Engineering and Construction	796.3	586.1	35.8
Total	1,787.9	1,388.1	28.8

The Bioenergy Business Unit's sales were 325.2 M € as against 287.6 M € the previous year, which is a 13.1% increase on the same period last year. The Environmental Services Business Unit's sales were 364.4 M € in 2006 compared to 269.3 M € for the same period the previous year, with a 35.3% increase. The Information Technologies Business Unit's sales were 302.0 M € as against 245.0 M € the previous year (a 23.3% increase). Finally, the Industrial Engineering and Construction Business Unit's sales were 796.3 M €, a 35.8% increase on the 586.1 million euro achieved in the same period the previous year.

◆ Ebitda

The EBITDA (Earnings before interests, taxes, depreciation and amortization) was 196.2 M €, which is a 28.4% increase on the 2005 figure.

Ebitda	sep-06	sep-05	Var (%)
Bioenergy	39.2	35.0	12.0
Environmental Services	32.4	27.2	19.0
Information Technologies	25.4	21.4	18.6
Industrial Engineering and Construction	99.2	69.1	43.5
Total	196.2	152.7	28.4

The Bioenergy Business Unit achieves an Ebitda of 39.2 million euro in this third quarter as against the 35.0 million euro registered in the same period the previous year. This is a 12.0% increase. The Environmental Services Business Unit achieves an Ebitda of 32.4 million euro to the end of September 2006 as against the 27.2 million euro to the end of September 2005. This is a 19.0% increase. The Information Technologies Business Unit achieves an Ebitda of 25.4 million euro as against the 21.4 million euro the previous year, a 18.6% increase. Finally, the Industrial Engineering and Construction Business Unit achieves an Ebitda of 99.2 million euro as against the 69.1 million euro the previous year. This is a 43.5% increase.

◆ Taxes

	sep-06	sep-05	Var (%)
EBT	94.0	76.2	23.4
Corporate Taxes	-7.7	-19.5	-60.6
External Partners	-14.5	-11.7	23.9
EAT	71.8	45.0	59.6
Tax Rate	8.2%	25.6%	

The earnings before tax were 94.0 million euro which is a 23.4 percent increase on the 76.2 million euro in the third quarter of 2005. The financial result of 13.7 million euro derived from participations in officially listed shares is of note in the contribution to this magnitude. The earnings for this concept in the first nine months of the previous financial year were 20.2 million euro. If the impact of this financial result is eliminated in both periods, the growth level of the earnings before tax is 43.5 percent.

Company tax expenses in the first nine months of 2006 rose to 7.7 million euro. Thus, the tax rate for said period is 8.2%.

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

	sep-06	sep-05	Var (%)
EAT attrib. parent company	71.8	45.0	59.6
% EAT / Sales	4.0%	3.2%	

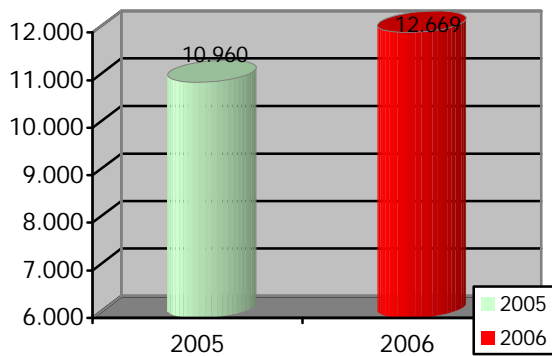
The earnings attributable to the parent company were 71.8 million euro, which is a 59.6 percent increase on the 45.0 million euro achieved the previous year (97.5 percent if the impact of the financial result derived from participations in officially listed shares is eliminated).

◆ Net Cash Flow

	sep-06	sep-05	Var (%)
Net Cash Flow	131.8	92.6	42.4
% Cash Flow / Sales	7.4%	6.7%	

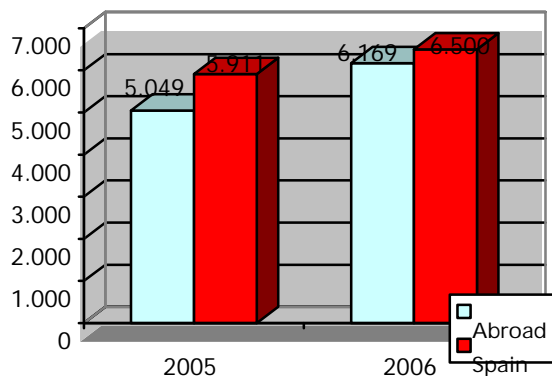
The Net Cash Flow has increased to 131.8 million euro, a 42.4% increase on the 92.6 million euro for the same period in 2005.

◆ Evolution of the average workforce



The workforce has increased by 1,709 compared to the number employed in the third quarter of 2005.

◆ Origin of the Workforce



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

## 5. Relevant Events and other communications

# 5

Description of the events such as:

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

## 1. Relevant events reported to the CNMV

### Details of the Relevant Events corresponding to the Third Quarter of 2005

- ◆ Written communication of 30.08.2006 (Ref. 70.262)

Information corresponding to the first half of 2006.



## 2. Evolution on the Stock Exchange

### Share Performance

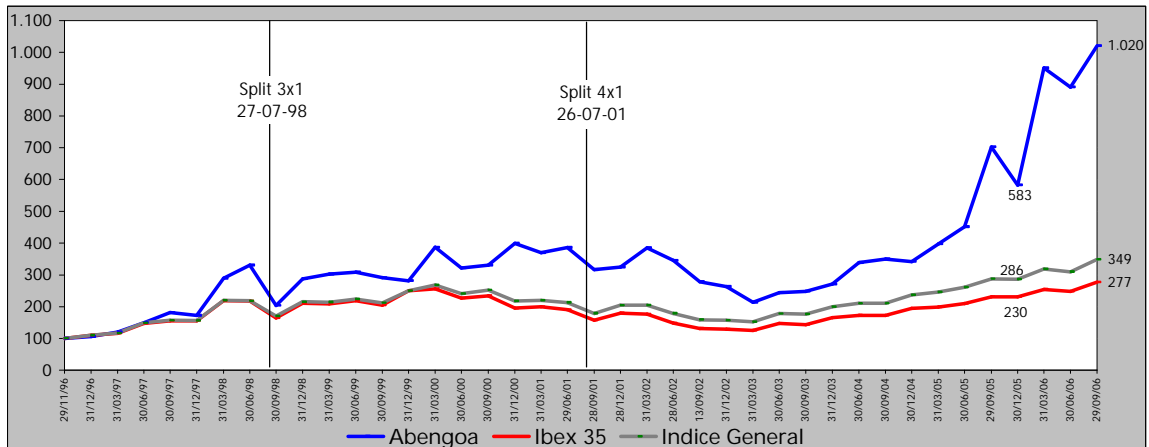
According to the data supplied to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Securities Recording, Clearing and Settlement Management Company) for the last Extraordinary General Meeting held on April 9, 2006, Abengoa, S.A. had 6,663 shareholders.

As on September 30, 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) 90,897,592 shares were traded in the third quarter of 2006. The average volume of daily trading over this period was 475,509 shares. Minimum, maximum and average listed share prices in 2006 were 12.35 euro, 29.96 euro and 19.30 euro, respectively. The final listed price of Abengoa's shares in this period was 21.72 euro/share, which is a 75.0% increase on the closing price for the previous year and a 48.4% increase on the closing share price on September 30, 2005.

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 920.4% which is 10.2 times the initial price. During this same period, the Madrid Stock Exchange has revalorized 248.6% and the select IBEX 35 has gone up 177.1%.



◆ Disclaimer

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

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

**ABENGOA**

Juan Carlos Jiménez Lora  
Head of Investors Relations