

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... we provide 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

3rd Quarter 2007

Your Partner in Resources and Technical Solutions

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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. Evolution of the Businesses. Highlights

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2.1 Solar

Solar	sep-07	sep-06	Var (%)
Sales	16.7	n.a.	n.a.
Operating Cash Flow	2.5	n.a.	n.a.
Operating Cash Flow/Sales	15.0%	n.a.	

The Sales of the Solar Business Unit in the first nine months of 2007 correspond to:

- Forwarding of solar energy to the grid. Value € 1.9 million from sales from the 11 MW solar thermal and 1.2 MW photovoltaic plants that is part of the Sanlúcar la Mayor (Seville) solar platform.
- The solar promotions of the Business Unit as part of its development activity, for € 10.9 million.
- The sale of solar technology for solar thermal projects, for € 3.9 million.

As part of the analysis of the Cash Flows from Operating Activities generated by the Business Unit, we would indicate that they are affected by the investments that are being made in the development of new businesses, the promotion of new plants and on research, development and innovation.

These investments will enable the generation of Cash Flows in the future, from the solar platform currently under construction and from the development of future solar thermal and photovoltaic platforms, in Spain and abroad.

Noteworthy in this sense is the progress in solar thermal promotion activities (Spain, USA and international), where we have 300 MW under promotion, of which 81 MW are already in operation or construction.

At September 30, 2007	Operation	Construction	Promotion	Total
(amounts in MW)				
Spain	11	70	219	300

In photovoltaic, we have 10 MW under promotion and a further 8.0 MW under construction and operation.

At September 30, 2007	Operation	Construction	Promotion	Total
(amounts in MW)				
Spain	1.5	6.5	10.0	18.0

As regards R&D&I activities, Abengoa Solar has more than 40 people dedicated to enhancing solar technologies in the short and medium term, with a very ambitious investment program.

	2005	2006	1st H 2007
(figures in Millions of euro)			
Investment	31.8	17.4	6.5

Since 2005, Abengoa Solar has invested 55.7 million euro in R&D working in collaboration with several prestigious Universities and Research Centers from different countries.

2.2 Bioenergy

Bioenergy	sep-07	sep-06	Var (%)
Sales	430.5	325.2	32.4%
Operating Cash Flow	43.5	39.2	11.0%
Operating Cash Flow/Sales	10.1%	12.1%	

The Sales of the Bioenergy Business Unit rose to 430.5 million euro as against the 325.2 million euro in 2006. This is a 32.4 percent increase. Bioethanol sales are responsible for 71.2% of said increase, mainly due to the higher sales price of bioethanol in Europe and the United States.

The Gross Cash Flows from Operating Activities has risen about 11.0%, and went from the 39.2 million euro figure of 2006 to the current 43.5 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 grain in the European Union and the United States.

The Operating Cash Flows 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 to September 2007 is 267.1 million liters in the EU and 90.8 million gallons in the US. Over the same period in 2006, 258.7 million liters were sold in the EU and 75.0 million gallons in the US.
- ◆ In 2007, the price of bioethanol in the EU has risen compared to the 2006 prices. The accumulated average price to-date has been 0.589 €/liter (as against 0.573 €/liter). In the United States, the price has also increased, 2.22 US\$/gal (as against 1.78 US\$/gal in 2005). In this period, the price of grain in the EU has been slightly higher than last year, 169.8 €/ton (as against 142.0 €/ton in 2006). The same has occurred in the United States where the price has been 3.30 US\$/b (as against 2.39 US\$/b in 2006). Also of note is the effect of the decreases in the cost of natural gas in the EU, from 22.5 €/MWh in 2006 to 20.0 €/MWh in 2007, and in the United States from 9.39 US\$/mmbtu in 2006 to 8.54 US\$/mmbtu.

2.3 Environmental Services

Environmental Services	sep-07	sep-06	Var (%)
Sales	543.9	364.4	49.3%
Operating Cash Flow	76.4	32.4	135.8%
Operating Cash Flow/Sales	14.0%	8.9%	

In the first nine months of 2007, the Sales of the Environmental Services Business Unit (543.9 million euro) have increased on those for the previous year by 179.5 million euro, which is a 49.3% increase. The incorporation of BUS, whose sales over this period amounted to € 131.7 million, into the Group is the main reason for this notable increase. If BUS's sales are not taken into account the growth experienced was € 47.8 million, a 13.1% increase on last year. This improvement is a result of the higher volume of wastes treated in all the Group's areas, especially as regards the Recycling of Steel and Galvanization and Industrial Wastes Management activities, and of the increase in the works executed by the Environmental Engineering Unit.

As regards Cash Flows from Operating Activities, there has been a € 44.0 million increase (135.8%) compared to the first nine months of 2006. € 36.5 million corresponds to the Cash Flow generated by BUS. If BUS is not taken into consideration, the improvement in Cash Flows is 23.2%, due mainly to the positive evolution demonstrated in the aforementioned business areas. The Cash Flow on Sales ratio has increased notably to 14.0% as a consequence of the modification to the «mix» of the Group's sales.

2.4 Information Technologies

Information Technologies	sep-07	sep-06	Var (%)
Sales	389.0	302.0	28.8%
Operating Cash Flow	31.9	25.4	25.5%
Operating Cash Flow/Sales	8.2%	8.4%	

The Sales of the Information Technologies Business Unit for the third quarter of 2007 reached 389.0 million euro, which is a 28.8% increase on the previous year's figure of 302.0 M€. The basis of this significant increase lies in the organic growth of the Business Unit (18 points) and the rest, around 11%, in the business derived from our recent acquisitions.

Of note:

- ◆ Energy, with an increase of more than 16%, with the project in Sweden (Vattenfall) being noteworthy.
- ◆ The important growth of the Transport section, more than 28%.

The Cash Flows reached 31.9 million euro, which is 8.2% on sales and a 25.5% increase on 2006. The drop in margin is mainly due to the increase of general expenses, caused by the new acquisitions, and the higher investment in R&D (11.6 M€ in 9M 2006, 13.9 M€ in 9M 2007).

2.5 Industrial Engineering and Construction

Industrial E&C	sep-07	sep-06	Var (%)
Sales	819.1	796.3	2.9%
Operating Cash Flows	113.7	99.2	14.6%
Operating Cash Flows/Sales	13.9%	12.5%	

The Sales of the Industrial Engineering and Construction Business Unit in the first nine months of 2007 have increased on those of the previous year by 2.9%, and the figure has reached 819.1 million euro. The Gross Cash Flows from Operating Activities has also increased on the previous year by 14.5 million euro, and has gone from 99.2 million euro in the first nine months of 2006 to 113.7 million euro in 2007.

Of note within the positive evolution of the Business Unit are the results of the high voltage line concession contracts in Brazil, with the commissioning of the new ATE II line being especially noteworthy; and this in spite of the worst results recorded by the Cogeneration business, due mainly to the fall in produced energy sales prices.

3. Details of the Profit and Loss Account

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The consolidated sales to September 2007 were 2,199.3 M €, which is a 23.0% increase. The Operating Cash Flows increased 36.6% with the good evolution of the Environmental Services Business Unit, with a 135.8% increase on the same period last year, being of special note.

The profit attributable to the parent company at September 30, 2007 increased 12.0% on the same period in 2006 and reached 80.4 M€.

M€	sep-07	sep-06	Var (%)
Sales	2,199.3	1,787.9	23.0%
Operating Cash Flows	268.0	196.2	36.6%
% Operating Cash Flows/Sales	12.2%	11.0%	
Net Profit Before Tax	107.9	94.0	14.8%
Net Profit Attributable	80.4	71.8	12.0%

◆ Highlights per Business Unit

Sales	sep-07	sep-06	Var (%)	% 2007	% 2006
Solar	16.7	n.a.	n.a.	0.8	n.a.
Bioenergy	430.5	325.2	32.4	19.6	18.2
Environmental Services	543.9	364.4	49.3	24.7	20.4
Information Technologies	389.0	302.0	28.8	17.7	16.9
Industrial Engineering and Construction	819.1	796.3	2.9	37.2	44.5
Total	2,199.3	1,787.9	23.0	100.0	100.0

Operating Cash Flow	sep-07	sep-06	Var (%)	% 2007	% 2006
Solar	2.5	n.a.	n.a.	0.9	n.a.
Bioenergy	43.5	39.2	11.0	16.2	20.0
Environmental Services	76.4	32.4	135.8	28.6	16.5
Information Technologies	31.9	25.4	25.5	11.9	12.9
Industrial Engineering and Construction	113.7	99.2	14.6	42.4	50.6
Total	268.0	196.2	36.6	100.0	100.0

Operating Cash Flow / Sales	sep-07	sep-06
Solar	15.0%	n.a.
Bioenergy	10.1%	12.1%
Environmental Services	14.0%	8.9%
Information Technologies	8.2%	8.4%
Industrial Engineering and Construction	13.9%	12.5%
Total	12.2%	11.0%

◆ Net Amount of the Business-Sales Figure

Abengoa's consolidated Sales to September 2007 were 2,199.3 M €, a 23.0% increase on the previous year. All of Abengoa's Business Units increased their sales in this financial year.

Sales	sep-07	sep-06	Var (%)
Solar	16.7	n.a.	n.a.
Bioenergy	430.5	325.2	32.4
Environmental Services	543.9	364.4	49.3
Information Technologies	389.0	302.0	28.8
Industrial Engineering and Construction	819.1	796.3	2.9
Total	2,199.3	1,787.9	23.0

The Solar Business Unit's Sales were 16.7 M € to September 30, 2007. The Bioenergy Business Unit's sales were 430.5 M € as against 325.2 M € the previous year, which is a 32.4% increase on the last year. The Environmental Services Business Unit's sales were 543.9 M € in 2007 compared to 364.4 M € for the same period the previous year, with a 49.3% increase. The Information Technologies Business Unit's sales were 389.0 M € as against 302.0 M € the previous year (a 28.8% increase). Finally, the Industrial Engineering and Construction Business Unit's sales were 819.1 M €, a 2.9% increase on the 796.3 million euro achieved in the same period the previous year.

◆ Gross Cash Flows from Operating Activities

The Gross Cash Flows from Operating Activities figure was 268.0 M €, which is a 36.6% increase on the 2006 figure.

Gross Cash Flows from Operating Activities	sep-07	sep-06	Var (%)
Solar	2.5	n.a.	n.a.
Bioenergy	43.5	39.2	11.0
Environmental Services	76.4	32.4	135.8
Information Technologies	31.9	25.4	25.5
Industrial Engineering and Construction	113.7	99.2	14.6
Total	268.0	196.2	36.6

The Solar Business Unit's Operating Cash Flows were 2.5 M € in this first nine months. The Bioenergy Business Unit's Operating Cash Flows were 43.5 M € in this year as against the 39.2 M € registered in 2006. This is a 11.0% increase. The Environmental Services Business Unit's Operating

Cash Flows reached 76.4 M € to the end of September 2007 as against the 32.4 M € to the end of September 2006. This is a 135.8% increase. The Information Technologies Business Unit's Operating Cash Flows were 31.9 M € as against the 25.4 M € the previous year, a 25.5% increase. Finally, the Industrial Engineering and Construction Business Unit's Operating Cash Flows were 113.7 M € as against the 99.2 M € the previous year. This is a 14.6% increase.

◆ Taxes

	sep-07	sep-06	Var (%)
EBT	107.9	94.0	14.8
Corporate Taxes	(16.1)	(7.7)	110.3
External Partners	(11.3)	(14.5)	(21.8)
EAT	80.4	71.8	12.0
Tax Rate	15.0%	8.2%	

The earnings before tax were 107.9 million euro, which is a 14.8 percent increase on the 94.0 million euro in 2006.

Company tax expenses in the first nine months of 2007 rose to 16.1 million euro. Thus, the tax rate for the period is 15.0%, due mainly to the fiscal deductions originated by the efforts being made in, and dedication to R&D&I activities, to the contribution from results in other countries to Abengoa's earnings, and to taxation in Spain under the special fiscal consolidation regime.

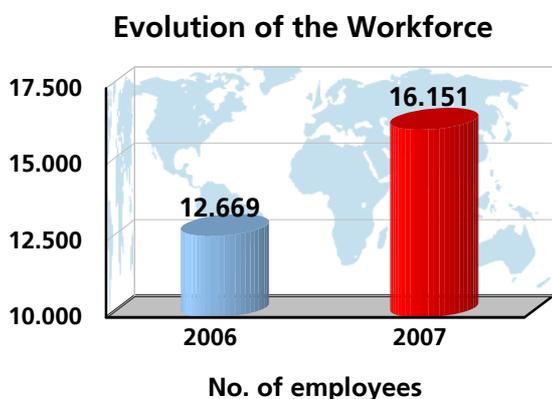
◆ Earnings After Tax Attributable to the Parent Company (Net Result)

	sep-07	sep-06	Var (%)
EAT attrib. parent Co.	80.4	71.8	12.0
% EAT / Sales	3.6%	4.0%	

The earnings attributable to the parent company were 80.4 million euro, which is a 12.0 percent increase on the 71.8 million euro achieved the previous year.

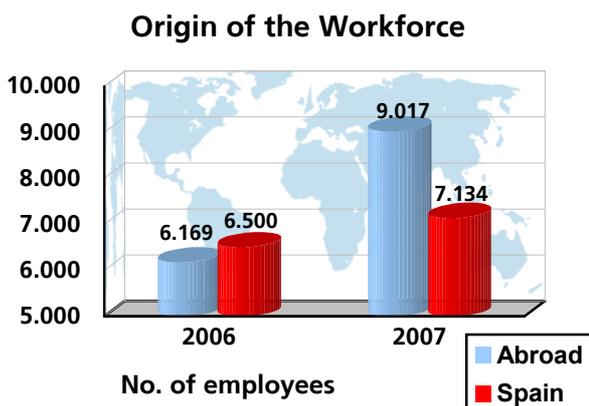
For the purposes of enabling comparison of homogenous figures, the effect the acquisition of BUS has had on the profit after tax in the third quarter of 2007 (8.8 million euro), the impact of the financial result derived from the participations in officially listed shares (negative by 1.9 million euro in the third quarter of 2007 and positive by 8.9 million euro in the third quarter of 2006) and the effect of the profit eliminated in the third quarter of 2007 from intragroup activities must be isolated. If these effects are eliminated, the result after tax attributable to the parent company would have experienced a 34.9 percent growth.

◆ **Evolution of the Average Workforce**



The average workforce has increased by 3,482 (27.5%) compared to the number employed in the first nine months of 2006.

◆ **Origin of the Workforce**



The increase in the workforce numbers has mainly occurred abroad.

4. General Description of the Activities

4

« 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.

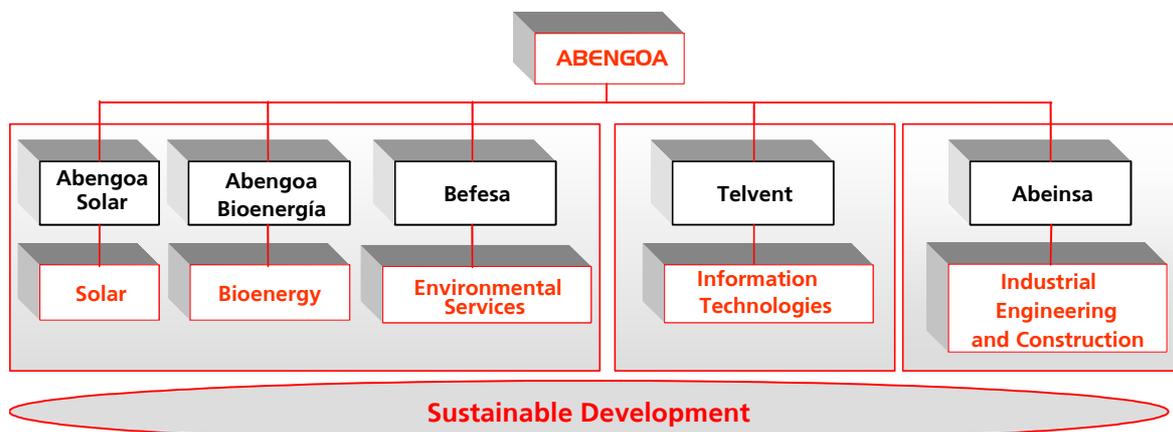
As a result of said strategy and as a consequence of the investment plan underway, Abengoa offers a combination of activities that represent greater diversification in markets and customer portfolio, while also consolidating its capacities as regards its original Engineering business.

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 783 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).

5. Main Novelties by Business Unit

5



Abengoa Solar's objective is the development and sale of technology, and the design, promotion, financial closing, construction and operation of electric energy generation plants that utilize the sun as the primary energy source. The company possesses the know-how and technology for solar thermal plants: central receiver, parabolic trough and parabolic dish systems, and for solar 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 the first nine months of 2007, were as follows:

- ◆ The president of the Regional Government of Andalusia, Manuel Chaves, inaugurated on March 30, the Solar Platform that Abengoa Solar is constructing in the municipality of Sanlúcar la Mayor (Seville). The 300 MW Solúcar Solar Platform will be completed by the year 2013 and, utilizing a wide range of solar technologies will produce sufficient energy to cover the consumption of some 180,000 homes, equivalent to the needs of the city of Seville. The project requires a 1,200 million euro investment.

The Solúcar Solar Platform is a clear reflection of Abengoa's trust in the energy of the future, its respect for the environment, natural resources and the fight against climate change: this project will prevent the emission of more than 600,000 tons of CO₂ into the atmosphere per year.

The first two power plants to be brought into operation at the Solúcar Solar Platform are: PS10, the world's first tower technology solar thermoelectric power plant constructed for commercial operation; and Sevilla PV, the largest low concentration system photovoltaic plant.

The 11 megawatt **PS10** solar power plant generates 24.3 GWh per year of clean energy and comprises 624 heliostats, each of a 120 square meter surface area and a 115 meter tower. The heliostats move automatically by means of a mechanism programmed in function of the solar calendar. The solar radiation is reflected onto a receiver located on the upper section of the tower and the same harnesses the energy it receives to produce steam that is turbined to produce sufficient electric energy to supply some 6,000

homes. This power plant alone will prevent the emission of 18,000 tons of CO₂ per year.

The **Sevilla PV** plant comprises 154 silicon plate heliostats that produce electricity from solar radiation. This 1.2 MW photovoltaic facility will prevent the emission to the atmosphere of 1,800 tons of CO₂ per year.

The remaining Solúcar Solar Platform power plants will be stagger-constructed over the next six years to convert the Platform into a diverse technology macro-project that will include tower thermoelectric, parabolic-trough collector, Stirling dish, and low and high concentration photovoltaic plants.

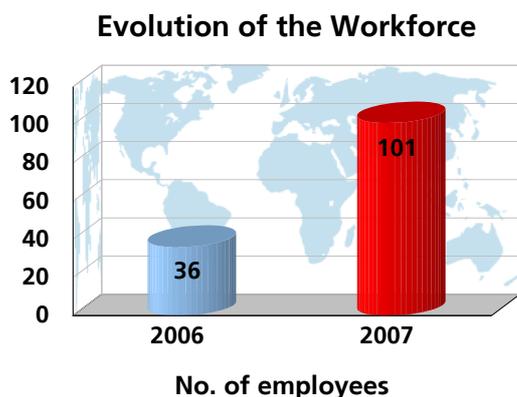
The PS20 tower technology solar thermoelectric 20 MW plant, similar to the PS10 plant and a parabolic-trough collector demonstration plant are currently under construction. The latter's technology is to be utilized in the 50 MW Solnova 1 and Solnova 3 plants.

Abengoa's Solúcar Solar Platform will contribute enormously to the economic development of the municipalities of the Aljarafe district as it will enable the creation of more than 1,000 jobs associated with the Platform's manufacturing and construction phase, as well as a further 300 service and maintenance jobs for the array of power plants.

- ◆ Opening of Abengoa Solar's office in the USA in Denver (Colorado) and San Francisco (California) with the aim being the development of solar projects in said country.
- ◆ Opening of Abengoa Solar's office in Almeria (Spain).
- ◆ In February, construction works commenced on the Rioglass Solar parabolic trough mirror manufacturing plant in which Abengoa Solar participates as a minority partner. The factory will supply the mirrors for Abengoa Solar's parabolic trough plants.

The Rioglass Solar Abengoa project will occupy a 47,500 square meter site. To be precise, the plant is to be a production unit for manufacturing parabolic trough mirrors that are used by solar radiation (solar thermal energy) electric energy generating modules. The mirrors will be manufactured from rectangular glass sheet which will be precision-curved. The precision of the curve is critical to ensure maximum concentration of the solar radiation onto the receiver tube.

- ◆ Works commenced on the 50 MW Solnova 1 solar thermoelectric parabolic trough collector technology power plant. The plant is part of the Solúcar Solar Platform (Seville).
- ◆ Signing of two solar technology sales contracts for the hybrid power plant projects in Algeria and Morocco, comprising the construction of two combined cycle power plants of 150 and 479 MW output, respectively, with a field of thermal oil parabolic trough collectors at each plant that will produce 20 MW.
- ◆ Start-up of the Parabolic Trough Collector technology demonstration plant at the Solar Solucar Platform. It is the Europe's first operational PTC plant.



The average workforce of the Solar Business Unit in the first nine months of 2007 was 101, nearly three times on the figure for the same period in 2006.

A collage of laboratory glassware including flasks and beakers containing various colored liquids (green, yellow, red, blue) under different lighting conditions. The text '5.2 Bioenergy' is overlaid in large white font.

5.2 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 were as follows:

Business Development

- ◆ Abengoa Bioenergía has closed the acquisition of 100 percent of the capital of Dedini Agro, one of the largest bioethanol and sugar companies in the Brazilian market. The acquisition has been closed at the price of 211 million euros (297 million USD).

Dedini Agro is dedicated to the cultivation and processing of sugar-cane, at present processing more than 6 million tons per year. Dedini produces bioethanol as well as sugar and has two production facilities in the state of Sao Paulo, which operate with production costs that are among the most competitive in Brazil and the world thanks to their excellent location, the experience of their human teams and the fact that they have direct control of a significant part of the crop lands via long-term contracts. Following the integration of Dedini Agro, Abengoa Bioenergy expects to attain significant increases in production at the existing facilities in Brazil, develop at least one new facility, and achieve more effective international marketing of the bioethanol produced in Brazil thanks to Abengoa Bioenergy's existing trade networks. Furthermore, Abengoa Bioenergy will be able to apply the cellulosic bioethanol technology it is developing to the sugar cane husks to achieve a medium-term increase in production and more efficient cost reduction.

Brazil is one of the world's major bioethanol markets with an annual production of 17,500 million liters (2006). The consumption of bioethanol is expected to continue to grow strongly thanks to the success of the fuel flexible vehicles that represent 90% of the number of vehicles sold in Brazil that use of gasoline or bioethanol without distinction.

With this acquisition, Abengoa Bioenergy becomes the only company in the world to be present in the world's three major bioethanol markets: the United States, Brazil and Europe.

- ◆ Abengoa Bioenergy has concluded the first supply of e85 to the Basque Region from its Cartagena facility, as part of the framework agreement signed with Ente Vasco de la Energía (EVE).

EVE has subsidized the modification of three service stations, two of which are in Vitoria and the other in San Sebastian, to commercialize different bioethanol and gasoline blends: e5 (5% bioethanol), e10 (10% bioethanol) and e85 (85% bioethanol).

This supply demonstrates the technical and economic viability of direct bioethanol and gasoline blending in Spain's public network of service stations. This is a vital step towards expanding e85 use and is the result of close collaboration between public and private companies aimed at meeting the compulsory obligations the European Union has set for the transport sector.

- ◆ Abengoa Bioenergy has successfully closed USD 300 million of senior secured credit facilities to finance the construction of two 88 million gallons per year ethanol plants to be located in the US Midwest. Illinois, Indiana, and Kansas have been included as possible project locations.

The financing is for nine years as from the date of signing, including the construction period, and includes a cash sweeps of up to 60% of the excess cash as one of the basis for repayment. This financing structure provides the companies with the flexibility to enter into the day-to-day activities allowing the commodity hedging activity under the Risk Management Committee rules as well as the working capital policies through the flexible payment program (PPB) and non-recourse factoring activity. The project structure will be very similar to other Abengoa Bioenergy's project financing and will imply the participation of

Abener/Abencs as EPC Contractor; Abengoa Bioenergy Trading as a marketer for ethanol and DDG; Abengoa Bioenergy Holding US to supervise the execution of the construction and the coordination of the day to day activities during the operation of the plants. The two projects will provide Abengoa Bioenergy US plant portfolio with significant logistic advantages.

The facilities are expected to be completed in 2010. Each facility will utilize approximately 32 million bushels of corn per year and employ over 50 people.

Once construction of the two facilities is completed and they are fully operational, Abengoa Bioenergy will have a US capacity of 374 million gallons per year, ranking it in the top producers in the US.

- ◆ Abengoa Bioenergy France (ABF) wine alcohol facility has achieved its maximum bioethanol production capacity, 150 m³/day (40,000 tons/year). Construction is continuing on the cereal facility (corn) and it is expected to commence production in the summer of 2008 (with an annual 160,000 ton capacity). ABF expects to receive more than 50% of its corn requirements by rail (500,000 tons/year) which will contribute to reducing the global impact of CO₂ emissions within the company.

Moreover, bioethanol supply contracts have been closed with major chains of hypermarkets in France, Carfuel (Group Carrefour), SCA Pétrole et Dérivés (hypermarket Intermarché), Distridyn (hypermarkets Casino and Cora), Petrovex (Group Auchan) and Siplec (hypermarket E. Leclerc), with whom Abengoa Bioenergy Trading is developing a commercial relationship.

In order to provide a complete service to its customers, ABF has a truck loading bay and a 5,000 m³ bioethanol storage tank in the port of Bayonne arranged with the company LBC. Therefore, ABF will be able to transport bioethanol to any destination in Europe.

- ◆ Abengoa Bioenergy Netherlands will construct a 480 million liter capacity bioethanol-from-grain facility at Rotterdam Port (Holland). Abener will supply the Basic Design (in close collaboration with Licensee Katzen), Detailed Engineering, Procurement and Construction. The project will be carried out in accordance with the highest industry, environmental and safety standards as well as regulations imposed by the local authorities. Start-up is expected for 2009.

With this facility, Abengoa Bioenergy will contribute to the Dutch Government and European Union's long term policy of achieving a 20% reduction in CO₂ emissions by the year 2020, and to the utilization of bioethanol as a "green" substitute for gasoline. ABN's facility will reduce total emissions of greenhouse effect gases by 200,000 tons/year.

- ◆ In addition, Abengoa Bioenergy has signed a contract with Rotterdam Port Authorities that will provide Abengoa Bioenergy Netherlands with space to allow it dock space to access ships capable of transporting up to 60,000 tons per shipment and to a second dock for DDGS loading. Both are directly connected to the railway network and are also in the vicinity of a highway.

The existence of a piping network in Rotterdam Port to which Abengoa holds part of the exclusive usage rights and the proximity of the compressed CO₂ transportation pipeline, are key to this project. MultiCore will start with the engineering and construction of all the direct connections via a pipeline through Rotterdam harbor that will connect ABN directly to several clients.

This port will also be utilized by Abengoa Bioenergy Trading Europe to supply bioethanol to Argos Oil, one of the major independent distributors of oil products in the Netherlands who will then, once the 5% (e5) or 85% (e85) blending has been done, distribute it to its network of service stations.

- ◆ Biocarburantes de Castilla y Leon S.A. has decided to temporarily cease bioethanol production at its Babilafuente (Salamanca) facility.

Having suffered over two years of regulatory insecurity and stagnation of biofuel use in Spain, goes to show that only the urgent implementation in Spain of measures developing the obligation of differentiated biofuel introduction in petrol and diesel with 5.83% minimal percentage of use, could achieve not only the recovery of the Salamanca facility total operation but also develop an industry which contributes to the sustainable development of our country.

Nevertheless, only measures like those described and resulting sector stability can generate the economic resources necessary to tackle the risk and decision to carry out technological research and development activities on second generation biofuel (cellulosic biomass), decisions like that already taken by Biocarburantes de Castilla y Leon with the construction of the first ethanol production prototype facility using cereal straw as raw material..

- ◆ The new strategic orientation of Abengoa Bioenergy includes the sale of one of its facilities in the U.S., Portales, to allow it to maintain its leading position in the industry.

In order to meet our objectives, it is important that we concentrate our time and effort on the development of new projects identified in our Strategic Plan, such as the Start-up of the Ravenna facility, the financing and construction of two of our 3 new projects in the US (Illinois, Indiana or Kansas), the development of the new biomass plant in Hugoton (Kansas) and the development of new projects in the EU and the integration of the recently acquired company Dedini Agro, in Brazil.

In this sale, Abengoa Bioenergy contemplates the possibility of signing a contract under which it will provide operation and risk management services for the plant's new owner.

- ◆ Bioetanol Galicia has carried out a expansion of the cereal plant at its facilities, achieving a total installed output of 150 million liters. The entire process from design engineering to revamping for connection to the existing systems was executed with the facility operating at full capacity without minimizing the objectives established in the Production Plan, while also attaining satisfactory results subsequent to the start-up and performance test.

The objective of the facility revamp was not only to increase bioethanol production, but also to reduce process enzyme and energy consumption and achieve higher process performance while operating over the same number of days per year.

The manufacturing and assembly of a new refrigeration cell, improvements in the cooking system (incorporating new process lines), the assembly of a new sterilizing system, CIP heating system, sulphuric acid storage system, the installation of new syrup transfer and recirculation systems, new spent wash recirculation systems, etc., were included in the work.

In addition, the mills, centrifuges and dryer conveyor belts were modified and a study was carried out and new dynamic equipment installed in the distillation system to meet the new needs. Of note are the works carried out by Inabensa on everything related to electric energy increase and the necessary cabling, and by Telvent on upgrading the distributed control system.

Legislative novelties

- ◆ The State of Kansas has passed a Renewable Fuels Standard to provide incentives for the sale of bioethanol by fuel retailers.

The approved Legislation establishes that retailers who sell at least 10% bioethanol in 2009 and achieve a 1% increase each year up to 25% by 2024, will receive 0.065 US\$ per gallon of bioethanol sold. Moreover, the

same legislative assembly gave its approval to a one million dollar increase on the 3.5 M US\$ per year for the Incentive Program for Bioethanol Producers for companies that increase their bioethanol production within the State.

Kansas thus joins other States with laws that promote the use of bioethanol such as Minnesota, Iowa, Missouri, Hawaii and most recently, California and Oregon.

R&D&I

- ◆ Abengoa Bioenergy, through its company Abengoa Bioenergy New Technologies, is participating in the Biosynergy project to develop an advanced conceptual design of Biorefining. The project is being funded by the European Commission under the Sixth Framework Program, and coordinated by the Energy Research Center of the Netherlands (ECN).

The objective of the project is to achieve advanced development of the integrated production process for chemical products, biofuels for transport and energy, from laboratory to pilot plant scale. Work will be based on the actual design of the lignocellulosic biomass-to-bioethanol facility Abengoa Bioenergy has in York (USA). This facility has been taken as a specific example to turn it into a highly efficient biorefinery to co-produce bioproducts and fuels in a competitive and environmentally sustainable market.

The Biosynergy consortium comprises sixteen partners, with a high level of industrial participation. The budget is 13.4 million euro, with a 7.0 M € grant from the European Commission. The project is being coordinated by the Energy Research Center of the Netherlands (ECN).

- ◆ Kansas Governor, Kathleen Sebelius, announced Hugoton as the site selected for Abengoa Bioenergy's commercial scale cellulosic ethanol production facility. The Hugoton plant is one of six first generation facilities

funded in part by this DOE grant as part of President George W. Bush's Biofuels Initiative. One of the objectives of the program is to reduce U.S. gasoline consumption by 20% within the next ten years.

The biorefinery will be completed in 2010 and will produce 13 million gallons of ethanol annually using 930 tons a day of cellulosic crop residue collected from such plants as switch grass, corn stover, milo and wheat straw. It will also process 88 million gallons a year of ethanol using traditional, easily accessible grain feedstock such as corn and grain sorghum. The biorefinery will also produce synthesis gas –as a substitute for natural gas– from biomass. This will significantly improve the carbon life cycle and environmental footprint of the facility. It will also give Abengoa Bioenergy the opportunity to prove the new technologies that have been developed by Abengoa Bioenergy's research and development efforts, together with those of the company's various partners.

Engineers and scientists at Abengoa Bioenergy recently advanced a vital pre-treatment step in the cellulose ethanol production process that will be tested and improved at Abengoa's cellulose pilot plant now operating in York, Nebraska, as well as its demonstration scale cellulose plant currently under construction in Salamanca, Spain.



The average workforce of the Bioenergy Business Unit in the first nine months of 2007 was 1,460, a 190.3% increase on the same period of 2006 figure.

5.3 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



The most important milestones in the sectors in which the Environmental Services Business Unit operates, during the first nine months of 2007, were as follows:

- ◆ **Aluminum Waste Recycling.**- During the first nine months of this year 213,000 tons of aluminum-content wastes were treated. This is an increase of 1.4% on the previous year, and the fact that all the plants have operated satisfactorily is especially noteworthy.
- ◆ **Zinc Waste Recycling.**- During the course of the year's first nine months, a total of 449,000 tons of steel and galvanization waste have been treated. This represents a 490,8% increase on the 76,000 tons treated in 2006. This is due to the incorporation of BUS, a company that has treated 324,000 tons. If BUS were not taken into account, the increase in waste treatment in the third quarter would have been 64.5%.

Of note is the fact that the integration of BUS into the Group is going ahead satisfactorily and the generated synergies are being exploited at all times.

On August, 7th the new furnace of Befesa Valera was switched in. It is located in Gravelines in northern France. The cost of the project, that exploits the synergies generated by the existing furnace, reached 18 million euros. The new furnace together with the existing one has a capacity to treat 120,000 tonnes of stainless steel dust per year. In addition to these furnaces in France, Befesa has another plant in Sweden giving a combined total capacity for recycled dust from stainless steel plants of more than 185,000 tonnes per year. This capacity is sufficient to treat all European dust sources.

- ◆ **Industrial Waste and Cleaning Management.**- During 2007 804,000 tons of industrial wastes have been treated, which is in excess of the volume treated over the same period in 2006, 742,000 tons.

Befesa presented the environmental statements for Nerva and Palos de la Frontera industrial waste centers, validated by the Spanish Association for Standardization and Certification (AENOR), in recognition of the environmental management systems the company has implemented at these facilities and their compliance with the requirements of the European Regulation 761/2001 (EMAS). The statements, which were submitted during the course of last year– correspond to the 2005 trading year and represent a commitment to information transparency, given that the elaboration of these declarations is voluntary.

Following the audit carried out by DaimlerChrysler Argentina, Befesa Argentina has been given the classification of «Environmental Excellence» for its environmental management. DaimlerChrysler awards these classifications to its suppliers to demonstrate that they appropriately maintain their operations and document management in accordance with the requirements and parameters of ISO standard 14001:2004.

- ◆ **Water.**- In the first nine months of 2007, important contracts have been obtained, of note among which are:

Aguas de Castilla-La Mancha, the public entity owned by the regional government of Castilla-La Mancha, has awarded Befesa two contracts to construct water treatment plants valued at more than € 25 million. The first project, the Mocejón plant, will have the capacity to treat waste from 100,000 inhabitants. Befesa will also construct another thirteen treatment plants in Albacete province, scheduled under the «Castilla-La Mancha Treatment and Sewerage Plan».

Befesa in joint venture with Ocide, have been awarded to construct the water treatment plant El Campello in Alicante, on the part of the Entidad

Publica de Saneamiento de Aguas Residuales de la Comunidad Valenciana, the Valencian water authority which is responsible for operating the sewerage and water treatment facilities as well as managing the works on these facilities for the regional government of Valencia, the invest exceeds €12.7 million. The water treatment plant will handle waste water from the residential areas in the northern part of El Campello town.

The Ministry of Environment, through the Directorate General for Water, has awarded Befesa, in joint venture with the company Construcciones Sanchez Dominguez (Sando), the water supply enhancement project for the city of Caceres, from Portaje reservoir. The investment is more than €40.4 million and the aim of the project is to meet the supply needs of 150,000 inhabitants of Caceres and 13 other municipalities in the province. The works comprise the construction of 3 pumping stations and more than 65 kilometers of mains with diameters between 1,000 and 1,200 millimeters, designed to transport a maximum flow of 1,500 meters per second.

Aigües Ter Llobregat, the public company of the Catalanian regional government responsible for supplying drinking water to more than 100 towns and cities, including Barcelona, accounting for nearly four and a half million inhabitants, has awarded Befesa the contract to construct the Fonsanta pumping station and a section of the piping that will connect to the Trinitat distribution station. This project, which will be financed with EU cohesion funds and is included in the actions of Spain's national water plan, will require an investment of more than €20 million.

The Nicaraguan company Enacal (Empresa Nicaragüense de Acueductos y Alcantarillados Sanitarios) has awarded Befesa as part of a consortium with Seta (Sociedad Española de Tratamiento de Agua), the contract to improve and extend the drinking water systems and sewerage in the cities of San Juan del Sur and Boaco in Nicaragua, valued at more than 18 million euro. Both projects are being financed by development aid funds (FAD).

The works to construct the new Bajo Almanzora desalination plant in Almería started on 11 July. The plant will be constructed and operated by Befesa as part of a temporary business association (UTE) with FCC Construcción, Servicios y Procesos Ambientales (SPA) and Aqualia Gestión Integral del Agua. The investment of 73 million euros forms part of the A.G.U.A. program of the Ministry of the Environment. The desalination plant will have a capacity of up to 60,000 cubic metres of water per day, of which 75% will be for irrigation in the region and the remaining 25% will be for human consumption. This water will benefit 140,000 people in towns in Almería, equivalent to 15% of the province's population, and more than 12,000 hectares under agricultural production.

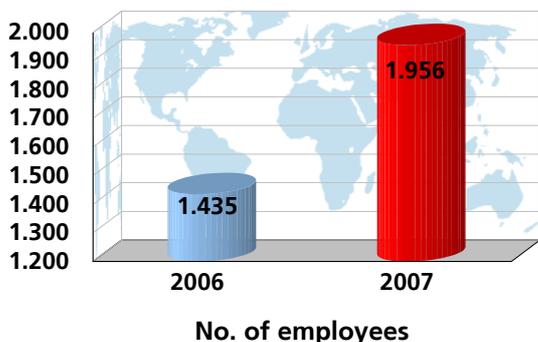
Befesa, together with its Indian partner IVRCL Infrastructures & Projects, have completed the financing arrangements, under the DBOOT («*Design, Build, Own, Operate and Transfer*») modality, for the design, construction and operation of Minjur seawater desalination plant to supply the city of Chennai 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 Spanish Groups, Abengoa, ACS and Sacyr Vallehermoso, operating under the Geida consortium, signed the financing contract with Credit Populaire d'Algerie (CPA) to develop the construction project for the third seawater desalination plant they are to build and operate in Algeria. The investment required to develop the Tlemcem Honaine plant, to be built in the vicinity of the city of Oran, in the western region of the North Africa country and very close to the border with Morocco, is \$230 million. It is the

third finance project to be arranged in Algeria with a local bank. The construction works will be completed in the final quarter of 2009.

Back in 2005, the GEIDA consortium formed by the companies Befesa (from Abengoa), Cobra Tedagua (from ACS) and Sadyt (from Sacyr Vallehermoso), was awarded the construction and twenty-five year operation concession contract for the Tlemcem Honaine desalination plant that will, through the utilization of a reverse osmosis system, produce 200,000 cubic meters of drinking water a day and supply a population of 750,000.

Evolution of the Workforce



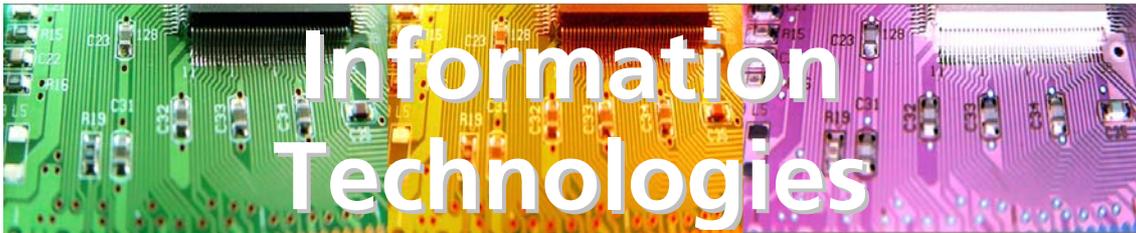
The average workforce of the Environmental Services Business Unit in the first nine months of 2007 was 1,956, a 36.3% increase on the previous year figure.

5.4 Information Technologies

Telvent, Abengoa's holding company in the Information Technologies business sector, works towards the attainment of sustainability and safety through high value-added products and integrated solutions in the Energy, Transport, Environment and Public Administration sectors, and in Global IT Services.



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 Plains All American Pipeline, in the United States, to upgrade their current V6.0 SCADA System, and relocate an S/3 and SimSuite System from Pacific Pipeline (now owned by Plains All American) into the new OASySDNA 7.5 project. Plains All American Pipeline, L.P. is a publicly traded master limited partnership (“MLP”) engaged in the transportation, storage, terminalling and marketing of crude oil, refined products and liquefied petroleum gas and other natural gas related petroleum products (together “LPG”).

Contract value: 2.0 M €.

Engaging in business with Plains All American places Telvent in optimal position to negotiate with Plains Marketing, the Canadian Division of Plains All American, for an upgrade project to their V5.2 SCADA System.

- ◆ Contract with Kinder Morgan, in Canada, to complete second phase enhancement to the existing SCADA system including a corporate decision support system, and application enhancement to add Telvent liquid suite to the system. Kinder Morgan, Inc. (NYSE: KMI) is one of the largest energy transportation, storage and distribution companies in North America. It owns an interest in or operates approximately 43,000 miles of pipelines that transport primarily natural gas, crude oil, petroleum products and CO₂; more than 150 terminals that store, transfer and handle products like

gasoline and coal; and provides natural gas distribution service to over 1.1 million customers.

Contract value: 0.7 M €.

This is the second phase of the project with a third phase pending for the update and consolidation of Displays.

- ◆ Contract with SourceGas, in the United States, to provide new control room SCADA equipment. SourceGas is a natural gas local distribution utility headquartered in Lakewood, Colorado, with operations in Colorado, Nebraska, Wyoming and Hermosillo (Mexico). It serves nearly 266,000 customers and operates 11,900 miles of distribution and transmission pipeline, as well as storage facilities.

Contract value: 0.7 M €.

SourceGas is a new Local Distribution Company and new Telvent customer. This contract signifies Telvent's dominant position in the North American gas market. Telvent has also proposed and demonstrated its Gas Day Operations (GDO) application to SourceGas, with an eye towards doing additional business with SourceGas once the control room project is complete.

- ◆ Contract, in a consortium with HP Italy, with Snam Rete Gas in Italy to upgrade their existing SCADA system to OASyS DNA. The system manages the transmission of approximately 96% of all Natural Gas in Italy. Given the size of the pipeline network, this will be a highly distributed implementation. Telvent has completed the first milestone of this project, the Preliminary Planning Phase.

Contract value: 4.0 M €.

Snam Rete Gas, part of the Eni group, is the main transporter of natural gas and the only operator that re-gasifies liquefied natural gas in Italy. This project will consolidate Telvent's market penetration in Italy and, indeed, throughout Mediterranean Europe.

Electricity

- ◆ Agreement executed with Emcali, from Colombia, for the supply of a Distributed Management System. The scope embodies SCADA, DMS, and AMS/OMS applications which are all performed using Telvent's technology like OASyS in SCADA and ArcFM, and Responder for AM/OMS.

Contract value: 2.2 M €.

This agreement is very important due to the relevance of the reference, as it implies being a good example of a distribution management integrated system. This area is one of the greatest challenges of Telvent for the future due to the worldwide planned investments in the utilities sector, with the purpose of optimizing energy management, fostering savings and a sustainable development.

- ◆ Contract with Fluor Corporation, in the United States, to upgrade to DNA and S2300's. Fluor Corporation is one of the world's largest, publicly owned engineering, procurement, construction, and maintenance services companies. Over the past century, through its operating subsidiaries, Fluor has become a trusted global business leader by providing exceptional expertise and technical knowledge across every phase of a project.

Contract value: 2.1 M €.

- ◆ Agreement with IFP UTE (Joint Operating Agreement), in Spain, for the supply of a Telemetry System of the electric power supply installations for the Figueras-Perpignan high speed link. Equipment supply and engineering services are included on the scope of such agreement as well as configuration services and commissioning.

Contract value: 1.7 M €.

This agreement confirms our leadership position on the control systems market for high speed lines, within which we already have many references. This line shall be basic for the high speed network, as it will

extend the Madrid - Barcelona - Figueras Branch up to the French border, making it easier its interconnection with the European railway system.

- ◆ Contract with Toronto Hydro–Electric System Limited, in Canada, to upgrade to DNA. Toronto Hydro Electric System is affiliate of Toronto Hydro Corporation and is the largest municipal electric distribution utility in Canada. Ensures the safe and reliable delivery of electrical power to more than 676,000 residential, commercial and industrial customers. Plans, maintains and operates Toronto's electrical distribution system infrastructure safely, efficiently and in an environmentally responsible manner.

Contract value: 1.3 M €.

- ◆ Contract executed with Saesa, in Chile, for the supply of a Distributed Management System. The scope also includes AMS/OMS applications through Telvent technology products such as ArcFM and Responder. An interface with SCADA OASyS supplied by Telvent a few years ago will also be implemented.

Contract value: 1.1 M €.

This agreement implies consolidating the relationship with this important Chilean distributor, and it constitutes a new reference for the integrated distribution management systems market. This area is one of the greatest challenges of Telvent for the future due to the worldwide planned investments in the utilities sector, with the purpose of optimizing energy management, fostering savings and a sustainable development.

- ◆ Contract with Iberdrola Distribución, in Spain, for the supply of telecontrol equipment for high voltage substations network. The scope of this agreement includes services for engineering, programming, and commissioning of the equipment.

Contract value: 1.1 M €.

This agreement confirms our leadership on the control system market for the electric power transmission network in Spain that is characterized by the rigorous requirements of functionality and availability set forth for different clients.

- ◆ Contract with FEVE (Ferrocarriles de Vía Estrecha), in Spain, for Telemetry Centers in Bilbao and El Berrón. Telvent will supply these systems, based on proprietary technology products, such as SCADA OASyS, and using its vast experience on the management of the railway network operated by FEVE.

Contract value: 0.8 M €.

This agreement assures Telvent its presence on a client like FEVE, in which Telvent works since years ago, and also assures a new reference on this market, with an important forecast estimated in Spain for the next years.

- ◆ Contract with Williams Electric (WE), in the United States, for WE to operate as an authorized dealer for Telvent SCADA systems. WE has established a US Government GSA contract for equipment and labor associated with installation of Telvent components. WE installed a very large 30,000 point electrical distribution SCADA for the US Navy at San Diego, California. WE has installed SCADA control systems provided by other system suppliers including Advanced Control Systems, Intellution and Programmable Logic Controllers from Allen-Bradley. These systems are used for managing electrical power distribution; controlling water treatment, distribution, wells, and tank levels; sewage lift stations; and pressurized air distribution.

Contract value: 0.5 M €.

- ◆ Contract with Critical Software in Portugal, to collaborate on the implementation of an asset management system for the Portuguese electric company EDP. The product over which this system will be installed is PI of Osisoft, in which Telvent has a wide experience on the industrial sector.

Contract value: 0.4 M €.

This is a very important agreement as it is Telvent's first reference in the Portuguese electric sector, and it also allows Telvent to continue obtaining substantial references on PI system implementations, as this product is becoming the worldwide favorite one to develop complex systems to help efficiently manage business process of electric companies.

- ◆ Agreement with Abener, in Spain, for the supply of a Distributed Control System (DCS) for the biodiesel production plant under construction in San Roque (Cádiz). Besides equipment supply, Telvent is in charge of the control engineering.
Contract value: 0.4 M €.

This agreement constitutes a new reference on the control field for biofuel production plants in which Telvent is an absolute leader. This is one of the largest initiatives performed worldwide to reduce CO₂ emissions and, therefore, it allows the development assuring sustainability.

Transport

- ◆ Contract with the Florida Department of Transportation, in the United States, to provide telecommunications consulting to FDOT's central office and its District Offices in the planning and development of projects, operations, and maintenance of its telecommunication systems and networks for the next 5 years.
Contract value: 9.9 M €.
- ◆ Contract with Estrada Joint Venture (formed by Telvent, Indra y Atos), in Spain, for the development of an Enforcement Automated Management Center for Spanish Traffic Management Authority (DGT). This contract answers to project's First Phase, which consists in the adaptation of the Headquarters building and the following operation of its services. The installation of the center looks forward to improve citizens services and to be able to offer an efficient and quick answer to their information requirements in traffic enforcement processing matters, and also has to be

remark that its planned that the center will be able to process more than three million and a half of proceedings in its first eighteen months of operation.

Contract value: 7.5 M €.

This contract shows again Telvent's huge technological capacity and the big confidence that DGT has in Telvent as a market leader supplier of traffic management solutions that looks forward to improve drivers security.

- ◆ Contract with District 1 of the Florida Department of Transportation, in the United States, to provide operations services at its traffic operations center in Ft. Myers, which manages Southwest Florida freeway traffic.

Contract value: 4.9 M €.

- ◆ Contract with the Virginia Department of Transportation, in the United States, to provide consulting support services to VDOT in the development and execution of their statewide Intelligent Transportation Systems program.

Contract value: 4.2 M €.

- ◆ Contract with Prefeitura de São Paulo, in Brazil, to supply and install equipment for the renovation and maintenance of the area 6 (CTA-4) traffic control system field equipment.

Contract value: 5.3 M €.

- ◆ Contract with the Maryland Transportation Authority, in the United States, to provide technical assistance and design services to support the Authority's traffic management projects.

Contract value: 2.8 M €.

- ◆ Supplement of a Contract with Transcom (a coalition of 16 transportation and public safety agencies in the New York City metropolitan area), in the United States, for enhancements to the Transmit system, provided by Telvent, that calculates travel time information from the anonymous

tracking electronic toll *tags*. This contract also includes the supply of two additional system maintenance positions.

Contract value: 1.5 M €.

- ◆ Contract with the District 5 of Florida Department of Transportation, in the United States, for a design/build project that will expand advanced traffic management system coverage in the Daytona area. The project consists of design and installation of vehicle detection, closed circuit television cameras, and dynamic message signs using new fiber optic communications infrastructure, and integration with existing components and an advanced traffic management system.

Contract value: 1.7 M €.

- ◆ Contract with the Washington Council of Governments, in the US, to work with multiple transportation agencies in the District of Columbia and the states of Maryland and Virginia to help them institute operating procedures that will ensure that they work together cooperatively in terms of sharing traveler information and in managing incidents.

Contract value: 1.4 M €.

- ◆ Extension of Contract with Barcelona's municipality, in Spain, to provide maintenance of Barcelona's Traffic signaling system's second area. Nowadays, this area covers more than 800 crossroads; mayor of them had been supplied and installed by Telvent, utilizing led technology.

Contract value: 1.2 M €.

- ◆ Contract with the Kansas Department of Transportation, in the United States, to develop a freeway management system for Wichita -Kansas metropolitan area-. The project includes software integration, Design of the Traffic Operations Centre and Design of field equipment such as Dynamic Message Signs (DMS), closed circuit television cameras (CCTV), vehicles detectors, and ramp meters.

Contract value: 0.6 M €.

- ◆ Supplement to a contract with Metropolitan Transportation Commission in the San Francisco Bay Area, in the United States, to develop software for prototype applications using data generated and communicated by individual vehicles in the traffic stream and to provide technical support services for California's Vehicle Infrastructure Integration program.
Contract value: 0.5 M €.

- ◆ Supplement of a contract with the Louisiana Department of Transportation and Development, in the United States, that provides for an additional year of operations at the Baton Rouge Traffic Management Center, preparation of a Concept of Operations document, and an upgrade to their freeway management system which is controlled by Telvent's MIST® software.
Contract value: 0.5 M €.

Environment

- ◆ Contract with Control Corporation, in Taiwan, to supply a Automated Weather Observation Systems (AWOS) Network to the Republic of China Air Force (ROCAF). The purpose of this project is to install AWOS at 14 airbases in Taiwan, plus a central system to collect, process, display and store all the data from all air bases and other sources; such as satellite, radar, upper-air soundings, and typhoon warning data. There are also 17 transportable AWOS and 1 rapid deployment mobile AWOS system to be delivered. The project is based on our state-of-the-art Telmet 320 product, and MetConsole and MAPS Briefing Terminal software.
Contract value: 2.2 M €.

This is a very strategic project for Telvent in the Asian region.

- ◆ Contract with Sydney Airport Corporation Limited, in Australia, to supply the Runway Visual Range Systems - Design Supply and Installation. This is a turnkey project involving the supply of nine (9) Revolver Transmissometers

and all civil works. Telvent have subcontracted the civil works to Airservices Australia (Australian Civil Aviation Authority).

Contract value: 0.7 M €.

Sydney is Australia's biggest and busiest airport and will be a very good reference internationally for Telvent Revolver product.

- ◆ Agreement with the National Institute of Meteorology (INM) in Spain for the supply and installation of a Meteorology Help System for the Airport of Villafría (Burgos). With this project, installations and aeronautic meteorology equipment of the airport will be updated.

Contract value: 0.5 M €.

The new equipment distributed on runways 04, 22, platform, and the new acquisition, treatment, presentation, and broadcasting of the meteorological information system will be installed on the Meteorological Office, on the Control Tower and on other airport's offices, and it adds new technological improvements, complying with all the recommendations from the WMO and the ICAO, making it easier to have decisive information for pilots to assure aircrafts landing and take-off operations.

With this agreement, Telvent consolidates its leadership even more, as a meteorological solution vendor for air navigation help, having more than 150 Aeronautic-Meteorological Integrated Systems installed on airports and military bases worldwide.

- ◆ Agreement with the National Institute of Meteorology (IMN) in Spain for the Supply and Installation of a Meteorology Help System for the Airport of León – Virgen de Camino. With this project, installations and aeronautic meteorology equipment of the Airport will be updated.

Contract value: 0.4M €.

The new equipment distributed on runways 05, 23, and the new acquisition, treatment, presentation, and broadcasting of the

meteorological information system will be installed on the Meteorological Office, on the Control Tower and on other airport's offices, and it adds new technological improvements, complying with all the recommendations from the WMO and the ICAO, making it easier to have decisive information for pilots to assure aircrafts landing and take-off operations.

- ◆ Agreement with the National Institute of Meteorology (INM) in Spain for the supply of spare parts for the Meteorological National Radar Network. In September an agreement with INM was executed for the supply of spare parts for the Meteorological National Radar Network, by which not only a better network operation continuity is assured but also it allows to update transmitters and key auxiliary elements of many of the radars dispersed around Spain.

Contract value: 0.3 M €.

From equipment supply, to maintenance and different update stages of the radar network in Spain, Telvent is still the only vendor company of these systems for the National Institute of Meteorology which has one of the widest and updated networks in Europe.

- ◆ Contract with Meteoswiss, the Swiss Meteorological Institute, issued for release 4 Software for the SwissMetNet and upgrading of the servers.

Contract value: 0.2 M €.

- ◆ Contract with the Belgian Airforce, in Belgium, for supply software licenses for the upgrading of their forecaster workstations.

Contract value: 0.1 M €.

Public Administration

- ◆ Contract with the Andalusian Regional Government, in Spain, for expanding the NISA, Connection Node Security and Access, project. This is the Node through which all the Internet traffic entering/leaving the Andalusian Regional Government's systems travels. Its main objective is to

protect the Andalusian Regional Government's Network from outside access, as well as enabling interconnection with other Organisation's networks and controlling external access from these. It comprises two centres with complete redundancy between them, and, furthermore, with redundancy amongst them.

Contract value: 3.0 M €.

- ◆ Contract with the Ministry of Education of the Andalusian Regional Government, in Spain, for the supply and installation of network points. Within the framework of the second modernisation and the decree on measures for expanding the knowledge society in Andalusia, the Ministry of Education is developing the And@Red educational scheme in order to enhance the quality of life of the people, the social and regional balance and to facilitate the growth and competitiveness of the Andalusian productive fabric, creating networks between the educational centers and bringing ITC closer to the academic community.

Contract value: 0.9 M €.

This is a significant project for Telvent, because it consolidates us as a supplier of Educational Infrastructure and Services, as this is second time Telvent has been awarded this project.

- ◆ Contract with the Ministry of Education of the Andalusian Regional Government, in Spain, for the provision and installation of network nodes for 151 centers. Within the framework of the second modernization and the decree on measures for expanding the knowledge society in Andalusia, the Ministry of Education is developing the And@Red educational scheme in order to enhance the quality of life of the people, the social and regional balance and to facilitate the growth and competitiveness of the Andalusian productive fabric, creating networks between the educational centers and bringing ITC closer to the academic community.

Contract value: 0.7 M €.

- ◆ Contract with Hospital Virgen de Valme in Seville, Spain, for the renovation of communications equipment and the implementation of new fibre optic trunk lines. The various activities include the updating of vertical fibre optic communications (connections between the data centre and the communications cabinets on the different floors), the replacement of the Network Electronics (core communication and electronic access) and updating the data centre's electrical system to assure an uninterrupted supply.

Contract value: 0.4 M €.

This project is especially important because Hospital Virgen de Valme has been chosen for the pilot implementation of "Diraya Especializada" (an integrated healthcare system), so that with the renovation of its infrastructure, over the coming months, we will be part of one of the most significant events in the health strategy being promoted by the Andalusian Health Service central services.

Global Services

- ◆ Agreement with Konecra Contact Center, in Spain, to host their information systems. With this project, Telvent obtains to have among its clients one of the main Spanish outsourcing and contact center integrated services companies, and can help on their projects with this service. On the other hand, Konecra can reduce their operating costs in infrastructure and communications.

Contract value: 0.7 M €.

- ◆ Agreement with L'Oreal in Spain, for information system hosting of their Spanish subsidiary.

Contract value: 0.5 M €.

With this project, Telvent contributes to the development of an economy of scale that optimizes the management and centralization of information and communication systems, and the improvement on their operating costs.

- ◆ Agreement with Corporación Radio Televisión Española, in Spain to expand and maintain their platform.

Contract value: 0.2M €.

This modification and expansion implies for Telvent the daily consolidation as technological vendor for the most important companies of the audiovisual sector, Telvent offers RTVE specific technological solutions to increase the quality y broadcast capacity for their audiovisual contents.

- ◆ Agreement with UNED, in Spain for the outsourcing, management, and monitoring of their web portal.

Contract value: 0.2M €.

With this agreement Telvent becomes a reference for universities in Spain, as UNED is the first university that outsourcers this type of services.

- ◆ Agreement with Murmansk Investments, in Spain, for the management of their communication node on the south of Spain.

Contract value: 0.2M €.

This agreement implies the addition of a client that is a worldwide leader on VSAT telecommunications and wireless products.

- ◆ Agreement with Emergia Contact Center, in Spain, to host their information and communication systems.

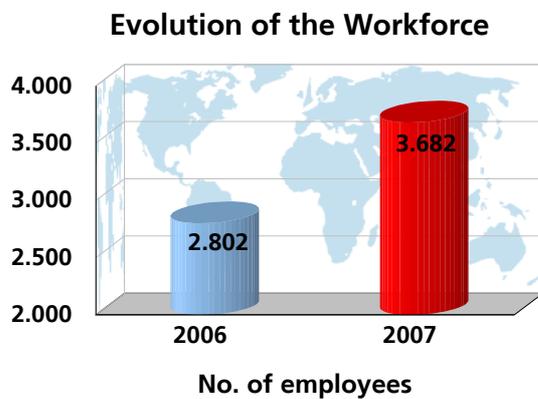
Contract value: 0.1 M €.

With this agreement, Emergia Contact Center – a European multinational for strategic consulting and BPO integral services for Customer Care – expresses their confidence on Telvent as Information Technology and Infrastructure vendor.

- ◆ Agreement with Level3, in Spain, for their technological platform outsourcing.

Contract value: 0.1 M €.

This agreement constitutes, either for Telvent and its customers, an expansion of access opportunities to communications services of the American market operator leader and one of the main worldwide telecommunication companies.



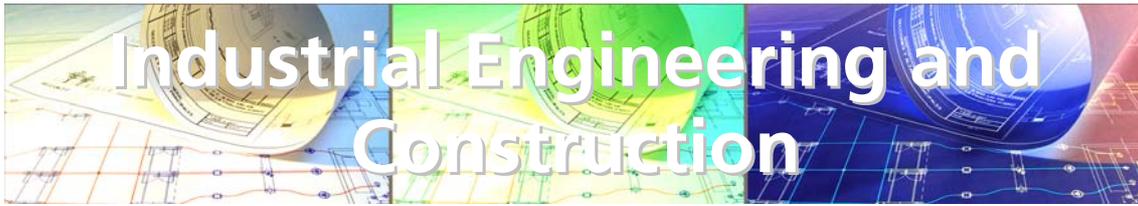
The average workforce of the Information Technologies Business Unit in the first nine months of 2007 was 3,682, a 31.4% increase on the previous year figure.

5.5 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 in the Industrial Engineering and Construction Business Unit in the first nine months 2007, as regards new projects, contracts, new plants, upgrading of internal processes that ensure quality of service, etc., were as follows:

- ◆ Abeinsa, throughout Zero Emissions Carbon Trust, has confirmed its participation by the signing of the adherence agreement in Tranche Two of the World Bank's BioCarbon Fund with US\$ 3 million. In this way, it becomes the first private company at a European level that will benefit from the acquisition of carbon credits.

With this operation, Abengoa rises as the only industrial and technological company at a European level to participate in this initiative, created to make easier, to different countries and companies, the observance of the aims marked by the Kyoto protocol. This will mean a sustainable development of those countries that receive investments throughout the conservation of ecosystems, meaning actions strongly attached to strategies of mitigation in the consequences of Climate Change.

These initiatives minimize the risk of Abengoa in the profitability of its investment, bound to discharge limitations as opposed to the price variations in the markets of carbon discharges.

- ◆ Zeroemissions Technologies continues to consolidate relationships with different institutions and companies in the sector while, at the same time, also strengthening the synergies that exist between the carbon markets and the rest of the activities developed by Abengoa.

Thus, it is now a member of the IETA (International Emissions Trading Association), the mission of which is to promote attainment of the objectives established in the United Nations Framework Convention on

Climate Change and, thereby, climate protection. As an IETA member, Zeroemissions will contribute their professional, business and know-how to the national and international dialogue that is developing the key elements of the greenhouse gas market.

Moreover, Zeroemissions has taken a 10 million euro stake in the Spanish Company Carbon Fund, FC2E, and has thereby become a member of its General Board of Investors and chairs its Advisory Committee.

With this new investment, Abengoa consolidates, through Zeroemissions, its commitment to solutions for the fight against Climate Change by investing in one of the mechanisms proposed by the United Nations in the Kyoto Protocol.

- ◆ Zeroemissions has taken part as a founder member to constitute the Spanish Association of CO₂, being elected to represent technological companies in their board of directors, (as well as taking part as Secretaryship).

Zeroemissions shares with the participants of this new forum, the support to the development and the establishment of CO₂ Capture and Storage technologies in Spain, as an option to greenhouse gas emission reductions.

This Association wants to «contribute to the improvement of energy efficiency and development of capture, transport, store and CO₂ usage technologies, and its implementation in the industry, so Spain can fulfill its obligations of emission reduction».

- ◆ Zeroemissions has announced the signature of a contract in China to provide advisory services on a Clean Development Mechanism (CDM) project for a company from the chemical sector. The project is based on the implementation of heat recovery and electricity production technology at a sulfuric acid production plant that will reduce its CO₂ emissions by

790,000 tons in ten years. These emission reductions, once certified, will also be traded by Zeroemissions.

- ◆ On March 13, Telefónica de España's Purchasing Board authorized the award, to Abentel Telecomunicaciones, of the works to be executed under the Customer Loop Global Contract from May 1, 2007 to April 30, 2012. This new distribution of the works as a consequence of the percentage awarded of the new contract means continuity of the activity the company has been conducting under the previous contract that finalized on April 30.
- ◆ Abener Energía has signed a contract with the Moroccan public company ONE (Office Nationale de l'Electricité) to construct a 470 MW power plant in Ain-Ben-Mathar, close to the border with Algeria.

This contract will require a € 469.0 million investment and is the largest this subsidiary has ever been awarded.

The plant will comprise a 450 MW integrated combined cycle that will utilize natural gas as fuel, and a solar thermal power plant that will concentrate solar radiation at temperature to generate steam that will power a turbine to produce the other 20 MW.

- ◆ Abener Energía, S.A. has signed in Algeria the contract to construct the first solar-combined cycle Hybrid Plant in the world.

This plant will be composed by a solar field of parabolic cylinder technology of 20 MW and will provide complementary thermal energy to a combined cycle of 130 MW. The reflecting surface of the solar field will extend over 180.000 m². The novelty of this project will be the electrical use of the heat generated in the same steam turbine that exploits the residual heat of the gas turbine. This configuration is doubly effective. On the one hand, it minimizes the investment associated to the solar field thanks to the common elements with the combined cycle. On the other one, it reduces the discharges of CO₂ associated to a conventional plant.

- ◆ Abener Energia, S.A. has agreed with MECS, Inc. to the creation of a joint venture operating under the service mark of Abencs. The joint venture will be focused on executing engineering and construction of biofuels and other alternative energy plants. Abencs will be staffed with detailed engineering, procurement and construction teams transferred from the MECS organization in Saint Louis (USA) and Mumbai (India). Abener will hold a 51 percent share in Abencs.

The addition of Abencs to Abener reinforces Abener's capacity for engineering and construction of biofuel and thermo-solar plants and strengthens its presence in the USA, India and China. These are all strategic markets offering exciting growth opportunities.

- ◆ Instalaciones Inabensa, an Abeinsa company, will build the new hospital and outpatient building, the underground car park and additional infrastructures for the Hospital Costa del Sol in Marbella as part of a consortium with Constructora Hispánica S.A., valued at 44 million euro.

This new award makes Instalaciones Inabensa one of the leading companies for structured financing projects in the hospital, prison, energy and public administration sectors.

- ◆ Instalaciones Inabensa has been awarded (under a Joint Venture) the 66 million euro expansion works contract for the city of Seville Conference and Exhibition Center (Fibes).
- ◆ Likewise, Instalaciones Inabensa, S.A. was awarded the Security Installations of the Penitentiary Center of Albocàsser in Castellon, in a bid announced by SIEP, Sociedad Estatal Infraestructuras y Equipamientos Penitenciarios (State Society of Penitentiary Infrastructures and Equipments). The amount exceeds € 8 million.

Specifically for SIEP, Inabensa has been taken part in different works for the last years during the construction of the Penitentiary Centers of Pontevedra, Cordoba, Leon and Palencia.

- ◆ Instalaciones Inabensa, S.A. has been awarded the Security Installations of the Penitentiary Center of Moron de la Frontera in Seville, the last part of a lot made by four large «type centers» which construction started two years ago.

The contract includes the execution of special and security installations of the whole penitentiary complex which is constituted by more than 25 buildings.

- ◆ Inabensa was awarded the contract for the Renovation and Adaptation to Regulation of the Central Plant of Installations for the Old Military Hospital Vigil de Quiñones of Seville in a tender called by the Servicio Andaluz de Salud (Andalusian Health Service) of the Andalusia Government. This is part of the actions planned for the complete remodeling of the hospital.

The amount exceeds € 8 million and the execution period is 15 months.

- ◆ Likewise, Inabensa has been awarded the contract to supply several equipments for the New International Exhibition Center of Beijing (China). The global work where it is focused this project is kept within the important urban and building activities that are carrying out because of the celebration of the Olympic Games 2008 in this city.

This center is trying to become a world referent in congress and trade fair field. The construction surface in the first stage of this project will be 300,000 m² and it is predicted some extensions that will increase the surface until 1,000,000 m².

This contract, the final amount of which will be € 11.8 million, means for Instalaciones Inabensa S.A. an important landmark for its consolidation in the Chinese market after the recent opening of a subsidiary in this country.

- ◆ Inabensa establishes itself in China with a Subsidiary: Inabensa Tianjin. Inabensa's subsidiary has a 2,000 m² workshop in the TEDA (Tianjin Economic-Technological Development Area), where it will manufacture electric and electronic boards.

The objective is to make Inabensa a reference company in China with a stable presence to undertake not only the manufacturing of ancillary equipment, but also to expand its field of activity to activity areas in the transport and distribution, electric energy, railways and communication sectors, as it is already doing in the other geographical areas.

- ◆ Under a JV (Joint Venture), Instalaciones Inabensa's subsidiary Inabensa Maroc has been awarded the € 13.4 million deployment contract for 45% of the CDMA network (260 telecommunication sites) for the third and most recent operator.

Abengoa Chile

- ◆ Abengoa Chile has been awarded by Mining Company Doña Inés de Collahuasi, by an amount closer to US\$ 12.8 million, the contract to build and to put in service the necessary electrical facilities to feed the new water wells in the north sector of the Coposa Salar, approximately 4.500 meters above sea level.

Abengoa México

- ◆ As a result of the public bid called by Pemex Exploración y Producción, Abengoa México, S.A. de C.V. has been selected as the winning bidder, awarding the project relative to the construction of the dehydration system lines of the Mayan crude for the oil transfer and his dehydration in

electrostatic vessels of the Oil Terminal Dos Bocas; which execution term is of 300 days, with a total amount contract of € 5 million.

With this new contract Abengoa México reinforce his presence with this client and confirm the quality as a reliable supplier in accordance with the recently acknowledge granted by Pemex Exploración y Producción.

- ◆ Abengoa México was awarded by the Federal Commission of Electricity (CFE) for the construction of more than 100 km of overhead transmission lines and two electrical substations in 115 and 230 kV with a total capacity of 133.3 MVA of transformation in the State of Chihuahua, Mexico.

The total amount of the contract is above 22.7 million dollars.

Abengoa Peru

- ◆ Abengoa Peru has signed the contract with Sedapal to execute the Elaboration of the Technical File and Execute the Works for the «Drinking Water and Wastewater System Expansion and Enhancement» project for Quabrada de Manchay, in the Pachacamac District, in Lima Province.

The execution period is 510 days; total contract value is US\$ 37.5 million; and it is the largest water treatment project currently in progress in Peru.

Comemsa

- ◆ Comemsa, subsidiary dedicated to the fabrication of metallic latticework structures for power transmission and distribution lines, has been awarded for the supply of 13,000 towers for a voltage of 230 kV, corresponding to the electric interconnection system for the Countries of Central America (Siepac).

- ◆ Likewise, Comemsa has signed a contract with the American company Southern California Edison (SCE), to supply electric towers for the «Rancho Vista» power transmission line.

Comemsa will supply four types of electric towers, two 250 kV towers and two more than 500 kV towers.

Teyma Abengoa

- ◆ Teyma Abengoa, Abengoa's subsidiary in Argentina, signed the contract construction of a 132 kV's line of High-Tension with the secretary Energy office of The Nation, pertaining to the Ministry of Federal Planning, Public Investment and Services the contract corresponding to the construction of the «Central Guemes – Salta Norte Line» located at Salta, Argentina.

Teyma Uruguay

- ◆ Teyma Uruguay, has been commended with all the civil works for the biggest Treatment Plant in the country, belonging to the manufacturing plant of cellulose that the Finnish company Botnia is building in Uruguay.

The method used by the plant for the treatment of the waste waters, will be the biological treatment for activated sludge with an annual discharge on the average of 73.000 m³/d. In the first phase of the process the solids of great size are separate by means of grills. Then, the waters are clarified and equalized in big basins. As it advances, the temperature of the waters is reduced in refrigeration towers. After adding certain nutritious to the processed water, it is introduced in the biological reactor. Finally the liquids arrive to their last stage that is the secondary decanter.

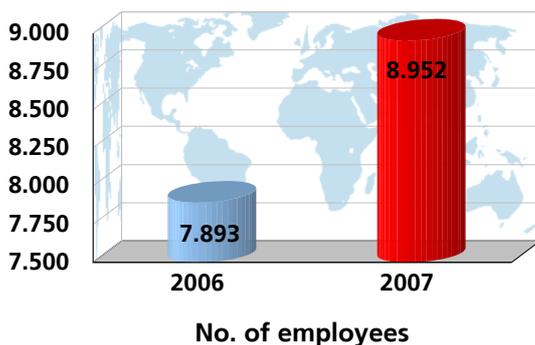
Together with the works of civil work that the company is executing in the Drying Machine, Packing, and Storage and in the Chemical Plant sectors, they make Teyma the main contractor of civil works in the global project of the cellulose plant.

- ◆ In the civil construction line of activity, in the first quarter was the inauguration of the Pasteur Institute in Montevideo, an international biomedicine research and researcher training center constructed by Teyma Uruguay.
- ◆ Also of note is the project of construction of the Terminal of the Port of the city of Colonia, one of the main tourist towns of the Uruguay.

The objective of the infrastructure requested by the National Administration of Ports is to offer to the passengers the services of a Terminal that includes all the fluvial operators, allow efficient operations and keep in mind the tourist matters.

- ◆ Likewise, Teyma Uruguay increases the capacity of the Potabilización and Pumping Plant that Supplies Montevideo City. The Water Potability Plant of Aguas Corrientes supplies to the city of Montevideo and its metropolitan area with a capacity of 600.000 m³/day assisting a population of 1.700.000 inhabitants.

Evolution of the Workforce



In the first nine months of 2007, the average workforce of the Industrial Engineering and Construction Business Unit in 2006 was 8,952, a 13.4% increase on the 2006 figure.

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 third quarter of 2007

◆ **Written communication of 03.07.2007**

Payment of the ordinary dividend corresponding to 2006 Results, as approved by the Ordinary General Shareholders Meeting dated April 15, 2007.

◆ **Written communication of 06.08.2007**

Notification of the acquisition of the 100% of the brazilian company Adriano Ometto Participacoes Ltda, (Grupo Dedini Agro).

2. Evolution on the Stock Exchange

Share Performance

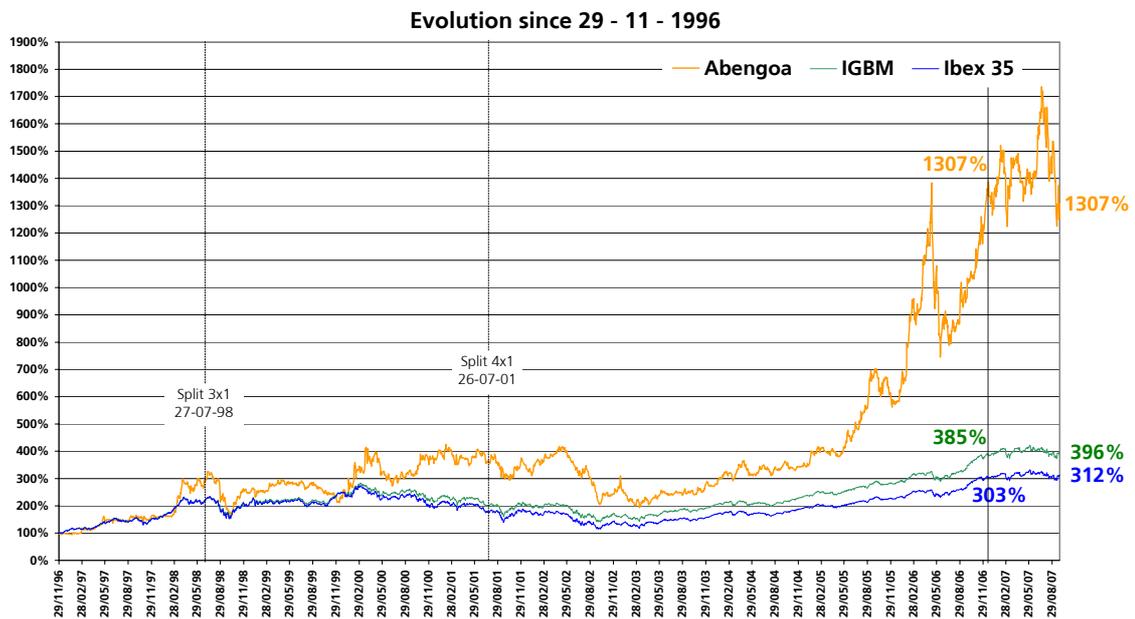
According to the data supplied to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Securities Recording, Clearing and Settlement Management Company) for the last Ordinary General Meeting held on April 15, 2007, Abengoa, S.A. had 10,192 shareholders.

As on September 30, 2007, 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) 89,918,263 shares were traded in the first nine months of 2007. The average volume of daily trading over this period was 470,776 shares. Minimum, maximum and average listed share prices in 2007 were 25.41 euro, 37.50 euro and 30.11 euro, respectively. The final listed price of Abengoa's shares in this period was 27.81 euro/share, which is equal to the closing price for the previous year (€ 27.81) and a 26.4% increase on the closing price on September 30, 2006 (€ 22.01).

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 1,306.5% which is 13.1 times the initial price. During this same period, the Madrid Stock Exchange has revalorized 396.1% and the select IBEX 35 has gone up 312.3%.



◆ Disclaimer

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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