Summary 2002

Main strategic actions taken in recent years

- In recent years, Abengoa has performed strategic actions to build upon the strategic plan set out in 1996, when the company was first listed on the stock exchange. In this stage, advantage was taken of the capacity of the company's traditional activity to generate business with greater added value and to achieve diversification in terms of activities and geographic areas.

- Actions taken in 2000 (mainly the acquisition of Befesa and the start-up of the first Bioethanol production plant) were complemented with other strategic operations in 2001 (the sale of wind energy activity). In 2002, Management has focused on strengthening the capacity of the four business segments that make up Abengoa's current configuration as an industrial and technological company. The company's activities will be described further on.

- The following strategic operations have been developed in recent years:

2000

- A 300 million € investment to acquire Befesa through a take-over bid.

- Start-up of the first Bioethanol plant in Spain, with a production capacity of 100 million litres per year, for which the company invested 93.8 million €.

- Abengoa's share capital was increased by 75.1 million €.

2001

- Abengoa's environment division (specializing in environmental engineering) became part of Befesa, through a 75 million € share capital increase funded with a contribution by Abensur.

- Sale of the wind energy activity for 109 million €.

2002

- A 100 million € investment to acquire High Plains Corporation, the fifth largest bioethenal producer in the United States through a take-over bid.

- Start-up of the second bioethanol plant in Spain, with a production capacity of 126 million litres per year, for which the Company invested 92.1 million €.

- The Company was awarded a R+D project from the U.S. Department of Energy (D.O.E.), to technologically improve the ethanol production process. The project involves the use of biomass to make the ethanol production process more economical and to increase energy efficiency, thereby reducing ethanol production costs and increasing its ability to compete with gasoline.

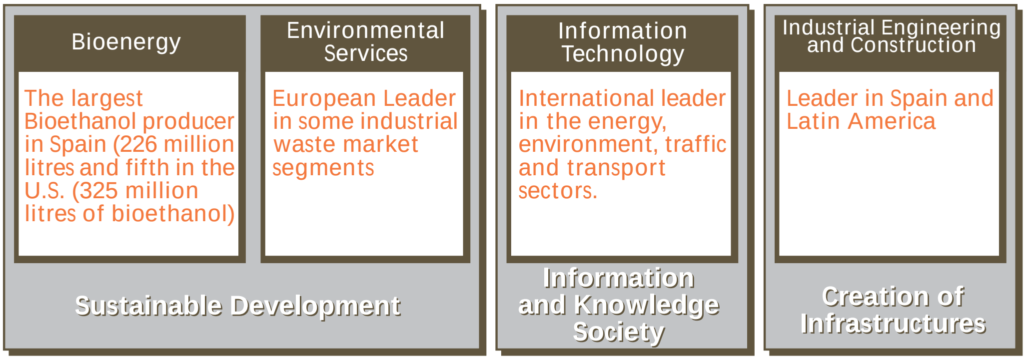
- In this stage of diversification and growth, Abengoa has received support from financial markets, obtaining the resources necessary for its growth. The company relied on the following four income sources to finance its growth: i) Share capital increase, ii) Profits generated from its traditional activity and iv) Long-term Corporate Financing.

Abengoa's current configuration and the nature of its business

- The operations carried out in 2000-2002 led to Abengoa's configuration as an industrial and technological company providing solutions for sustainable development, the information and knowledge society and the creation of infrastructures.

  The company's operations can be divided into four business segments:

Summary 2002



	Bioenergy	Environmental Services	Information Technology	Industrial Engineering and Construction
Percentage of sales in 2002	16%	28%	14%	42%
Percentage of EBITDA in 2002	14%	29%	14%	43%

- Regardless of its configuration and division into four business segments, currently there are two different types of activities carried out by Abengoa: a) Engineering, Construction, and Services comprising its traditional engineering activity, financed turnkey projects, and recurrent as well as service activity and the b) Sale of Commodities products. These two types of business source are carried out to a greater or lesser extent in each one of the four business segments.

a) Traditional Engineering and Construction Activity: In this activity, the main source of income is based on Abengoa's company to enter into contracts.

The above corresponds to private tender offers, public tenders, private contract awards, or other bid awards. Consequently, it is indifferent whether Abengoa is providing a service (carrying out a project) or delivering a specific good (manufacturing)

- Financed Turnkey Projects (Integrated Product)

For these projects, the main source of income is also based on Abengoa's ability to enter into contracts. However there is an added structured financing component (with or without capital investment)

These projects involve High Tension Power Lines (like the ANEEL lines in Brazil, Ralco in Chile, and CFE in Mexico) Conventional and CC Power Plants (like El Sauz, CD S. Carlos) Cogeneration Plants (like Motril, Biomass plants (B. Jiennense, EHN), Bioethanol plants (Castilla y Leon, Bioetanol Galicia, ETBE Huelva) Solar Energy plants, and electric plants with hydrogen fuel cells.

- Recurrent and Service Activities

Although their main source of income depends on bid contracts, they involve recurrent operational and maintenance activities, replacement parts and similar. For these activities, contracts tend to last for longer than a year.

Some significant examples include contracts with electric companies in Sainco, Inabensa's operational and maintenance contracts with vehicle manufacturers or electric companies, Telefónica in Abentel, Sainco Tráfico with the DGT and Town Halls, industrial waste treatment and management plants, etc.

b) Commodity related activities

This is a product sales activity whose income and cost are correlated to the sale of a commodity product. Within this type of activity, it is possible to differentiate metal and non-metal products, the sale of electricity at any Abengoa production plant (whether it be cogeneration, biomass, solar energy or others) and the sale of ethanol and its derivatives.

- Metal

Zinc. Income from this activity depends on two fundamental variables: i) fees and ii) the price of metal. This includes Zinc Waste Recycling activity.

Summary 2002

Aluminum. This corresponds to the Aluminium Waste Recycling activity

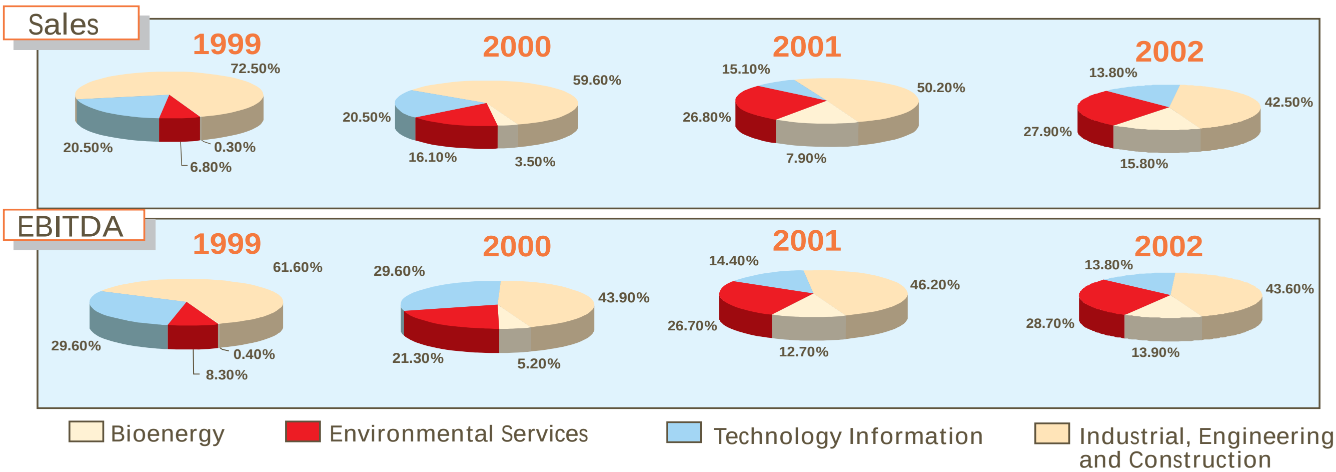
Aluminum salt. As with zinc, a fee is charged to remove this waste, which is subsequently treated. The sub-products obtained are then sold.

Non-metals. Desulpherisation: This consists of recycling sulphur waste from refinery facilities that transform them into sulphuric acid while generating vapour to produce electrical energy.

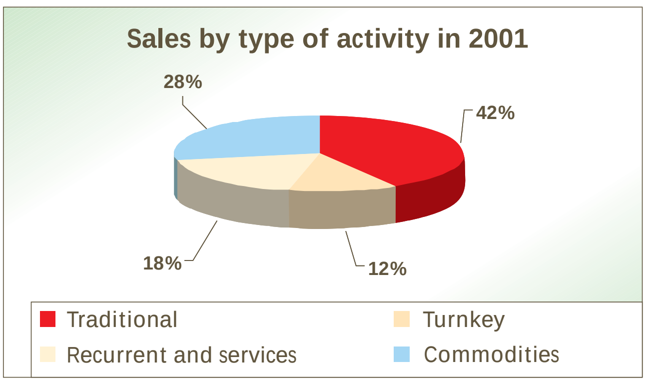
Sale of electricity from any Abengoa production plant. (Whether it be cogeneration, Biomass, Solar Energy or others): Biomass or Cogeneration plant production: Energy promoters (including Nuelgas, Cogesur, Bioenergy cogeneration activity and fuel cells. And electricity sales at Environmental Service cogeneration plants (Aureca, Aureval, and Auremur)

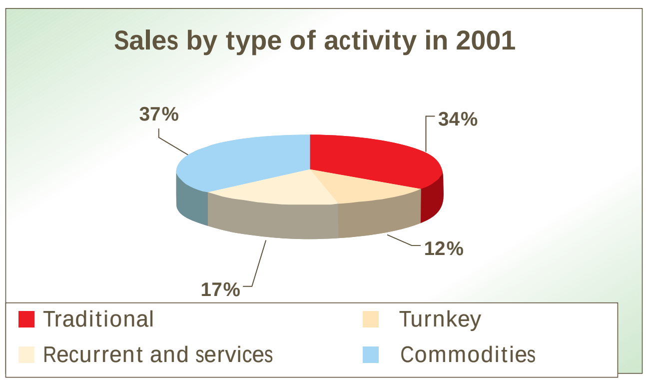
Sale of ethanol. This activity is affected by i) the price of gasoline ii) the price per grain iii.) the price of gas, as well as DGS and CO2 derivatives.

Sales and EBITDA by Business Segment



Sales by Type of Activity





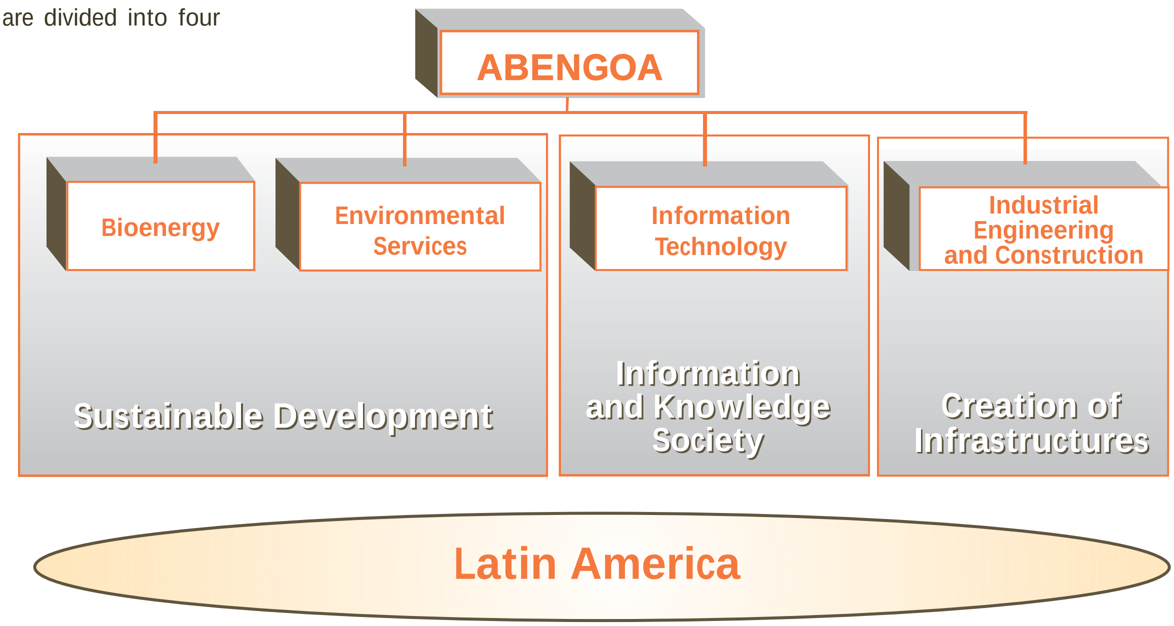
Summary 2002

- Abengoa currently offers a combination of businesses representing greater diversification in markets and customer portfolios. These businesses strengthen its capacities as compared to when the company first engaged in the engineering business.

	Engineering company			Diversified group divided into four different business segments		
	1996	Ebitda%	Sales%	2002	Ebitda %	Sales%
Business	Engineering	73	71	Engineering	43	42
	Information Technology	20	21	Information Tech.	14	14
	Environmental Services	7	8	Environmental Services	29	28
				Bioenergy	14	16
Geography	• Spain		66	• Spain		60
	• Latin America		26	• Latin America		22
	• Rest		8	• USA and Canada		10
				• Rest		8

General Description and Organization

Abengoa's operations are divided into four business segments:



Summary 2002

- These four business groups engage in the following activities:

- **Bioenergy**

<u>The production of ethyl alcohol from vegetable products</u> (cereals, biomass). The alcohol, (bioethanol), is used to manufacture ETBE (gasoline additive) or is blended directly with gasoline or gas oil. Because it is a renewable energy, the net CO2 emissions are reduced (greenhouse effect.

- **Environmental Services**

Aluminium waste <u>recycling,</u> salt cake recycling, zinc waste recycling, industrial waste management, industrial cleanup services and environmental engineering (engineering and construction for water treatment and waste management).

- **Information Technology**

The development and integration of systems and services: <u>Systems</u> include: Control and Information, private networks. Payment systems and automation of business processes for the energy, environment, traffic, transport and government sectors. <u>Services</u> including, hosting, management, administration and technology infrastructure maintenance.

- **Industrial Engineering and Construction**

Engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industrial, transport and service sectors.
Development, construction and operation of industrial plants and conventional power plants (cogeneration and combined-cycle) and renewable energy facilities (bioethanol, biomass, wind energy, solar energy and geothermal).
Turnkey telecommunications networks and projects.

- **Latin America**

A market in which Abengoa has been operating on a permanent basis for over thirty years. Local companies carry out all business segment activities with operational autonomy, while applying the management standards implemented by Abengoa as a whole.

Key figures for 2002

	millions of euros			%age change		% of total			
	31.12.02	31.12.01	31.12.00	02/01	02/00	12.02	12.01	12.00	Dif. 02/01
Sales	1,521.9	1,379.9	1,204.6	10.3	26.3	100.0	100.0	100.0	142.1
EBITDA	174.7	166.5	128.2	5.0	36.3	11.5	12.1	10.6	8.3
Amont. of con. goodwill	-16.7	-14.4	-6.8	15.8	145.3	-1.1	-1.0	-0.6	-2.3
EBIT	101.6	102.5	78.5	-0.9	29.5	6.7	7.4	6.5	-0.9
Net financial expenses	-49.9	-51.1	-41.0	-2.4	21.6	-3.3	-3.7	-3.4	1.2
P/L on temporary financial investments	-10.1	-0.2	19.8	6,515.0	-151.1	-0.7	0.0	1.6	-10.0
Net exchange differences	-7.2	-0.6	0.7	1,107.0	-1,080.0	-0.5	0.0	0.1	-6.6
P/L from equity-accounted companies	3.1	2.0	2.2	54.3	40.6	0.2	0.1	0.2	1.1
Extraordinary P/L	-13.7	1.3	-18.2	-1,123.9	-24.6	-0.9	0.1	-1.5	-15.0
Profit before tax	23.7	54.0	42.0	-56.1	-43.5	1.6	3.9	3.5	-30.3
Income Tax	21.4	-11.9	-5.3	-279.7	-501.2	1.4	-0.9	-0.4	33.4
Monitory interests	-1.7	-0.6	-1.5	175.9	13.1	-0.1	0.0	-0.1	-1.1
Profit attributable to parent company	43.5	41.5	35.2	4.8	23.6	2.9	3.0	2.9	2.0
Cash Flow	118.3	107.0	87.3	10.6	35.5	7.8	7.8	7.2	11.3

Summary 2002

- Consolidated sales as at 31/12/02 were 1521.9 million €, up 10.3% on the previous year. The increase in sales is mainly attributable to both the Bioenergy Business Segment, with sales amounting to 240.0 million €, as compared to 108.5 million € in 2001, and the Environmental Services Business group whose sales totalled 425.0 million euros in 2002 as compared to 369.9 million €in 2001.

  Throughout 2001 and 2002, in accordance with the commitment made in the strategic plan, Abengoa performed a series of actions (the incorporation of Befesa, disinvestment in wind energy activities, targeting the Bioenergy sector) leading to a 26.3% increase in sales.

  EBITDA (earnings before interest, taxes, depreciation and amortisation) amounted to 174.7 million €, 8.3 million € more than in 2001 (a 5.0% increase).

  By Business Segments, Abegoa has increased its contribution to Ebitda in all areas except industrial engineering and construction. In spite of the downward trend in the telecommunications and Latin American market, the Company was able to keep its contribution level at the same levels as in 2001.

  It is important to mention the negative items charged to Ebitda such as:

- The conversion performed in the telecommunications area was due to a drop in margins in Telefónica, one of its main customers, leading to a negative Ebitda of 5.3 million €.

- The 3.4 million € margin provision for Argentina due to the economic trend of this country.

- The capital loss resulting from the sale of shares in Jazztel (4.5 million €). The aforementioned loan was completely paid off.

- EBIT (earnings before interest and taxes) reached 101.6 million €, which was similar to the previous year (102.5 million €) in spite of the fact that depreciation and amortization increased by 8 million € (12.5% higher than in 2001).

  It is important to mention the effort made to amortize consolidation goodwill leading to earnings amounting to 16.7 million € (15.8% higher than the 14.4 million € earned in 2001), as well as the increase in the depreciation of tangible fixed assets to 47.7 million € (an increase of 19.5% as compared to 39.7 million € in 2001).

- When analysing the company's financial results for 2002 it is necessary to take into account the negative impact of

  a. The provision set up for the investment in the SCH portfolio which caused losses amounting to 11.9 million euros.
  b. Exchange losses as a consequence of the decrease in value of foreign currencies (mainly the USA dollar) leading to losses amounting to 20.4 million € (a net 7.2 million €).

- Net extraordinary losses amounted to 13.7 million €.

  In spite of extraordinary revenue amounting to 66.3 million € (of which the most significant amount corresponds to capital gains on the sale of fixed assets –25.6 million €- and the disposal of its wind energy activity, -23.4 million €).

  Extraordinary expenses added up to 80.0 million €. Of the above mentioned expenses, it is important to mention the clearing of 32.9 million € in accordance with a prudence policy for business development risks abroad, the preventive clearing of assets amounting to 15.0 million, the cancellation of commissions and expenses from credit transactions amounting to 5.0 million € before they became due, and the clearing of other investments.

- With regards to Corporate Income Tax expenses, subject to the stipulations of the Resolution dated March 15, 2002 of the Spanish Accounting and Audit Institution (Instituto de Contabilidad y Auditoría de Cuentas), on some aspects of the sixteenth valuation principle included in the General Plan of Accounting, different group companies recorded a total of 27.0 million € for tax carry forwards offset against negative tax bases, as well as pending rebates and deductions

- Profit after taxes attributed to the parent company amounts to 43.5 million €, up 4.85 as compared to profit for 2001 (41.5 million €).

  The above profit implies a profit per share of 0.48 €, up 5% as compared to the 0.46 € per share for 2001.

- Net cash flow increased by 10.6 % to 118.3 million € (107.0 million € in 2001).

Summary 2002

International Activity

- In 2002 there were also significant changes in Abengoa's activity abroad. The company increased its volume but above all it was able to diversify as a result of its Bioenergy activity in the U.S. Of the 1,521.9 million € invoiced in 2002, 611.8 million euros (40.2%) corresponds to sales abroad. Sales in Spain account for 901.1 million € (59.8%) as compared to 879.3 million € in 2001 (63.7%)

Of the total amount of sales abroad in 2002, 386.9 million € corresponds to local activity, or in other words, invoicing by local companies established in different countries. Exports from Spanish companies amounted to 224.9 million € (14.8%). In 2001, local activities and exports accounted for 21.7% and 14.6% of sales respectively.

It is important to highlight the change in contributions from different geographical areas. The percentage of sales in Latin America was 40% in 1999, 29.2% in 2000, 24.4% in 2001 and 21.9 % in 2002.
This change owes to the greater weight of Europe, USA, and Canada and the incorporation of High Plains in 2002.
The geographical distribution of sales is as follows:

Exports and sales by local companies	2002 Millions of euros		2001 Millions of euros		2000 Millions of euros		1999 Millions of euros	
USA and Canada	143.2	9.5%	5.8	0.4%	2.8	0.2%	0.3	0.0%
Latin America	333.7	21.9%	336.7	24.4%	352.3	29.2%	346.4	40.0%
Europe (others)	94.4	6.2%	125.8	9.1%	76.5	6.3%	41.8	4.9%
Africa	10.9	0.7%	9.4	0.7%	14.2	1.2%	12.4	1.4%
Asia	29.6	1.9%	22.9	1.7%	10.6	0.9%	4.6	0.5%
Total sales abroad	611.8	40.2%	500.6	36.3%	456.4	37.8%	405.5	46.8%
- Local	386.9	25.4%	298.3	21.7%	253.5	21.0%	272.2	31.4%
- Exports	224.9	14.8%	202.3	14.6%	202.9	16.8%	133.3	15.4%
Total sales in Spain	910.1	59.8%	879.3	63.7%	748.2	62.2%	460.7	53.2%
Consolidated total	1,521.9	100.0%	1,379.9	100.0%	1,204.6	100.0%	866.2	100.0%

Summary 2002

RDI

- Abengoa's proposal is based on:

- Commitment involving the public administration and technology companies to implement a ten-year Strategic Innovation Plan, clearly targeting priority sectors and defining the action required to ensure the full involvement of the public RDI system.
- Creation of long-term programmes to implement Relevant Demonstration Projects involving the public administration and each of the companies selected, establishing the technological assets and financial resources that each party undertakes to provide.
- Effective implementation of tax benefits to incentivise innovation, which innovating companies currently have great difficulty in applying.
- Effective coordination among public administrations.
- Guaranteed continuity of the plan, ensuring that it is not affected by changes of government or the ups and downs of the business cycle.

Abengoa's Innovation Strategy

- Corporate structure
- Results oriented

Abengoa's policy is geared to creating and sustaining value. Its innovation efforts are results oriented and based on the pursuit of three tangible objectives:

- Diversification: new products and services
- Product differentiation: improvement and adaptation of existing products
- Process improvement

Intangible objectives include the acquisition of key competencies and, most importantly, the generation of future options, which is closely linked with the creation of value through growth prospects and the development of new business.

How the strategy is implemented

Abengoa implements its innovation policy in various ways: in-house innovation aimed at providing specific solutions for individual customers and in-house developments; outsourced innovation based on collaboration agreements with universities, public research bodies and other third parties, in which case the work is usually shared; and in some cases technology is purchased. Another method much used in recent times is the acquisition of strategic financial interests in tech companies.

In such cases, the move is usually a corporate initiative, although subsequent management is undertaken by the individual companies involved.

The economics of innovation: financing

- External resources:
    - Tax benefits
    - Subsidies
    - Universities, public research bodies
    - Shared R&D
    - Customers
- In-house resources
    - Investment
    - Yearly expense item

Innovative business segments and type of innovation

- Bioenergy: radical and differential innovation, mixed financing (US Department of Energy, Framework Programme).
- Solar and cells: radical and differential innovation, mixed financing (Framework Programme).
- Telvent: differential and radical innovation, mixed financing (Framework Programme).
- Befesa: differential, dispersed, internal financing, in-house implementation.

Investment in RDI

2000		2001		2002		2003 (P)	
Millions of euros	Percentage of Sales	Millions of euros	Percentage of Sales	Millions of euros	Percentage of Sales	Millions of euros	Percentage of Sales
5,980.1	0.5%	7,5984.2	0.5%	11,065.2	0.7%	20,480.6	1.2%

Summary 2002

Share perfomance

According to the figures supplied to the company by Servicio de Compensación y Liquidaciones de Valores, S.A. (Securities Clearing and Settlement Service) for the last General Meeting held on June 30,2002, Abengoa, S.A. had 6,038 shareholders (6/26/02).

Excluding the interest held by the shareholders, Inversión Corporativa I.C., S.A. and its subsidiaries Finarpisa and Ibisa (55.16%). as at December 31, 2002, Abengoa believes there is free float of 44.84%.

According to the figures supplied to the company by Sociedad Rectora de la Bolsa de Valores de Madrid (Governing Body of the Madrid Stock Exchange), 34,488,670 shares were traded in 2001. The average volume of daily trading over the year was 137,954 securities compared with 110,031 in 2001 (up 25.2%). Minimum, maximum and average listed share prices in 2002 were 4.15 €, 8.97 € and 6.02 € respectively,

The last closing price quoted for Abengoa shares in 2002 was 5.60 €, 18.96% lower than on December 31, 2001 and 206.97% higher than the share price established for the public offering of shares on November 29, 1996.