Summary 2005

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

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

**2000**

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

- Start-up of the first Bioethanol facility in Spain with an initial production capacity of 100 M liters/year (currently 150 M liters/year), which required a 93.8 M € investment.

**2001**

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

**2002**

- Acquisition of High Plains Corporation (now Abengoa Bioenergy Corporation), the fifth largest bioethanol producer in the United States (current production capacity of 108 M gal/year), by means of a 100 M € takeover bid.

- Start-up of the second Bioethanol facility in Spain (Bioetanol Galicia), with a 126 M liters/year production capacity (currently 176 M liters/year), which required a 92.1 M € investment.

- Awarding by the United States Department of Energy (DOE) of an R&D&I project to enhance ethanol production process technology, utilizing biomass to improve the economy of process and increase energy yield from ethanol production and, thereby, reduce the production cost thereof and make it more competitive with gasoline. The total investment, co-funded by the DOE, is 35.4 M $US, from 2003 to 2006.

**2003**

- Acquisition of Metso Corporation's Network Management Solutions Division now called Telvent Canada and Telvent USA, which put Telvent in a leading position at international level in the Real-Time Control and Information Systems market for the oil, gas, and electricity sectors, and for the water sector.

- Commencement of the construction of the third Bioethanol facility in Spain, in Babilafuente, which produce 200 M liters/year of Bioethanol for direct blending in gasoline. The raw material will be grain, wine alcohol and biomass, the latter in a Bioethanol production facility that will be the first of its kind worldwide.

**2004**

- Commencement of the effective listing of Telvent GIT on the American NASDAQ technological market, which facilitates the continuity of the expansion strategy for the Information Technology activity, while also increasing its potential through the development of R&D&I activities.

- Commencement of the construction of the largest thermoelectric solar energy power plant to use tower and heliostat field technology for an 11 MW output, and the construction of a 1.2 MW two-fold concentration photovoltaic power plant.

- Acquisition of the North American company Miner & Miner Consulting Engineers Incorporated (M&M), one of the world leaders in the development and implementation of Geographic Information Systems (GIS) software.

**2005**

- Abengoa Bioenergía, through AB Bioenergy France, received authorization from the French Government to produce 40,000 tons per year of bioethanol at a plant to be constructed in the southwest of France. This project will be Europe's first corn-based bioethanol production facility. The end capacity of the project will depend on the Government's resolution in relation to the second round of authorizations, the public tendering for which is scheduled for sometime in the first half-year of 2006.

- Commencement of the construction of the fourth bioethanol facility in Nebraska (US) which will produce 330 million liters per year. To finance the project, a 90 million dollar credit has been obtained in the US financial market, in which sixteen institutional investors are participating. The facility will be that with the highest capacity in Nebraska and one of the largest in the US.

- Acquisition of the Perth based Australian company Almos Systems, a leading provider of meteorological solutions. With the integration of Almos Systems (now Telvent Australia), access is gained to a full range of leading-edge meteorological systems and high value-add solutions. In addition, the Australian location will be strategic for the development of new business opportunities in the Asia-Pacific region, on of the world's fastest growing areas.

- Agreement with Cepsa for the construction of a biodiesel production plant on the lands of Cepsa's "Gibraltar" Refinery, in San Roque (Cadiz). The foreseen investment for the plant is 42 M €.

- Strategic agreement with GE Energy Financial Services for the sale of an 80% interest in a packet of three transmission lines in Chile, with Abengoa retaining the remaining 20% interest.

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## Strategic Orientation

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

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

**Evolution 1995 - 2005**

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

## The Value of Human Capital

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

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

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

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

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

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

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

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

- **Strengthen geographic diversification** by developing the markets where, in principle, the greatest possibilities for expansion exist and in which Abengoa already operates, which are basically the United States, Canada, China, India, Brazil and Europe.

**Activity Abroad**

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

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

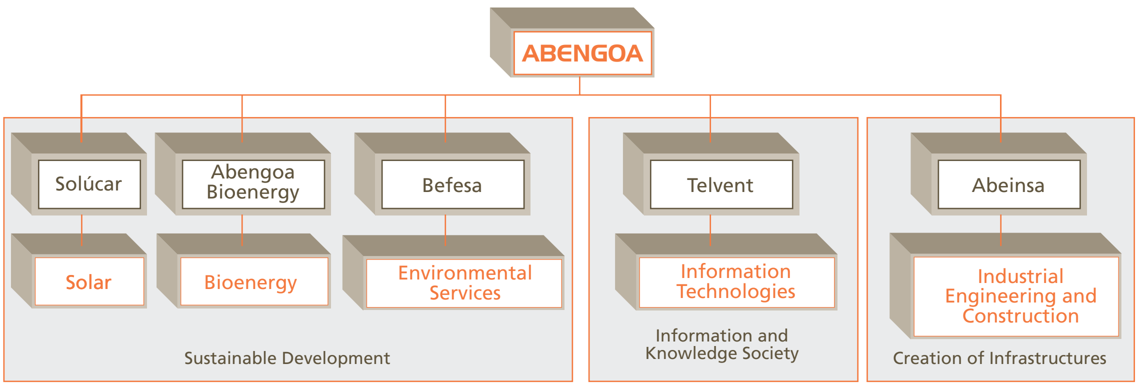
## Current Configuration and Nature of its Business

There are two types of products in Abengoa:

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

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

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



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It provides solutions for:

- **Sustainable development:**
  - ✓ Abengoa produces 687 million liters of ecologic gasoline per year which avoids the emission of 1,459,078 tons of $CO_2$ to the atmosphere, which is equivalent to the annual emissions from a fleet of 600,000 vehicles.
  - ✓ Abengoa produces 2,068.497 MW/h per year of electricity from cogeneration, which means the avoid of the emission of 910,097 tons of $CO_2$ were this energy to be produced by conventional carbon thermoelectric power plants.
  - ✓ Abengoa has a production plan for 302 MW of electric energy using the sun, equivalent to the annual consumption by a population of 500,000, which will prevent the emission of 742,900 tons of $CO_2$ per year.
  - ✓ Abengoa treats more than 1,653,000 tons of industrial wastes, dedicating them to the production of new materials through the recycling of more than 708,000 tons.
  - ✓ Abengoa has increased desalination capacity to 900,000 $m^3$/day, which will enable supply for a population of 4.5 million.

- **The Information and Knowledge Society.** Our solutions:
  - ✓ Manage more than half the movements of hydrocarbons in pipelines in North and Latin America.
  - ✓ Transport and distribute more than 140,000 GW/h that provide electricity for a population of more than 80 million.
  - ✓ Control vehicle traffic at more than 6,000 intersections that are used by more than 170 million people per day.
  - ✓ Manage the displacements of more than 2,500 million passengers per year on train and metro networks.
  - ✓ Provide landing and take-off security and efficiency for more than 100 million passengers a year at more than 100 airports.
  - ✓ Manage water distribution for a population of more than 25 million throughout Europe, North America, Latin America and the Middle East.
  - ✓ Enable 13 million users at more than 4,000 universities and research centers throughout Europe to exchange information.
  - ✓ Provide the technological infrastructure from which news is distributed 24 hours a day to more than 400 million Spanish speaking inhabitants worldwide.
  - ✓ Ensure the correct distribution of more than 1,000 million liters of gasoline per month, sufficient to fill the fuel tanks of more than 22 million cars.

- **Infrastructure Creation:**
  - ✓ Abengoa has constructed energy generation plants that, with a global installed rating of more than 5,000 MW, supply electric energy for a population of more than 4 million on four continents.
  - ✓ Abengoa possesses 4,072 km of high-voltage lines under concession contracts in Latin America, with a capacity of almost 9,300 MW, equivalent to the annual needs of a population of 10 million.
  - ✓ In Spain, in 2005, Abengoa has installed almost 110,000 new ADSL lines that allow more than 500,000 people to have broadband access to new value-add services.

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## Evolution of the 2005 Financial Year Results

| | M € | | Variation % | % of total | | M € | % of total | % CAGR |
|---|---|---|---|---|---|---|---|---|
| | 2005 | 2004(*) | 05/04 | 2005 | 2004 | 1995 | 1995 | 95/05 |
| Sales | **2,023.5** | **1,746.1** | 15.9 | 100.0 | 100.0 | **514.2** | 100.0 | **14.7** |
| EBITDA | **216.4** | **180.1** | 20.1 | 10.7 | 10.3 | **43.6** | 8.5 | **17.4** |
| Amortizations | **-52.9** | **-52.8** | 0.2 | -2.6 | -3.0 | **-8.2** | -1.6 | **20.5** |
| Net Finantial expenses | **-58.8** | **-78.3** | -24.9 | -2.9 | -4.5 | **-18.5** | -3.6 | **12.3** |
| External partners | **-12.5** | **-7.8** | 60.3 | -0.6 | -0.4 | **-0.5** | -0.1 | **38.0** |
| Net Profit atributable to Parent company | **66.0** | **52.4** | 26.0 | 3.3 | 3.0 | **4.9** | 1.0 | **29.7** |
| Net Cash-flow | **131.4** | **113.0** | 16.3 | 6.5 | 6.5 | **24.5** | 4.8 | **18.3** |

(*) Figures under IFRS

- The consolidated sales to 31/12/05 reached 2,023.5 M €, which is a 15.9% increase on the previous year's figure.

  All Abengoa's Business Units increased their sales figure.

| Sales M € | 2005 | 2004 | % Variation (05-04) |
|---|---|---|---|
| - Bioenergy | 392.7 | 335.2 | 17.2 |
| - Environmental Services | 402.4 | 357.8 | 12.5 |
| - Information Technology | 362.6 | 281.1 | 29.0 |
| - Industrial Engineering and Construction | 865.8 | 772.0 | 12.2 |
| Total | 2,023.5 | 1,746.1 | 15.9 |

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- The EBITDA (Earnings before interest, tax, depreciation and amortization) is 216.4 M €, which is 36.3 M € (20.1%) up on the 2004 figure.

Of note to the contribution to the EBITDA, owing to their importance, is the growth of the Industrial Engineering and Construction Business Unit which contributes 98.9 M € (77.0 M € the previous year) which is a 28.4% increase, that of the Bioenergy Business Unit which contributes 43.8 M € (39.3 M € the previous year) which is a 11.5% increase, and the Information Technology Business Unit which contributes 33.3 M €, which is an 22.9% increase on the previous year's 27.1 M €.

| EBITDA M € | 2005 | 2004 | % Variation (05-04) |
|---|---|---|---|
| - Bioenergy | 43.8 | 39.3 | 11.5 |
| - Environmental Services | 40.4 | 36.7 | 10.1 |
| - Information Technology | 33.3 | 27.1 | 22.9 |
| - Industrial Engineering and Construction | 98.9 | 77.0 | 28.4 |
| Total | 216.4 | 180.1 | 20.1 |

- Of note is the reduction in net 58.8 M € figure for financial expenses in 2005, which is an 24.9% reduction on the 2004 financial year figure. To analyze this reduction, one must take into consideration the financial income as a consequence of the increase in the stock exchange value of certain participations in officially listed securities.

  Likewise, it is important to consider the company's efforts in R&D&I activities, whose impact on the financial statements, recorded as a lower EBITDA according to the new IFRS standards, goes from 15.2 M € in 2004 to 18.3 M € in 2005 (up 20.4%).

- The company's External Partners have experienced a significant increase (12.5 M € in 2005 and 7.8 M € in 2004) due mainly to the increase in the results of Telvent GIT (which, in 2005, consolidates a full foreign partners' year), as well as to the start-up of the High-Voltage Line concession business in Brazil.

- The after tax result attributable to the parent company is 66.0 M € which is a 26.0% increase on the 2004 financial year figure (52.4 M €).

  The above result means a profit of 0.73 € per share as against the 0.58 € per share obtained in 2004.

- The net cash flow also increased 16.3% to 131.4 M € (113.0 M € in 2004).

- The non-recourse financing applied to projects has risen 85.0%, from 364.8 M € in 2004 to 675.0 M € in 2005.

- Abengoa's Net Debt in 2005 is 122.5 M € (net cash position) as against 27.8 M € (net debt position) in 2004.

- The operating profit or EBITDA of the companies financed under the non-recourse scheme is 59.0 M € in 2005, which represents 27.3% of the total consolidated EBITDA. In addition, the operating profit (EBITDA) of the other companies has increased 47.8% to 157.4 M € in 2005 (106.5 M € in 2004).

## Share Performance

According to the data supplied to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Securities Recording, Clearing and Settlement Management Company) for the last Extraordinary General Meeting held on October 16, 2005, Abengoa, S.A. had 6,661 shareholders.

As on December 31, 2005, the company believes the free float to be 43.95% 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) 57,988,077 shares were traded in 2005. The average volume of daily trading over the year was 226,516 shares. Minimum, maximum and average listed share prices in 2005 were 7.23 euro, 15.20 euro and 10.85 euro, respectively. The last closing price quoted for Abengoa shares in 2005 was 12.41 euro, 70.7% up on that of December 31, 2004, and 483% higher than the share price established for the Public Offering on November 29, 1996.

## 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 483% which is 5.8 times the initial price. During this same period, the Madrid Stock Exchange has revalorized 186% and the select IBEX 35 has gone up 130%.