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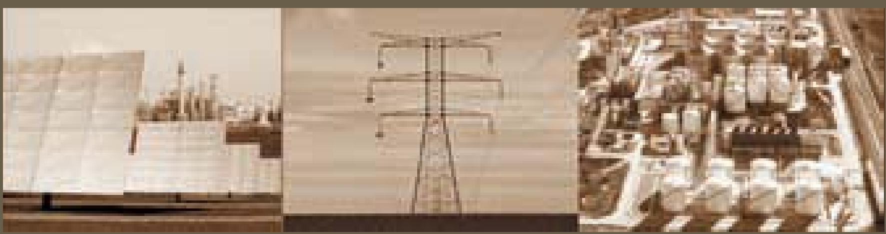

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ABENGOA

Auditor’s Report

Consolidated Financial Statements

a) Consolidated Balance Sheet

b) Consolidated Income Statements

c) Consolidated Statement of Changes in Equity

d) Consolidated Cash Flows Statement

e) Notes to the Consolidated Financial Statements

Consolidated Management Report

2006 Financial Year

ABENGOA

Auditor's Report

Consolidated Financial Statements for the 2006 Financial Year

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Free translation of the auditor´s report originally issued in Spanish on the consolidated annual accounts prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of a discrepancy, the Spanish language version prevails.

AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

To the shareholders of
Abengoa, S.A.
Seville

1. We have audited the consolidated annual accounts of Abengoa, S.A. (parent company) and its subsidiaries (the Group), consisting of the consolidated balance sheet at 31 December 2006, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity and related notes to the consolidated annual accounts for the year then ended, the preparation of which is the responsibility of the Directors of the Parent Company. Our responsibility is to express an opinion on the consolidated annual accounts taken as a whole, based on the work performed in accordance with auditing standards generally accepted in Spain, which require the examination, on a test basis, of evidence supporting the consolidated annual accounts and an evaluation of their overall presentation, the accounting principles applied and the estimates made. Our work did not include the audit of the accounts at 31 December 2006 of some companies listed in Appendix I and II of the enclosed consolidated annual accounts, in which Abengoa holds an interest of participation and whose total assets and net turnover represent a 37% and 45% of the corresponding consolidated accounts, respectively. Said accounts of such companies have been examined by other auditors (see Appendix I and II) and our auditor's opinion on the consolidated annual accounts of Abengoa, S.A. and its subsidiaries is based, in respect of the investment on such companies, only on these other auditors' report.

2. In accordance with Spanish Corporate Law, the parent company's Directors have presented, for comparative purposes only, for each item in the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated annual accounts, the corresponding amounts for the previous year as well as the amounts for 2006. Our opinion refers solely to the 2006 consolidated annual accounts. On 27 February 2006 we issued our audit report on the consolidated annual accounts for 2005 in which we expressed an unqualified opinion.

3. In our opinion, based on our audit and on other auditors' report (see Appendix I and II), the accompanying consolidated annual accounts for 2006 present fairly, in all material respects, the consolidated financial position of Abengoa, S.A. and its subsidiaries as at 31 December 2006 and the consolidated results of their operations, changes in consolidated net equity and consolidated cash flows for the year then ended and contain all the information necessary for their interpretation and comprehension in accordance with International Financial Reporting Standards adopted by the European Union, applied on a basis consistent with the preceding year.

PricewaterhouseCoopers Auditores, S.L. - R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

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4. The accompanying consolidated Directors' Report for 2006 contains the information that the Parent Company's Directors consider relevant to the Abengoa consolidated Group's position, the development of its business and other matters and does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the aforementioned Directors' Report coincides with that of the consolidated annual accounts for 2006. Our work as auditors is limited to checking the consolidated Directors' Report within the scope already mentioned in this paragraph and it does not include a review of information other than that obtained from the accounting records of the Abengoa, S.A. and subsidiary companies.

PricewaterhouseCoopers Auditores, S.L.

Gabriel López
Partner

26 February 2007

ABENGOA

1. **Consolidated Financial Statements**

   a) **Consolidated Balance Sheet**

   b) **Consolidated Income Statement**

   c) **Consolidated Statement of Changes in Equity**

   d) **Consolidated Cash Flows Statement**

   e) **Notes to the Consolidated Financial Statements**

2. **Consolidated Management Report**

2006 Financial Year

ABENGOA

Consolidated Financial Statements for the 2006 Financial Year

a) Consolidated Balance Sheets at 31 December 2006 and 2005

Consolidated Balance Sheets of Abengoa at December 31, 2006 and 2005

- Figures in thousands of euros -

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

Consolidated Balance Sheets of Abengoa at December 31, 2006 and 2005

- Figures in thousands of euros -

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

b) Consolidated Income Statement for the 2006 and 2005 Financial Years

Consolidated Income Statement of Abengoa for the Years ended December 31, 2006 and 2005

- Figures in thousands of euros -

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

c) Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity of Abengoa for the Year ended December 31, 2006 and 2005

- Figures in thousands of euros -

	Share Capital	Reserves Parent Company and Other Reserves	Accumulated Translation Difference	Accumulated Earnings	Minority Interest	Total
A. Balance at 1 January 2005	22,617	215,911	(26,902)	92,451	109,067	413,144
I. Gross Earnings at fair value:						
Financial assets available for sale	0	126	0	0	0	126
	0	126	0	0	0	126
II. Gains/Losses on cash flow hedges	0	(20,452)	0	0	0	(20,452)
III. Translation differences	0	0	54,357	0	0	54,357
IV. Gross Income/Expenses recognised directly in Equity	0	(20,326)	54,357	0	0	34,031
Tax effect	0	7,115	0	0	0	7,115
V. Net Income/Expenses recognised directly in Equity	0	(13,211)	54,357	0	0	41,146
VI. Profit for the year	0	0	0	66,004	12,477	78,481
VII. Employee Stock Plan	0	3,301	0	0	0	3,301
VIII. Distribution of 2004 Profit	0	319	0	(12,984)	0	(12,665)
IX. Other Movements of Equity	0	0	0	(6,767)	9,551	2,784
B. Balance at 31 December 2005	22,617	206,320	27,455	138,704	131,095	526,191
C. Balance at 1 January 2006	22,617	206,320	27,455	138,704	131,095	526,191
I. Gross Earnings at fair value:						
Financial assets available for sale	0	3,585	0	0	0	3,585
	0	3,585	0	0	0	3,585
II. Gains/Losses on cash flow hedge	0	(105,072)	0	0	0	(105,072)
III. Translation differences	0	0	(34,733)	0	0	(34,733)
IV. Gross Income/Expenses recognised directly in Equity	0	(101,487)	(34,733)	0	0	(136,220)
Tax effect	0	45,891	0	0	0	45,891
V. Net Income/Expenses recognised directly in Equity	0	(55,596)	(34,733)	0	0	(90,329)
VI. Profit for the year	0	0	0	100,339	21,164	121,503
VII. Employee Stock Plan	0	(3,818)	0	0	0	(3,818)
VIII. Distribution of 2005 Profit	0	55	0	(13,778)	0	(13,723)
IX. OtherMovements of Equity	0	0	0	2,540	(1,238)	1,302
D. Balance at 31 December 2006	22,617	146,961	(7,278)	227,805	151,021	541,126

d) Consolidated Cash Flow Statement

Consolidated Cash Flow Statement of Abengoa for the Years ended December 31, 2006 and 2005

- Figures in thousands of euros -

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

e) Notes to the Consolidated Financial Statements for the 2006 Financial Year

Notes to the Consolidated Financial Statements for the Financial Year Ended at 31 December 2006

Note 1. General Information.

Abengoa, S.A. is an industrial and technology Company which, at the end of the 2006 financial year, hold a group (hereinafter called Abengoa or group, without distinction) comprising 302 companies: the parent Company itself, 273 subsidiary companies, 26 associate companies and 2 Joint Ventures. Moreover, the various companies in the group take part in 277 Temporary Consortiums. In addition, the group companies hold interests of less than 20% in other companies.

Abengoa, S.A., the parent company in the group, was founded in Seville on 4 January 1941 as a limited partnership and was subsequently transformed into a corporation on 20 March 1952. It is registered in the Mercantile Register of Seville, initially on page 2921, folio 107 of volume 47 of Corporations and currently, since the latest adaptation and amendment of the articles of association as a result of the coming into force of the revised Public Limited Companies Act, in volume 573, book 362 of section 3 of Corporations, folio 94, page SE-1507, entry 296. The company´s current registered office is located in Seville, at Avenida de la Buhaira, 2.

The corporate purpose is laid down in article 3 of the articles of association. Within the varied range of activities that make up the corporate objects, as an applied engineering and equipment company, Abengoa provides comprehensive solutions in the Energy, Telecommunications, Transport, Water, Environment, Industry and Services Sectors.

Abengoa is a technology company that applies innovative solutions for sustainable development in the infrastructures, environment and energy sectors. It operates in over 70 countries.

Abengoa operate through 5 Business Groups whose activities are as follows:

- Solar:

  The main company is Solúcar Solar and its activity focuses on the design, development, financing, construction and operation of electrical power generation plants, using the sun as a primary source of energy. It has the know-how and technology to operate thermoelectric solar plants: central receiver systems, parabolic cylinder collector and parabolic disk, as well as photovoltaic solar plants with and without concentration.

- Bioenergy:

  The main company is Abengoa Bioenergía, which engages in the production and development of biofuels for transport, including bioethanol and biodiesel, among others, which use biomass as a raw material (cereals, cellulose biomass, oilseed). Biofuels are used in the production of ETBE (a petrol additive) or in direct mixtures with petrol or diesel. As renewable energy sources, biofuels reduce CO2 emissions and contribute to the safety and diversification of the energy supply, reducing the dependence on the fossil fuels used in the car industry and helping to comply with the Kyoto protocol.

- Environmental Services:

  Befesa Medio Ambiente, the main company in Abengoa's environmental services, focuses its activity on environmental services for industry, on the construction of infrastructures, recycling aluminium waste, zinc, handling industrial waste and on environmental engineering.

- Information Technologies:

  Telvent, the main company in Abengoa's information technologies business, provides high value-added solutions in four industrial sectors (energy, traffic, transport and the environment). Its technology enables companies to take business decisions in real-time using data acquisition and control systems, as well as advanced operational applications that provide information that is secure and effective for enterprises.

- Industrial Construction and Engineering:

  Abeinsa is the company in Abengoa which leads this business group, whose activity is the engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industry, transport and services sectors. Development, construction and operation of industrial plants and conventional (cogeneration and combined cycle) and renewable (bioethanol, biodiesel, biomass, solar wind and geothermic) power plants, telecommunications turnkey projects and networks.

For the preparation of the Consolidated Financial Statements, a group is understood to exist when the parent company has one or more subsidiary companies over which it exercises direct or indirect control. The principles applied during the preparation of the Consolidated Financial Statements of Abengoa, together with the consolidation perimeter are listed in Note 2.2.

Annexes I and VI to these notes contain a breakdown of the identification data of the 273 and 200 subsidiary companies included in the consolidation perimeter in the 2006 and 2005 financial years, respectively, using the full consolidation method.

Annexes II and VII to these notes contain a breakdown of the identification data of the 26 and 30 associate companies included in the consolidation perimeter in the 2006 and 2005 financial years, respectively, using the equity method.

Annexes III and VIII to these notes contain a breakdown of the identification data of the 102 and 134 Joint Ventures included in the consolidation perimeter in the 2006 and 2005 financial years, respectively, using the proportional consolidation method.

Note 2. Summary of Significant Accounting Policies.

The following is a description of the significant accounting policies applied during the preparation of these Consolidated Financial Statements.

2.1. Basis of Presentation.

The Consolidated Financial Statements at 31 December 2006 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted for use in the European Union and approved by the regulations of the European commission and in force at 31 December.

Unless indicated otherwise, the following policies have been applied constantly to all the financial years included in these Consolidated Financial Statements.

Up to the financial year ending on 31 December 2004, inclusive, the Consolidated Financial Statements were prepared in accordance with the provisions laid down in current mercantile legislation and with the standards laid down in the General Accounting Plan and in Royal Decree 1815/1991, which adopt the standards for the preparation of Consolidated Financial Statements (generally accepted accounting principles (GAAP)) Given that these standards differ in certain areas from the criteria laid down in IFRS, Abengoa's management has restated the figures for 2004 in order to present comparative information in accordance with IFRS.

The Consolidated Financial Statements under the historic cost convention, modified by the restatement of certain assets in accordance with IFRS 1 and by the cases laid down by the IFRS in which certain assets, are valued at their fair value.

The preparation of the Consolidated Financial Statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires that management exercise its judgment in the process of applying the accounting policies of Abengoa. Note 4 shows the areas that involve a higher level of judgment or complexity or the areas where the hypotheses and estimates are significant for the Consolidated Financial Statements.

The figures contained in the instruments that make up the Consolidated Financial Statements (Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flows and these Notes) are given in thousands of €.

Unless indicated otherwise, the percentage of the holding in the share capital of the companies includes both the direct and indirect holding corresponding to the companies in the group that are direct shareholders.

2.2. Consolidation Principles.

a) Subsidiary companies.

Subsidiary companies are all the companies over which Abengoa has the power to direct the financial and operating policies that are usually accompanied by a holding with more than half the voting rights. When evaluating whether or not the group controls another company, consideration is given to the existence and effect of the potential voting rights that may be currently exercised or converted, together with possible pacts with other shareholders. The subsidiary companies are consolidated from the date on which control is transferred to the Group and are excluded from the consolidation on the date on which such control ceases to exist.

Subsidiary companies are accounted for using the acquisition method. The acquisition cost is the fair value of the assets delivered, of the receivables issued and the payables due or assumed on the date of exchange, plus the costs directly attributable to the acquisition. The identifiable assets acquired and the identifiable contingencies and liabilities assumed in a combination of businesses are initially valued at their fair value on the date of acquisition, regardless of the scope of minority interests. The excess of the acquisition cost over the fair value of Abengoa's holding in the identifiable net assets acquired is recognised as goodwill. If the acquisition cost is lower than the fair value of the net assets of the acquired subsidiary company, the difference is recognised directly in the income statment.

The results of internal operations are eliminated and deferred until they have been carried out with regard to third parties outside the Group.

The reciprocal receivables and payables between group companies included in the consolidation perimeter are eliminated in the consolidation process.

With a view to presenting the different sections of these Consolidated Financial Statements consistently, the valuation standards and principles followed by the parent company have been applied to all the companies included in consolidation.

Annexes I and VI to this report identify the 87 and 20 Companies / Entities which in the 2006 and 2005 financial years, respectively, were included in the consolidation perimeter and have been consolidated using the full consolidation method.

The inclusion in the perimeter of the aforementioned companies has not, except the acquisition of the BUS Group AB, detailed in Note 6.2 of this Report, significantly affected the global consolidated figures as of December 2006 or December 2005.

The following is a list of the Company / Entities which, during the 2006 and 2005 financial years, left the consolidation perimeter (full consolidation):

Company Name	Year of Exit	% Holding	Reason
Abengoa Limited	2005	100.0	Wind up of the company
ABP Holding	2005	99.9	Wind up of the company
ALA Transmissora de Energía Ltda.	2005	100.0	Wind up of the company
Baltasar Lobato	2005	50.0	Wind up of the company
Ciclafarma	2005	100.0	Wind up of the company
Desarrollos Eólicos de Arico, S.A.	2005	66.7	Wind up of the company
ICX Sistemas, S.A.	2005	100.0	Merged with Telvent Interactiva, S.A.
Proyectos Técnicos Industriales, S.A. (Protisa)	2005	100.0	Merged with Inabensa
Subestaciones Baja California Sur, S.A. de C.V.	2005	50.0	Wind up of the company
Abener Garabito Energía, S.A.	2006	100.0	Wind up of the company
Alianza Befesa Egmasa, S.L. (Albega)	2006	50.0	Merged by Absorption by Befesa GRI, S.L.
Alto Bello, S.A.	2006	100.0	Wind up of the company
Befesa Técnicas del Suelo, S.A.	2006	100.0	Merged Absorption by Befesa GRI, S.L.
Befesa Tratamientos y Limpiezas Industriales, S.L.	2006	100.0	Merged Absorption by Befesa GRI, S.L.
Complejo Medioambiental de Navarra, S.A.	2006	100.0	Merged Absorption by Befesa GRI, S.L.
ETBE Huelva, S.A.	2006	90.0	Sale of the company
Gestión de Residuos del Cerrato, S.L.	2006	100.0	Merged Absorption by Befesa GRI, S.L.
L.T. 43 Río Bravo, S.A. de C.V.	2006	100.0	Wind up of the company
L.T. 707 Norte Sur, S.A. de C.V.	2006	100.0	Wind up of the company
Peninsular 615, S.A. de C.V.	2006	100.0	Wind up of the company
S.C.B., Sociedade Combustiveis Bioquimicos, S.A.	2006	100.0	Sale of the company
Sainsel Sistemas Navales, S.A.	2006	50.0	Sale of the company
Transmisión 610 Norte, S.A. de C.V.	2006	100.0	Wind up of the company

The contribution in terms of sales and results by sold companies no longer included in the consolidation perimeter for the consolidated results in the 2006 fiscal year totals € 8,604 and € 1,553 thousands (loss) respectively (in 2005 it was not significant).

The contribution of the rest of the companies which, for whatever other reason, no longer form part of the consolidation perimeter, is virtually nil.

b) Associate companies.

Associate companies are all the companies over which Abengoa has a significant influence but not control, usually accompanied by a holding of between 20% and 50% of the voting rights. Investments in associate companies are recorded using the equity method and are initially recognised at cost. The Group’s investment in associate companies includes the goodwill (net of any accumulated loss from deterioration) identified in the acquisition.

The share in income statement after the acquisition of the associate companies is recognised in the income statment and their participation in subsequent movements is recognised in reserves. The accumulated movements subsequent to the acquisition are adjusted against the book value of the investment. When the share in the losses of an associate company is equal to or higher than the holding itself, including any other uninsured accounts receivable, additional losses are not recognised unless there have been obligations or payments assumed or made on behalf of the associate company.

The profits not derived from transactions between the Group and its associate companies are eliminated in accordance with the percentage of the Group's holding in the associate companies. Unrealised losses are also eliminated unless the transaction provides evidence of loss through the imparment of the assets being transferred. When necessary to ensure consistency with the policies adopted by the Group, the accounting policies of the associate companies are modified.

Annexes II and VII to this report identify the 1 and 7 Companies / Entities which in the 2006 and 2005 financial years, respectively, were incorporated into the Consolidation Perimeter and have been consolidated using the Equity Method.

The following is a list of the Companies / Entities which, during the 2006 and 2005 financial years, left the Consolidation Perimeter (Equity Method):

Company Name	Year of Exit	% Holding	Reason
Conservación y Desarrollo Sostenible, S.A.	2005	40.0	Sale of the company
Krasbilmet	2005	32.0	Wind up of the company
Línea de Transmisión de Comahue, S.A.	2005	22.5	Wind up of the company
Mogabar, S.A.	2005	48.0	Wind up of the company
Progresia C.L.M., S.L.	2005	33.3	Sale of the company
Aguas del Tunari, S.A.	2006	55.0	Wind up of the company
Residuos Ind. de la Madera de Córdoba, S.A.	2006	49.9	Change percentage of participation
TSMC Ing. y Construcción	2006	33.3	Wind up of the company
Tuxpan T&D, S.A. de C.V.	2006	33.3	Wind up of the company

Without significant effects on the results regarding the consolidated figures for the 2006 and 2005 financial years.

c) Joint business.

The consideration of joint business extends to those situations where the companies in which the group has a minority stake are managed jointly by the dominant company and by third parties not linked to the group, without either party having a greater degree of control than the other.

Holdings in joint businesses are integrated using the proportional consolidation method.

The group combines its holding in the assets, liabilities, income and expenses and cash flows of the controlled entity line by line in conjunction with the items of its accounts that are similar.

Participation in the profits or losses from the sales of the Group's assets to the controlled companies is recognised jointly by the part corresponding to other participants However, the holding in the profits or losses of the jointly controlled company resulting from the purchase by a Group company of assets of the jointly controlled company is not recognised until the said assets are sold to an independent third party. A loss in the transaction is recognised immediately if it reveals the equity of the current assets or a loss through a decline in value. The accounting policies of the jointly controlled companies have been modified as necessary to ensure consistency with the policies applied by the Group.

d) Joint Ventures.

A Joint Venture or Temporary Association of Companies (UTE in its Spanish acronym) is deemed to be a collaboration agreement between companies for a certain amount of time, whether determined in advance or not, without the creation of a separate legal entity, for the performance or execution of works, services or supplies.

The proportional part of the items on the balance sheet and the income statement account of the joint-venture are integrated into the balance sheet and income statement account in accordance with the shareholding percentage.

The amount of the operating funds provided by the companies of the Group to the 175 Joint Ventures excluded from the consolidation perimeter totals € 473 thousands (€ 157 thousands in 2005) and is included in the Financial Investments heading of the consolidated balance sheet. The net business figure proportional to the shareholding represents 1.36% (0.53% in 2005) of the consolidated net business figure. The aggregate net profits proportional to the shareholding totals € 368 thousands (€ 309 thousands in 2005).

During the financial year, 28 Joint Ventures that have begun their activity and/or been involved in significant activity during the year 2006 have been incorporated into the perimeter. These Joint Ventures have contributed € 24,434 thousands (€ 37,018 thousands in 2005) to the consolidated net business figure for the year.

During the financial year, 60 Joint Ventures have left the perimeter due to their ceasing activities or their activities becoming insignificant. Their net business figures, proportional to the shareholding, for the 2005 financial year totalled € 34,727 thousands (€ 6,465 thousands in 2004).

2.3. Financial information by segments.

A business segment is a group of assets and transactions responsible for supplying products or services subject to risks and performance levels different to those of other business segments. A geographical segment is responsible for providing products or services within a specific economic environment subject to risks and performance levels different to those of other segments that operate in other economic environments (See Note 5).

The economic transactions are completed between the different segments at market price.

2.4. Tangible fixed assets.

In accordance with the IFRS 1, as for the preparation of the first Consolidated Financial Statements at 31 December 2005, the amortised cost of the tangible fixed assets has been taken as the book value of the fixed assets in accordance with Spanish standards as a result of the Management of Abengoa assuming the fact that the revaluations of assets that have taken place in accordance with the regulations in force in the countries in which the companies belonging to Abengoa reflect their market value in a more approximate way. In addition, in accordance with the aforementioned standard, certain elements of fixed assets have been revalued (basically land and buildings).

As a general criterion, the elements that make up the tangible fixed assets are recognised by their cost less the depreciation of the corresponding accumulated losses through impairment, except in the case of land, which is presented at the net value of the said losses through impairment.

The expenses are directly attributable to the acquisition of the items.

The subsequent costs are included in the book amount corresponding to the assets or are recognised as a separate asset only when it is probable that the future economic profits associated with the elements will flow to the Group and the cost element can be reliably determined. The other repairs and maintenance are charged to the income statement during the corresponding financial year.

The work carried out by the company for its fixed assets are valued at their production cost, entered as ordinary income in the income statement account.

The annual depreciation coefficients used to calculate the depreciation of the elements that make up the tangible fixed assets are as follows:

Elements	**Coefficient**
Buildings	2% - 3%
Installations	4% - 12% - 20%
Machinery	12%
Tools and tooling	15% - 30%
Furniture	10% - 15%
Works equipment	30%
Equipment for information processing	25%
Vehicles	8% - 20%

The residual value and the service life of the assets are reviewed and, where applicable, adjusted on the closing date of the companies' accounts.

When the book amount of an asset is higher than its estimated recoverable amount, its value is reduced immediately to the recoverable amount.

The income statement for the sale of tangible fixed assets are calculated by comparing the income obtained with the book amount and are included in the income statement. When the revalued assets are sold, the amounts included in revaluation reserve funds are transferred to reserves from accumulated profits. In accordance with the conditions of the transition (IFRS 1) and the criteria used by the company, for the transactions subsequent to 1 January 2004, there are no assets that require the classification of revalued assets for the purposes of the IFRS.

The cost during the construction period can also include profit or loss from qualified cash flow covers from the acquisitions of tangible fixed assets in foreign currency transferred from the equity.

In addition, in accordance with their functionality, certain assets (safety deposits for waste) are amortised in accordance with the volume of waste entering the installations. Given that there is also the obligation to meet certain costs related to the closure of the installations, the corresponding funds are provided annually in accordance with the aforementioned volume of waste.

2.5. Fixed assets in projects.

The consolidation perimeter includes stockholdings in several companies with the corporate purpose of developing a comprehensive product (generally comprising the design, construction, financing, operation and Maintenance of a Project).

The construction of these projects is carried out by the company in question and financed by a medium-term bridging loan (generally around 2 years) and then by long-term financing known as “Project Finance” (No-Recourse Financing Applied to Project).

In this regard, the base of the finance agreement between the company and the bank lies in the allocation of the cash flows the project generates to the repayment of the financing and to satisfying the financial load, with exclusion or quantified payment of whatsoever other asset resource, in such a way that the recovery of the investment by the bank is exclusively through the cash flows of the project financed, with subordination to whatsoever other debt to which the no-Recourse Financing Applied to Projects is derived as long as the said finance has not been fully repaid.

Accordingly, we have finance without recourse formulas that are applied to specific business projects. In the companies that own the projects, besides the shareholding of Abengoa, S.A. or its subsidiaries, there can be other shareholders, such as operating companies, Public Administrations and other local shareholders.

The no-Recourse Financing Applied to Projects can have the following as usual guarantees:

- Pledge of the shares of the developer company awarded by the shareholders of the said company.
- Assignment of collection rights.
- Limitations on the disposal of the assets of the project.
- Fulfilment of debt coverage ratios.
- Subordination of the payment of interest and dividends to shareholders providing that these ratios are achieved.

On occasions, the shareholders have purchase options over the installations at a stipulated price, a fact that is taken into account when determining the book entries of the project and, where necessary, the necessary funds are provided so that the differences between the consolidated net assets and the acquisition value established in the purchase option is shown, avoiding the existence of losses in the transaction in whatsoever case.

2.6. Intangible assets.

a) Goodwill.

The goodwill represents the excess of the acquisition cost over the fair value of the group's shareholding in the identifiable net assets of the subsidiary/associate company acquired on the date of acquisition. The goodwill related to the acquisitions of subsidiary companies is included in intangible assets. The goodwill related to the acquisitions of associate companies is included in investments in associate companies. Goodwill is verified annually for impairment losses and is taken to cost less accumulated impairment losses. Losses due to impairment of goodwill are not reverted. The profit or loss for the sale of an entity includes the book amount of the goodwill related to the sold entity.

In order to include these amounts in the verifications of impairment losses, the goodwill is allocated to the cash generation units (CGU). They are assigned to those units or groups of units generating cash that are expected to benefit from the combination of businesses in which the goodwill arises.

b) Computer software.

The licences for computer software acquired are capitalised based on acquisition cost and the cost of preparation for the use of the specific programme. These costs are amortised over their estimated useful lives, normally five years. The development or maintenance expenses of these computer programs are directly attributed as expenses in the corresponding financial year.

The costs directly related to the production of unique and identifiable computer software that can be controlled by the Group, and that are likely to generate economic benefits in excess of their costs over a period of more than one year, are posted as intangible assets.

c) Research and development.

Research expenses are recognised as expenses corresponding to the financial year in which they occur, where there is an individualised list of each specific project. The expenses corresponding to development projects (related to the design and testing of new or improved products) are recognised as intangible assets when there is a probability of the project being a success with regard to its technical and commercial viability and its costs can be reliably estimated. The other development expenses are recognised as expenses corresponding to the financial year in which they occur and are not recognised as an asset in subsequent financial years. Development expenses with a finite service life which are capitalised are amortised from the beginning of the commercial production of the product in on a straight-line basis during the period in which they are expected to generate profit.

Grants or subsidised loans for financing research and development projects are released to profit and loss in accordance with similar treatment and degree of completion rates with which they are capitalised or classified as operating expenses, in accordance with pre-established rules.

2.7. Interest expense.

Interest expense incurred in the construction of any qualifying asset are capitalised during the period required to complete and prepare the asset for the appropriate use. Other interest expenses are recorded as expenses for the financial year in which they are incurred.

The costs corresponding to no-recourse factoring transactions, when the book entries involve the de-recognition of factorised financial assets, are applied as expenses at the moment of the transfer to the bank.

2.8. Not financial asset impairment losses.

At the date of the end of each financial year, Abengoa reviews the non-current assets to determine whether or not there are indications of their having suffered any impairment loss. If there is any such indication, the recoverable amount of the asset is calculated in order to determine the scope of the impairment loss (where applicable). Should the asset not generate cash flows independent from other assets, Abengoa calculates the recoverable amount of the cash generation unit to which the asset belongs.

In addition, at the year end the possible impairment of goodwill and intangible assets that have not yet come into operation or have an undefined service life is analysed, where applicable.

The recoverable amount is the higher of market value less selling costs and current use value, this being the present value of estimated future cash flows. To calculate the current use value, the hypotheses used include discount rates, growth rates and expected changes in selling prices and costs. The directors estimate the pre-tax discount rates that include the value of money over time and the risks associated with the cash generation unit. The growth rates and variations in prices and costs are based on internal and sector forecasts and experience and future expectations, respectively.

Should the recoverable amount be lower than the net book value of the assets, the corresponding impairment loss is charged to the Depreciation and provisions heading in the consolidated income statement. The impairment losses recognised in an asset in previous financial years are reversed and charged to this heading when there was a change in the estimates of the recoverable amount, increasing the value of the asset up to the limit of the book value the asset would have had if thewrite-down had not been applied, except in the case of write-down of goodwill, which is not reversible.

2.9. Financial investments.

Financial investments are classified in the following categories: a) financial assets at fair value with changes in results, b) loans and accounts receivable, c) investments where the intention is for them to be held to maturity and d) financial assets available for sale. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at the moment of initial recognition and reviews the classification at the year end.

a) Financial assets at fair value with changes in results.

This category includes the financial assets acquired for trading and those recorded at fair value with changes in results at the beginning. A financial asset is classified in this category if it is acquired mainly for the purpose of sale in the short term or if it is so designated by management. Financial derivates are also classified as acquired for trading unless they are regarded as hedges. The assets of this category are classified as current assets, except if they are held for trading or they are expected to be realised in more than 12 months after the closing date of the accounts of each company; in that case they are classified as non-current assets.

b) Loans and accounts receivable.

This category includes the loans and accounts receivable considered as non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They arise when a group company supplies money, assets or services directly to a debtor without the intention of negotiating with the account receivable. They are included in current assets except for maturities of over 12 months from the date of the balance sheet, which are classified as non-current assets.

c) Investments held to maturity.

This category includes the investments where the intention is for them to be held until maturity and which correspond to non-derivative financial assets with fixed or determinable payments and fixed maturities for which the group's management has the positive intention and capacity for holding them to maturity.

d) Financial assets available for sale.

This category includes the financial assets not considered as derivatives that are available for sale and not included in any of the other categories. They are included in non-current assets unless management wishes to sell the investment in the 12 months following the closing date of the accounts of each company.

The acquisitions and sales of investments are recognised on the trading date, i.e. the date on which the acquisition or sale of the asset takes place. The investments are initially recognised at the fair value plus the costs of the transaction for all the financial assets not recognised at their fair value with changes in results. The investments are written off when the rights to receive cash flows from the investments have expired or have been transferred and all the risks and benefits resulting from their ownership have been substantially transferred.

Financial assets available for sale and the financial assets at fair value with changes in results are subsequently recorded into the books at their fair value. The accounts receivable and loans and investments where the intention is to hold them until their maturity recorded at their amortised cost in accordance with the effective interest rate method.

Realised and unrealised gains and losses resulting from changes in the fair value of the category of financial assets at fair value with changes in results are included in the income statement for the financial year in which they occur.

Unrealised gains or losses resulting from changes in the fair value of non-monetary securities classified as available for sale are recognised in shareholders' equity. When the securities classified as available for sale are sold or impaired, the adjustments accumulated in fair value are included in the income statement as gains or losses on securities.

The fair values of the listed investments are based on current purchase prices. If the market for a financial asset is not a two-way market (and for the securities that are not listed), the fair value is established by using valuation techniques that include the use of recent free transactions between interested and duly informed parties, referring to other substantially equal instruments, the analysis of discounted cash flows and price setting models for improved options to reflect the specific circumstances of the issuer.

On the date of each close of the balance sheet, the objective evidence of a financial asset or a group of financial assets having suffered impairment losses is assessed.

In the case of capital securities classified as available for sale, to determine whether or not the securities have suffered impairment losses, consideration shall be given to the possibility of a significant or prolonged fall in the fair value of the securities below their cost. If there is any evidence of this type for the financial assets available for sale, the accumulated loss, determined as the difference between the acquisition cost and the current fair value less whatsoever loss through impairment of the value in the said financial assets previously recognised in the profits or losses, is eliminated from the equity and recognised in the income statement. The impairment losses recognised in the income statement by equity items are not reversed through the income statement.

2.10. Accounting for derivatives and hedging transactions.

The group's activities expose it fundamentally to financial risks resulting from variations in exchange rates, interest rates and changes in the fair values of certain assets and supplies (mainly zinc, aluminium, grain, ethanol and gas). To cover these exposures, Abengoa uses (interest options) future currency contracts and future contracts over the aforementioned products. It does not use derivative financial instruments for speculative purposes.

The hedging derivatives are recognised at the beginning of the contract by their fair value and the said value is subsequently adjusted. The method for recording the resulting profit or loss into the books depends on whether or not the derivative is classed as a hedging instrument and on the nature of the item covered. In accordance with the above, there can be 3 types of derivatives:

a) Hedging of the fair value of recognised assets or liabilities or a firm commitment (hedging of the fair value);

b) Cover for scheduled transactions (hedging of cash flows);

c) Hedging of a net investment in transactions abroad.

At the beginning of each transaction, the relation between the hedging instruments and the items covered is recorded, as well as the object of their risk management and the strategy for carrying out the various hedging transactions. Their evaluation is recorded appropriately at the beginning of the hedging and subsequently on an ongoing basis, to ascertain whether or not the derivatives used in the hedging transactions are very effective when offsetting the changes in the fair values or in the cash flows of the goods covered.

Note 12 includes information about the fair values of various derivatives used in hedging transactions. Note 18 shows the movements in the hedge fund included in equity.

a) Cover of the fair value.

The changes in the fair value of the designated derivatives which meet the conditions to be classified as fair value hedging transactions are recognised in the income statement, together with whatsoever change in the fair value of the hedged assets or liability and attributable to the risk covered.

b) Cash flow cover.

The cash part of changes in the fair value of the derivatives designated and which are classified as cash flow covers are recognised in equity. The gain or loss corresponding to the non-cash part is immediately recognised in the income statement.

The amounts accumulated in equity are transferred to the income statement in the financial year in which the hedged item will affect the profit or loss. However, when the hedged scheduled transaction results in the recognition of a non-financial assets or liability, the profit and loss previously deferred in equity are transferred from equity and included in the initial valuation of the cost of the asset or the liability.

When the hedging instrument matures or is sold, or when a hedging transaction no longer meets the requirements for the application of hedging accounting, the profit or loss accumulated in the equity up to that moment will continue to form a part thereof and is recognised when the anticipated transaction is finally recognised in the income statement. However, if the said transaction is no longer probable, the profit or loss accumulated in the equity is immediately transferred to the income statement.

c) Net investment hedging.

At present, there is not net investment hedging in transactions abroad.

For the derivatives that do not meet the criterion for the application of hedge accounting. The changes in the fair value of any derivative not classified for hedge accounting are recognised immediately in the income statement.

2.11. Estimation of the fair value.

The fair value of financial instruments traded on active markets (such as the derivatives with an official price and the investments acquired for trading and those available for sale) is based on market prices at the end of the financial year. The market price used by Abengoa for the financial assets is the current buyer price; the appropriate market price for financial liabilities is the current vendor price.

The fair value of the financial instruments not listed on a two-way market is determined using valuation techniques. The company uses a variety of methods and draws up hypotheses that are based on the market conditions in force on each date on the balance sheet. The market prices for similar instruments are used for the long-term debt. To determine the fair value of the remaining financial instruments, other techniques, such as estimated discounted cash flows, are used. The fair value of the interest rate exchange is calculated as the current value of the estimated future cash flows. The fair value of the exchange rate contracts subject to terms is determined by using the deferred exchange rates on the market on the date of the balance sheet.

The nominal value less the estimated credit adjustments of the collectable and payable accounts is assumed to be near the corresponding fair values. The fair value of the financial liabilities for the presentation of financial information is estimated by discounting the future contractual cash flows at the current market interest rate available for the group for similar financial instruments.

2.12. Inventories.

Inventories are valued at the lower of cost and net realisable value. Cost is determined, in general, by the first-in-first-out (FIFO) method. The cost of the finished products and work in progress include design costs, raw materials, direct labour costs, other direct costs and manufacturing overheads (based on a normal operating capacity), but it does not include interest expenses. Net realisable value is the estimated selling price in the normal coures of business less the applicable variable selling costs.

Cost of the inventories includes transfers from equity of gains or losses arising from cash flow hedging transactions related to inventory sale and purchase transactions, as well as to operations in foreign currency.

Cost of inventories includes the transfers from the equity of gains or losses arising from cash flow hedging transactions related to operations in foreign currency.

Inventories include the accumulated amount of progress billings in accordance with the accounting criterion mentioned later in Note 2.23.

2.13. Clients and other trade accounts receivable.

Trade accounts receivable are initially recognised at fair value and subsequently at their written-down cost in accordance with the effective interest rate method, less the provision for impairment losses. A provision is established for impairment losses of trade receivables when there is objective evidence of the group being incapable of collecting all the amounts owed in accordance with the original terms of the accounts receivable. The amount of the provision is the difference between the book amount of the assets and the value of the estimated future cash flows discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2.14. Cash and cash equivalents.

Cash and cash equivalents include the cash amount, the deposits on demand in credit institutions, other short-term investments wtih high liquidity with an original maturity of three months or less and bank overdrafts. On the Balance sheet, bank overdrafts are classified as borrowings under current liabilities.

2.15. Parent company shares.

Parent company shares are classified as equity. No shares of this kind have been held during the financial year.

2.16. Grants.

Outright grants are recognised at their fair value when it is considered that there is a reasonable certainty of the grant being collected and that the conditions laid down by the competent body when the subsidies were awarded will be fulfilled.

Operating grants are deferred and recognised in the income statement during the requisite periods to match them with the relevant expenses.

Capital grants are recorded as a decrease in the value of the subsidised assets and released to the income statement on a straight-line basis during the expected service lives of the corresponding assets.

2.17. Transactions and minority stockholdings.

The Group applies the policy of considering transactions with minority stockholders as arm's length transactions with companies outside the Group. The disposal of minority stockholdings entails profits and/or losses that are reflected on the operating statement for the Group. The acquisition of minority stockholdings results in goodwill, i.e. the difference between the price paid and the corresponding proportion of the book value of the dependent company's net assets (by application of the Parent Company Model).

2.18. Borrowings.

Borrowings are initially recognised at their fair value, net of the costs of the transaction. Subsequently, they are valued at their amortised cost; whatsoever difference between the funds obtained (net of the related costs) and the repayment value is recognised in the income statement during the life of the debt in accordance with the effective interest rate method.

Borrowings are classified as current liabilities unless there is an unconditional right to defer their repayment for at least 12 months after the year end.

2.19. Deferred taxes.

Deferred taxes are calculated in accordance with the balance sheet method on the temporary differences between the taxable bases of the assets and liabilities and their book values in the Consolidated Financial Statements. However, if the deferred taxes arise from the initial recognition of a liability or an asset in a transaction other than a business combination and which, at the time of the transaction, does not affect either book results or taxable income, said deferred taxes are not recorded in the accounts. Deferred tax is determined by using official tax rates or rates that are about to be approved on the closing date of the accounts of each company and which are expected to be applicable when the corresponding deferred tax asset is realised or liability is paid.

The deferred tax assets are recognised to the extent that profits may be expected to be generated in the future which can be used to offset the timing differences.

Deferred taxes are recognised due to the temporary differences arising from investments in subsidiary and associate companies, except when the date on which the temporary differences will reverse can be controlled and there is a probability of them not reversing in the foreseeable future.

2.20. Share-based compensations.

Certain companies in the group have entered into a series of share-based obligations vis-à-vis incentive programmes with employees and managers (Befesa Medio Ambiente, S.A., Abengoa Bioenergía, S.A. and Telvent GIT, S.A.). These programmes are linked to the achievement of management goals in the coming years. When there is no active market for the shares associated with a programme, the proportional part of the personnel expense is reflected by reference to the buyback value stipulated in the said programmes. In the case of programmes where there is a market value for the shares, the expense is acknowledged for the aliquot part of the financial asset’s reasonable value on the date of execution. In any case, the effect of these plans on Abengoa’s annual accounts is not significant.

In addition, during the financial year, Abengoa, S.A. has implemented a Share Purchase Plan for Executives of the group, approved by the Board of Directors and the Extraordinary General Meeting of Shareholders of 16 October 2005, with the following basic terms:

- For: Up to 122 Directors of Abengoa (business group directors, business unit directors, technical managers and R&D&I managers and corporate services managers) belonging to all its subsidiaries and business areas, present or future, who voluntarily wish to take part in the plan. The plan will not include any member of the Board of Directors of Abengoa. The Plan has not been extended to any member of the Board of Directors of Abengoa. As with previous ones, it is a plan related to the fulfilment of management objectives.

- Share volume: Up to 3,200,000 shares of Abengoa, representing 3.53% of the Company's share capital.

- Those benefiting from the Plan have been granted a bank loan for the purchase, at market value, of Abengoa shares already issued and in circulation, in accordance with the Stock Market Act, with the guarantee of Abengoa and excluding personal liability, for the sum of 87 million euros (including expenses, commissions and interests). The redemption date of this loan is 7 August 2011. The Plan establishes certain requirements on each executive to meet individual annual objectives, as well as continuance in the group.

  Based on the specific conditions of the Plan, the operation is considered a transaction with payment in shares, settled in cash based on IFRS 2, by means of which the company acquires the services provided by the executives, incurring a liability for an amount based on the value of the shares.

  The fair value of the executive services received in exchange for the granting of the option is recognised as a personnel expense. The total amount charged to expenses during the accrual period is determined by reference to the fair value of a hypothetical option to sell ("put") granted by the company to the executive, excluding the effect of the accrual conditions that are not market conditions, and included in the hypotheses on the number of options that it is expected will become exercisable. In this regard, the number of options it is expected will become exercisable is considered in the calculation. At close of each financial year, the company revises the estimation of the number of options it is expected will become exercisable and recognises the impact of this revision of the original estimates, where appropriate, in the results account.

  The fair value of the options granted during the financial year, determined in accordance with the Black-Scholes valuation model, was € 3,797 thousands. The main data entered into the model were the price of the share, an estimated return per dividend, an expected lifetime of the option of 5 years, an annual interest rate and a volatility of the market of the share.

  On the 24 of July 2006 and the 11 of December 2006, the Board of Directors approved an Extraordinary Variable Remuneration Plan for Executives (Plan Two), at the suggestion of the Remunerations and Appointments Committee. The 190 beneficiaries of this Plan will receive a total of € 51,630 thousands over five financial years, 2007 to 2011, on the condition that the personal objectives established in the Strategic Plan are met and that they remain in the company for this period, among others.

2.21. Provisions.

Provisions are recorded when:

- There is a present obligation, whether legal or implicit, as a result of past events;

- There is a greater probability of the need for an outlay of resources to settle the obligation than the reverse; and

- The amount has been estimated reliably.

When there are a number of similar obligations, the probability of the need for an outgoing flow for the corresponding settlement is determined by considering the type of obligations as a whole. A provision is recognised even if the probability of a cash outlay with regard to any item included in the same class of obligations is low.

Contingent liabilities are not posted to the consolidated annual accounts but information is provided on these in accordance with the requirements of IAS 37.

2.22. Transactions in foreign currencies.

a) Functional currency.

The items included in the financial statements of each of the companies in the group are valued using the currency of the main economic environment in which the company operates (functional currency).

b) Transactions and balances.

Transactions in foreign currencies are converted into the functional currency using the rates of exchange current on the dates of the transactions. The income statement in foreign currency resulting from the liquidation of these transactions and the translation at the closing exchange rate of the monetary assets and liabilities designated in foreign currency are recognised in the income statment, unless they are different in the equity, such as the qualified cash flow covers and the qualified net investments covers.

c) Translation of the financial statements in foreign currencies of companies abroad.

The results and financial situation of all the companies in the group with a functional currency different to the presentation currency (Euro), are translated into the presentation currency as follows:

1) All the assets, rights and liabilities are translated into the presentation currency using the exchange rate current on the date on which the accounts of the companies are closed.

2) The items of the statement of operations of each foreign company are translated into the presentation currency using the annual average exchange rate calculated as the arithmetical average of the closing exchange rates of each of the 12 months of the year.

3) The difference between the amount corresponding to the equity of the foreign company, including the balance of the income statement account calculated in accordance with section 2) above, translated at the historic exchange rate, the equity resulting from the translation of the assets, rights and obligations in accordance with section 1) above, are recorded, as positive or negative, as applicable, in the equity of the consolidated balance sheet under the heading titled Accumulated Translation Difference.

The results of the companies to which the equivalence procedure applies are translated to national currency, where applicable, at the average exchange rate for the year, calculated as per section 2) of this point c).

The adjustments to the goodwill and to the fair value that arise in the takeover of a foreign company are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rate.

2.23. Recognition of income.

a) Ordinary income.

Ordinary income includes the fair value of sales of goods and services supplied without including the amounts corresponding to the taxes applied to these transactions, deducting all the discounts and returns and sales within the group from the amount of the transaction.

Ordinary income is recognised as follows:

- The sale of goods is recognised when a group company has delivered the products to the customer, the customer has accepted them and the collection of the corresponding accounts receivable is reasonably assured.

- The sale of services is recognised in the financial year in which the services are provided, by reference to the finalisation of the specific transaction evaluated on the basis of the real service provided as a percentage of the total service to be provided.

- Income from interest is recognised by using the effective interest rate method. When a collectable account undergoes loss through impairment, the book amount is reduced to its recoverable value, discounting estimated future cash flows at the original effective interest rate of the instrument and the discount is recorded as a reduction in interest income. Income from interest on loans that has undergone loss impairment is recognised when the cash is collected or on the basis of the recovery of the cost when the conditions are guaranteed.

- Dividend income is recognised when the right to receive the payment is established.

b) Building contracts.

When the result of a building contract cannot be estimated reliably, the income from the contract is recognised only up to the limit of the costs of the contract whose recovery is considered probable. With building contracts, the costs are recognised as they are incurred.

When the results of a building contract can be estimated reliably and the contract is probably going to be profitable, the income from the contract is recognised during the term of the contract. When it is probable that the costs of the contract will exceed the total income from the contract, the expected loss is recognised immediately as an expense. To determine the appropriate amount to be recognised in a certain period, the percentage of completion method is used. The level of completion is determined by reference to the costs of the contract at the balance sheet date as a percentage of the total estimated costs for each contract. The costs arising during the financial year in relation to the future activity of a contract are excluded from the costs of the contract to determine the completion percentage. They are presented as inventories, advance payments and other assets, depending on their nature.

The gross amounts owed by customers for the work of all the contracts in progress are presented as assets when the costs plus the recognised profits (less the recognised losses) exceed the amount billed to that date. The amounts yet to be paid by customers and withholdings are included in trade accounts receivable and other accounts receivable.

The gross amounts owed to customers for the work of all the contracts in progress are presented as liabilities when the partial billings exceed the costs plus the recognised profits (less the recognised losses).

c) Concession contracts.

Inside the Integrated Products developed in Abengoa (See Note 2.5), there are certain projects in which the titular company of the Project (in association with other companies or exclusively) wins a contract for periods generally of between 20 and 30 years. These contracts include the construction of the infrastructures and the future services associated with the operation and maintenance of the concessions concerned during concession period (induced business).

Each of these projects absorbs, in addition to the infrastructure constructions costs, the financial costs corresponding to the financing of the project, which are capitalised until the asset comes into operation, operating and maintenance costs and the general and administrative costs.

These costs are recovered through the charging by the concessionary entity of an annual fee during the concessionary period which, in certain cases, is maintained in real terms updated by inflation. It is therefore not necessary to create any sinking funds. Where applicable, the updating is based habitually by an official prices rate of the country of the currency in which the charge is denominated and the fluctuations of local currency with regard to a currency basket.

In general, the accounting operation applied in this type of project is as stipulated in the interpretation Nº 12 from the IFRIC on constructed assets considered as Intangible Assets (Concessions) and comprises the following:

1) The profit which may be allocated to the construction phase is recognised in accordance with the degree of completion method, applying values that do not exceed the amounts financed by the associated Project Finance contracts under any circumstances. The total construction costs are recorded under Intangible fixed assets, are amortised on a straight-line basis over the concession period.

2) Interest is capitalised up to entry into service.

3) Book transfer from tangible fixed assets to intangible fixed assets once the construction phase is over and the assets have entered operation.

4) The annual attribution to the income statement during the concessionary period is carried out as follows:

   - Ordinary income: the updated base charge of each financial year.

   - Operating expenses: the operation and maintenance costs, general overheads and administration expenses will be posted to expenses as and when the costs are incurred (accrual) in each period. The provision for amortization of the corresponding fixed asset will be effected in accordance with the criterion explained in paragraph 1) above.

   - Financial expenses: both the financial expenses obtained and the exchange differences resulting from the fluctuations of the part of the debt contracted denominated in foreign currency.

5) At the end of the financial year, each project is analysed to evaluate whether or not it is necessary to recognise impairment due to the non-recovery of the amounts invested.

However, should the licensor of the concession be responsible for paying the services to the operator and should said licensor substantially retain all the demand risks associated with the concession, the construction services are considered as a long term account receivable. The account receivable reduced by the annual charge to be received for this item.

2.24. Leasing.

The leasing of fixed assets in which a group company is the lessee and substantially conserves all the risks and advantages resulting from the ownership of the assets is classified as financial leasing.

Financial leasing is recognised at the beginning of the contract as the lowest fair value of the leased asset and the present value of the minimum payments from the lease. Each lease payment is broken down into the reduction of the debt and the financial charge so that a constant interest rate is obtained on the balance of the debt pending repayment. The payment obligation resulting from the lease, net of the financial charge, is recognised under long term liabilities. The part of the interest of the financial charge is charged to the income statement during the term of the lease in order to obtain a constant regular interest rate on the balance of the debt pending repayment for each period. The fixed assets acquired under financial leasing contracts are depreciated in the shorter of the useful life of the asset and the term of lease.

The leases in which a group company is the lessee and does not conserve a significant part of the risks and advantages resulting from the ownership are classified as operatiing leases. The payments for operatiing leases (net of any incentive received from the lessor) are charged to the income statement on a straight-line base over the term of lease.

2.25. Non-current assets (or disposal groups) held for sale.

Non-current assets (or disposal groups) are classified as assets held for sale and are recognised at the lower of book value and the fair value less selling costs if their book value is recovered mainly through a sale transaction instead of continued use and they are not subject to depreciation.

2.26. Dividend payment.

Payments of dividends to the shareholders of the parent company are recognised as a liability in the group's Consolidated Financial Statements during the year in which the dividends are approved by the shareholders of the said company.

2.27. Electrical activities.

The Electricity Sector Act 54/1997 of 27 November and its subsequent developments regulate the various activities aimed at the supply of electricity, consisting of its production or generation, transport, distribution, commercialisation and intra-community and international exchange, as well as the technical and economic management of the electricity system. The said scope of activity also includes the self-producers and special producers regulated by the said act.

Royal Decree 437/1998, of 20 March, which adopts the standards for the adaptation of the General accounting plan to the companies in the electricity sector, including those in the groups mentioned in the above paragraph, lays down the obligation of including certain information in their financial statements. The said obligations are also applicable to the Consolidated Financial Statements of the groups that are involved in one or more electrical activities.

The consolidation perimeter includes certain companies whose activity can be understood as one of those considered above as electrical.

Appendices IV and IX respectively detail the companies and their activities in the 2006 and 2005 financial years.

Note 37.1 “Fixed assets allocated to electrical activities” details the investments made in each of the activities.

2.28. Environmental assets.

The equipment, installations and systems applied to the elimination, reduction and control of possible environmental impacts are recorded with criteria similar to the fixed assets of a similar nature.

Specific provisions are made for environmental contingencies when, in accordance with a principle of maximum prudence, circumstances so recommend.

2.29. Severance indemnities.

Severance indemnities are paid to employees as a consequence of the company's decision to terminate their employment contracts before the normal retirement age or when employees voluntarily accept redundancy in exchange for the said indemnities. The group recognises these indemnities when it has undertaken, in a way that can be demonstrated, to terminate the employment of current workers in accordance with a formal plan without the possibility of withdrawal or to provide severance indemnities.

2.30. New standards, interpretations and modifications.

The IASB has recently adopted and published certain accounting standards, modifications to the current standards, as well as IFRSIC interpretations which came into force after 31 December 2006. At the end of the financial year, Abengoa has not applied any of these new standards in advance and their application is not expected to give rise to significant effects on the group's financial statements.

Note 3. Financial Risk Management.

3.1. Financial risk factors.

The activities Abengoa carries out through its 5 Business Groups are exposed to various financial risks: Market risk (including exchange-rate risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Risk Management Model at Abengoa seeks to minimise the potential adverse effects on the Group's financial profitability.

Risk management at Abengoa is controlled by the Group's Corporate Financial Department in accordance with the internal mandatory management norms in force. This department identifies and evaluates the financial risks in close collaboration with the Group's operative units. The internal management norms provide written policies for global risk management, as well as for specific areas such as the exchange rate risk, credit risk, interest rate risk, liquidity risk, use of coverage instruments and derivatives and investment of excess liquidity.

a) Exchange rate risk.

Abengoa’s companies operate on an international scale and, therefore, are exposed to risk fluctuation in the value of the currencies other than the functional currency of the company. The exchange rate risk is the result of future business transactions, recognised liabilities and assets and net investments in transactions abroad.

In order to control the exchange rate risk, the companies in the Group use contracts subject to terms. The exchange-rate risk arises when future transactions, recognised liabilities and assets are denominated in a currency that is not the Company's functional currency.

For the purposes of presentation of the financial information, each dependent company enters into external exchange-rate contracts, which it designates as coverage of the reasonable value or cash flows, as appropriate. The Corporate Department takes part in the design, execution, control and monitoring of these hedging operations

Approximately 95% of the transactions forecast in each of the currencies other than the functional currency are classified as highly probable scheduled transactions for the purposes of hedge accounting.

b) Credit risk.

Most of the accounts receivable and work in progress correspond to customers located in diverses industries and countries. In most cases, the contracts require payments as the project is developed, begun or delivered.

It is usual practice for the company to reserve the right to cancel the work should there be material breach, in particular, non-payment.

In addition to the above, the company has the firm commitment of a first level bank for the purchase, without resources, of the accounts receivable. In these agreements, the company pays the bank for assuming the credit risk, together with an interest for the finance. In all cases, the company assumes the validity of the accounts receivable.

At the end of the 2006 financial year, the company has factoring without recourse lines totalling € 1,200 millions approximately (€ 1,400 millions in 2005).

Financial expenses during the year 2006 resulting from the said factoring transactions totalled € 16.337 thousands (€ 12,424 thousands in 2005)

c) Liquidity risk.

A careful management of the liquidity risk involves the maintenance of sufficient cash and negotiable securities, the availability of finance by means of a sufficient amount of committed credit facilities and the capacity for liquidating market positions. Given the dynamic character of the underlying businesses, the objective of the Corporate Financial Department is to maintain flexibility in finance through the availability of committed lines of credit.

d) Cash flow interest rate risk.

The Group's interest rate risk is the result of long-term external resources. The external resources issued at variable rates expose the Group to cash flow interest rate risk.

The Group manages the cash flow interest rate risk through the purchase of options in exchange for a premium through which the company assures the payment of a maximum fixed interest rate. In addition and under certain conditions, the company uses swap of variable to fixed interest rate.

Note 4. Accounting Estimates and Judgements.

In Abengoa's Consolidated Financial Statements corresponding to the 2006 and 2005 financial years, estimates made by the top-level management of the group and the consolidated companies have been used occasionally, subsequently ratified by the corresponding directors, to quantify some of the assets, liabilities, income, expenses and commitments recorded in the said accounts. Basically, these estimates refer to the following:

- Asset impairment losses (See Note 2).
- The service life of the tangible and intangible assets (See Notes 2, 6, 7 and 8).
- The amount of certain provisions (See Note 25).
- The valuation of the goodwill (See Note 6).
- The fair value of certain non-listed assets (See Note 10).
- Tax on profits (See Note 24).

Despite the fact that these estimates were made in accordance with the best information available at the end of each financial year concerning the facts under analysis, future events may require their modification (upwards or downwards) in the coming financial years. This would be carried out in accordance with the provisions laid down in the IAS 8, prospectively recognising the effects of the changed estimation in the corresponding consolidated income statement .

Note 5. Financial Information by Segments.

5.1. Information by business segments.

The segments identified to show the information correspond to the 5 Business Groups in which Abengoa operate since 2006 (See Note 1). The said segments are as follows.

- Solar.
- Bioenergy.
- Environmental services.
- Information Technologies.
- Industrial construction and engineering.

As the solar activity has been designated a Business Group during 2006, the information mechanisms required for that activity to be a differentiated line of business have been laid down, although, at the moment, no separate figures have been included in this note due to the fact of the scanty materiality of his numbers.

a) The distribution by business segments of the consolidated net turnover for the financial years ending at 31 December 2006 and 2005 is as follows:

Segment	**Amount at 31.12.06**	**Amount at 31.12.05**
Bioenergy	476,192	392,674
Environmental services	555,285	402,403
Information Technologies	476,334	362,558
Corporate and industrial construction and engineering	1,169,375	865,880
Net turnover	**2,677,186**	**2,023,515**

b) The contributions to results after tax by business segments for the financial years ending at 31 December 2006 and 2005 are as follows:

Segment	**Amount at 31.12.06**	**Amount at 31.12.05**
Bioenergy	17,001	12,574
Environmental services.	26,499	17,468
Information Technologies	20,658	13,893
Corporate and industrial construction and engineering	57,345	34,546
After-tax profits	**121,503**	**78,481**

c) The assets and liabilities by business segments at 31 December 2005 and 2006 are as follows:

	Bio.	Environ. Services	IT	Ind. Const. and Eng.	Corp. Act. and Adjustments	Total at 31.12.05
Assets						
Tangible Fixed Assets	259,445	176,073	54,726	323,017	3,694	816,955
Intangible assets	560	5,855	5,924	2,528	741,335	756,202
Financial Investments	3,349	41,192	40,059	58,650	127,816	271,066
Current Assets.	409,347	290,792	273,568	552,207	(47,413)	1,478,501
Total Assets	**672,701**	**513,912**	**374,277**	**936,402**	**825,432**	**3,322,724**
Liabilities						
Equity	162,452	175,483	150,404	151,349	(113,497)	526,191
Non-current Liabilities	261,946	54,884	28,032	219,869	607,169	1,171,900
Current Liabilities	248,303	283,545	195,841	565,184	331,760	1,624,633
Total Liabilities	**672,701**	**513,912**	**374,277**	**936,402**	**825,432**	**3,322,724**

	Bio.	Environ. Services	IT	Ind. Const. and Eng.	Corp. Act. and Adjustments	Total at 31.12.06
Assets						
Tangible fixed assets	368,092	244,606	52,135	930,975	(588,716)	1,007,092
Intangible assets	47,849	353,506	57,588	66,558	877,395	1,402,896
Financial Investments	46,849	141,858	66,823	105,559	13,000	374,089
Current Assets	471,588	366,056	380,970	1,043,456	380,431	2,642,501
Total Assets	**934,378**	**1,106,026**	**557,516**	**2,146,548**	**682,110**	**5,426,578**
Liabilities						
Equity	185,248	112,795	168,648	207,354	(132,919)	541.126
Non-current Liabilities	387,793	440,678	25,732	428,281	785,019	2,067,503
Current Liabilities	361,337	552,553	363,136	1,510,913	30,010	2,817,949
Total Liabilities	**934,378**	**1,106,026**	**557,516**	**2,146,548**	**682,110**	**5,426,578**

The criteria used to obtain the figures for assets and liabilities by business segments are as follows:

1. The figures have been grouped together by each segment based on the use of the sub-consolidated figures of each of the business heads maintained by the group.

2. The Corporate activity and Adjustments column includes both the assets and liabilities of general use, which are not distributed to the other activities and which are mainly included in the balance sheet of the parent company, as well as the adjustments effected during the consolidation process.

3. The group also has auxiliary activities, portfolio companies and companies dedicated to the exploitation of property, whose dimension is not significant (less than 5%) enough to present separate information, which is why they are included in the corporate activity column.

d) The detail of Net Debt by business segments at 31 December 2006 is as follow:

Item	Bio.	Environ. Services	IT	Ind. Const. and Eng.	Corp. Act. and Adjustments	Total 2006
Long and Short-term Recourse Financing	292,657	422,358	71,871	429,861	139,185	1,355,932
Long and Short-term Non-recourse Financing	111,335	339,771	24,588	778,176	-	1,253,870
Financial Investments	(94,638)	(59,581)	(58,152)	(427,246)	157,878	(481,739)
Cash and Cash Equivalents	(210,706)	(69,327)	(40,406)	(102,158)	(605,375)	(1,027,972)
Total Net Debt	**98,648**	**633,221**	**(2,099)**	**678,633**	**(308,312)**	**1,100,091**
Long and Short-term Non-recourse Financing	(111,334)	(339,771)	(24,588)	(778,176)	-	(1,253,870)
Total Net Debt (excluding N/R Financing)	**(12,686)**	**293,450**	**(26,687)**	**(99,543)**	**(308,312)**	**(153,779)**

The criteria used to obtain the figures for Net Debt by business segments are as follows:

1. The figures have been grouped together by each segment based on the use of the sub-consolidated figures of each of the business heads maintained by the group.

2. The Corporate activity and Adjustments column includes both the amounts, which are not distributed to the other activities and which are mainly included in the balance sheet of the parent company, as well as the adjustments effected during the consolidation process.

3. The syndicated Corporate Finance granted to Abengoa, S.A. for an amount of € 1,200,000 thousands has been distributed by Business Groups as its main purpose is to finance investments in projects and companies needing to expand Group businesses and activities.

5.2. Information by geographical segments.

a) The sales distribution by geographical segments at 31 December 2006 and 2005 is as follows:

Geographic area	Amount at 31.12.06	%	Amount at 31.12.05	%
Domestic market	**1,177,366**	**44.0**	**1,041,707**	**51.5**
- USA and Canada	284,726	10.6	270,269	13.4
- European Union	319,029	11.9	122,184	6.0
- Latin-America	739,495	27.6	492,300	24.3
- Other countries	156,570	5.9	97,055	4.8
Foreign market	**1,499,820**	**56.0**	**981,808**	**48.5**
Total	**2,677,186**	**100.0**	**2,023,515**	**100.0**

b) The distribution of net investments in (Intangible and Tangible) Fixed Assets by geographical segments at 31 December 2006 and 2005 is as follows:

Geographic area	Balance as of 31.12.06	Balance as of 31.12.05
Domestic market	**505,454**	**576,860**
- USA and Canada	152,622	99,572
- European Union	131,480	20,784
- Latin-America	1,022,037	571,002
- Other countries	2,876	1,514
Foreign market:	**1,309,015**	**692,872**
Total	**1,814,469**	**1,269,732**

Note 6. Intangible Assets.

6.1. The statement and movement of the main types of intangible assets, broken down between those generated internally and other intangible assets, are as follows:

Cost	Goodwill Fund	Development Projects	Other	Total
Balances as of 31 December 2004	297,293	-	15,457	312,750
Increases	1,217	37,487	10,699	49,403
Decreases	(5,422)	-	(2,194)	(7,616)
Other movements	10,337	-	(9,078)	1,259
Balances as of 31 December 2005	**303,425**	**37,487**	**14,884**	**355,796**
Increases	293,805	-	2,067	295,872
Decreases	-	-	(10,188)	(10,188)
Other movements	(1,711)	(22,283)	20,166	(3,828)
Balances as of 31 December 2006	**595,519**	**15,204**	**26,929**	**637,652**

Accumulated depreciation	Goodwill Fund	Development Projects	Other	Total
Balances as of 31 December 2004	-	-	(2,802)	(2,802)
Increases (changes)	-	-	(4,494)	(4,494)
Decreases	-	-	167	167
Other movements	-	-	-	-
Balances as of 31 December 2005	**-**	**-**	**(7,129)**	**(7,129)**
Increases (changes)	-	-	(5,981)	(5,981)
Decreases	-	-	438	438
Other movements	-	-	(1,644)	(1,644)
Balances as of 31 December 2006	**-**	**-**	**(14,316)**	**(14,316)**

The amounts corresponding to "Other Movements" generally reflect the inputs from certain companies considered as Project Companies in previous financial years and account re-classifications, as well as adjustments made to the definitive balances in the previous financial year for individual companies with respect to those provided for consolidation purposes and exchange-rate effects.

In the 2006 financial year and in the heading titled "Development Projects" it is included the amounts invested in two projects: "Design and Development of two Pilot Plants for the production of Bioethanol using Cellulose Biomass" (€ 7,5 millions) and "Development Project to improve the productivity of Solar Heating Plants" (€ 7,7 millions). In addition, "Other Movements" includes the reclassification of projects for the "Development of Plants with high-performance thermo-electric solar technology" to Fixed Assets in Projects (See Note 8).

In addition, Abengoa makes significant investments in R&D&I, which are included in the income statement in accordance with the criteria laid down in IFRS. The amount for Spending on Research and Development for the financial year is 2006 and 2005 totals € 23,239 and € 18,305 thousands, respectively.

6.2. The consolidation goodwill by part-owned companies at 31 December 2006 and 2005 is as follows:

Goodwill	Balance as of 31.12.06	Balance as of 31.12.05
Companies consolidated by line by line / proportional method		
Abengoa Bioenergy Corp.	33,720	37,726
AB Bioenergy France, S.A.	1,510	-
Befesa Aluminio Valladolid, S.A.	422	422
Befesa Aluminios Bilbao, S.L.	18,230	18,230
Befesa Argentina, S.A.	520	525
Befesa Gestión de PCB, S.A	180	180
Befesa Gestión de Residuos Industriales, S.L.	48,639	46,145
Befesa Medio Ambiente, S.A.	174,150	162,587
Befesa Zinc Amorebieta, S.A.	2,633	2,663
Befesa Zinc Aser, S.A.	4,268	4,268
Befesa Zinc Sondika, S.A.	854	854
BUS Group AB	260,112	-
Construcciones y Depuraciones, S.A.	3,006	3,006
Construcciones Metálicas Mexicanas, S.A. de C.V.	569	651
Energoprojekt-Gliwice, S.A.	2,192	-
Maexbic, S.A.	1,486	-
Miner & Miner Consulting Engineers, Inc.	7,141	3,435
Nordic Biofuels of Ravenna	4,204	932
Telvent Australia Pty Ltd	-	836
Telvent Canadá, Ltd.	18,219	19,333
Telvent Farradyne, Inc.	12,002	-
Telvent USA, Inc.	1,462	1,632
Totals	**595,519**	**303,425**

The most important variation corresponds to the acquisition on the 27 of October 2006 of 100% of the B.U.S. Group AB through Aser Recuperación del Zinc, S.L. (a company 100% owned by Befesa Medio Ambiente, S.A.), for the sum of € 258,500 thousands.

This purchase became effective at the start of December 2006, after the appropriate authorisations had been obtained from the German authorities of competition. Therefore, 01 December 2006 has been taken as the reference date for the determination of the Goodwill, for its integration into the consolidation perimeter.

The activity of B.U.S. Group AB and dependent companies is carried out through five operating companies placed in Germany, France and Sweden, and is focussed on the recycling of waste from the steel industry in general and stainless steel in particular.

To be able to undertake this operation, a loan was taken out with a financial entity for a total amount of 335.5 million euros, which, in addition to the operation to purchase the B.U.S. group, also replaced other financial contracts held by Befesa Zinc Aser, S.A.

In addition, Aser Recuperación del Zinc, S.L. increased its equity by € 19,000 thousands (subscribed in its entirety by its parent company MRH Residuos Metálicos, S.L., 100% owned by Befesa Medio Ambiente, S.A.) and changed its corporate name to Befesa Zinc, S.L.

As a result of the purchase of the B.U.S. AB Group, at the start of 2007 the corporate structure of the Zinc de Befesa group was reorganised, and therefore the subsidiaries in which Befesa Zinc Aser, S.A. held 51% or more of the equity, Zinc Amorebieta, S.A. and Befesa Zinc Sondika, S.A., were acquired by MRH Residuos Metálicos, S.L. These acquisitions were carried out at a sales price which was the higher of either the theoretical book value of the acquired company on the date of acquisition or the value of the stake in the books of the selling companies.

In compliance with IFRS 3 regarding combinations of businesses, the Board of Directors carried out an analysis for the allocation of the purchase price.

The acquisition value of the stake in B.U.S. was € 287,235 thousands, which is the result of adding to the purchase price of 258 million euros the costs necessary to carry out the acquisition, which essentially included those corresponding to the cancellation of the zinc hedges contracted by B.U.S., plus the costs deriving from the postponement of the payment and the purchase consultants.

In assigning the purchase price, all those factors that were considered when determining it were likewise taken into account. After the analysis carried out, the purchase price was finally assigned to the generation of cash by the cash units of which were defined for the purposes of the calculation, as it was concluded that there were no other factors, such as revaluations of tangible or intangible assets not recognised in the balance sheet, goodwill assignable to client portfolios or others.

The main impacts on the balance sheet at 1 December 2006 are as follows:

	Thousand Euros
Non-current assets	64,052
Short-term financial investments and cash	44,233
Other current assets	60,762
Current and non-current liabilities	(141,924)
Reasonable valuable of the net assets acquired	**27,123**
Goodwill in the acquisition	**260,112**
Purchase price	**287,235**

The main impacts on the balance sheet at 31 December 2006 are as follows:

	Thousand Euros
Non-current assets	65,429
Short-term financial investments and cash	27,269
Other current assets	60,134
Current and non-current liabilities	122,791
Result attributable for the period of 1 month	**2,918**

If it had formed part of the Befesa Group from 01 January 2006, the B.U.S. Group would have contributed with results by € 40,278 thousands. This contribution, among other aspects, was taken into consideration for the determination of the cash flows of each one of the cash-generation units that have been defined and which correspond to each one of the 5 production plants of the B.U.S. Group.

The determination of the future cash flows contemplates the following hypotheses:

- Sale prices of the zinc covered by means of futures contracts

- Cash flows based on the 5-year budgets, which contemplate an operating situation similar to the current one, as there are no plans to dismantle plants or other substantial modifications.

- Market discount factor (WACC)

- Predicted inflation of 2%

With regard to the rest of goodwill, at the end of the financial year, estimates have been made of the recoverable amount of the Cash Generation Units (CGU) to which they have been allocated in conformity with what described in Note 2.6. At the year end, it has not been considered necessary to record impairment losses.

Note 7. Tangible Fixed Assets.

7.1. The statement and movements for the 2005 and 2006 financial years regarding the different categories of tangible fixed assets are given the following table:

Cost	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Balances as of 31 December 2004	160,803	340,702	7,281	101,184	609,970
Increases	36,845	33,314	14,964	31,675	116,798
Decreases	(849)	(2,655)	(18,092)	(12,972)	(34,568)
Other movements	(9,102)	141,727	23,153	25,946	181,724
Balances as of 31 December 2005	**187,697**	**513,088**	**27,306**	**145,833**	**873,924**
Increases	24,792	40,283	26,866	916	92,857
Decreases	-	(14,156)	-	(3,242)	(17,398)
Other movements	4,734	51,013	(8,830)	(226)	46,691
Balances as of 31 December 2006	**217,223**	**590,228**	**45,342**	**143,281**	**996,074**

Accumulated depreciation	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Balances as of 31 December 2004	(19,267)	(175,140)	-	(56,946)	(251,353)
Increases	(2,902)	(24,382)	-	(7,936)	(35,220)
Decreases	125	30	-	868	1,023
Other movements	1,315	(36,756)	-	(10,210)	(46,651)
Balances as of 31 December 2005	**(20,729)**	**(236,248)**	**-**	**(74,224)**	**(331,201)**
Increases	(2,767)	(29,993)	-	(4,815)	(37,575)
Decreases	26	13,977	-	1,853	15,856
Other movements	(508)	(1,682)	-	(1,219)	(3,409)
Balances as of 31 December 2006	**(23,978)**	**(253,946)**	**-**	**(78,405)**	**(356,329)**

In general, the amounts corresponding to "Other Movements" show the inclusion of certain companies considered as Project companies in previous fiscal years, balance reclassifications, as well as regularisations between definitive balances from the previous financial year of individual companies regarding those provided for consolidation and the effects of the rates of exchange.

7.2. The fixed assets not used in operations are not significant.

7.3. It is the companies' policy to take out all the insurance policies considered necessary for covering the possible risks that might affect the Tangible Fixed assets.

7.4. In compliance with the agreements laid down in the town planning collaboration agreement by and between the town planning department of Seville, Iniciativas de Bienes Inmuebles, S.A. (IBISA) and Abengoa, S.A. on 1 March 2004, at the end of the 2005 financial year the group company Centro Tecnológico Palmas Altas, S.A. (CTPA) acquired land owned by IBISA amounting to € 31 millions. The said amount corresponds to that for which IBISA acquired the land from Abengoa, S.A. in 2002 (amounting to € 28,858 thousands) plus costs, which were basically financial, attributable to the value of the land from that date. The agreements between the parties included the commitment, should the value of the land acquired by IBISA from Abengoa, S.A., for whatsoever reason, be finally higher than the acquisition price plus expenses, that Ibisa would undertake to transfer the difference between both values to Abengoa, S.A. or award a buyback option under the same terms and conditions, which has been the option taken.

Subsequently, CTPA carried out an exchange with the City Hall of Seville whereby it acquired 80.94% of the ownership of land in Palmas Altas to install a technology centre in exchange for the urban use of 14,480.76 square metres of its land. The valuation of the exchanged assets totals € 17,940 thousands.

The aforementioned valuation involves capital gains on the cost of the land exchanged totalling € 8,738 thousands without considering the tax effect susceptible to recognition under IFRS. However, given that the transaction is pending valuation with no monetary transaction related to the lands and rights exchanged having been closed and or registered in the Companies Book at the date of closure, which will take place when the agreement is recorded as a public document, the recognition of the capital gains will be carry out at the moment when a monetary transaction is carried out involving any of the lands forming part of the exchange.

By virtue of the commitments assumed by IBISA and Abengoa, CTPA shall complete the construction of the Technology Centre in the maximum term of three years from when the works licence is awarded that has been requested at the beginning of 2007. On the other hand, given that the urban use transferred will occur once the town planning project has been definitively approved, constituting a future asset until then, CTPA has provided guarantee for the value of the said asset (€ 17,940 thousands), surety replaced by another worth 2.28 millions euros, in accordance with the provisions stipulated in the agreement signed with the City Council on October 19th, 2005, following the definitive approval of the General Land Use Plan (PGOU) published on September 7th, 2006.

Note 8. Project Finance.

8.1. The amounts and variations during the 2005 and 2006 financial years with regard to investments in projects financed without recourse are as follows:

Intangible assets	Balance as of 31.12.04	Increases	Decreases	Other movements	Balance as of 31.12.05
Intangible assets	213,189	244,511	(47,434)	9,093	419,359
Accumulated depreciation	(11,728)	(6,451)	13,480	(7,125)	(11,824)
Net intangible assets	**201,461**	**238,060**	**(33,954)**	**1,968**	**407,535**

Intangible assets	Balance as of 31.12.05	Increases	Decreases	Other movements	Balance as of 31.12.06
Intangible assets	419,359	360,784	(27,758)	51,038	803,423
Accumulated depreciation	(11,824)	(11,600)	396	(835)	(23,863)
Net intangible assets	**407,535**	**349,184**	**(27,362)**	**50,203**	**779,560**

Tangible Fixed Assets	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Balances as of 31 December 2004	6,396	231,595	113,202	6,191	357,384
Increases	-	-	175,145	530	175,675
Decreases	-	-	-	-	-
Other movements	(5,096)	(134,434)	(81,600)	(5,790)	(226,920)
Balances as of 31 December 2005	**1,300**	**97,161**	**206,747**	**931**	**306,139**
Increases	23,709	68,280	65,010	11,733	168,732
Decreases	-	(93)	-	-	(93)
Other movements	(936)	(16,354)	(48,628)	27,040	(38,878)
Balances as of 31 December 2006	**24,073**	**148,994**	**223,129**	**39,704**	**435,900**

Accum. Deprec. Tang. Fixed Assets	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Balances as of 31 December 2004	(188)	(63,821)	-	(4,148)	(68,157)
Increases	(42)	(2,994)	-	(414)	(3,450)
Decreases	-	-	-	-	-
Other movements	-	35,672	-	4,028	39,700
Balances as of 31 December 2005	**(230)**	**(31,143)**	**-**	**(534)**	**(31,907)**
Increases	(257)	(4,382)	-	(648)	(5,287)
Decreases	-	35	-	-	35
Other movements	(9,109)	(14,627)	-	(7,658)	(31,394)
Balances as of 31 December 2006	**(9,596)**	**(50,117)**	**-**	**(8,840)**	**(68,553)**

The heading "Other Movements in Tangible Fixed Assets" includes both the transfer from tangible fixed assets to the intangible assets of the products integrated once the construction and commencement phase has ended (See Note 2.23) and the outgoings of certain companies not considered Projects companies in this financial year and the effects of the rates of exchange.

In addition, the variations in Advances and Fixed Assets in Progress for € 65,010 thousands correspond basically to the construction of the transmission line Pará-Tocantins, a company in preoperational phase (See Note 8.4) and, in accordance with the above, to the reclassification of the projects in progress in previous years and which this year are considered as an intangible asset once their construction is finished.

Intangible Assets includes the amount invested in the "Development of Plants with high-performance thermo-electric solar technology" project (€ 58.2 millions at 31 December 2006).

8.2. The amounts and variations during the 2005 and 2006 financial years with regard to project finance are as follows:

No-recourse financing applied to projects	**Balance as of 31.12.04**	**Increases**	**Decreases**	**Other movements**	**Balance as of 31.12.05**
Long term	203,939	237,663	(49,118)	(6,119)	386,365
Short term	160,838	254,727	(122,571)	(8,519)	284,475
Total no-recourse financing	**364,777**	**492,390**	**(171,689)**	**(14,638)**	**670,840**

No-recourse financing applied to projects	**Balance as of 31.12.05**	**Increases**	**Decreases**	**Other movements**	**Balance as of 31.12.06**
Long term	386,365	510,521	(47,711)	(53,107)	796,068
Short term	284,475	247,589	(66,117)	(8,145)	457,802
Total no-recourse financing	**670,840**	**758,110**	**(113,828)**	**(61,252)**	**1,253,870**

On the assets side of the Balance Sheet ("Financial accounts receivable" of under the current assets), there are reserve accounts at the beginning inception of the debt amounting to € 19,092 thousands related to project finance.

8.3. The cancellation of the no-Recourse Financing Applied to Projects is scheduled, to date, in accordance with the following calendar as per the cash-flow forecasts to be generated by the projects.

2007	**2008**	**2009**	**2010**	**2011**	**Subsequent**	**Total**
457,802	115,589	72,884	85,357	76,536	445,702	1,253,870

8.4. The no-recourse Financing applied to projects includes, as no-Recourse Financing in Progress, the cash transactions consisting of the obtaining of financial resources, generally through banks, that are included in Project development, which are normally carried out under the modality of no-Recourse Financing Applied to Projects. This obtaining of resources is considered as a concept similar to the traditional advance payments customers make during the different phases of the execution of a Work or Project; the no-Recourse Financing in Progress has the particularity with regard to the traditional advance payments of customers in that it is usually a bank that provides the funds and they correspond to temporary transactions (usually with a term less than 2 years) during the Assets/Projects construction and launch phase which, once finalised and commissioned, are the object of transactions financed through the modality of no-Recourse Financing Applied to Projects (See Note 2.5).

The temporary cash transactions remain in this heading until the definitive formalisation of the no-Recourse Financing Applied to Projects.

However, if during the transitional period, there is a risk of non-compliance with of the terms agreed for the formalisation of the project finance (or for the construction that will finally give rise to the finance), they are reclassified to the corresponding section of the balance sheet heading in accordance with their nature; which is usually Bank loans.

At 31/12/06, the only project in process is the following:

The Lot A Line - Pará-Tocantins Transmission Lines, whose concession possesses the company ATE III Transmissora de Energia, S.A. The most significant figures of these project are given in the following table:

Item	**ATE III**
Project start date	April 2006
Anticipated finalisation date	April 2008
Contract amount (EPC)	€ 211,550 thousands
Execution at 31/12/06	€ 57,973 thousands
Short-term finance start date	March 2006
Short-term finance maturity date	March 2008
Amount drawn	€ 179,617 thousands
Long-term anticipated finance start date	April 2007
Long-term finance duration	Up to 15 years
Total amount long-term finance	€ 109,301 thousands

The Sobradinho-Colinas transmission line project, whose concession belongs to the company ATE II Transmissora de Energia, S.A. and which was classified in this heading at 31/12/05, has also now been definitively formalised as no-Recourse Financing Applied to Projects.

Note 9. Investments in Associated Companies.

The investments in associated companies during the 2005 and 2006 financial years are as follows:

Company	Balance as of 31.12.04	Yearly allocation	Other movements	Balance as of 31.12.05
Agua y Gestión de Servicios Ambientales, S.A.	5,792	721	80	6,593
Cogeneración del Sur, S.A.	72	1	157	230
Cogeneración Motril, S.A.	3,269	1,540	(643)	4,166
Deydesa 2000, S.L.	7,846	-	(636)	7,210
Ecología Canaria, S.A. (Ecansa)	873	52	(52)	873
Expansion Transmissao de Energía Eléctrica Ltda.	6,532	1,913	1,985	10,430
Expansion Transmissao Itumbiara Marimbondo, Ltda.	4,220	690	1,388	6,298
Intersplav	2,391	270	80	2,741
Inversiones Eléctricas Transam Chile Limitada	-	-	5,032	5,032
Tenedora de Acciones de Red Eléctrica del Sur, S.A.	6,433	220	(524)	6,129
Other companies	783	(49)	(400)	334
Total	**38,211**	**5,358**	**6,467**	**50,036**

Company	Balance as of 31.12.05	Yearly allocation	Other movements	Balance as of 31.12.06
Agua y Gestión de Servicios Ambientales, S.A.	6,593	1,198	(1)	7,790
Cogeneración del Sur, S.A.	230	(59)	(160)	11
Cogeneración Motril, S.A.	4,166	405	(429)	4,142
Deydesa 2000, S.L.	7,210	518	48	7,776
Ecología Canaria, S.A. (Ecansa)	873	32	(30)	875
Expansion Transmissao de Energía Eléctrica, Ltda.	10,430	3,446	(3,255)	10,621
Expansion Transmissao Itumbiara Marimbondo, Ltda.	6,298	1,222	(1,210)	6,310
Intersplav	2,741	-	135	2,876
Inversiones Eléctricas Transam Chile Limitada	5,032	343	(276)	5,099
Tenedora de Acciones de Red Eléctrica del Sur, S.A.	6,129	463	451	7,043
Other companies	334	(36)	(239)	59
Total	**50,036**	**7,352**	**(4,966)**	**52,602**

The most significant movement in the fiscal year corresponds to Expansion Transmissao de Energía Eléctrica, Ltda. and to Expansion Transmissao Itumbiara Marimbondo, Ltda. due to exchange rate differences caused by the devaluation of the Brazilian real versus the Euro (See Note 19 on exchange rate differences).

The goodwill included in the acquisition price totals € 4,483 thousands relates in its entirety to companies Deydesa 2000, S.L. and Intersplav.

The amount of the holdings corresponding to companies located outside Spain totals € 31,947 thousands (€ 30,630 thousands in 2005).

Note 10. Financial Assets at Fair Value with Changes in Results.

The financial assets at fair value with changes in results during the 2006 and 2005 financial years are as follows:

At 31 December 2004	**98,777**
Entries	8,073
Disposals	(1,435)
Adjustment at fair value	17,353
Exchange differences	-
At 31 December 2005	**122,768**
Entries	-
Disposals	(61,471)
Adjustment at fair value	16,445
Exchange differences	-
At 31 December 2006	**77,742**
Less: Non-current part	**-**
Current part	**77,742**

10.1. The market-value financial assets with changes in the results include in their entirety stockholdings in IBEX-listed companies.

10.2. The financial results heading of the income statement includes the net profits obtained from the sale of securities listed on an organised secondary market for the approximate amount of € 6,434 thousands.

Note 11. Financial Assets Available for Sale.

The financial assets available for sale during the 2005 in 2006 financial years are as follows:

At 31 December 2004	**31,579**
Entries	8,094
Disposals	(6,880)
At 31 December 2005	**32,793**
Entries	52,685
Disposals	(5,186)
At 31 December 2006	**80,292**
Less: Non-current part	47,087
Current part	33,205

During 2005 and 2006, there were no provisions for impairment losses in the financial assets available for sale.

11.1. The financial assets available for sale include mainly holdings in companies not listed on a secondary market.

11.2. The following is a list of the companies which, in accordance with current standards, have not been included in the Consolidation Perimeter for the 2006 and 2005 financial year (See Note 2.2) and in which the level of direct and indirect participation of the parent company is greater than 5% and lower than 20%, where the net book value of the aforementioned holdings is € 35,172 thousands.

Long-Term Securities	**2006 % Shareholding**	**2005 % Shareholding**
Banda 26, S.A.	12.85	9.00
Dyadic Investment	10.00	-
Grupo S21 SEG Gestión, S.A.	5.00	-
Holding Estructuras	5.00	5.00
Nextell Communication Solutions, S.A.	10.00	10.00
Norpost, S.A.	10.00	10.00
02 Diesel	13.00	13.00
Soc. Con. Canal Navarra	10.00	-
Viryanet, Ltd.	18.69	9.96
Xfera Móviles, S.A.	3.00	5.63

Short-Term Securities	**2006 % Shareholding**	**2005 % Shareholding**
BC International Corp.	9.90	9.90
Chekin	14.28	14.28
Comeesa	6.08	6.08
Mediación Bursátil, S.V.B., S.A.	8.00	8.00

11.3. All the necessary notifications have been sent to the companies in which the direct or indirect shareholding is more than 10%, in compliance with of article 86 of the rewritten text of the Limited Companies Act.

11.4. There are no substantive circumstances that affect the portfolio securities, such as lawsuits, seizures, etc.

11.5. There are no firm purchase and/or sale commitments that may be considered significant with regard to the financial statements as a whole.

11.6. The amount of the interests accrued and not collected is not significant.

11.7. The average profitability rate of the fixed income securities is in line with market rates.

11.8. On 30 December 2002, Telvent GIT, S.A. a subsidiary of Abengoa, S.A. and head of the information technologies business group, exercised, in advance, a purchase option awarded in 2000 by Inversión Corporativa IC., S.A. (a holding company with most of the shares of Abengoa, S.A.) over 3.71% of Xfera, S.A. amounting to € 25,000 thousands. The set holding had been simultaneously (December 2002) acquired for a similar amount by Inversión Corporativa IC, S.A. in application of the purchase option and deferred sale contracts that had been signed in 2000 with Mercapital Telecommunications.

As a consequence of the acquisition of its holding in Xfera, Telvent GIT, S.A. initially took over the responsibility for the guarantees (a) amounting to € 99,963 thousands with regard to the Spanish government, for which it made monetary deposits (in euros and in dollars) for a value of approximately € 50,000 thousands as guarantee for the compliance with the commitments (which were to be materialised gradually and over a period of 10 years after the date of the commercial launch) regarding investment, commercialisation, employment and the development of the network acquired by Xfera Móviles, S.A. with regard to the UMTS B-2 licence; and (b) for € 7,781 thousands as a guarantee for the claim filed before the government for the amounts corresponding to the radioelectric public domain reserved for the 2001 and 2002 financial years.

At present, this holding is maintained in the group under the ownership of the company Telvent Investments, S.A. (a holding company that is owned 100% by Abengoa, S.A.), which acquired the holding in the 2004 financial year according to the corresponding book cost.

During the 2003 financial year, on 21 March, the Secretary of State for Telecommunications and the Information Society adopted a resolution whereby the amounts and terms of the commitments assumed by Xfera were modified. This enabled the operator's shareholders to replace the amount and the characteristics of the 26 original guarantees by one single floating guarantee amounting to € 467,797 thousands, that with posteriority has come down to the current amount of € 176,100 thousands.

Consequently, the amount counter-guaranteed by Telvent GIT for the said item have been reduced at present up to € 5,283 thousands.

During the 2004 financial year, the group increased its holding to 5.63%, with the cost of € 760 thousands motivated by the incompatibility (Orange takeover bid) with regard to Vodafone's holding (6.986%) in the share capital of Xfera, solved by means of arbitrator's decision.

In addition, in the 2004 and 2005 financial year, the company subscribed in its percentage to the increases in capital agreed in December 2003 and December 2004, which meant a payment of € 2,822 thousands.

During the 2006 financial year, the shareholders in Xfera, except for Telvent, have proceeded to sell all or part of their stakes in the share capital of the company to Telia Sonera, main Xfera's shareholder, for a sum equivalent to € 475 millions distributed between a cash payment of € 125 millions (for 100% of the company) and an earn-out for the remainder subject to certain requirements regarding possible IPOs by Xfera, sale of stockholdings in excess of 30% or distribution of dividends. This transaction also entails the acceptance by Telia Sonera of the part of the sureties granted in favour of the Administration corresponding to each of the vendors.

After the transaction described above, the General Meeting of Xfera's shareholders held on June 29th resolved to use part of the issue premium amounting to € 196,000 thousands in order to offset the losses from previous financial years, and also adopted two resolutions on reducing the share capital through a write-down in the face value of the shares. The first of these, for an amount of approximately € 99,947 thousands, was also intended for the elimination of losses from previous financial years and for the complete provision of the legal reserve, while the second one was for the transfer of € 132,073 thousands to the voluntary reserve fund. In the General Meeting of Xfera's shareholders held on June 29 it was agreed, among others, the increase of Company's share capital by € 111,428 thousands, with Telvent waiving its right to participate in the capital increase, thus diluting its stake from 5.67% to 3% of Xfera's share capital.

In addition, the Xfera's shareholders resolved to award this company participatory loans in the amount of € 147,000 thousands, of which € 4,410 thousands correspond to Telvent, equivalent to 3% of the total amount lent.

As a result of the transactions indicated in the preceding paragraphs, the net cost of the stockholding in Xfera amounted, at the close of 2006, to € 23,613 thousands, whereas the amount of the guarantees provided by the Company as a consequence of this investment was € 5,283 thousands. In addition, Telvent maintains guarantees for the radioelectric spectrum levy up to 2006 for an accumulated amount of € 6,185 thousands, an item that is not settled since it is systematically appealed against by Xfera and guaranteed by its shareholders.

It is necessary to highlight that the investment in Xfera has always responded to the strategic interest held for the activity of the Information Technologies Business Group. Given the strategic character of the investment for the development of UMTS technology in this Business Unit, the tacit capital gains, i.e. goodwill, have from the begining been identified with the discounted cash flows estimated by the demand of third parties for the services Abengoa is estimated as capable of supplying through its companies in connection with this stockholding (generation of induced business).

For this reason, when the stockholding in Xfera was acquired in December 2002, consideration was given, on the one hand, to the price paid in the transaction (which covered only the restitution of the costs and expenses incurred by IC up to that date as a consequence of the investment (approximately € 25 millions) and, on the other, the theoretical book value of that stockholding adjusted for the goodwill at the time of the acquisition, based on the aforementioned cash flows estimated by third-party demand, totalling € 31.7 millions.

Xfera's share transactions during 2006 explained above have led to a noteworthy circumstance insofar as the implicit price for the sale of shares between Telia Sonera and the rest of the shareholders selling their Xfera shares at a value similar to that of the stake in Xfera reflected by Telvent.

In accordance with IAS 39, the stockholding in the company is considered an "Financial Available-for-Sale Asset" (please refer to Note 2.9.d). As indicated above, the valuation of the stockholding in previous years has taken into account the overprice paid and attributed to induced business as implicit goodwill in accordance with IAS 22 and IAS 38. In this way, the criterion followed has been to write down this goodwill fund by offsetting the revenue achieved by materialization of the induced business. In the 2006 financial year, it is also valued as an "Financial Available-for-Sale Asset" and both the reference for the stockholding value as a result of the transactions effected during the year and the induced business estimated as being obtained have meant that no provision has been made in order to adjust the cost to reasonable market value as of December 31st, 2006, even though the new stock percentage and the business plan drawn up by the majority shareholder suggest that it may take longer to return the investment.

Finally it is necessary to remind that IC is under an obligation vis-à-vis Abengoa whereby the latter is guaranteed to receive all of the amounts paid for the acquisition of its stockholding in Xfera and any damages deriving from the compliance of its contractual obligations as a consequence of this shareholding up to the moment of the commercial launch and the provision of services by Xfera, insofar as this commercial launch is not finally formalized and regardless of the net book value for which the stockholding is registered. As a specific guarantee for this obligation, IC delivered during 2006 a bank guarantee in Abengoa's favour in the amount of 31 millions euros, corresponding to the amount paid for the original acquisition in December, 2002, in order to guarantee the possible damages arising out of the lack of a commercial launch as mentioned above. On the date on which these annual accounts were drafted, Xfera has notified the competent authorities that its commercial launch took place in the month of December, 2006, under the brand name of Yoigo. Nonetheless, the Administration has not yet given any express acknowledgement of this circumstance. Once the commercial launch by Xfera has been acknowledged by the Administration, whether expressly or tacitly, the Company will be obliged to return the aforesaid banker's guarantee to IC.

Note 12. Derivative Financial Instruments.

The currents derivative financial instruments at 31 December 2006 and 2005 are as follows:

Item	31.12.06		31.12/05	
	Assets	Liabilities	Assets	Liabilities
Contracts of interest rate-cash flow hedge	29,641	-	9,230	-
Contracts of interest rate-fair value hedge			-	
Deferred foreign currency contracts-cash flow hedge	1,141	1,836	134	5,499
Deferred foreign currency contracts-fair value hedge	-	-	-	-
Deferred inventory contracts-cash flow hedge	-	45,658	-	25,344
Deferred inventory contracts-fair value hedge	-	-	-	-
Total	**30,782**	**47,494**	**9,364**	**30,843**

In addition, in non-current liabilities there are forward contracts to cover stock to the value of € 88,389 thousands.

Note 13. Inventories.

13.1. At 31 December 2006 and 2005, the inventories were as follows:

Item	Amount at 31.12.06	Amount at 31.12.05
Goods for resale	4,031	6,811
Raw materials and other supplies	52,046	40,117
Work in progress and semi-finished products	3,171	2,640
Projects in progress	40,008	44,805
Finished products	41,206	34,825
Advance payments	10,275	8,608
Total	**150,737**	**137,806**

The amount of the inventories corresponding to companies located outside Spain totals € 96,728 thousands (€95,636 thousands in 2005).

13.2. There are no limits on the availability of the inventories owing to factors such as guarantees, pledges, deposits, except for the normal guarantees for the construction of projects, which are released as the contractual milestones are reached.

Note 14. Clients and Other Accounts Receivable.

The breakdown of the Clients and Other Accounts Receivable at 31 December 2006 and 2005, is as follows:

Item	Balance as of 31.12.06	Balance as of 31.12.05
Clients for sales	554,460	244,363
Clients, work executed pending certification	159,954	121,460
Provisions for insolvencies	(6,960)	(5,400)
Public Administrations	185,620	105,449
Sundry Other Debtors	88,979	59,723
Total	**982,053**	**525,595**

Note 15. Cash Equivalents and Cash.

The cash and bank balance at 31 December 2006 totals € 1,027,972 thousands (€ 435,366 thousands in 2005), which represent availabilities of liquid cash means and balances in favour of companies in the group in current accounts immediately available in banks and credit institutions.

Of the said amount, € 747,503 thousands (€ 230,904 thousands in 2005) corresponds to companies located in Spain and € 280,469 thousands (€ 204,462 thousands 2005) to companies located abroad. In addition, the amount corresponding to companies related to project finance (See Note 8) totals € 248,284 thousands (€ 157,937 thousands in 2005).

The breakdown of the said balances by the main currencies in which they are nominated is as follows:

	31.12.06		31.12.05	
Currency	Spanish companies	Foreign companies	Spanish companies	Foreign companies
Euro	688,203	106,127	218,542	3,869
American dollar	40,161	85,463	5,000	168,544
Canadian dollar	170	752	3	4,341
Swiss franc	300	125	1	36
Pound sterling	7	44	9	83
Argentinean peso	164	2,195	24	171
Chilean peso	-	3,294	-	1,343
Mexican peso	312	1,764	230	1,500
Brazilian real	-	76,417	-	8,296
Others	18,186	4,288	7,095	16,279
Total	**747,503**	**280,469**	**230,904**	**204,462**

Note 16. Share Capital.

The share capital at 31 December 2006 is € 22,617,420, made up of 90,469,680 ordinarily shares in a single series and class, or with identical economic and voting rights, with a unit par value of € 0.25, fully subscribed and paid in. All the shares are represented by accounting entries and are admitted to official trading on the stock markets of Madrid, Barcelona and the stock exchange linkup (official stock market) as from 29 November 1996; in June 2000, there was an increase in capital, whose shares are listed on the stock exchange as from 31 August 2000.

In accordance with the notifications received by the company in compliance with the provisions laid down in current regulations governing the obligation to notify shareholdings and in accordance with information provided additionally by associated companies, the significant shareholders at 31 December 2006 are as follows:

Shareholders	% Holding
Inversión Corporativa IC, S.A. (*)	50.00
Finarpisa, S.A. (*)	6.04

(*) Corporate Investment Group.

The Ordinary General Shareholders Meeting of Abengoa, S.A. on 9 April 2006 authorised the Board of Directors as follows:

1.- To increase the share capital once or more to the figure of € 11,308,710, equivalent to fifty per cent of the share capital at the moment of the authorisation, within a maximum term of five years.

2.- To extend the agreement of issue of bonds which may be converted or not, into shares to € 261,585 thousands in a maximum term of five years counted from 26 April 2009

3.- To approve the issue of other securities that recognise or create a debt or contribution of capital within the legal limits applicable in each case.

4.- To acquire own shares within the legal limits for a price of between € 0.03 and € 120.20 per share within the maximum term of 18 months.

Abengoa's Extraordinary General Meeting of Shareholders of 16 October 2005 authorised the Board of Directors to approve a Plan for the Acquisition of Shares by Executives of the Company (henceforth called the "Plan") aimed at Abengoa Managers (directors of business groups, directors of business units, technical and R&D&I managers and corporate service managers) belonging to all its subsidiaries and business divisions, present or future, who voluntarily wish to participate in it, not extensive to any member of the Board of Directors of Abengoa. Those to whom the Plan applies will be able to access a bank loan for the purchase of Abengoa shares at market value, in accordance with article 81.2 of the Limited Companies Act and up to a maximum of € 87 million. The term of repayment of the loan will be approximately 5 years. The volume of shares is up to 3,200,000, representing 3.53% of the company's share capital. The Plan was implemented in February 2006.

Note 17. Parent Company Reserves.

The amount and movement of the accounts that form part of the Parent company reserves heading during the 2005 and 2006 financial years are as follows:

Item	Balance as of 31.12.04	Distribution results 2004	Other movements	Balance as of 31.12.05
Share issue premium	110,009	-	-	110,009
Revaluation reserve	3,679	-	-	3,679
Other parent company reserves:				
- Distributable	108,091	320	-	108,411
- Non-distributable	4,523	-	-	4,523
Total other reserves	**226,302**	**320**	**-**	**226,622**

Item	Balance as of 31.12.05	Distribution results 2005	Other movements	Balance as of 31.12.06
Share issue premium	110,009	-	-	110,009
Revaluation reserve	3,679	-	-	3,679
Other parent company reserves:				
- Distributable	108,411	56	(1)	108,466
- Non-distributable	4,523	-	-	4,523
Total other reserves	**226,622**	**56**	**(1)**	**226,677**

The legal reserve, which totals € 4,523 thousands has been provided in accordance with article 214 of the Limited Companies Act, which lays down that, in whatsoever case, a figure equal to 10% of the profits of the year shall be allocated until at least 20% of the share capital is reached.

The legal reserve may not be distributed. If used to offset losses in the event of no other sufficient reserves being available for that purpose, it must be replenished through future profits.

The Revaluation Reserves heading includes the net effect of the updating of balance sheets in accordance with the provisions laid down in Royal Decree-Law 7/1996; the balance of the said heading is unavailable until it has been verified and accepted by the Tax Department; the said verification must be carried out within the three years following the date of the end of the balance containing the updating transactions (31 December 1996). Consequently, the term ended on 31 December 1999. Once the verification has been carried out or the term for the said verification has ended, the balance of the account can be used to eliminate negative book results, to an increase in share capital or, after 10 years from the date of the close of the balance showing the updating transactions, to freely available reserves.

The proposal for the distribution of the results of 2006 and other reserves of the parent Company to be presented to the General Shareholders Meeting, together with the approved distribution of 2005, is as follows:

Distribution bases	Amount at 31.12.06	Amount at 31.12.05
Profit for the year	24,510	13,627

Distribution		
To voluntary reserves	10,035	56
To dividends	14,475	13,571
Total	**24,510**	**13,627**

Note 18. Other Reserves.

The amount and movement of Other reserves during the 2005 and 2006 financial years are as follows:

Item	Cover Trans. Reserves	Invest. Avail. for Sale Reserves	Share Plans Reserves	Total
Balance as of 31 December 2004	(11,040)	(1,609)	2,258	(10,391)
- Results for fair value of the financial year	(37,437)	126	1,515	(35,796)
- Transfer to results	16,985	-	-	16,985
- Tax on results of fair value	7,158	(44)	-	7,114
- Other movements	-	-	1,786	1,786
Balance as of 31 December 2005	**(24,334)**	**(1,527)**	**5,559**	**(20,302)**

Item	Cover Trans. Reserves	Invest. Avail. for Sale Reserves	Share Plans Reserves	Total
Balance as of 31 December 2005	(24,334)	(1,527)	5,559	(20,302)
- Results for fair value of the financial year	(109,623)	3,585	(3,818)	(109,856)
- Transfer to results	4,551	-	-	4,551
- Tax on results of fair value	47,138	(1,247)	-	45,891
- Other movements	-	-	-	-
Balance as of 31 December 2006	**(82,268)**	**811**	**1,741**	**(79,716)**

Note 19. Translation Differences.

19.1. The amount of the translation differences of the companies in the group and associate companies at the end of the 2005 and 2006 financial years is as follows:

Item	Amount at 31.12.06	Amount at 31.12.05
Translation differences:		
- Group	(10,143)	23,539
- Associate companies	2,865	3,916
Total	**(7,278)**	**27,455**

19.2. The consolidated companies by full consolidation/proportional consolidation and by the equity method at the end of the 2006 and 2005 financial years is as follows:

Companies GI/PI	Amount at 31.12.06	Amount at 31.12.05
Abeinsa Brasil Projetos e Construcoes Ltda.	(563)	1,098
Abenasa Transmissao de Energia, Ltda. (ATE)	3,310	7,649
Abenasa Transmissao de Energia, Ltda. (ATE II)	(1,954)	-
Abengoa Bioenergy Corporation	(13,949)	(7,543)
Abengoa Bioenergy R&D, Inc.	(657)	-
Abengoa Brasil, S.A.	(3,702)	(4,299)
Abengoa Chile, S.A.	2,050	4,784
Abengoa México, S.A. de C.V.	443	310
Asa Bioenergy Holding, AG	914	-
Asa Environment, AG	4,380	2,698
Asa Investment AG	712	-
Bargoa, S.A.	(1,551)	-
Befesa Argentina, S.A.	(997)	(438)
Befesa Salt Slag Ltd.	(323)	(354)
C.D. Puerto San Carlos, S.A. de C.V.	(383)	(378)
Enicar Chile, S.A.	(4,002)	(3,996)
Miner & Miner Consulting Engineers, Inc.	(870)	546
Mundiland, S.A.	1,883	1,956
Nordic Biofuels of Ravenna	(3,858)	-
NTE - Nordeste Transmissora de Energía, S.A.	5,489	7,006
STE-Sul Transmissora de Energia, Ltda.	2,508	3,217
Telvent Brasil, S.A.	633	749
Telvent Farradyne Inc.	(892)	-
Telvent Traffic North America	351	-
Teyma Abengoa, S.A.	2,075	1,772
Teyma Uruguay, S.A.	881	1,130
Other positive < € 300 thousands	4,085	9,851
Other negative < € 300 thousands	(6,156)	(2,219)
Total	**(10,143)**	**23,539**

Companies EM	Amount at 31.12.06	Amount at 31.12.05
Expansion Transmissào de Energia Eletrica, Ltda.	1,665	2,294
Expansion Transmissao Itumbiara Marimbondo, Ltda.	1,179	1,644
Other positive < € 300 thousands	(151)	263
Other negative < € 300 thousands	172	(285)
Total	**2,865**	**3,916**

The attributed amount in this financial year has decreased in € 34,733 thousands (increase in € 54,357 thousands in 2005), due fundamentally to the devaluation of the US and Canadian dollars and certain Latin American currencies, including the Brazilian real, the Chilean and Argentinean pesos and Swiss franc.

Note 20. Retained Earnings.

The amount and movement of the accounts that form part of the Retained earnings heading during the 2005 and 2006 financial years are as follows:

Item	Balance as of 31.12.04	Distribution Results 2004	Results 2005	Other movements	Balance as of 31.12.05
Reserves in companies consolidated by GI/PI	40,534	35,769	-	(4,917)	71,386
Stockholdings in Companies using the equity method	(470)	3,634	-	(1,850)	1,314
Dividends and Reserves of the Parent Company	-	12,984	-	(12,984)	-
Reserves	**40,064**	**52,387**	**-**	**(19,751)**	**72,700**
Consolidated results for the financial year	60,199	(60,199)	78,481	-	78,481
Results attributed to minority shareholders	(7,812)	7,812	(12,477)	-	(12,477)
Results attributed to the parent company	**52,387**	**(52,387)**	**66,004**	**-**	**66,004**
Total retained earnings	**92,451**	**-**	**66,004**	**(19,751)**	**138,704**

Item	Balance as of 31.12.05	Distribution Results 2005	Results 2006	Other movements	Balance as of 31.12.06
Reserves in companies consolidated by GI/PI	71,386	46,867	-	4,168	122,421
Stockholdings in Companies using the equity method	1,314	5,359	-	(1,628)	5,045
Dividends and Reserves of the Parent Company	-	13,778	-	(13,778)	-
Reserves	**72,700**	**66,004**	**-**	**(11,238)**	**127,466**
Consolidated results for the financial year	78,481	(78,481)	121,503	-	121,503
Results attributed to minority shareholders	(12,477)	12,477	(21,164)	-	(21,164)
Results attributed to the parent company	**66,004**	**(66,004)**	**100,339**	**-**	**100,339**
Total retained earnings	**138,704**	**-**	**100,339**	**(11,238)**	**227,805**

The Reserves in Companies Consolidated by full consolidation/proportional consolidation and by the equity method are as follows:

	Balance as of 31.12.06		Balance as of 31.12.05	
	GI/PI	**EM**	**GI/PI**	**EM**
Bioenergy	33,394	-	44,929	-
Environmental Services	71,841	4,973	48,305	4,479
Information Technologies	33,201	-	27,161	-
Industrial Construction and Engineering	19,545	1,839	9,590	1,768
Corporate Activity and resulting from the Consolidation process	(35,560)	(1,767)	(58,599)	(4,933)
Total	**122,421**	**5,045**	**71,386**	**1,314**

Note 21. Minority Interests.

21.1. The Minority Interests heading during the 2005 financial year is as follows:

Company	Balance as of 31.12.04	Other movements	Allocation result 05	Balance as of 31.12.05
AB Bioenergy France, S.A.	-	18	(16)	2
Abengoa Bioenergía, S.A.	4,047	(703)	54	3,398
Abengoa México, S.A. de C.V.	441	53	28	522
Abengoa Perú, S.A.	(2)	1	-	(1)
Abengoa Servicios S.A. de C.V.	-	-	(1)	(1)
Alianza Befesa Egmasa, S.L.	275	11	(99)	187
Aprovechamientos Energéticos Furesa, S.A.	17	-	(11)	6
Bargoa, S.A.	511	(439)	(152)	(80)
Befesa Argentina, S.A.	42	4	4	50
Befesa Desulfuración, S.A.	4,800	(3)	186	4,983
Befesa Escorias Salinas, S.A.	7	-	-	7
Befesa Medio Ambiente, S.A.	8,346	(83)	606	8,869
Befesa Plásticos, S.L.	213	-	12	225
Befesa Zinc Amorebieta, S.A.	2,423	(42)	337	2,718
Befesa Zinc Sondika, S.A.	1,122	(32)	204	1,294
Bioetanol Galicia, S.A.	2,441	-	678	3,119
Cogeneración Villaricos, S.A.	40	-	(6)	34
Construcciones Metálicas Mexicanas, S.A. de C.V. (Comemsa)	151	(200)	159	110
Ecocarburantes Españoles, S.A.	1,112	-	371	1,483
Enernova Ayamonte, S.A.	(12)	-	76	64
ETBE Huelva, S.A.	338	-	646	984
Europea de Construcciones Metálicas, S.A.	3,070	-	(69)	3,001
Explotaciones Varias, S.A.	1,214	(1,214)	-	-
Fotovoltaica Solar Sevilla, S.A.	-	198	-	198
Galdán, S.A.	491	(491)	-	-
Iniciativas Hidroeléctricas, S.A.	1,169	1	(156)	1,014
Miner & Miner Consulting Engineers, Inc.	212	43	209	464
Nordeste Transmissora de Energía, S.A. (NTE)	21,072	6,698	1.314	29,084
Nordic Biofuels of Ravenna	1,256	(1,256)	-	-
Pandelco, S.A.	(33)	7	(8)	(34)
Procesos Ecológicos, S.A. (Proecsa)	206	-	(1)	205
Procesos Ecológicos Vilches, S.A.	(36)	57	512	533
Puerto Real Cogeneración, S.A.	(222)	104	7	(111)
Residuos Ind. de la Madera de Córdoba, S.A.(Rimacor)	-	500	17	517
Sainsel Sistemas Navales, S.A.	560	(282)	(313)	(35)
Servicios Auxiliares de Administración, S.A. de C.V.	(6)	(1)	4	(3)
SET Sureste Peninsular, S.A. de C.V.	(181)	43	(13)	(151)
Sniace Cogeneración, S.A.	1,147	-	504	1,651
STE - Sul Transmissora de Energía, Ltda.	10,028	3,536	604	14,168
Telvent GIT, S.A.	48,469	(49)	3,241	51,661
Teyma Uruguay, S.A.	390	53	82	525
Consolidated Befesa	1,507	(176)	(797)	534
Consolidated Bioenergía	648	109	65	822
Consolidated Telvent GIT	2,791	1,689	2,108	6,588
Eliminations IFRS	(10,997)	1,400	2,091	(7,506)
Total	**109,067**	**9,627**	**12,477**	**131,095**

21.2. The Minority Interests heading during the 2006 financial year is as follows:

Company	Balance as of 31.12.05	Other movements	Allocation results 06	Balance as of 31.12.06
AB Bioenergy France, S.A.	2	13,301	(259)	13,044
Abengoa Bioenergía, S.A.	3,398	(25)	314	3,687
Abengoa México, S.A. de C.V.	522	869	39	1,430
Abengoa Perú, S.A.	(1)	-	(1)	(2)
Abengoa Servicios S.A. de C.V.	(1)	-	2	1
Alianza Befesa Egmasa, S.L.	187	(187)	-	-
Aprovechamientos Energéticos Furesa, S.A.	6	-	7	13
Bargoa, S.A.	(80)	80	-	-
Befesa Argentina, S.A.	50	(5)	4	49
Befesa Desulfuración, S.A.	4,983	(1)	253	5,235
Befesa Escorias Salinas, S.A.	7	-	-	7
Befesa Medio Ambiente, S.A.	8,869	(5,900)	73	3,042
Befesa Plásticos, S.L.	225	1	13	239
Befesa Zinc Amorebieta, S.A.	2,718	(79)	1,176	3,815
Befesa Zinc Sondika, S.A.	1,294	(45)	877	2,126
Beijing Blue Shield High & New Tech. Co. Lt.	-	473	3	476
Bioetanol Galicia, S.A.	3,119	(770)	453	2,802
Cogeneración Villaricos, S.A.	34	-	10	44
Construcciones Metálicas Mexicanas, S.A. de C.V. (Comemsa)	110	(121)	150	139
Ecocarburantes Españoles, S.A.	1,483	(469)	380	1,394
Energoprojekt-Gliwice, S.A.	-	8	-	8
Enernova Ayamonte, S.A.	64	-	(96)	(32)
ETBE Huelva, S.A.	984	(984)	-	-
Europea de Construcciones Metálicas, S.A.	3,001	17	58	3,076
Fotovoltaica Solar Sevilla, S.A.	198	-	7	205
Iniciativas Hidroeléctricas, S.A.	1,014	(10)	52	1,056
Miner & Miner Consulting Engineers, Inc.	464	(464)	-	-
Nordeste Transmissora de Energía, S.A. (NTE)	29,084	(3,229)	5,398	31,253
Pandelco, S.A.	(34)	(2)	6	(30)
Procesos Ecológicos, S.A. (Proecsa)	205	435	2	642
Procesos Ecológicos Vilches, S.A.	533	240	297	1,070
Puerto Real Cogeneración, S.A.	(111)	93	(5)	(23)
Residuos Ind. de la Madera de Córdoba, S.A.(Rimacor)	517	(278)	(10)	229
Sainsel Sistemas Navales, S.A.	(35)	35	-	-
Servicios Auxiliares de Administración, S.A. de C.V.	(3)	-	10	7
SET Sureste Peninsular, S.A. de C.V.	(151)	2	(8)	(157)
Sniace Cogeneración, S.A.	1,651	(1)	111	1,761
STE - Sul Transmissora de Energía, Ltda.	14,168	(706)	1,742	15,204
Telvent GIT, S.A.	51,661	-	361	52,022
Teyma Uruguay, S.A.	525	(287)	73	311
Teyma Uruguay ZF, S.A.	-	2	132	134
Consolidated Befesa	534	(349)	377	562
Consolidated Bioenergía	822	314	197	1,333
Consolidated Telvent GIT	6,588	(781)	6,817	12,624
Eliminations NIIF	(7,509)	(2,415)	2.149	(7,775)
Total	**131,095**	**(1,238)**	**21,164**	**151,021**

Other movements include the effects of the share changes in the different companies and the translation differences affecting the companies located outside Spain.

21.3. The list of companies/entities outside the group with a shareholding equal to or higher than 10% of the capital of any subsidiary company included in the consolidation perimeter is as follows:

Company in which the shares are held	Shareholder	% Holding
AB Bioenergy France, S.A.	OCEOL	36.00
Abener-Dragados Industrial-México, S.A. de C.V.	Dragados Industrial, S.A.	50.00
Befesa Desulfuración, S.A.	Fertiberia	10.00
Befesa Zinc Amorebieta, S.A.	Personas físicas	49.00
Befesa Zinc Sondika, S.A.	Personas físicas	49.00
Beijing Blue Shield High & New Tech. Co., Ltd.	Shenzhen Airport Co. Ltd, China Motor	20.00
Biocarburantes de Castilla y León, S.A.	Ebro Puleva, S.A.	50.00
Bioener Energía, S.A.	Ente Vasco de la Energía	50.00
Bioetanol Galicia, S.A.	Sodiga Galicia, Sociedad Capital Riesgo, S.A.	10.00
D.E. Arico, S.A.	Hidráulica Maspalomas, S.A. y Soc. Inv. Maspalomas, S.A.	33.35
Donsplav	Scarp	49.00
Europea de Construcciones Metálicas, S.A.	Tractebel España, S.A.	50.00
European Tank Clean Company	Sodi	49.97
Explotaciones Varias, S.A.	Layar Castilla, S.A.	50.00
Fotovoltaica Solar Sevilla, S.A.	IDAE	20.00
Inapreu, S.A.	Preufet, S.A.	50.00
Iniciativas Hidroeléctricas, S.A.	Suma de Energías, S.L.	45.00
Líneas Baja California Sur, S.A. de C.V.	Elecnor, S.A.	50.00
Nordeste Transmissora de Energía, S.A. (NTE)	Dragados Industrial, S.A.	49.99
Procesos Ecológicos, S.A. (Proecsa)	Global Plasma Environment, S.A.	49.99
Recytech	Metaleurope	50.00
Residuos Ind. de la Madera de Córdoba,S.A. (Rimacor)	Aytos. Montoro, Lucena, Villa del Río y Corporaciones	30.08
Residuos Sólidos Urbanos de Ceuta, S.L. (Resurce)	Esys Montenay España, S.A.	50.00
Sniace Cogeneración, S.A.	Bosques 2000, S.L.	10.00
Solar Power Planta One (SPP1)	NEAL	34.00
Soluciones Ambientales del Norte Limitada	Gescam	10.00
STE – Sul Transmissora de Energía, Ltda.	Controles y Montajes	49.90
Telvent GIT, S.A.	CEDE & Co.	32.17

Note 22. Loans and Borrowings.

22.1. The Loans and Borrowings at 31 December 2006 and 2005 are as follows:

Non-current	Balance as of 31.12.06	Balance as of 31.12.05
Loans with banks	873,158	530,002
Obligations and other loans	151,422	134,198
Liabilities from financial leasing	9,050	22,701
	1,033,630	686,901
Current	**Balance as of 31.12.06**	**Balance as of 31.12.05**
Loans with banks	482,774	166,699
Obligations and other loans	15,093	28,059
Liabilities from financial leasing	4,873	8,462
	502,740	203,220
Total Loans and Borrowings	**1,536,370**	**890,121**

Of this amount, there are debts in foreign currency amounting to € 47,845 thousands (€ 42,982 thousands in 2005), all of which correspond to companies resident abroad (See Note 22.5).

As in the previous year, with the aim of minimizing the volatility of interest rates on financial operations, specific contracts are entered into to cover possible variations that may arise (See Note 12). Thus, at 31 December 2006, the company estimates that 83.3% of the debt corresponding to the syndicated long-term financing (€ 1,200,000 thousands) is covered by interest rate derivates, until the final maturity of the debt. The average reference rate of the syndicated loan in 2006 was 2.98%.

22.2. The cancellation of the bank credits and loans is scheduled in accordance with the following calendar:

2007	2008	2009	2010	2011	Subsequent	Total
482,774	29,506	11,298	276,366	276,341	279,647	1,355,932

The maturities for the year 2010 and subsequent include a long-term syndicated financing operation signed on 20 July 2005, awarded to Abengoa, S.A., comprising a loan amounting to € 500,000 thousands and a line of credit of € 100,000 thousands. The final maturity date of the operation is June 2012 and the repayment of the capital is to begin as from the year 2010. The finance is for investments and general needs of financing. During 2006, Abengoa, S.A. signed an additional financing operation composed of a loan of € 300,000 thousands and a line of credit of € 300,000 thousands, in conditions and with maturity equal to the operation agreed in 2005. Both operations are guaranteed by certain part-owned companies of the Industrial Construction and Engineering, Environmental Services and Bioenergy Business Group.

In addition, Abengoa, S.A. has access to a total number of short-term lines of credit for an amount of € 86,061 thousands that are at the end of the financial year entirely available.

22.3. The amount corresponding to financial expenses with banks due totals € 4,894 thousands (€ 2,087 thousands in 2005), included in the "Short-term debts with banks" heading.

22.4. The real hypothecary guarantees to 31.12.06 are not significant.

22.5. The exchange value by currencies of the most significant debts in foreign currencies maintained by the companies in the group with banks is as follows:

	31.12.06		31.12.05	
	Companies Resident		Companies Resident	
Currency	**Abroad**	**Spain**	**Abroad**	**Spain**
Dirhams (Morocco)	16,156	-	8,124	-
Dollar (Canada)	1,660	-	2,684	-
Dollar (USA)	2,183	-	4,866	-
Peso (Argentina)	2,584	-	1,907	-
Peso (Chile)	4,825	-	29	-
Peso (Mexico)	4,857	-	6,470	-
Peso (Uruguay)	2,173	-	3,536	-
Real (Brasil)	12,206	-	14,555	-
Sol (Peru)	-	-	115	-
Yuan (China)	1,201	-	696	-
Total	**47,845**	**-**	**42,982**	**-**

22.6. The average rate of credit transactions is within the market rates in each country in which each transaction is formalised.

22.7. The "Obligations and other loans" heading includes the sale and leaseback transactions carried out by the subsidiary company Abengoa Bioenergy Corporation as follows:

- Sale and Leaseback York plant. Initial amount $ 56.8 M. Carried out with General Electric Capital Corporation (48.72%) and with the Bank of America Leasing Corporation and Merrill Lynch Leasing (51.28%). The outstanding debt at the end of the 2006 financial year was 42.6 million dollars.

- Sale and Leaseback Colwich plant. Amount $ 27.7 M. Carried out with Bank of America Leasing Corporation (26.30%) and Merrill Lynch Leasing (73.70%). The outstanding debt at the end of the 2006 financial year was 23.6 million dollars.

- Sale and Lease back Portales Plant. Amount $ 27 M. Carried out with GATX Financial Corporation. The outstanding debt at the end of the 2006 financial year was 25.2 million dollars.

In accordance with the accounting methods adopted, despite the fulfilment of the mathematical criteria required by comparable standards and the criteria based on the negotiation of the transaction by the intervening banks and despite having transferred 100% of the fixed assets at the plants, the net book value of the affected assets is maintained in the assets of the consolidated balance.

Although, for operating reasons, the transaction has been formalised through the subsidiary company ABC, from the consolidated viewpoint of the group, it implies the transfer of the asset and the payment of a regular rent during the corresponding period of use. In this situation, Abengoa is responsible for the future payments accepted over the next 7 years (York), 9 years (Colwich) and 10 years (Portales) for the rent of the asset, its use and exploitation, which shall represent an average annual repercussion of approximately $ 11.1 M (€ 8.5 M), as it is considered an operative expense necessary for the development of the activity, as well as the maintenance of the plant in optimum working conditions and remaining as the operator of the plant should the purchase option not be exercised.

Although it is not obliged to exercise it, the entity has the option for repurchasing the installations within a certain term or at the end of the period at market price. If ABC or the Abengoa group were to decide not to exercise the option, the group undertakes to provide the solution which is applied by the lessor to enable the transfer of the asset to third parties or its disposal or management in any other way.

The administrators understand that the non-consideration of these leases as financial would represent a truthful image of the financial situation of the entity and the consolidated group, bearing in mind the corporate business strategy, the argument used in the transaction by their participating banks and, in particular, the fact that there is no commitment by the company to the exercise of the purchase option over the assets, nor can it be considered that the conditions of the transaction do not involve reasonable doubt that the said transaction will take place.

Furthermore, this "Obligations and Other Loans" heading includes the balances payable in the long term to official entities (Ministry of Industry and Energy, and others) by virtue of the return of subsidised loans, without interest, awarded for research and development projects. At the end of the 2006 financial year, the amount for this item totals € 28,736 thousands.

22.8. The liabilities from financial leasing are as follows:

	Balance as of 31.12.06	Balance as of 31.12.05
Financial leasing liabilities minimum payments per lease:		
- Short-term	5,202	8,077
- Long-term	11,746	21,644
Future financial charges for financial leasing	(3,025)	1,442
Current value of liabilities for financial leasing	**13,923**	**31,163**

Note 23. Suppliers and other Accounts Payable.

The heading "Suppliers and Other Accounts Payable" on the Consolidated Balance Sheet corresponds mainly to the amounts pending payment for commercial purchases and related costs.

In addition to the above, it contains certain accounts payable for an amount of approximately € 66 millions as of 31 December 2006, (€ 68 millions in 2005) instrumented through the financial concept of "No-recourse confirming" pursuant to the various contracts signed with financial institutions in those cases where the Group companies receiving "Confirming" services had brought forward the collection of invoices.

On the other hand, this heading includes advances from clients in the amount of € 98,396 thousands in connection with projects under execution at the close of the financial year.

Note 24. Tax Situation.

24.1. Abengoa, S.A. and 75 other Group companies (See Appendix V to these Notes) are taxed under the Special Regime for Company Groups for 2006, with the number 2/97.

Telvent GIT, S.A. and 8 other Group companies (See Appendix V to these Notes) are taxed under the Special Regime for Company Groups for 2006, with the number 231/05.

Likewise, Proyectos de Inversiones Medioambientales, S.L. and 9 other companies (See Appendix V to these Notes) are taxed in the year 2006 under the Special Company Group Regime under the tax legislation of Biscay with numbers 4/01 B.

The rest of the Group companies are subject to corporate tax under the General Regime.

In relation to the tax regime under the local legislation of Biscay that is applicable to Befesa Medio Ambiente, S.A. and its subsidiaries, in 2005 the Group has become aware that the Supreme Court has delivered a sentence whereby certain rules contained in this local corporate tax legislation are declared null and void. The local authorities have announced their decision to set the applicable appeals against this judgement, although these appeals have not been published at the date of these annual accounts.

24.2. In order to calculate the taxable income of the consolidated tax group and the individual tax companies, the book profit is adjusted in accordance with any timing or permanent differences that may exist, giving rise to the pertinent prepaid and deferred taxes, resulting from applying the accounting principle of accrual. In general, prepaid and deferred taxes arise as a result of making the valuation criteria and principles in the accounts of individual companies consistent with those of the consolidated group, to which the parent company's criteria and principles are applied.

24.3. The corporate income tax payable, under either the general regime or the special regime for groups of companies, is the result of applying the pertinent tax rate to each taxpayer, pursuant to current legislation in each one of the tax territories and/or countries in which the different companies have their registered offices. The tax allowances and credits to which the different companies are entitled, which relate mainly to double inter-Company and international taxation and to investments made, are likewise applied. Some companies taxed under special individual regimes, have been entitled to tax reductions based on the rules applicable to their activities.

24.4. The movements during the 2005 and 2006 financial years in assets and liabilities due to deferred taxes were as follows:

Assets for deferred taxes	**Amount**
At 31 December 2004	119,964
Increase / Decrease due to income statement	308
Increase / Decrease due to equity	(1,422)
Other Movements	17,981
At 31 December 2005	**136,831**
Increase / Decrease due to income statement	18,483
Increase / Decrease due to equity	58,858
Other Movements	14,747
At 31 December 2006	**228,919**

Liabilities for deferred taxes	**Amount**
At 31 December 2004	69,532
Increase / Decrease due to income statement	(17,073)
Increase / Decrease due to equity	-
Other Movements	(3,132)
At 31 December 2005	**49,327**
Increase / Decrease due to income statement	2,641
Increase / Decrease due to equity	11,287
Other Movements	23,117
At 31 December 2006	**86,372**

The assets for deferred taxes charged to the net assets during financial years 2005 and 2006 correspond entirely to the results of the interest rate hedging contracts for the operations of cash flow and for operations of commodities coverage.

The assets for deferred taxes basically corresponds to tax credits for deductions pending to apply as well as deductions arising from the consolidation process. In addition, the application of IAS generated an amount of taxes advanced for approximately € 36 millions, mostly corresponding to the adjustments made in accordance with IFRS 1.

The liabilities for deferred taxes correspond to consolidation adjustments and the application of IFRS basically because of revaluation of assets in application of the IFRS 1.

24.5. Corporate income tax at the end of the 2006 and 2005 financial years is as follows:

Item	Amount at 31.12.06	Amount at 31.12.05
Current tax	(2,497)	48,953
Deferred tax (Note 24.4)	15,842	(17,381)
Total	**13,345**	**31,572**

The tax on the group's pre-tax profits differs from the theoretical amount that would have been obtained by using the average weighted tax rate applicable to the profits of consolidated companies. This difference at the end of the 2006 and 2005 financial years is as follows:

	Amount at 31.12.06	Amount at 31.12.05
Profit before taxes	**140,848**	**110,053**
Non-deductible expenses and inadmissible earnings	(13,553)	16,429
Compensation of Negative Tax Bases	(667)	(3,907)
Adjusted book results	**126,628**	**122,575**
Taxes calculated at the tax rates for each country	20,602	51,521
Unallocated tax credits and deductions	(23,099)	(2,568)
Tax expenses	**(2,497)**	**48,953**

Note 25. Provisions and other Liabilities.

The movement of the heading "Risk and Expenses Funds" for the 2005 and 2006 financial years is as follows:

Item	Balance as of 01.01.05	Increases	Decreases	Other movements	Balance as of 31.12.05
Funds for other Liabilities and Expenses	36,860	16,485	(4,377)	(1,266)	47,702

Item	Balance as of 01.01.06	Increases	Decreases	Other movements	Balance as of 31.12.06
Funds for other Liabilities and Expenses	47,702	12,478	(1,746)	-	58,434

At the end of the financial year, appropriations to the fund totalled € 12,478 thousands, with a view to providing heading for risks inherent to the evolution of the business in Latin-America, for risks related to projects currently under development in the form of research and development or similar and for specific risks for fiscal contingencies or that could arise as a consequence of arbitration or judicial proceedings posed by Abengoa in businesses outside Spain, in which, in the opinion of the administrators and the legal advisers, Abengoa has sufficient arguments for the amounts claimed being recognised in its favour and for the dismissal of possible counterclaims.

In the financial year, funds totalling € 1,746 thousands (provided in previous financial years) have been applied in the understanding that, although the administrators and legal advisers considered that Abengoa has sufficient arguments for the claimed amounts being recognised in its favour, the delayed terms for the resolution of the claims recommend their classification as possible contingent assets, proceeding with the application of the fund; in the event of materialisation and collection of the claims, they would be recorded as income for the year.

Note 26. Gross Cash Flows from Operating Activities.

The International Financial Reporting Standards (IFRS) that were implemented in Abengoa during the 2005 tax year, and specifically the new interpretation Nº 12 by the International Financial Reporting Interpretations Committee (IFRIC) on concession service contracts, stipulate, among other matters, establish, among other matters, that the construction contracts associated with this kind of activity must be dealt with in accordance with IFRS 11 (See Note 2.23 b and c).

In addition to the service provision contracts, the company carries out a series of projects based on the integrated product model (See Notes 2.5 and 8.2), which have a series of characteristics that make them comparable to service provision contracts. These projects are also financed with specific financing, by means of Non-Recourse Project Financing, in which a company of the Group carries out the construction of the asset by means of a contract at a closed price and term, which is analysed by an Independent Expert who reviews the contractual terms and the amount of the construction contract, verifying that it is carried out in market conditions. However, these projects are outside the scope of interpretation no. 12 of the IFRIC, which refers exclusively to concession service contracts.

Consequently, the results obtained in these operations cannot be recognised as accrued result until the assets are amortised or the transfer to third parties is effected. Consequently, neither the result nor the operating cash flows obtained in the construction of this kind of asset are considered within the Financial Statements.

Without prejudice to that indicated in international guidelines, and in order to offer users of Abengoas's financial statements a fair view of the results and the generation of cash deriving from the operating activities, the Cash Flow Situation Model that is presented in this Report includes a section entitled Gross Cash Flows from Operating Activities, which faithfully reflects the cash generation from the operating activities and whose details in financial years 2006 and 2005 were as follows:

Item	Amount at 31.12.06	Amount at 31.12.05
Consolidated after-tax profits	**121,503**	**78,481**
Taxes	13,345	31,572
Amortizations and provisions	68,679	52,906
Financial results	91,856	58,757
Share in profit/loss of associated companies	(7,532)	(5,358)
Work done for Fixed Assets	-	-
Gross Cash Flows from Operating Activities from Business Units	**287,851**	**216,358**

The Work Carried out for the Fixed Assets section reflects the balance of the net result attributable to the construction contracts not subject to IFRIC 12 and the reversion of the amortisation of the results attributable to these construction contracts, which have previously been considered greater value of the asset.

Note 27. Other Operating Income.

The "Other Operating Income" heading of the consolidated income statement corresponds to Income from subsidies to operation and all the other income not included in other income headings. The details are as follows:

Item	Amount at 31.12.06	Amount at 31.12.05
Income from Various Services	129,375	31,351
Official capital grants	5,315	4,232
Others	-	121
Total	**134,690**	**35,704**

Note 28. Personnel Expenses.

Personnel expenses at the end of the 2006 and 2005 financial years are as follows:

Item	Amount at 31.12.06	Amount at 31.12.05
Wages ans salaries	318,478	268,527
Welfare charges	78,741	55,866
Stock Plans (See Note 2.20)	5,500	1,515
Total	**402,719**	**325,908**

Note 29. Other Operating Expenses.

The "Other Operating Expenses" at the end of the 2006 and 2005 financial years are as follows:

Item	Amount at 31.12.06	Amount at 31.12.05
Outside services	369,294	286,492
Taxes	22,463	17,186
Other Management Expenses	63,151	31,297
Total	**454,908**	**334,975**

Leasing and charges amounting to € 53,009 thousands (€ 46,038 thousands in 2005), transport amounting to € 23,871 thousands (€ 16,926 thousands in 2005), independent professional services amounting to € 89,354 thousands (€ 67,344 thousands in 2005), advertising amounting to € 5,459 thousands (€ 3,989 thousands in 2005) and other services amounting to € 81,510 thousands (€ 55,223 thousands in 2005).

Note 30. Financial Income and Expenses.

Financial Income and Expenses at the end of the 2006 and 2005 financial years are as follows:

Financial Income	Amount at 31.12.06	Amount at 31.12.05
Income from debt interest	7,452	2,780
Profits from financial assets at fair value	16,445	18,528
Profits from interest-rate contracts: Cash flow cover	-	-
Profits from interest-rate contracts: Cover of the fair value	533	1,401
Total	**24,430**	**22,709**

Financial Expenses	Amount at 31.12.06	Amount at 31.12.05
Interest expense:		
- Loans with banks	(79,097)	(48,201)
- Other debts	(40,142)	(21,043)
Losses of financial assets at fair value	-	(1,165)
Losses interest-rate contracts: Cash flow cover	-	-
Losses interest-rate contracts: Cover of the fair value	-	-
Total	**(119,239)**	**(70,409)**

Net Financial Expenses	**(94,809)**	**(47,700)**

Note 31. Net Exchange Differences.

Net Exchange Differences at the end of the 2006 and 2005 financial years are as follows:

Financial Income	Amount at 31.12.06	Amount at 31.12.05
Profits from transactions in foreign currency	27,916	23,850
Profits exchange rate contracts Cash flow hedge	-	-
Profits exchange rate hedge contracts of the fair value	6,660	1,463
Total	**34,576**	**25,313**

Financial Expenses	Amount at 31.12.06	Amount at 31.12.05
Losses from transactions in foreign currency	(24,515)	(23,006)
Losses exchange rate contracts Cash flow hedge	-	-
Losses exchange rate hedge contracts Cover of the fair value	(1,778)	(4,002)
Total	**(26,293)**	**(27,008)**

Net Exchange Differences	**8,283**	**(1,695)**

Note 32. Other Net Financial Income / Expenses.

The "Other Net Financial Income / Expenses" heading at the end of the 2006 and 2005 financial years is as follows:

Other Financial Income	Amount at 31.12.06	Amount at 31.12.05
Profits from the sale of financial investments	6,434	8,170
Income on shareholdings	3,016	3,989
Other financial income	21,326	11,604
Profits inventory contracts: Cash flow hedge	-	-
Profits inventory contracts: Fair value hedge	-	638
Total	**30,776**	**24,401**

Other Financial Expenses	Amount at 31.12.06	Amount at 31.12.05
Losses from the sale of financial investments	-	(43)
Other financial losses	(36,106)	(33,720)
Losses inventory contracts: Cash flow hedge	-	-
Losses inventory contracts: Fair value hedge	-	-
Total	**(36,106)**	**(33,763)**

Other Net Financial Income / Expenses	**(5,330)**	**(9,362)**

Note 33. Earnings per Share.

The basic earnings per share are calculated by dividing the profits attributable to the Company's shareholders by the average weighted number of ordinary shares in circulation during the financial year. No own shares are maintained in the possession of the company or its subsidiaries (See Note 2.15).

Item	Amount at 31.12.06	Amount at 31.12.05
Profits attributable to the company's shareholders	100,339	66,004
Weighted average number of ordinary shares in circulation (thousands)	90,470	90,470
Basic earnings per share (€ per share)	**1.11**	**0.73**

There are no factors which modify the amount of the basic earnings per share.

Note 34. Dividends per Share.

The dividends paid in June 2006 and June 2005 totalled € 13,571 thousands (€ 0.15 per share) and € 12,666 thousands (€ 0.14 per share), respectively. In the General Shareholders Meeting of 15 April 2007, a dividend per share of € 0.16 is going to be proposed with regard to 2006, which will represent the total dividend of € 14,475 thousands. These Consolidated Financial Statements do not show this dividend.

Note 35. Contingencies.

At the end of the financial year, the total amount of the guarantees with third parties totals € 614,051 thousands (€ 419,422 thousands in 2005), corresponding to guarantees and other insurances in guarantee of the compliance with the obligations undertaken in contracted works, and with regard to grants received.

As deposits for various transactions with financial entities (excluding the syndicated loan of Abengoa, S.A. referred to in Note 22), at 31 December 2006, there are guarantees between companies in the Group totalling € 1,160,757 thousands (€ 804,604 thousands in 2005), with an amount of € 801,767 thousands (€ 438,037 thousands in 2005) corresponding to transactions outside Spain involving both foreign companies and Spanish companies in operations abroad.

On June 13, 2006, the Court of the Administrative-Contentious Nº 2 of Almeria issued a judgment stating that the award of the concession contract for the Advanced Digital Services Center for the City of Almería (the "El Toyo Project") to Telvent was void on the grounds that the procurement procedures followed by the government of the City of Almería in awarding the contract were inadequate. The City set an appeal against the judgment. On July 6, 2006, Telvent, as an interested party, also set an appeal. The filing of the appeals keeps the judgment ineffective until all of the appeals have been resolved. As of December 31, 2006, the development and installation work for the El Toyo project is substantially complete.

In accordance with the information received from the different advisors, the Managers of Abengoa estimate that resolution of these matters, including the proceedings related to the El Toyo Project, will not have a material adverse effect on the Company's business and the consolidated results of operations.

In addition, as at 31.12.2006, Abengoa and its group of companies support claims and legal litigations in their favour and against their favour, as a natural consequence of their business and economic and technical claims that the parties to a contract usually file against each other. The most significant of these claims is currently substantiated abroad and refers to a contract for the repowering of electricity generation units which, for various reasons, has been cancelled group company that won the contract as a consequence of its impossible execution as defined as a result of the client's failure, in time and form, to obtain the administrative permits required for the works.

As a consequence of the above, the company claimed substantial economic amounts not recognised in the attached financial statements or in those prepared in previous financial years, due to their consideration as contingent assets. These claims were finally counterclaimed in 2003 by the customer, including intangible losses and claims for indirect damages much higher than the total amount of the original contract (around $ 200 M). The administrators of Abengoa anticipate that this disagreement may be resolved appropriately in a reasonable period of time and therefore understand that it does not constitute liabilities susceptible to recognition in the books. This opinion is corroborated by the company's legal advisors, especially regarding the limitation laid down in the contract of exclusion of liability for indirect damages and the limitation for direct damages.

Note 36. Other Information.

36.1. Fixed assets allocated to electrical activities.

The balances of intangible, tangible and financial fixed assets both in general and with regard to projects, allocated to electrical activities as per Note 2.27 are as follows:

Activity	Balance as of 31.12.05	Increase	Decreases	Other movements	Balance as of 31.12.06
Special production: Cogeneration	216,372	23,343	(4,449)	3,961	239,227
Special production: Hydraulics	8,207	-	-	-	8,207
Special production: Other	93,928	43,520	(11,066)	1	126,383
Transport	581,747	352,276	(51,740)	(49,775)	832,508
Costs Spanish companies	345,357	92,863	(15,641)	3,962	426,541
Costs foreign companies	554,897	326,276	(51,614)	(49,775)	779,784
Total Cost	**900,254**	**419,139**	**(67,255)**	**(45,813)**	**1,206,325**

Activity	Balance as of 31.12.05	Increase	Decreases	Other movements	Balance as of 31.12.06
Special production: Cogeneration	(83,594)	(6,913)	229	9	(90,269)
Special production: Hydraulics	(511)	(264)	-	-	(775)
Special production: Other	(53,684)	(2,477)	156	5,953	(50,052)
Transport	(10,868)	(3,941)	25	(167)	(14,951)
Accumulated depreciation Spanish companies	(137,789)	(9,654)	385	5,962	(141,096)
Accumulated depreciation foreign companies	(10,868)	(3,941)	25	(167)	(14,951)
Total accumulated depreciation	**(148,657)**	**(13,595)**	**410**	**5,795**	**(156,047)**
Net amount	**751,597**				**1,050,278**

Other movements correspond basically to adaptation of both percentages of company shareholdings and initial balances for the year.

The total amount allocated to electrical activities it is broken down in Fixed assets in projects and other fixed assets as follows:

	Balance as of 31.12.06	Balance as of 31.12.05
Fixed assets in projects	922,478	690,001
Other fixed assets	127,800	61,596
Total	**1,050,278**	**751,597**

The balances of no-Recourse Financing Applied to Projects allocated to electrical activities as per Note 2.27 are as follows:

	Balance as of 31.12.06	Balance as of 31.12.05
Short-term bank debts	395,578	36,029
Long-term bank debts	376,165	290,552
Total	**771,743**	**326,581**

The balances of no-Recourse Financing in Progress allocated to electrical activities as per Note 2.27 are as follows:

	Balance as of 31.12.06	Balance as of 31.12.05
Short-term bank debts	179,617	246,379
Long-term bank debts	-	-
Total	**179,617**	**246,379**

36.2. Average number of employees.

The average number of employees during the 2006 and 2005 financial years, separated into categories, is as follows:

Categories	**Average Number 2006**	**%**	**Average Number 2005**	**%**
Senior Manager	473	3.5	388	3.5
Middle Manager	1,227	9.0	1,117	10.1
Engineers and Uni. Graduates	2,210	16.2	1,613	14.5
Skilled and Semi-skilled	1,893	13.9	1,416	12.8
Laborers	7,805	57.4	6,548	59.1
Total	**13,608**	**100.0**	**11,082**	**100.0**

The mean number of staff is split between Spain (51%) and abroad (49%).

To gather this information, all the entities that form part of the consolidation perimeter have been considered, exclusively in the cases in which the full consolidation or proportional consolidation method is applied for the purposes of preparing the consolidated accounts.

36.3. Relations with associated companies.

The account Abengoa maintains with Inversión Corporativa I.C., S.A., at the end of the 2005 and 2006 financial years has a zero balance.

The dividends distributed to associated companies during the year have totalled € 7,605 thousands (€ 7,098 thousands in 2005).

They do not exist transactions completed during the 2005 and 2006 financial years with significant shareholders additional to the purchase of the land as per Note 7.4.

36.4. Salaries and other payments.

The post of Member of the Board is paid in accordance with the provisions laid down in article 39 of the Articles of Association. The payment of the administrators can consist of a fixed amount agreed in the General Shareholders meeting, which does not have to be the same for each one. Similarly, they may receive a share in the profits of the Company of between 5 and 10% of the annual profits once the dividend corresponding to the financial year in question has been paid out, together with compensation for travel expenses related to work entrusted by the Board.

The payments made during the financial year 2006 to the members of the Board of Directors and to the Advisory Board of the Board of Directors of Abengoa, S.A. have totalled € 1,578 thousands (€ 930 thousands in the financial year 2005) for allowances and salaries and € 211 thousands (€ 233 thousands in the 2005 financial year) for other items.

In addition, during the 2006 financial year, the payments made to the Top-Level Management of the Company, considering the inclusion of fifteen people that constitute the Presidency, Strategy Committee and Corporate Management Departments, have totalled € 7,882 thousands (€ 5,519 thousands in the 2005 financial year) for both fixed and variable items.

There are no advance payments or credits awarded to the members of the board nor obligations assumed with them as guarantees.

There is a commitment for pensions awarded during the 2006 and 2005 financial years for a value totalling € 1,086 thousands.

36.5. Since 19 July 2003, the date on which the Stock Market Act 26/2003 came into force, modifying Act 24/1988, of 20 July, and the revised text of the Limited Companies Act, with a view to reinforcing the transparency of limited companies, the members of the Board of Directors have not maintained, except for those indicated below, shares in the capital of companies that carry out activities of the same, similar or complementary kind as that laid down in the corporate purpose of the parent Company. Furthermore, they have not carried out nor do they carry out activities on their own account or on behalf of any other party that are of a similar or complementary nature to the activities laid down in the corporate purpose of Abengoa, S.A. On the other hand, there are no companies susceptible to the application of the horizontal consolidation laid down in article 42 of the Code of Commerce in either 2006 or 2005.

The following shows the members of the board that are also members of other listed companies:

Spanish Tax No.	Name	Listed company	Position
35203147	José Terceiro Lomba	Telvent GIT	Member of the board
35203147	José Terceiro Lomba	U.Fenosa	Member of the board
35203147	José Terceiro Lomba	Iberia	Member of the board, member of the executive commission
35203147	José Terceiro Lomba	Grupo Prisa	Member of the board, chairman of the audit committee
2191423	Ignacio de Polanco Moreno	Grupo Prisa	Adviser

In accordance with the record of significant shareholdings the company maintains in accordance with the provisions laid down in the internal code of stock market conduct, the percentages of shares of the administrators in the company's capital at 31.12.06 are as follows:

	Direct %	Indirect %	Total %
Felipe Benjumea Llorente	0.061	-	0.061
Javier Benjumea Llorente	0.004	-	0.004
José Joaquín Abaurre Llorente	0.003	-	0.003
José Luis Aya Abaurre	0.061	-	0.061
José B. Terceiro Lomba	0.111	0.111	0.222
Ignacio de Polanco Moreno	-	-	-
Daniel Villalba Vilá	0.003	-	0.003
Carlos Sebastián Gascón	-	-	-
Mercedes Gracia Díez	0.0005	-	0.0005
Total	**0.2435**	**0.111**	**0.3545**

36.6. Auditors' fees.

During the financial year 2006, fees were paid amounting to € 2,547 thousands (€ 2,063 thousands in 2005) for the financial audits that include the audit at the end of the year and the regular review of information and the audit under the US Gaap criteria of the company listed in the USA. Of the said amount, € 667 thousands correspond to the main auditor of the group PricewaterhouseCoopers (€ 1,360 thousands in 2005).

Furthermore, in the financial year 2006, € 275 thousands have been paid to auditing firms for other work, basically for consultancy work and financial verification of company acquisition transactions. € 185 thousands corresponds to the main auditor.

In the 2005 financial year, € 564 thousands were paid to auditing firms for other work, basically for the implantation of the requirements of the Sarbanes-Oxley Law. € 84 thousands corresponds to the main auditor.

36.7. Environmental information.

One of the Business Groups of Abengoa focuses its activity on the provision of environmental services, such as the recycling of waste, industrial cleaning and environmental engineering.

Befesa, the head company of the said Business Group, provides the Consolidated Financial Statements of Abengoa for the 2006 and 2005 financial years with assets totalling € 1,106,026 and € 513,912 thousands, sales of € 555,285 and € 402,403 thousands and attributable results of € 23,555 and € 16,085 thousands related to the environmental activity.

At the end of the 2006 financial year, Abengoa estimates that there are no environmental risks that require additional funds.

It is Abengoa's objective for all its companies to obtain certificates for its environmental management systems. The use of treatment techniques with guarantees for environmental quality has been officially recognised through environmental management certificates (ISO 9001, ISO 14001 and EMAS). As a consequence of the above, at the end of the 2006 financial year, Quality Management Systems compliant with the ISO 9001 have been attained for 93% of the companies of Abengoa; similarly, there are Environmental Management Systems certified as compliant with the ISO 14001 for 82% of the companies.

The distribution of the percentages of the Companies certified in Quality and the Environment by Business Group is as follows:

Business group	**% companies certified as compliant with the ISO 9001**	**% companies certified as compliant with the ISO 14001**
Solar	50%	50%
Information Technologies	92%	85%
Industrial construction and engineering.	100%	71%
Environmental services.	94%	100%
Bioenergy	83%	67%

The Spanish companies of the Bioenergy Business Group, Ecocarburantes Españoles, S.A. and Bioetanol Galicia S.A., have developed and implanted a comprehensive Quality, Environment and Occupational Hazard Prevention management model, and have been certified by an international body in 2004. The North American company Abengoa Bioenergy Corp. is governed by local standards which have greater influence in its production area.

As tools for improving the management of the Quality and Environment Systems, a new version of two computer applications has been installed in almost all the companies in the group: for the management and resolution of problems (IRP) and for processing improvement actions (AM).

36.8. Post-balance-sheet event.

In relation to the proceedings brought by Central Magistrate's Court number 4 of the National Criminal Court against four members of the Board of Directors of Abengoa, S.A., against the current Secretary of the Board of Directors, and against the current Chairman of Telvent GIT, for a crime of unfair administration in accordance with article 295 of the Criminal Code, as a result of the purchase of shares in Xfera, the ruling of the Central Criminal Court of the National Court of 25 January 2007 dismissed these proceedings, declaring their absolute nullity. On the 17 October 2006, the Central Criminal Court had already issued a ruling in which it cancelled the precautionary measures imposed on Corporate Investment. The Ruling of 25 January accepts and fully allows the preliminary point argued by the representatives of the accused, in relation to the lack of active legitimation of the Public Prosecutor's Office, given the fact that no one had presented any allegations, as established by article 296 of the Criminal Code. The ruling also clarifies that neither of the exceptional cases was applicable here – involvement of general interest or plurality of affected parties - which make it possible to consider the existence of a crime even if there have been no allegations. The Ruling of 25 January was the object of an appeal by the Public Prosecutor's Office dated 6 February 2007, which will be resolved by the Criminal Division of the National Court in due course, at which time, if the aforementioned Ruling is confirmed, it will become firm.

After the close of the financial year, there have been no perceptible incidents liable to have any significant impact on the information reflected in the Annual Accounts formulated by the administrators on that date, or which should be highlighted due to their being of crucial significance for the Group.

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (2006)

Name	Registered Address	Shareholding: Amount in thousands of €.	Shareholding: % of nominal capital	Parent Company	See (Page 6)	Activity (See Page 6)	Auditor
AB Bioenergy France, S.A.	Montardon (FR)	25,212	56.00	Abengoa Bioenergía	a-b	(1)	A
AB Bioenergy Hannover GmbH	Hannover (DE)	98	100.00	Abengoa Bioenergía	a-b	(1)	A
ABC Issuing Company, Inc.	Chesterfield (USA)	1	100.00	Abengoa Bioenergy	a-b	(1)	-
Abecnor Subestaciones, S.A. de C.V.	México D.F. (MX)	2	50.00	Abengoa México	c	(4)	-
Abecom, S.A.	Seville (SP)	988	100.00	Inabensa	a-b	(4)	C
Abeinsa Brasil Projetos e Construcoes Ltda.	R. de Janeiro (BR)	-	99.90	Abengoa Brasil / Befesa Brasil	a-b	(4)	B
Abeinsa, Ingeniería y Construcción Industrial, S.A.	Seville (SP)	90,642	100.00	Abengoa / Siema	a-b	(4); (5)	A
Abelec, S.A.	Santiago (CL)	2	99.90	Abengoa Chile	a-b	(4)	A
Abema Limitada	Santiago (CL)	1	100.00	Abengoa Chile / Befesa CTA	a-b	(2); (4)	A
Abenasa Transmissao de Energia, Ltda. (ATE)	R. de Janeiro (BR)	89,359	100.00	ETVE / Abengoa Brasil	a-b	(4)	E
Abenasa Transmissao de Energia, Ltda. (ATE II)	R. de Janeiro (BR)	148,764	100.00	ETVE / Befesa Brasil	a-b	(4)	-
Abencor Suministros, S.A.	Seville (SP)	4,133	100.00	Abeinsa / Nicsa	a-b	(4)	C
Abener Argelia, S.L. (*)	Seville (SP)	3	100.00	Abener Energía	a-b	(4)	-
Abener Brasil Transmisora de Energia Ltda. (*)	R. de Janeiro (BR)	-	100.00	Abengoa Brasil / Inabensa Río	a-b	(4)	-
Abener El Sauz, S.A. de C.V. (Aelsa)	Mexico D.F. (MX)	6	50.00	Abener / Abengoa México	a-b	(4)	A
Abener Energía, S.A.	Seville (SP)	54,523	100.00	Abeinsa	a-b	(4)	A
Abener France, EURL (*)	Paris (FR)	3	100.00	Abener Energía	a-b	(4)	-
Abener Inversiones, S.L.	Seville (SP)	22,861	100.00	Abener / Nicsa	a-b	(4); (5)	-
Abener México, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abener / Abengoa México	a-b	(4)	-
Abengoa Bioenergía, S.A.	Seville (SP)	145,522	97.29	Siema / Abengoa	a-b	(1); (5)	A
Abengoa Bioenergía San Roque, S.A.	Seville (SP)	21,990	99.99	Asa Bioenergía / Ecoagrícola	a-b	(1)	-
Abengoa Bioenergy Belgium (*)	Antwerp (B)	62	100.00	Asa Bioenergía / Ecoagrícola	a-b	(1)	A
Abengoa Bioenergy Biomass of Kansas (*)	Kansas (USA)	1	100.00	Asa Bioenergy US Holding	a-b	(1)	-
Abengoa Bioenergy Corporation	Kansas (USA)	134,128	100.00	Asa Bioenergy	a-b	(1)	A
Abengoa Bioenergy Eng. and Construction, LLC (*)	Chesterfield (USA)	-	100.00	Asa Bioenergy US Holding	a-b	(1)	B
Abengoa Bioenergy Germany, GmbH (*)	Rostock (DE)	28	100.00	Abengoa Bioenergía	a-b	(1)	A
Abengoa Bioenergy Hybrid of Kansas (*)	Kansas (USA)	1	100.00	Asa Bioenergy US Holding	a-b	(1)	B
Abengoa Bioenergy Netherlands BV (*)	Culemborg (NL)	18	100.00	Abengo Bioenergía	a-b	(1)	A
Abengoa Bioenergy of Illinois, LLC (*)	Illinois (USA)	-	100.00	Asa Bioenergy US Holding	a-b	(1)	B
Abengoa Bioenergy of Indiana, LLC (*)	Indiana (USA)	1	100.00	Asa Bioenergy US Holding	a-b	(1)	B
Abengoa Bioenergy of Kansas, LLC (*)	Kansas (USA)	-	100.00	Asa Bioenergy US Holding	a-b	(1)	B
Abengoa Bioenergy R&D, Inc.	St. Louis (USA)	5	100.00	Abengoa Bioenergy	a-b	(1)	A
Abengoa Bioenergy Trading Europe B.V. (*)	Rotterdam (NL)	18	100.00	Abengo Bioenergía	a-b	(1)	A
Abengoa Bioenergy Trading US, LLC (*)	Chesterfield (USA)	1	100.00	Asa Bioenergy US Holding	a-b	(1)	B
Abengoa Bioenergy UK Limited (*)	Cardiff (UK)	-	100.00	Abengo Bioenergía	a-b	(1)	A
Abengoa Bioenergy US Holding (*)	Chesterfield (USA)	1	100.00	Asa Bioenergy Holding	a-b	(1)	B
Abengoa Brasil, S.A.	R. de Janeiro (BR)	12,794	100.00	Sociedad Inv. Líneas de Brasil	a-b	(4)	E
Abengoa Brasil Proyectos e Construçoes, Ltda.	R. de Janeiro (BR)	-	100.00	Abengoa Brasil / Befesa Brasil	a-b	(4)	-
Abengoa Chile, S.A.	Santiago (CL)	18,863	100.00	Asa Investment	a-b	(4)	A
Abengoa Comer. y Administraçao, S.A. (Abencasa)	R. de Janeiro (BR)	1,801	99.90	Asa Investment	a-b	(5)	-
Abengoa Linhas do Brasil Holding, S.A. (*)	R. de Janeiro (BR)	-	100.00	Abengoa Brasil / ETVE	a-b	(5)	-
Abengoa México, S.A. de C.V.	Mexico D.F. (MX)	9,357	90.00	Asa Investment	a-b	(4)	A
Abengoa Perú, S.A.	Lima (PE)	3,136	99.90	Asa Investment	a-b	(4)	A
Abengoa Puerto Rico, S.E.	San Juan (PR)	8	99.51	Abengoa/Abencor Suministros	a-b	(4)	A
Abengoa Servicios S.A. de C.V.	Mexico D.F. (MX)	4	99.80	Abengoa México / Saxa	a-b	(4)	A
Abensur Trading Company, S.A.	Montevideo (UY)	2,488	100.00	Befesa CTA	a-b	(2); (5)	-
Abentel Telecomunicaciones, S.A.	Seville (SP)	4,645	100.00	Abeinsa	a-b	(3)	A
Abentey, S.A.	Montevideo (UY)	-	100.00	Teyma Uruguay / Abener	a-b	(4)	-
Acoleq Químicos, S.L (*)	Biscay (SP)	3	100.00	Alianza Medioambiental	a-b	(2)	-
Alianza Medioambiental, S.L. (AMA)	Biscay (SP)	97,633	100.00	Befesa Medio Ambiente	a-b	(2); (5)	B
Aluminios en Discos, S.A.	Huesca (SP)	2,400	100.00	Befesa Aluminio Bilbao	a-b	(2)	B

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (Continuation) (2006)

Name	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of nominal capital	Parent Company	See (Page 6)	Activity (See Page 6)	Auditor
Aprovechamientos Energéticos Furesa, S.A.	Murcia (SP)	2,211	98.00	Abener Inversiones	a-b	(4)	C
Arce Sistemas, S.A.	Biscay (SP)	1,769	100.00	Telvent Tráfico y Transporte	a-b	(3)	A
Asa Bioenergy Holding, AG	Zug (CH)	118,811	100.00	Abengoa Bioenergía	a-b	(1); (5)	A
Asa Environment and Energy Holding AG	Zug (CH)	214,592	100.00	Siema	a-b	(5)	A
Asa Iberoamérica, S.L.	Seville (SP)	24,936	100.00	Abeinsa	a-b	(5)	-
Asa Investment AG	Zug (CH)	24,822	100.00	Asa Iberoamérica	a-b	(5)	A
Asa Investment Brasil, Ltda.	R. de Janeiro (BR)	-	100.00	Abengoa Brasil / Befesa Brasil	a-b	(4)	-
Aser Recuperación del Zinc, S.L.	Biscay (SP)	34,626	100.00	MRH-Residuos Metálicos	a-b	(2); (5)	B
ATE III Transmissora de Energia, S.A.	R. de Janeiro (BR)	-	100.00	ETVE / Abengoa Brasil	a-b	(4)	-
Aznalcóllar Solar, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Bargoa, S.A.	R. de Janeiro (BR)	16,421	100.00	Asa Investment / Abencasa	a-b	(3); (4)	E
Befesa Aluminio Bilbao, S.L.	Biscay (SP)	53,971	100.00	MRH-Residuos Metálicos	a-b	(2); (5)	B
Befesa Aluminio Valladolid, S.A.	Valladolid (SP)	8,670	100.00	Befesa Aluminio Bilbao	a-b	(2)	B
Befesa Argentina, S.A.	Buenos Aires (AR)	6,623	100.00	AMA / Befesa Desulfuración	a-b	(2)	E
Befesa Brasil, S.A.	R. de Janeiro (BR)	1,372	100.00	Asa Investment / AMA	a-b	(4)	E
Befesa Chile Gestión Ambiental Limitada	Santiago (CL)	182	100.00	Abengoa Chile / AMA	a-b	(2)	-
Befesa Construcción y Tecnología Ambiental, S.A.	Seville (SP)	24,011	100.00	Befesa Medio Ambiente	a-b	(2)	B
Befesa CTA Quingdao, S.L. (*)	Madrid (SP)	-	90.00	Befesa Chile	a-b	(2)	-
Befesa Desulfuración, S.A.	Biscay (SP)	36,510	90.00	Alianza Medioambiental	a-b	(2)	B
Befesa Escorias Salinas, S.A.	Valladolid (SP)	6,786	100.00	Befesa A.B. / Befesa A.V.	a-b	(2)	B
Befesa Fluidos, S.A.	Asturias (SP)	2,007	100.00	Alianza Medioambiental	a-b	(2)	B
Befesa Gestión de PCB, S.A.	Murcia (SP)	1,358	100.00	Alianza Medioambiental	a-b	(2)	B
Befesa Gestión de Residuos Industriales, S.L.	Murcia (SP)	79,546	100.00	Alianza Medioambiental	a-b	(2)	B
Befesa Gestión de Residuos Ind. Portugal, S.L.	Lisbon (PT)	50	100.00	Befesa GRI	a-b	(3)	-
Befesa Infraestructure India, Pvt.Ltd. (*)	Chennai (IN)	17	99.99	Befesa CTA	a-b	(2)	E
Befesa Limpiezas Industriales México, S.A. de C.V.	Mexico D.F. (MX)	1	100.00	Befesa Méx. / Abengoa Méx.	a-b	(2)	-
Befesa Medio Ambiente, S.A.	Biscay (SP)	300,505	92.29	Abengoa / PIM	a-b	(2); (5)	B
Befesa México, S.A. de C.V.	Mexico D.F. (MX)	1,353	97.30	AMA /Abengoa México	a-b	(2)	-
Befesa Perú, S.A.	Lima (PE)	676	100.00	AMA / Abengoa Perú	a-b	(2)	-
Befesa Plásticos, S.L.	Murcia (SP)	2,415	93.07	Alianza Medioambiental	a-b	(2)	B
Befesa Salt Slag Ltd.	Manchester (UK)	21,399	100.00	Befesa Aluminio Bilbao	a-b	(2)	E
Befesa Servicios Corporativos, S.A.	Madrid (SP)	2,626	100.00	Befesa Medio Ambiente	a-b	(2)	B
Befesa Zinc Amorebieta, S.A.	Biscay (SP)	4,154	51.00	Befesa Zinc Aser	a-b	(2)	B
Befesa Zinc Aser, S.A.	Biscay (SP)	18,039	100.00	Aser-Zinc	a-b	(2)	B
Befesa Zinc Comercial, S.A.	Biscay (SP)	60	100.00	Aser-Zinc	a-b	(2)	B
Befesa Zinc Sondika, S.A.	Biscay (SP)	1,727	51.00	Befesa Zinc Aser	a-b	(2)	B
Befesa Zinc Sur, S.L.	Biscay (SP)	605	100.00	Aser-Zinc	a-b	(2)	-
Beijing Blue Shield High & New Tech. Co. Lt. (*)	Beijing (CN)	3,113	80.00	Telvent China	a-b	(3)	B
BF Tiver, S.L.	Asturias (SP)	28	94.00	Befesa Fluidos	a-b	(2)	-
Bioeléctrica Jiennense, S.A.	Seville (SP)	885	95.00	Abener Inversiones	a-b	(4)	-
Bioener Energía, S.A.	Biscay (SP)	337	50.00	Abengoa Bioenergía	a-b	(4)	-
Bioetanol Galicia, S.A.	La Coruña (SP)	19,534	90.00	Abengoa Bioenergía	a-b	(1)	A
Borgu,S.A.	Montevideo (UY)	15	100.00	Teyma Uruguay	a-b	(4)	-
BUS France (*)	Gravelines (FR)	-	100.00	BUS Group AB	a-b	(2)	-
BUS Germany GmbH (*)	Duisburg (DE)	8,964	100.00	BUS Group AB	a-b	(2)	E
BUS Group AB (*)	Landskrona (DE)	287,235	100.00	Aser Recuperación del Zinc	a-b	(2)	E
BUS Holding Germany GmbH (*)	Duisburg (DE)	10	100.00	BUS Germany / MRH	a-b	(2); (5)	E
BUS Logistic Services GmbH (*)	Duisburg (DE)	1,248	51.00	BUS Steel	a-b	(2)	E
BUS Metall GmbH (*)	Duisburg (DE)	4,953	100.00	BUS Steel / BUS Ger./ BUS Hol. Ger.	a-b	(2)	E
BUS Scandust AB (*)	Landskrona (DE)	2,287	100.00	BUS Group AB	a-b	(2)	E
BUS Stahlwerkstaub Freiberg GmbH (*)	Duisburg (DE)	28	100.00	BUS Steel	a-b	(2)	E

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (Continuation) (2006)

Name	Registered Address	Shareholding Amount in thousands of €	Shareholding % of nominal capital	Parent Company	See (Page 6)	Activity (See Page 6)	Auditor
BUS Steel Services (*)	Duisburg (DE)	18,278	100.00	BUS Germ. / BUS Holding Germ.	a-b	(2)	E
BUS Valera (*)	Gravelines (FR)	2,956	100.00	BUS France	a-b	(2)	E
BUS Zinkrecycling Freiberg GmbH (*)	Freiberg (DE)	37,197	100.00	BUS Steel	a-b	(2)	E
Captación Solar, S.A.	Seville (SP)	205	99.90	Abener Inversiones / Abener	a-b	(4)	-
Captasol Fotovoltaica 1, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 2, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 3, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 4, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 5, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 6, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 7, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 8, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 9, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 10, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 11, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 12, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 13, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 14, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 15, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 16, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 17, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 18, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
Captasol Fotovoltaica 19, S.L. (*)	Seville (SP)	3	100.00	Inabensa / Solúcar	a-b	(4)	-
CD Puerto San Carlos, S.A. de C.V.	Mexico D.F. (MX)	13,918	100.00	Abener / Abengoa / A. México	a-b	(4)	A
Centro Industrial y Logístico Torrecúellar, S.A.	Seville (SP)	60	99.90	Abeinsa / Inabensa	a-b	(4)	-
Centro Tecnológico Palmas Altas, S.A.	Seville (SP)	60	100.00	Abengoa / Abeinsa	a-b	(6)	-
Cogeneración Villaricos, S.A.	Seville (SP)	5,951	99.20	Abener Inversiones	a-b	(4)	C
Construciones Metálicas Mexicanas, S.A. de C.V.	Querétaro (MX)	3,877	100.70	Abengoa México/Eucomsa	a-b	(4)	A
Construcciones y Depuraciones, S.A.	Seville (SP)	3,800	100.00	Befesa CTA	a-b	(2)	B
Copero Solar, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Copero Solar Uno, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Copero Solar Dos, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Copero Solar Tres, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Copero Solar Cuatro, S.A. (*)	Seville (SP)	30	50.00	Solúcar Energía	a-b	(4)	-
Copero Solar Cinco, S.A. (*)	Seville (SP)	30	50.00	Solúcar Energía	a-b	(4)	-
Copero Solar Seis, S.A. (*)	Seville (SP)	30	50.00	Solúcar Energía	a-b	(4)	-
Copero Solar Siete, S.A. (*)	Seville (SP)	30	50.00	Solúcar Energía	a-b	(4)	-
Copero Solar Ocho, S.A. (*)	Seville (SP)	30	50.00	Solúcar Energía	a-b	(4)	-
Copero Solar Nueve, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía / Solúcar R&D	a-b	(4)	-
Copero Solar Diez, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía / Solúcar R&D	a-b	(4)	-
Desarrollos Eólicos El Hinojal, S.A.	Seville (SP)	84	99.99	Siema / Nicsa	a-b	(4)	-
Donsplav	Donetsk (UA)	980	51.00	Befesa Aluminio Bilbao	a-b	(2)	-
Ecoagrícola, S.A.	Murcia (SP)	586	100.00	Abengoa Bioenergía / Ecocarb.	a-b	(1)	A
Ecocarburantes Españoles, S.A.	Murcia (SP)	10,172	95.10	Abengoa Bioenergía	a-b	(1)	A
Energoprojekt-Gliwice, S.A. (*)	Gliwice (PL)	3,036	99.25	Abener Energía	a-b	(4)	A
Enernova Ayamonte, S.A.	Huelva (SP)	2,281	91.00	Abener Inversiones	a-b	(4)	C
Enicar Chile, S.A.	Santiago (CL)	19	99.90	Abengoa Chile	a-b	(5)	A
Europea de Cons. Metálicas, S.A. (Eucomsa)	Seville (SP)	3,625	50.00	Abeinsa	c	(4)	A
European Tank Clean Company (ET2C)	Bordeaux (FR)	19	50.00	Befesa GRI	a-b	(2)	-

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (Continuation) (2006)

Name	Registered Address	Shareholding Amount in thousands of €	Shareholding % of nominal capital	Parent Company	See (Page 6)	Activity (See Page 6)	Auditor
Faritel, S.A.	Montevideo (UY)	12	100.00	Pandelco	a-b	(4)	-
Financiera Soteland, S.A.	Montevideo (UY)	84	100.00	Asa Investment	a-b	(7)	-
Fotovoltaica Solar Sevilla, S.A.	Seville (SP)	800	80.00	Solúcar Energía	a-b	(4)	-
Galdán, S.A.	Navarra (SP)	1,485	100.00	Befesa Aluminio Bilbao	c	(2)	B
Gestión Int. de Proyectos e Ing., S.A. de C.V. (*)	Mexico D.F. (MX)	4	100.00	Telvent México	a-b	(3)	B
Gestión Integral de Recursos Humanos, S.A.	Seville (SP)	64	100.00	Telvent Corp. / Siema	a-b	(8)	-
Girmex, S.A. de C.V. (*)	Mexico D.F. (MX)	3	100.00	Girh / Abengoa México	a-b	(8)	-
Greencell, S.A.	Seville (SP)	386	100.00	Abengoa Bioenergía/Inabensa	a-b	(1)	A
Helio Energy Electricidad Uno, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía / Solúcar R&D	a-b	(4)	-
Helio Energy Electricidad Dos, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía / Solúcar R&D	a-b	(4)	-
Hidro Abengoa, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Befesa México / Befesa CTA	a-b	(2)	-
Hynergreen Technologies, S.A.	Seville (SP)	912	100.00	Abeinsa / Inabensa	a-b	(4)	-
Inabensa Bharat Private Limited	N. Delhi (IN)	58	100.00	Inabensa / Abener	a-b	(4)	-
Inabensa France, S.A.	Pierrelate (FR)	550	100.00	Inabensa	a-b	(4)	-
Inabensa Maroc, S.A.	Tangier (MA)	1,504	100.00	Inabensa	a-b	(4)	-
Inabensa Portugal, S.A.	Lisbon (PT)	280	100.00	Inabensa	a-b	(3)	-
Inabensa Rio, Ltda.	R. de Janeiro (BR)	-	100.00	Abengoa Brasil / Befesa Brasil	a-b	(4)	-
Inapreu, S.A.	Barcelona (SP)	2,318	50.00	Inabensa	a-b	(4)	-
Iniciativas Hidroeléctricas, S.A.	Seville (SP)	1,227	51.00	Befesa CTA / Nicsa	c	(2)	C
Iniciativas Medioambientales, S.A.	Seville (SP)	4	100.00	Befesa GRI	a-b	(2)	-
Instalaciones Inabensa, S.A.	Seville (SP)	17,307	100.00	Abeinsa / Nicsa	a-b	(4)	A
Inversora Enicar, S.A.	Montevideo (UY)	1,806	100.00	Abengoa Chile	a-b	(5)	A
Klitten, S.A.	Montevideo (UY)	12	100.00	Teyma Uruguay	a-b	(4)	-
Lanceolate Company Ltd. (*)	La Valeta (MT)	50	100.00	BUS Group	a-b	(2)	E
Líneas 612 Norte Nordeste, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abengoa / Abengoa México	a-b	(4)	-
Lineas Altamira, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa México	a-b	(4)	-
Líneas Baja California Sur, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	c	(4)	-
LT Rosarito y Monterrey, S.A. de C.V.	Mexico D.F. (MX)	2,651	100.00	Inabensa/Asa Invest./A.México	a-b	(4)	A
Maexbic, S.A. (*)	Barcelona (SP)	1,790	100.00	Telvent Tráfico y Transporte	a-b	(3)	-
Miner & Miner Consulting Engineers, Inc.	Colorado (USA)	12,547	70.00	Telvent GIT	a-b	(3)	-
MRH Residuos Metálicos, S.L.	Biscay (SP)	42,747	100.00	Befesa Medio Ambiente	a-b	(2); (5)	B
Mundiland, S.A.	Montevideo (UY)	2,258	100.00	Telvent Factory Holding	a-b	(5)	A
Negocios Industr. y Comerciales, S.A. (Nicsa)	Madrid (SP)	1,791	100.00	Abencor Suministros	a-b	(4)	C
Nicsa Industrial Supplies Corporation	Miami (USA)	168	100.00	Nicsa	a-b	(4)	-
Nicsa México, S.A.	Mexico D.F. (MX)	4	100.00	Nicsa / Abengoa México	a-b	(4)	-
Nicsa Suministros Industriales, S.A.	Buenos Aires (AR)	3	100.00	Nicsa / Teyma Abengoa	a-b	(4)	-
Nordic Biofuels of Ravenna	Chesterfield (USA)	40,255	100.00	Abengoa Bioenergy	c	(1)	-
NTE - Nordeste Transmissora de Energía, S.A.	R. de Janeiro (BR)	27,372	50.01	Abengoa Brasil	a-b	(4)	E
Palmucho, S.A.	Santiago (CL)	2	100.00	Abengoa Chile / Enicar Chile	a-b	(4)	A
Pandelco, S.A.	Montevideo (UY)	470	100.00	Teyma Uruguay	a-b	(4)	A
Procesos Ecológicos, S.A. (Proecsa)	Seville (SP)	657	50.00	Befesa CTA	c	(2); (5)	-
Procesos Ecológicos Carmona 1, S.A.	Seville (SP)	63	100.00	Procesos Ecológicos / AMA	a-b	(2)	-
Procesos Ecológicos Carmona 2, S.A.	Seville (SP)	90	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	-
Procesos Ecológicos Carmona 3, S.A.	Seville (SP)	60	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	-
Procesos Ecológicos Lorca 1, S.A.	Seville (SP)	180	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	-
Procesos Ecológicos Vilches, S.A.	Seville (SP)	1,299	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	C
Proyectos de Inv. e Infraestruc., S.A. de C.V. (*)	Mexico D.F. (MX)	4	100.00	Abeinsa / Inabensa	a-b	(4)	-
Proyectos de Inversiones Medioambientales, S.L.	Biscay (SP)	265,308	100.00	Asa Environment & E.H./Siema	a-b	(5)	-
Puerto Real Cogeneración, S.A. (Precosa)	Cadiz (SP)	176	99.09	Abener Inversiones	a-b	(4)	A
Recytech S.A. (*)	Fouquiéres (FR)	-	50.00	BUS Steel	a-b	(2)	B
Remetal Trading and Investment AG	Zurich (CH)	25	100.00	Befesa Aluminio Bilbao	a-b	(2)	-
Residuos Sólidos Urbanos de Ceuta, S.L. (Resurce)	Ceuta (SP)	2,030	50.00	Abengoa	c	(2)	-

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (Continuation) (2006)

Name	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of nominal capital	Parent Company	See (Page 6)	Activity (See Page 6)	Auditor
Residuos Ind. de la Madera de Córdoba,S.A.	Cordova (SP)	617	71.02	Befesa GRI	a-b	(2)	-
Sanlúcar Solar, S.A.	Seville (SP)	8,717	100.00	Solúcar Energía/Asa E&EH	a-b	(4)	-
Serv. Aux. de Administración, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abengoa México	a-b	(4)	A
Serv. Integr. de Mant. y Operación, S.A. (Simosa)	Seville (SP)	109	99.99	Inabensa / Nicsa	a-b	(4)	C
SET Sureste Peninsular, S.A. de C.V.	Mexico D.F. (MX)	1,558	100.00	Abengoa México / Inabensa	a-b	(4)	A
Siema AG	Zug (CH)	8,757	100.00	Siema	a-b	(5)	A
Sinalan, S.A.	Montevideo (UY)	12	100.00	Teyma Uruguay	a-b	(4)	-
Sistemas de Control de Energía, S.A. (Sicel)	Seville (SP)	1,245	100.00	Telvent E.y M.A./Telvent GIT	a-b	(3)	-
Sistemas de Desarrollo Sustentables, S.A. de C.V.	Mexico D.F. (MX)	-	100.00	Befesa México / A. México	a-b	(2)	-
Sniace Cogeneración, S.A.	Madrid (SP)	8,686	90.00	Abener Inversiones	a-b	(4)	A
Soc. Inver. en Ener. y Medioambiente,S.A. (Siema)	Seville (SP)	93,008	100.00	Abengoa / Siema	a-b	(5)	A
Sociedad Inversora Lineas de Brasil, S.L.	Seville (SP)	12,798	100.00	Asa Iberoamérica	a-b	(5)	-
Sociedad Operadora de Sistemas Eléctricos, Plc (*)	R. de Janeiro (BR)	-	100.00	Telvent Brasil/Telvent Argentina	a-b	(3)	-
Solaben Electricidad Uno, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía/Solúcar R&D	a-b	(4)	-
Solaben Electricidad Dos, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía/Solúcar R&D	a-b	(4)	-
Solaben Electricidad Tres, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía/Solúcar R&D	a-b	(4)	-
Solaben Electricidad Cuatro, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía/Solúcar R&D	a-b	(4)	-
Solaben Electricidad Cinco, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía/Solúcar R&D	a-b	(4)	-
Solaben Electricidad Seis, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía/Solúcar R&D	a-b	(4)	-
Solar Power Plant One (SPP1) (*)	Algeria (DZ)	532	66.00	Abener	a-b	(4)	-
Solar Processes, S.A.	Seville (SP)	6,380	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Solnova Electricidad, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Solnova Electricidad Dos, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Solnova Electricidad Tres, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Solnova Electricidad Cuatro, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Solnova Electricidad Cinco, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Solúcar Energía, S.A.	Seville (SP)	500	100.00	Solúcar Solar / Abencor	a-b	(4); (5)	A
Solúcar Inc. (*)	New York (USA)	1	100.00	Solúcar	a-b	(4)	-
Solúcar, Investig. y Desarrollo,(Solúcar R&D), S.A.	Seville (SP)	60	100.00	Solúcar / Inabensa	a-b	(4)	-
Solúcar Solar, S.A. (*)	Seville (SP)	60	100.00	Abengoa / Solúcar Energía	a-b	(4); (5)	-
Soluciones Ambientales del Norte Limitada (*)	Santiago (CL)	-	90.00	Befesa Chile	a-b	(2)	-
STE - Sul Transmissora de Energía, Ltda.	R. de Janeiro (BR))	12,581	50.01	Abengoa Brasil	a-b	(4)	E
Subestaciones 611 Baja California, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa México	a-b	(4)	-
Subestaciones 615, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abengoa México / Abengoa	c	(4)	-
Telvent Argentina, S.A.	Buenos Aires (AR)	572	100.00	Telvent Tráfico y Transporte	a-b	(3)	A
Telvent Australia Pty Ltd.	Perth (AU)	5,188	100.00	Telvent GIT	a-b	(3)	A
Telvent B.V.	Amsterdam (NL)	110	100.00	Siema	a-b	(5)	-
Telvent Brasil, S.A.	R. de Janeiro (BR)	1,189	100.00	Telvent Tráfico y Transporte	a-b	(3)	E
Telvent Canadá, Ltd.	Calgary (CA)	26,287	100.00	Telvent GIT	a-b	(3)	A
Telvent China, Ltd.	Beijing (CN)	5,508	100.00	Telvent Tráfico y Transporte	a-b	(3)	-
Telvent Corporation, S.L.	Madrid (SP)	24,297	100.00	Abengoa / Siema	a-b	(5)	-
Telvent Danmark, A/S	Copenhague (DK)	17	100.00	Telvent E. y M.A.	a-b	(3)	-
Telvent Deutschland GmbH	Hamburg (DE)	27	100.00	Telvent E. y M.A.	a-b	(4)	-
Telvent Energía y Medio Ambiente, S.A.	Madrid (SP)	39,066	100.00	Telvent GIT	a-b	(3)	A
Telvent Factory Holding AG	Zug (CH)	9,353	99.95	Telvent Investment	a-b	(3); (5)	A
Telvent Farradyne, Inc. (*)	Maryland (USA)	29,920	100.00	Telvent Traffic North America	a-b	(3)	B
Telvent Farradyne Engineering, P.C. (*)	Maryland (USA)	-	100.00	Telvent Farradyne	a-b	(3)	-
Telvent GIT, S.A.	Madrid (SP)	54,601	89.83	Telvent Corp./Siema AG/Abengoa	a-b	(3); (5)	A
Telvent Housing, S.A.	Madrid (SP)	2,872	100.00	Telvent GIT	a-b	(3)	A
Telvent Interactiva, S.A.	Madrid (SP)	240	100.00	Telvent GIT/Telvent E. y M.A.	a-b	(3)	A

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (Continuation) (2006)

Name	Registered Address	Shareholding Amount in thousands of €	Shareholding % of nominal capital	Parent Company	See (Page 6)	Activity (See Page 6)	Auditor
Telvent Investment, S.L.	Madrid (SP)	7,000	100.00	Telvent Corporation	a-b	(5)	-
Telvent México, S.A. de C.V.	Mexico D.F. (MX)	1,293	99.98	Telvent E. y M.A.	a-b	(3)	A
Telvent Netherlands BV	Culemborg (NL)	1,702	100.00	Telvent GIT	a-b	(3)	A
Telvent Outsourcing, S.A.	Seville (SP)	476	100.00	Telvent GIT/Telvent E.y M.A./Nicsa	a-b	(3)	C
Telvent Portugal, S.A.	Lisbon (PT)	1,202	100.00	Telvent Housing	a-b	(3)	A
Telvent Scandinavia, A/S	Ostersund (SE)	334	100.00	Telvent E. y M.A.	a-b	(3)	-
Telvent Servicios Compartidos, S.L.	Madrid (SP)	211	99.92	Telvent GIT/Telvent E. y M.A.	a-b	(8)	A
Telvent Thailand Ltd.	Bangkok (TH)	215	100.00	Telvent Tráfico y Transporte	a-b	(3)	E
Telvent Traffic North America	Texas (USA)	14,106	100.00	Telvent Tráfico y Transporte	a-b	(3)	-
Telvent Tráfico y Transporte, S.A.	Madrid (SP)	6,452	100.00	Telvent E. y M.A./Telvent GIT	a-b	(3)	A
Telvent USA, Inc.	Houston (USA)	10,156	100.00	Telvent Canadá	a-b	(3)	A
Telvent Venezuela, C.A. (*)	Caracas (VE)	-	100.00	Telvent TyT /Telvent Argentina	a-b	(3)	-
Teyma Abengoa, S.A.	Buenos Aires (AR)	30,757	100.00	Asa Invest./Befesa Argent./Abengoa	a-b	(4)	A
Teyma Paraguay, S.A.	Asunción (PY)	105	100.00	Teyma Uruguay	a-b	(4)	-
Teyma Uruguay, S.A.	Montevideo (UY)	2,720	92.00	Asa Investment	a-b	(4)	A
Teyma Uruguay ZF, S.A.	Montevideo (UY)	18	100.00	Teyma Uruguay	a-b	(4)	A
Tráfico e Ingeniería, S.A. (Trafinsa)	Asturias (SP)	1,034	100.00	Telvent TyT / Arce Sistemas	a-b	(3)	C
Transportadora Cuyana, S.A.	Buenos Aires (AR)	2	80.00	Teyma Abengoa	a-b	(4)	A
Transportadora del Atlántico, S.A.	Buenos Aires (AR)	2	80.00	Teyma Abengoa	a-b	(4)	A
Transportadora Río de la Plata	Buenos Aires (AR)	1	80.00	Teyma Abengoa	a-b	(4)	A

(*) Companies incorporated or acquired and consolidated for the first time in the year.

The circumstances considered in Article 2 of Royal Decree 1815/91, whereby the Rules for Formulation of Consolidated Annual Accounts were approved, are:

a. The parent Company shall hold a majority of the voting rights.
b. The parent Company shall have the right to appoint a majority of the members of the governing body.
c. The parent Company may hold a majority of the voting rights through agreements with other shareholders or members.

The percentage interests have been rounded up to two decimals.
Unless stated otherwise, the closing date of the latest annual accounts was December 31, 2006.

(1) Bioenergy Business Group.
(2) Environmental Services Business Group.
(3) Information Technology Business Group.
(4) Engineering and Industrial Construction Business Group.
(5) Holding Company.
(6) Acquisition and running of rural and urban property, together with other related activities.
(7) Financial services.
(8) Ancillary services.

A Audited by PricewaterhouseCoopers Auditores, S.L.
B Audited by Deloitte & Touche España, S.L.
C Audited by Auditoría y Consulta, S.A.
D Audited by Auditores y Consultores del Sur, S.A.
E Audited by Other Auditors.

Appendix II

Associated Companies included in the Consolidation Perimeter using the Participation Method (2006)

Name	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of Nominal Capital	Parent Company	(*)	Art. of R.D. 1815/91	Activity	Auditor
Abalnor T&D, S.A. de C.V.	Mexico D.F. (MX)	1	25.00	Abengoa México	-	5º 3	(4)	-
Abener-Dragados Industrial México,S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abener México	(*)	5º 3	(4)	-
Abenor, S.A.	Santiago (CL)	6,570	20.00	Abengoa Chile/Transam	-	5º 3	(4)	A
ABG Servicios Medioambientales, S.A.	Biscay (SP)	233	27.60	Alianza Medioambiental	-	5º 3	(2)	-
Agua y Gestión de Servicios Ambientales, S.A.	Seville (SP)	6,062	43.50	Befesa M.A.	-	5º 3	(2)	-
Araucana de Electricidad, S.A.	Santiago (CL)	7,109	20.00	Abengoa Chile/Transam	-	5º 3	(4)	A
Cogeneración del Sur, S.A.	Seville (SP)	260	45.00	Abencor Suministros	-	5º 3	(4)	C
Cogeneración Motril, S.A.	Seville (SP)	1,403	39.00	Abener Inversiones	-	5º 3	(4)	E
Consorcio Teyma M&C	Santiago (CL)	11	49.90	Abengoa Chile	-	5º 3	(4)	-
Deydesa 2000, S.L.	Álava (SP)	6,763	40.00	Befesa Aluminio Bilbao	-	5º 3	(2)	E
Ecología Canaria, S.A. (Ecansa)	Las Palmas (SP)	68	45.00	Befesa GRI	-	5º 3	(2)	-
Expansion Transmissào de Energia Eletrica, Ltda.	R. de Janeiro (BR)	7,274	25.00	Abengoa Brasil	-	5º 3	(4)	E
Expansion Trans. Itumbiara Marimbondo, Ltda.	R. de Janeiro (BR)	5,157	25.00	Abengoa Brasil	-	5º 3	(4)	-
Geida BeniSaf, S.L.	Madrid (SP)	150	50.00	Codesa / Befesa CTA	-	5º 3	(2)	-
Geida Skikda, S.L.	Madrid (SP)	150	50.00	Codesa / Befesa CTA	-	5º 3	(2)	-
Geida Tlemcen, S.L.	Madrid (SP)	1	34.00	Befesa CTA	-	5º 3	(2)	-
Hospital del Tajo	Seville (SP)	1,336	20.00	Inabensa		5º 3	(4)	-
Huepil de Electricidad, S.A.	Santiago (CL)	10,713	20.00	Abengoa Chile/Transam	-	5º 3	(4)	A
Intersplav	Sverdlovsk (UA)	3,726	50.84	Befesa Aluminio Bilbao	-	5º 3	(2)	A
Inversiones Eléctricas Transam Chile Limitada	Santiago (CL)	5,418	20.00	Abengoa Chile	-	5º 3	(4)	A
Líneas Sistemas Nacional, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	A
Líneas y Subestaciones 506, S.A. de C.V.	Mexico D.F. (MX)	1	25.00	Abengoa México	-	5º 3	(4)	-
Líneas y Subestaciones de México, S.A. de C.V.	Mexico D.F. (MX)	2	33.30	Abengoa México	-	5º 3	(4)	-
Subestaciones 410, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	-
Subest. y Lineas Bajío Oriental, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	-
Subestaciones y Líneas de México, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	-
Tenedora de Acciones de Redesur, S.A.	Lima (PE)	4,834	33.30	Abengoa Perú	-	5º 3	(5)	-

(*) Companies incorporated or acquired and consolidated for the first time in the year.

Article 5.3 of Royal Decree 1815/91, whereby the Rules for the Formulation of Consolidated Annual Accounts were approved, states that when one or more companies belonging to the group hold an interest of at least 20% in the capital of another Company which does not belong to the group, said Company shall be deemed to exist as an associated Company. Said percentage is reduced to 3% if the Company held is admitted to official listing on a stock exchange.

(1) Bioenergy Business Group.
(2) Environmental Services Business Group.
(3) Information Technology Business Group.
(4) Engineering and Industrial Construction Business Group.
(5) Holding Company.

A, C and E: See page 6 of Appendix I.

Joint Ventures included in the Consolidation Perimeter using the Proportional Integration Method (2006)

Name of Entity	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of Nominal Capital	Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 3)	Auditor
Abener – Instalaciones Inabensa	Seville (SP)	-	30.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Abensaih Construcción	Seville (SP)	3	50.00	Telvent E y MA	-	4º2.a	(3)	-
Abensaih Mantenimiento	Seville (SP)	3	50.00	Telvent E y MA	-	4º2.a	(3)	-
APCA Inabensa – Abengoa	Seville (SP)	6	100.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Beni Saf	Madrid (SP)	1	25.00	Befesa CTA	(*)	4º2.a	(2)	-
Biocarburantes de Castilla y León, S.A.	Salamanca (SP)	18,300	50.00	Abengoa Bioenergía	-	4º2.a	(1)	A
Bollullos Call Center	Seville (SP)	3	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Cifuentes	Seville (SP)	3	55.00	Befesa CTA	-	4º2.a	(2)	-
Ciudad de la Justicia	Madrid (SP)	1	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Consorcio Abengoa Perú Cosapi	Lima (PE)	311	50.00	Abengoa Perú	(*)	4º2.a	(4)	-
Consorcio ACI	Lima (PE)	-	41.00	Abengoa Perú	-	4º2.a	(4)	-
Consorcio Ambiental del Plata	Montevideo (UY)	-	40.00	Teyma Uruguay	-	4º2.a	(4)	-
Consorcio FAT (Ferrovial-Agroman-Teyma)	Montevideo (UY)	1,060	40.00	Teyma Uruguay	-	4º2.a	(4)	-
El Piloto	Lima (PE)	-	22.50	Abengoa Perú	-	4º2.a	(4)	-
Elsan - Pacsa - Tecnocontrol - Telvent T y T	Madrid (SP)	2	33.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Emisa – ST	Madrid (SP)	-	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Energía Línea 9	Barcelona (SP)	1	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Explotaciones Varias	Ciudad Real (SP)	1,907	50,00	Abengoa	-	4º2.a	(5)	-
Facultades	Seville (SP)	1	35.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Fenollar	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
Ferrongoa	Seville (SP)	6	35.00	Befesa CTA	(*)	4º2.a	(2)	-
Guadalajara	Seville (SP)	3	55.00	Befesa CTA	-	4º2.a	(2)	B
Hospital del Tajo	Seville (SP)	30	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Huesna UTE	Seville (SP)	6	33.00	Befesa CTA	-	4º2.a	(2)	-
IDAM Cartagena	Seville (SP)	1	37.50	Befesa CTA	-	4º2.a	(2)	-
Libia-Lineas	Seville (SP)	-	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Lucena	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
Lluchmayor UTE	Seville (SP)	2	50.00	Befesa CTA	-	4º2.a	(2)	D
Manten. Presas	Granada (SP)	2	35.00	Befesa CTA	(*)	4º2.a	(2)	-
Marismas Construcción	Seville (SP)	7	60.00	Befesa CTA	(*)	4º2.a	(2)	-
Minicentrales	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
Nat Electricidad	Madrid (SP)	12	33.33	Instalaciones Inabensa	-	4º2.a	(4)	-
Preufet Juzgados	Barcelona (SP)	6	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Pridesa - ASA (Almería) (IDAM Almería)	Seville (SP)	1	50.00	Befesa CTA	-	4º2.a	(2)	-
Puerto Huelva	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
S/E Libia	Madrid (SP)	-	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Saih Duero	Seville (SP)	2	30.00	Befesa CTA	-	4º2.a	(2)	-
Segria Sud	Seville (SP)	4	60.00	Befesa CTA	-	4º2.a	(2)	-
Sistema Este	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
ST – Acisa	Barcelona (SP)	3	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
ST - E. Otaduy - Excavaciones Cantábricas	Biscay (SP)	6	34.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
ST-Indra Sist.-Excav. Cantábricas-E.Otaduy	Biscay (SP)	6	30.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Suburbano México	Mexico D.F. (MX)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Teatinos	Málaga (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
Telvent - Sice – FCC	Madrid (SP)	5	34.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Telvent T y T – Acisa	Barcelona (SP)	-	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Telvent T y T - Telvent Argentina	Córdoba (AR)	1	50.00	Telvent Argentina	-	4º2.a	(3)	-

Joint Ventures included in the Consolidation Perimeter using the Proportional Integration Method (Continuation) (2006)

Name of Entity	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of Nominal Capital	Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 3)	Auditor
Telvent UTE	Buenos Aires (AR)	1	50.00	Telvent Argentina	-	4º2.a	(3)	-
Telvent-Inabensa	Barcelona (SP)	3	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Teulada Moraira	Seville (SP)	3	42.50	Befesa CTA	(*)	4º2.a	(2)	-
UTE Abener Inabensa	Seville (SP)	-	70.00	Abener Energía	(*)	4º2.a	(4)	-
UTE Abensaih	Seville (SP)	4	65.00	Befesa CTA	-	4º2.a	(2)	-
UTE Abensaih Construcción	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Abensaih Mantenimiento	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Almanzora	Seville (SP)	-	25.00	Codesa	(*)	4º2.a	(2)	-
UTE Almería	Seville (SP)	2	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Avinyo	Barcelona (SP)	-	40.00	Codesa	-	4º2.a	(2)	-
UTE Bascara	Barcelona (SP)	-	40.00	Codesa	-	4º2.a	(2)	-
UTE Beni Saf	Madrid (SP)	2	25.00	Codesa	(*)	4º2.a	(2)	-
UTE Cartuja	Seville (SP)	-	100.00	Codesa	-	4º2.a	(2)	-
UTE Deca	Seville (SP)	2	32.25	Befesa CTA	-	4º2.a	(2)	-
UTE Duro Felguera Plantas Industriales	Gijón (SP)	-	50.00	Befesa Fluidos	-	4º2.a	(2)	-
UTE El Toyo	Seville (SP)	6	50.00	Telvent Interactiva	(*)	4º2.a	(3)	-
UTE Espulga	Barcelona (SP)	-	40.00	Codesa	-	4º2.a	(2)	-
UTE Estepa	Seville (SP)	4	65.00	Befesa CTA	-	4º2.a	(2)	-
UTE Fuente Álamo	Valencia (SP)	3	33.00	Codesa	-	4º2.a	(2)	-
UTE Gelida	Barcelona (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Guiamet	Seville (SP)	7	60.00	Befesa CTA	-	4º2.a	(2)	-
UTE Huelva	Seville (SP)	3	50.00	Codesa	(*)	4º2.a	(2)	-
UTE Idam Atabal	Seville (SP)	3	53.00	Befesa CTA	-	4º2.a	(2)	-
UTE Idam Carboneras	Seville (SP)	3	43.00	Befesa CTA	-	4º2.a	(2)	-
UTE Itóiz	Biscay (SP)	4	35.00	Befesa CTA	-	4º2.a	(2)	-
UTE Jucar Vinalopo	Seville (SP)	2	33.34	Befesa CTA	-	4º2.a	(2)	-
UTE Lubet	Seville (SP)	-	75.00	Codesa	-	4º2.a	(2)	-
UTE Manten. 7 Presas	Seville (SP)	-	40.00	Codesa	(*)	4º2.a	(2)	-
UTE Meirama	La Coruña (SP)	54	6.00	Befesa CTA	-	4º2.a	(2)	-
UTE Minicentrales	Seville (SP)	3	50.00	Codesa	(*)	4º2.a	(2)	-
UTE Montemayor	Seville (SP)	-	60.00	Codesa	-	4º2.a	(2)	-
UTE Operación Verano	Madrid (SP)	2	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
UTE Poniente	Almería (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Ranillas	Seville (SP)	2	15.00	Codesa	-	4º2.a	(2)	-
UTE Retortillo	Seville (SP)	2	30.00	Codesa	(*)	4º2.a	(2)	-
UTE Riegos Marismas	Seville (SP)	4	70.00	Befesa CTA	-	4º2.a	(2)	-
UTE Sahechores	Seville (SP)	4	62.00	Befesa CTA	-	4º2.a	(2)	-
UTE Saih Duero	Seville (SP)	2	30.00	Telvent E y MA	-	4º2.a	(3)	-
UTE Sallent	Barcelona (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Sector Este	Barcelona (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Selectiva Poniente	Almería (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Servicios y maquinaria Duro Felguera	Gijón (SP)	-	50.00	Befesa Fluidos	-	4º2.a	(2)	-
UTE Sevic	Barcelona (SP)	-	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
UTE Sigüenza	Seville (SP)	3	55.00	Befesa CTA	-	4º2.a	(2)	-
UTE Skikda	Madrid (SP)	2	25.00	Codesa	-	4º2.a	(2)	-
UTE Skikda	Seville (SP)	1	25.00	Befesa CTA	-	4º2.a	(2)	-
UTE TTT - Iceacsa (Explotación Cent.)	La Coruña (SP)	3	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
UTE TTT - Inabensa	Barcelona (SP)	1	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
UTE TTT- Meym 2000 (Postes SOS)	Barcelona (SP)	2	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
UTE TTT- TI - Inabensa	Barcelona (SP)	-	40.00	Telvent Tráf. y Transp.	(*)	4º2.a	(3)	-

Joint Ventures included in the Consolidation Perimeter using the Proportional Integration Method (Continuation) (2006)

Name of Entity	Registered Address	Shareholding		Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 3)	Auditor
		Amount in thousands of €	% of Nominal Capital					
UTE Túneles Malmasín	Biscay (SP)	5	25.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
UTE Utrera	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Vilanova	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Villanueva	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Zaindu Hiru	Biscay (SP)	6	29.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Valdelentisco	Seville (SP)	5	80.00	Befesa CTA	(*)	4º2.a	(2)	-
Vendrell UTE	Barcelona (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-

(*) Companies/entities included in the consolidated group in the present year (See Note 6.8).

(**) Article 4.2.a of Royal Decree 1815/91, whereby the Rules for Formulation of Consolidated Annual Accounts were approved, defines multigroup companies as those for which the articles of association establish joint management.

(1) Bioenergy Business Group.
(2) Environmental Services Business Group.
(3) Information Technology Business Group.
(4) Engineering and Industrial Construction Business Group.
(5) Acquisition and running of rural an urban property, together with other related activities.

A, B and D: See page 6 of Appendix I..

Appendix IV

Companies with Electricity Operations included in the Consolidation Perimeter (See Note 36.1) (2006)

Name	Registered Address	Activity (*)	Remarks
Abenasa Transmissao de Energia, Ltda. (ATE)	Rio de Janeiro (BR)	9	Construction phase
Abenasa Transmissao de Energia, Ltda. (ATE II)	Rio de Janeiro (BR)	9	Construction phase
Abenor, S.A.	Santiago (CL)	9	Operational
Aprovechamientos Energéticos Furesa, S.A. (Aprofursa)	Murcia (SP)	1	Operational
Araucana de Electricdad, S.A.	Santiago (CL)	9	Operational
Befesa Desulfuración, S.A	Biscay (SP)	8	Operational
Befesa Plásticos,S.L.	Murcia (SP)	8	Operational
Biocarburantes de Castilla y León, S.A.	Salamanca (SP)	3	Construction phase
Bioetanol Galicia, S.A.	La Coruña (SP)	3	Operational
Captación Solar, S.A.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 1, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 2, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 3, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 4, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 5, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 6, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 7, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 8, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 9, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 10, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 11, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 12, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 13, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 14, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 15, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 16, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 17, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 18, S.L.	Seville (SP)	5	Construction phase
Captasol Fotovoltaica 19, S.L.	Seville (SP)	5	Construction phase
Cogeneración del Sur, S.A.	Seville (SP)	1	Operational
Cogeneración Motril, S.A.	Seville (SP)	1	Operational
Cogeneración Villaricos, S.A.	Seville (SP)	1	Operational
Copero solar, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Uno, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Dos, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Tres, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Cuatro, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Cinco, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Seis, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Siete, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Ocho, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Nueve, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Diez, S.A.	Seville (SP)	5	Construction phase
Desarrollos Eólicos El Hinojal, S.A.	Seville (SP)	2	Dormant
Ecocarburantes Españoles, S.A.	Murcia (SP)	3	Operational
Enernova Ayamonte, S.A.	Huelva (SP)	4	Operational
Expansión Transmissào de Energia Eletrica, Ltda.	Rio de Janeiro (BR)	9	Construction phase
Expansion Transmissao Itumbiara Marimbondo, Ltda.	Rio de Janeiro (BR)	9	Construction phase
Fotovoltaica Solar Sevilla, S.A.	Seville (SP)	5	Construction phase
Helio Energy Electricidad Uno, S.A.	Seville (SP)	6	Construction phase
Helio Energy Electricidad Dos, S.A.	Seville (SP)	6	Construction phase

Companies with Electricity Operations included in the Consolidation Perimeter (See Note 36.1) (2006)

Name	Registered Address	Activity (*)	Remarks
Huepil de Electricidad, S.A.	Santiago (CL)	9	Operational
Iniciativas Hidroeléctricas, S.A.	Seville (SP)	7	Operational
Nordeste Transmisora de Energía, S.A. (NTE)	Rio de Janeiro (BR)	9	Operational
Palmucho, S.A.	Santiago (CL)	9	Construction phase
Procesos Ecológicos Vilches, S.A.	Seville (SP)	3	Operational
Puerto Real Congeneración, S.A.	Cadiz (SP)	3	Operational
Sanlúcar Solar, S.A.	Seville (SP)	6	Construction phase
Sniace Congeneración, S.A.	Madrid (SP)	1	Operational
Sociedad Operadora de Sistemas Eléctricos, Plc	R. de Janeiro (BR)	9	Construction phase
Solaben Electricidad Uno, S.A.	Seville (SP)	6	Construction phase
Solaben Electricidad Dos, S.A.	Seville (SP)	6	Construction phase
Solaben Electricidad Tres, S.A.	Seville (SP)	6	Construction phase
Solaben Electricidad Cuatro, S.A.	Seville (SP)	6	Construction phase
Solaben Electricidad Cinco, S.A.	Seville (SP)	6	Construction phase
Solaben Electricidad Seis, S.A.	Seville (SP)	6	Construction phase
Solar Power Plant One (SPP1)	Argel (DZ)	6	Construction phase
Solar Processes, S.A.	Seville (SP)	5	Construction phase
Solnova Electricidad, S.A.	Seville (SP)	6	Operational
Solnova Electricidad Uno, S.A.	Seville (SP)	6	Operational
Solnova Electricidad Dos, S.A.	Seville (SP)	6	Operational
Solnova Electricidad Tres, S.A.	Seville (SP)	6	Operational
Solnova Electricidad Cuatro, S.A.	Seville (SP)	6	Operational
Solnova Electricidad Cinco, S.A.	Seville (SP)	6	Operational
STE- Sul Trasmisora de Energía, Ltda.	Rio de Janeiro (BR)	9	Construction phase

(*) Electricity operations as described in Note 7 t) in accordance with the provisions of Law 54/1997.

(1) Production under Special Regime: Cogeneration . Primary energy type: Fuel.
(2) Production under Special Regime: Wind. Primary energy type: Wind.
(3) Includes production under Special Regime: Cogeneration. Primary energy type: Natural gas.
(4) Production under Special Regime: Cogeneration. Primary energy type: Natural gas.
(5) Production under Special Regime: Solar Photovoltaic. Primary energy type: Solar light.
(6) Production under Special Regime: Solar. Primary energy type: Solar light.
(7) Production under Special Regime: Hydraulic. Primary energy type: Water.
(8) Production under Special Regime: Other. Primary energy type: Industrial waste (used oils).
(9) Transport.
(10) Electricity production: Based on hydrogen. Primary type of energy: Hydrogen.

Appendix V

Companies taxed under the Special Regime for Company Groups at 12.31.06

Abengoa Tax Group Number 02/97		
Name	**Tax Address**	**Shareholding**
Abengoa, S.A.	Seville (SP)	Parent Company
Abecom, S.A.	Seville (SP)	Instalaciones Inabensa, S.A.
Abeinsa, Ingeniería y Construcción Industrial, S.L.	Seville (SP)	Abengoa, S.A.
Abencor Suministros, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Abener Argelia, S.A.	Seville (SP)	Abener Energía, S.A.
Abener Energía, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Abener Inversiones, S.L.	Seville (SP)	Abener Energía, S.A.
Abengoa Bioenergía, S.L.	Seville (SP)	Abengoa, S.A.
Abengoa Bioenergía San Roque, S.A.	Seville (SP)	Abengoa Bioenergía, S.L.
Abentel Telecomunicaciones, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Aprovechamientos Energéticos Furesa, S.A. (Aprofursa)	Murcia (SP)	Abener Inversiones, S.L.
Asa Iberoamérica, S.L.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Aznalcóllar Solar, S.A.	Seville (SP)	Solúcar Energía, S.A.
Bioeléctrica Jiennense, S.A.	Seville (SP)	Abener Inversiones, S.L.
Bioetanol Galicia, S.A.	La Coruña (SP)	Abengoa Bioenergía, S.L.
Captación Solar, S.A.	Seville (SP)	Abener Inversiones, S.L. / Abener Energía, S.A.
Captasol Fotovoltaica 1, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 2, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 3, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 4, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 5, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 6, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 7, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 8, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 9, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 10, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 11, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 12, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 13, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 14, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 15, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 16, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 17, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 18, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Captasol Fotovoltaica 19, S.L.	Seville (SP)	Instalaciones Inabensa, S.A.
Centro Industrial y Logístico Torrecuellar, S.A.	Seville (SP)	Abeinsa IyCI, S.L. / Instalaciones Inabensa, S.A.
Centro Tecnológico Palmas Altas, S.A.	Seville (SP)	Abengoa, S.A.
Cogeneración Villaricos, S.A.	Seville (SP)	Abener Inversiones, S.L.
Copero solar, S.A.	Seville (SP)	Solúcar Energía, S.A.
Copero Solar Huerta Nueve, S.A.	Seville (SP)	Solúcar Energía, S.A.
Copero Solar Huerta Diez, S.A.	Seville (SP)	Solúcar Energía, S.A.
Desarrollos Eólicos El Hinojal, S.A.	Seville (SP)	Siema
Ecoagrícola, S.A.	Cartagena (SP)	Abengoa Bioenergía, S.L.
Ecocarburantes Españoles, S.A.	Murcia (SP)	Abengoa Bioenergía, S.L.
Enernova Ayamonte, S.A.	Huelva (SP)	Abener Inversiones, S.L.
Fotovoltaica Solar Sevilla, S.A.	Seville (SP)	Solúcar Energía, S.A.
Gestión Integral de Recursos Humanos, S.A.	Seville (SP)	Abengoa, S.A.
Greencell, S.A.	Seville (SP)	Abengoa Bioenergía, S.L.

Companies taxed under the Special Regime for Company Groups at 12.31.06 (Continuation)

Abengoa Tax Group Number 02/97 (Continuation)		
Name	**Tax Address**	**Shareholding**
Helioenergy Electricidad Uno, S.A.	Seville (SP)	Solúcar Energía, S.A.
Helioenergy Electricidad Dos, S.A.	Seville (SP)	Solúcar Energía, S.A.
Hynergreen Technologies, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Instalaciones Inabensa, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Negocios Industriales y Comerciales, S.A. (Nicsa)	Madrid (SP)	Abencor Suministros, S.A.
Puerto Real Cogeneración, S.A. (Precosa)	Cadiz (SP)	Abener Inversiones, S.L.
Sanlúcar Solar, S.A.	Seville (SP)	Solúcar Energía, S.A.
Servicios Integrales de Mantenimiento y Operación, S.A. (Simosa)	Seville (SP)	Instalaciones Inabensa, S.A.
Sniace Cogeneración, S.A.	Madrid (SP)	Abener Inversiones, S.L.
Sociedad Inversora en Energía y Medioambiente, S.A. (Siema)	Seville (SP)	Abengoa, S.A.
Sociedad Inversora Líneas Brasil, S.L.	Seville (SP)	Asa Iberoamérica, S.L.
Solaben Electricidad Uno, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solaben Electricidad Dos, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solaben Electricidad Tres, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solaben Electricidad Cuatro, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solaben Electricidad Cinco, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solaben Electricidad Seis, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solar Processes, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solnova Electricidad, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solnova Electricidad Dos, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solnova Electricidad Tres, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solnova Electricidad Cuatro, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solnova Electricidad Cinco, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solúcar Energía, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Solúcar Investigación y Desarrollo (Solúcar R&D), S.A.	Seville (SP)	Solúcar Energía, S.A.
Solúcar Solar, S.A.	Seville (SP)	Abengoa
Telvent Corporation, S.L.	Madrid (SP)	Abengoa, S.A.
Telvent Investment, S.L.	Madrid (SP)	Telvent Corporation, S.L.

Befesa Tax Group Number 4/01 B		
Name	**Tax Address**	**Shareholding**
Proyectos de Inversiones Medioambientales, S.L.	Biscay (SP)	Parent Company
Befesa Medio Ambiente, S.A.	Biscay (SP)	Proyectos de Inversiones Medioambientales, S.L.
Alianza Medioambiental, S.A. (AMA)	Biscay (SP)	Befesa Medio Ambiente, S.A.
Aser Recuperación del Zinc, S.L.	Biscay (SP)	MRH Residuos Metálicos, S.L.
Befesa Aluminio Bilbao, S.L.	Biscay (SP)	MRH Residuos Metálicos, S.L.
Befesa Desulfuración, S.A.	Biscay (SP)	Alianza Medioambiental, S.L. (AMA)
Befesa Gestión de Residuos Industriales, S.L.	Biscay (SP)	Alianza Medioambiental, S.L. (AMA)
Befesa Zinc Aser, S.A.	Biscay (SP)	Aser Recuperación del Zinc. S.L.
Befesa Zinc Comercial, S.A.	Biscay (SP)	Aser Recuperación del Zinc, S.L.
MRH Residuos Metálicos, S.L.	Biscay (SP)	Befesa Medio Ambiente, S.A.

Companies taxed under the Special Regime for Company Groups at 12.31.06 (Continuation)

Telvent Tax Group Number 231/05		
Name	**Tax Address**	**Shareholding**
Telvent GIT, S.A.	Madrid (SP)	Sociedad Dominante
Sistemas de Control de Energía, S.A.	Sevilla (SP)	Telvent Energía y Medio Ambiente, S.A. / Telvent GIT, S.A.
Telvent Energía y Medio Ambiente, S.A.	Madrid (SP)	Telvent GIT, S.A.
Telvent Housing, S.A.	Madrid (SP)	Telvent GIT, S.A.
Telvent Interactiva, S.A.	Madrid (SP)	Telvent GIT, S.A. / Telvent Energía y Medio Ambiente, S.A.
Telvent Outsourcing, S.A.	Sevilla (SP)	Telvent GIT, S.A. / Telvent Energía y Medio Ambiente, S.A.
Telvent Servicios Compartidos, S.A.	Madrid (SP)	Telvent GIT, S.A. / Telvent Energía y Medio Ambiente, S.A.
Telvent Tráfico y Transporte, S.A.	Madrid (SP)	Telvent Energía y Medio Ambiente, S.A. / Telvent GIT, S.A.
Tráfico Ingeniería, S.A.	Asturias (SP)	Telvent Tráfico y Transporte, S.A.

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (2005)

Name	Registered Address	Shareholding: Amount in thousands of €.	Shareholding: % of nominal capital	Parent Company	See (Page 5)	Activity (See Page 5)	Auditor
AB Bioenergy France, S.A. (*)	Montardon (FR)	19	51.00	Abengoa Bioenergía	a-b	(1)	A
ABC Issuing Company, Inc. (*)	Chesterfield (USA)	1	100.00	Abengoa Bioenergy	a-b	(1)	-
Abecnor Subestaciones, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	c	(4)	-
Abecom, S.A.	Seville (SP)	988	100.00	Inabensa	a-b	(4)	C
Abeinsa Brasil Projetos e Construcoes Ltda. (*)	R. de Janeiro (BR)	-	99.90	Abengoa Brasil / Befesa Brasil	a-b	(4)	B
Abeinsa, Ingeniería y Construcción Industrial, S.L.	Seville (SP)	90,642	100.00	Abengoa / Siema	a-b	(4); (5)	A
Abelec, S.A.	Santiago (CL)	2	100.00	Abengoa Chile	a-b	(4)	A
Abema Limitada	Santiago (CL)	1	100.00	Abengoa Chile / Befesa CTA	a-b	(2); (4)	A
Abenasa Transmissao de Energia, Ltda. (ATE)	R. de Janeiro (BR)	73,853	100.00	Abengoa / Abengoa Brasil	a-b	(4)	E
Abenasa Transmissao de Energia, Ltda. (ATE II)	R. de Janeiro (BR)	-	100.00	Abengoa / Befesa Brasil	a-b	(4)	-
Abencor Suministros, S.A.	Seville (SP)	4,133	100.00	Abeinsa	a-b	(4)	C
Abener El Sauz, S.A. de C.V. (Aelsa)	Mexico D.F. (MX)	6	100.00	Abener / Abengoa México	a-b	(4)	A
Abener Energía, S.A.	Seville (SP)	54,523	100.00	Abeinsa	a-b	(4)	A
Abener Garabito Energía, S.A.	Mexico D.F. (MX)	4	100.00	Abener / Abengoa	a-b	(4)	-
Abener Inversiones, S.L.	Seville (SP)	22,861	100.00	Abener / Nicsa	a-b	(4); (5)	-
Abener México, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abener / Abengoa México	a-b	(4)	-
Abengoa Bioenergía, S.L.	Seville (SP)	145,200	100.00	Abengoa / Siema	a-b	(1); (5)	-
Abengoa Bioenergía San Roque, S.A.	Seville (SP)	15	99.90	Abengoa Bioenergía	a-b	(1)	-
Abengoa Bioenergy Corporation	Kansas (USA)	138,596	100.00	Asa Bioenergy Holding	a-b	(1)	A
Abengoa Bioenergy R&D, Inc.	San Luis (USA)	5	100.00	Abengoa Bioenergy Corp.	a-b	(1)	A
Abengoa Brasil, S.A.	R. de Janeiro (BR)	12,794	100.00	Sociedad Inv. Líneas de Brasil	a-b	(4)	E
Abengoa Chile, S.A.	Santiago (CL)	19,491	100.00	Asa Investment	a-b	(4)	A
Abengoa Comer. y Administraçao, S.A. (Abencasa)	R. de Janeiro (BR)	1,862	100.00	Asa Investment	a-b	(5)	-
Abengoa México, S.A. de C.V.	Mexico D.F. (MX)	1,736	90.00	Asa Investment	a-b	(4)	A
Abengoa Perú, S.A.	Lima (PE)	3,241	100.00	Asa Investment	a-b	(4)	A
Abengoa Puerto Rico, S.E.	San Juan (PR)	8	99.51	Abengoa/Abencor Suministros	a-b	(4)	A
Abengoa Servicios S.A. de C.V. (*)	Mexico D.F. (MX)	4	99.80	Abengoa México / Saxa	a-b	(4)	A
Abensur Trading Company, S.A.	Montevideo (UY)	2,488	100.00	Befesa CTA	a-b	(2); (5)	-
Abentel Telecomunicaciones, S.A.	Seville (SP)	4,645	100.00	Abeinsa	a-b	(3)	A
AB Bioenergy Hannover GmbH (*)	Hannover (DE)	28	100.00	Abengoa Bioenergía	a-b	(1)	A
Alianza Befesa Egmasa, S.L.	Huelva (SP)	92	50.00	Alianza Medioambiental	c	(2)	-
Alianza Medioambiental, S.L. (AMA)	Biscay (SP)	97,633	100.00	Befesa Medio Ambiente	a-b	(2); (5)	B
Alto Bello, S.A.	Buenos Aires (AR)	182	100.00	Asa Invest. / Teyma Abengoa	a-b	(6)	E
Aluminios en Discos, S.A.	Huesca (SP)	2,400	100.00	Befesa Aluminio Bilbao	a-b	(2)	B
Aprovechamientos Energéticos Furesa, S.A.	Murcia (SP)	2,211	98.00	Abener Inversiones	a-b	(4)	C
Arce Sistemas, S.A.	Biscay (SP)	1,769	100.00	Telvent Tráfico y Transporte	a-b	(3)	A
Asa Bioenergy Holding, AG	Zug (CH)	118,811	100.00	Abengoa Bioenergía	a-b	(1); (5)	A
Asa Environment and Energy Holding AG	Zug (CH)	214,592	100.00	Siema	a-b	(5)	A
Asa Iberoamérica, S.L.	Seville (SP)	24,936	100.00	Abeinsa	a-b	(5)	-
Asa Investment AG	Zug (CH)	24,822	100.00	Asa Iberoamérica	a-b	(5)	A
Asa Investment Brasil, Ltda.	R. de Janeiro (BR)	-	100.00	Abengoa Brasil / Befesa Brasil	a-b	(4)	-
Aser Recuperación del Zinc, S.L.	Biscay (SP)	15,626	100.00	MRH-Residuos Metálicos	a-b	(2); (5)	B
ATE III Transmissora de Energia, S.A.	R. de Janeiro (BR)	-	100.00	Abengoa / Befesa Brasil	a-b	(4)	-
Befesa Zinc Sur, S.L.	Biscay (SP)	605	100.00	Aser-Zinc	a-b	(2)	-
Aznalcóllar Solar, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Bargoa, S.A.	R. de Janeiro (BR)	9,275	90.00	Asa Investment / Abencasa	a-b	(3); (4)	E
Befesa Aluminio Bilbao, S.L.	Biscay (SP)	53,971	100.00	MRH-Residuos Metálicos	a-b	(2); (5)	B
Befesa Aluminio Valladolid, S.A.	Valladolid (SP)	8,671	100.00	Befesa Aluminio Bilbao	a-b	(2)	B
Befesa Argentina, S.A.	Buenos Aires (AR)	6,623	100.00	AMA / Befesa Desulfuración	a-b	(2)	E
Befesa Brasil, S.A.	R. de Janeiro (BR)	1,044	100.00	Asa Investment / AMA	a-b	(4)	E
Befesa Chile Gestión Ambiental Limitada	Santiago (CL)	182	100.00	Abengoa Chile / AMA	a-b	(2)	-

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (Continuation) (2005)

Name	Registered Address	Shareholding Amount in thousands of €	Shareholding % of nominal capital	Parent Company	See (Page 5)	Activity (See Page 5)	Auditor
Befesa Construcción y Tecnología Ambiental, S.A.	Seville (SP)	24,011	100.00	Befesa Medio Ambiente	a-b	(2)	B
Befesa Desulfuración, S.A.	Biscay (SP)	36,510	90.00	Alianza Medioambiental	a-b	(2)	B
Befesa Escorias Salinas, S.A.	Valladolid (SP)	6,786	100.00	Befesa A.B. / Befesa A.V.	a-b	(2)	B
Befesa Fluidos, S.A.	Asturias (SP)	2,007	100.00	Alianza Medioambiental	a-b	(2)	B
Befesa Gestión de PCB, S.A.	Murcia (SP)	1,358	100.00	Alianza Medioambiental	a-b	(2)	B
Befesa Gestión de Residuos Industriales, S.L.	Murcia (SP)	55,522	100.00	Alianza Medioambiental	a-b	(2)	B
Befesa Gestión de Residuos Ind. Portugal, S.L.	Lisbon (PT)	50	100.00	Befesa GRI	a-b	(3)	-
Befesa Limpiezas Industriales México, S.A. de C.V.	Mexico D.F. (MX)	1	100.00	Befesa Méx. / Abengoa Méx.	a-b	(2)	-
Befesa Medio Ambiente, S.A.	Biscay (SP)	278,034	92.29	Abengoa / PIM	a-b	(2); (5)	B
Befesa México, S.A. de C.V.	Mexico D.F. (MX)	10,167	100.00	Befesa Medio Amb./A. México	a-b	(2)	-
Befesa Perú, S.A.	Lima (PE)	690	100.00	AMA / Abengoa Perú	a-b	(2)	-
Befesa Plásticos, S.L.	Murcia (SP)	2,415	93.07	Alianza Medioambiental	a-b	(2)	B
Befesa Salt Slag Ltd.	Manchester (UK)	21,399	100.00	Befesa Aluminio Bilbao	a-b	(2)	E
Befesa Servicios Corporativos, S.A.	Madrid (SP)	2,626	100.00	Befesa Medio Ambiente	a-b	(2)	B
Befesa Técnicas del Suelo, S.A.	Madrid (SP)	48	100.00	Alianza Medioambiental	a-b	(4)	-
Befesa Tratamientos y Limpiezas Industriales, S.L.	Biscay (SP)	22,834	100.00	Alianza Mediambiental	a-b	(2)	B
Befesa Zinc Amorebieta, S.A.	Biscay (SP)	4,154	51.00	Befesa Zinc Aser	a-b	(2)	B
Befesa Zinc Aser, S.A.	Biscay (SP)	18,039	100.00	Aser Recuperación del Zinc	a-b	(2)	B
Befesa Zinc Comercial, S.A.	Biscay (SP)	60	100.00	Aser Recuperación del Zinc	a-b	(2)	B
Befesa Zinc Sondika, S.A.	Biscay (SP)	1,727	51.00	Befesa Zinc Aser	a-b	(2)	B
BF Tiver, S.L.	Asturias (SP)	28	94.00	Befesa Fluidos	a-b	(2)	-
Bioeléctrica Jiennense, S.A.	Seville (SP)	885	95.00	Abener Inversiones	a-b	(4)	-
Bioener Energía, S.A.	Biscay (SP)	36	50.00	Abengoa Bioenergía	a-b	(4)	-
Bioetanol Galicia, S.A.	La Coruña (SP)	19,534	90.00	Abengoa Bioenergía	a-b	(1)	A
Borgu,S.A.	Montevideo (UY)	16	100.00	Teyma Uruguay	a-b	(4)	-
C.D. Puerto San Carlos, S.A. de C.V.	Mexico D.F. (MX)	13,916	100.00	Abener / Abengoa / A. México	a-b	(4)	A
Captación Solar, S.A. (*)	Seville (SP)	60	99.90	Abener Inversiones / Abener	a-b	(4)	-
Centro Industrial y Logístico Torrecuellar, S.A. (*)	Seville (SP)	60	99.90	Abeinsa / Inabensa	a-b	(4)	-
Centro Tecnológico Palmas Altas, S.A.	Seville (SP)	60	100.00	Abengoa / Abeinsa	a-b	(6)	-
Cogeneración Villaricos, S.A.	Seville (SP)	5,951	99.20	Abener Inversiones	a-b	(4)	C
Complejo Medioambiental de Navarra, S.A.	Navarra (SP)	60	100.00	Alianza Medioambiental	a-b	(2)	-
Construc. Metálicas Mexicanas, S.A. de C.V.	Querétaro (MX)	1,922	75.70	Abengoa México/Eucomsa	a-b	(4)	A
Construcciones y Depuraciones, S.A.	Seville (SP)	3,800	100.00	Befesa CTA	a-b	(2)	B
Copero Solar, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Copero Solar Uno, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Copero Solar Dos, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Copera Solar Tres, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Desarrollos Eólicos El Hinojal, S.A.	Seville (SP)	84	100.00	Siema	a-b	(4)	-
Donsplav	Donetsk (UA)	980	51.00	Befesa Aluminio Bilbao	a-b	(2)	-
Ecoagrícola, S.A.	Murcia (SP)	586	100.00	Abengoa Bioenergía / Ecocarb.	a-b	(1)	A
Ecocarburantes Españoles, S.A.	Murcia (SP)	10,172	95.10	Abengoa Bioenergía	a-b	(1)	A
Enernova Ayamonte, S.A.	Huelva (SP)	2,281	91.00	Abener Inversiones	a-b	(4)	C
Enicar Chile, S.A.	Santiago (CL)	21	100.00	Abengoa Chile	a-b	(5)	A
ETBE Huelva, S.A.	Seville (SP)	2,034	90.00	Abengoa Bioenergía	a-b	(1)	A
Europea de Cons. Metálicas, S.A. (Eucomsa)	Seville (SP)	3,625	50.00	Abeinsa	c	(4)	A
European Tank Clean Company (ET2C)	Bordeaux (FR)	19	50.00	Befesa TLI	a-b	(2)	-
Faritel, S.A.	Montevideo (UY)	12	100.00	Pandelco	a-b	(4)	-
Financiera Soteland, S.A.	Montevideo (UY)	87	100.00	Asa Investment	a-b	(7)	-
Fotovoltaica Solar Sevilla, S.A.	Seville (SP)	800	100.00	Solúcar Energía	a-b	(4)	-
Galdán, S.A.	Navarra (SP)	735	50.00	Befesa Aluminio Bilbao	c	(2)	B

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (Continuation) (2005)

Name	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of nominal capital	Parent Company	See (Page 5)	Activity (See Page 5)	Auditor
Gestión de Residuos del Cerrato, S.L.	Palencia (SP)	1,242	100.00	Befesa GRI	a-b	(2)	B
Gestión Integral de Recursos Humanos, S.A.	Seville (SP)	61	100.00	Telvent Corp. / Siema	a-b	(8)	-
Greencell, S.A.	Seville (SP)	386	100.00	Abengoa Bioenergía/Inabensa	a-b	(1)	A
Hidro Abengoa, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Befesa México / Befesa CTA	a-b	(2)	-
Hynergreen Technologies, S.A.	Seville (SP)	250	100.00	Abeinsa / Inabensa	a-b	(4)	-
Inabensa Bharat Private Limited	N. Delhi (IN)	8	100.00	Inabensa / Abener	a-b	(4)	-
Inabensa France, S.A.	Pierrelate (FR)	550	100.00	Inabensa	a-b	(4)	-
Inabensa Maroc, S.A.	Tánger (MA)	1,504	100.00	Inabensa	a-b	(4)	-
Inabensa Portugal, S.A.	Lisbon (PT)	280	100.00	Inabensa	a-b	(3)	-
Inabensa Rio, Ltda.	R. de Janeiro (BR)	-	100.00	Abengoa Brasil / Befesa Brasil	a-b	(4)	-
Inapreu, S.A. (*)	Barcelona (SP)	2,318	50.00	Inabensa	a-b	(4)	-
Iniciativas Hidroeléctricas, S.A.	Seville (SP)	1,226	50.00	Befesa CTA	c	(2)	C
Iniciativas Medioambientales, S.A.	Seville (SP)	4	100.00	Befesa GRI	a-b	(2)	-
Instalaciones Inabensa, S.A.	Seville (SP)	17,307	100.00	Abeinsa	a-b	(4)	A
Inversora Enicar, S.A.	Montevideo (UY)	2,025	100.00	Abengoa Chile	a-b	(5)	A
Klitten, S.A. (*)	Montevideo (UY)	-	100.00	Teyma Uruguay	a-b	(4)	-
L.T. 43 Río Bravo, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa / Abengoa México	a-b	(4)	-
L.T. 707 Norte Sur, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa / Abengoa México	a-b	(4)	-
L.T. Rosarito y Monterrey, S.A. de C.V.	Mexico D.F. (MX)	2,675	100.00	Inabensa/Asa Invest./A.México	a-b	(4)	A
Líneas 612 Norte Nordeste, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa / Abengoa México	a-b	(4)	-
Lineas Altamira, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	a-b	(4)	-
Líneas Baja California Sur, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	c	(4)	-
Miner & Miner Consulting Engineers, Inc.	Colorado (USA)	6,809	70.00	Telvent GIT	a-b	(3)	-
MRH Residuos Metálicos, S.L.	Biscay (SP)	42,747	100.00	Befesa Medio Ambiente	a-b	(2); (5)	B
Mundiland, S.A.	Montevideo (UY)	2,334	100.00	Telvent Factory Holding	a-b	(5)	A
Negocios Industr. y Comerciales, S.A. (Nicsa)	Madrid (SP)	1,791	100.00	Abencor Suministros	a-b	(4)	C
Nicsa Industrial Supplies Corporation	Miami (USA)	168	100.00	Nicsa	a-b	(4)	-
Nicsa México, S.A.	Mexico D.F. (MX)	4	100.00	Nicsa / Abengoa México	a-b	(4)	-
Nicsa Suministros Industriales, S.A.	Buenos Aires (AR)	3	100.00	Nicsa / Teyma Abengoa	a-b	(4)	-
Nordic Biofuels of Ravenna	Chesterfield (USA)	5,934	100.00	Abengoa Bioenergy Corp.	c	(1)	-
NTE - Nordeste Transmissora de Energía, S.A.	R. de Janeiro (BR)	28,667	50.01	Abengoa Brasil	a-b	(4)	E
Palmucho, S.A. (*)	Santiago (CL)	2	100.00	Abengoa Chile / Enicar Chile	a-b	(4)	A
Pandelco, S.A.	Montevideo (UY)	502	100.00	Teyma Uruguay	a-b	(4)	A
Peninsular 615, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa / Abengoa México	a-b	(4)	-
Plataforma Solar Sanlúcar la Mayor, S.A. (*)	Seville (SP)	60	100.00	Solúcar / Inabensa	a-b	(4)	-
Procesos Ecológicos Carmona 1, S.A.	Seville (SP)	63	100.00	Procesos Ecológicos / AMA	a-b	(2)	-
Procesos Ecológicos Carmona 2, S.A.	Seville (SP)	90	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	-
Procesos Ecológicos Carmona 3, S.A.	Seville (SP)	60	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	-
Procesos Ecológicos Lorca 1, S.A.	Seville (SP)	180	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	-
Procesos Ecológicos Vilches, S.A.	Seville (SP)	1,265	95.00	Procesos Ecológ./Befesa CTA	a-b	(2)	C
Procesos Ecológicos, S.A. (Proecsa)	Seville (SP)	657	50.00	Befesa CTA	c	(2); (5)	-
Proyectos de Inv. Medioambientales, S.L.U.	Biscay (SP)	251,156	100.00	Asa Environment / Siema	a-b	(5)	-
Puerto Real Cogeneración, S.A. (Precosa)	Cadiz (SP)	176	94.56	Abener Inversiones	a-b	(4)	A
Remetal Trading and Investment AG	Zurich (CH)	25	100.00	Befesa Aluminio Bilbao	a-b	(2)	-
Residuos Sólidos Urbanos de Ceuta, S.L. (Resurce)	Ceuta (SP)	2,030	50.00	Abengoa	c	(2)	-
Sainsel Sistemas Navales, S.A.	Seville (SP)	1,202	50.00	Telvent E. y M.A.	c	(3)	A
Sanlúcar Solar, S.A.	Seville (SP)	4,465	100.00	Solúcar Energía/Asa E&EH	a-b	(4)	-
Serv. Aux. de Administración, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abengoa México	a-b	(4)	A
Serv. Integr. de Mant. y Operación, S.A. (Simosa)	Seville (SP)	109	100.00	Inabensa / Nicsa	a-b	(4)	C
SET Sureste Peninsular, S.A. de C.V.	Mexico D.F. (MX)	1,697	100.00	Abengoa México / Inabensa	a-b	(4)	A
Siema AG	Zug (CH)	8,757	100.00	Siema	a-b	(5)	A

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (Continuation) (2005)

Name	Registered Address	Shareholding Amount in thousands of €	Shareholding % of nominal capital	Parent Company	See (Page 5)	Activity (See Page 5)	Auditor
Sinalan, S.A.	Montevideo (UY)	13	100.00	Teyma Uruguay	a-b	(4)	-
Sistemas de Control de Energía, S.A. (Sicel)	Seville (SP)	1,245	100.00	Telvent E.y M.A./Telvent GIT	a-b	(3)	-
Sistemas de Desarrollo Sustentables, S.A. de C.V.	Mexico D.F. (MX)	-	100.00	Befesa México / A. México	a-b	(2)	-
Sniace Cogeneración, S.A.	Madrid (SP)	8,686	90.00	Abener Inversiones	a-b	(4)	A
Soc. Inver. en Ener. y Medioambiente,S.A. (Siema)	Seville (SP)	93,008	100.00	Abengoa	a-b	(5)	A
Sociedad Inversora Lineas de Brasil, S.L. (*)	Seville (SP)	12,798	100.00	Asa Iberoamérica, S.L.	a-b	(5)	-
Sociedade Combustiveis Bioquimicos, S.A. (SCB)	Setúbal (PT)	46	100.00	Abengoa Bioenergía / Siema	a-b	(1)	-
Solar Processes, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Solnova Electricidad, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Solnova Electricidad Dos, S.A. (*)	Seville (SP)	60	99.99	Solúcar / Inabensa	a-b	(4)	-
Solnova Electricidad Tres, S.A. (*)	Seville (SP)	60	99.99	Solúcar / Inabensa	a-b	(4)	-
Solúcar Energía, S.A.	Seville (SP)	500	100.00	Abeinsa/Abencor Suministros	a-b	(4); (5)	-
STE - Sul Transmissora de Energía, Ltda.	R. de Janeiro (BR))	13,176	50.01	Abengoa Brasil	a-b	(4)	E
Subestaciones 611 Baja California, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa México	a-b	(4)	-
Subestaciones 615, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	c	(4)	-
Telvent Argentina, S.A.	Buenos Aires (AR)	572	100.00	Telvent Tráfico y Transporte	a-b	(3)	A
Telvent Australia Pty Ltd. (*)	Perth (AU)	4,140	100.00	Telvent GIT	a-b	(3)	A
Telvent B.V.	Amsterdam (NL)	80	100.00	Siema	a-b	(5)	-
Telvent Brasil, S.A.	R. de Janeiro (BR)	1,189	100.00	Telvent Tráfico y Transporte	a-b	(3)	E
Telvent Canadá, Ltd.	Calgary (CA)	26,287	100.00	Telvent GIT	a-b	(3)	A
Telvent China, Ltd.	Beijing (CN)	1,070	100.00	Telvent Tráfico y Transporte	a-b	(3)	-
Telvent Corporation, S.L.	Madrid (SP)	24,297	100.00	Abengoa / Siema	a-b	(5)	-
Telvent Danmark, A/S	Copenhague (DK)	17	100.00	Telvent E. y M.A.	a-b	(3)	-
Telvent Deutschland GmbH	Hamburgo (DE)	27	100.00	Telvent E. y M.A.	a-b	(4)	-
Telvent Energía y Medio Ambiente, S.A.	Madrid (SP)	39,066	100.00	Telvent GIT	a-b	(3)	A
Telvent Factory Holding AG	Zug (CH)	9,353	99.95	Telvent Investment	a-b	(3); (5)	A
Telvent GIT, S.A.	Madrid (SP)	54,824	62.23	Telvent Corp./Siema AG/Abengoa	a-b	(3); (5)	A
Telvent Housing, S.A.	Madrid (SP)	2,872	100.00	Telvent GIT	a-b	(3)	A
Telvent Interactiva, S.A.	Madrid (SP)	240	100.00	Telvent GIT/Telvent E. y M.A.	a-b	(3)	A
Telvent Investment, S.L.	Madrid (SP)	7,000	100.00	Telvent Corporation	a-b	(5)	-
Telvent México, S.A. de C.V.	Mexico D.F. (MX)	1,293	100.00	Telvent E. y M.A.	a-b	(3)	A
Telvent Netherlands BV (*)	Culemborg (NL)	1,702	100.00	Telvent GIT	a-b	(3)	A
Telvent Outsourcing, S.A.	Seville (SP)	476	100.00	Telvent GIT/Telvent E. y M.A.	a-b	(3)	C
Telvent Portugal, S.A.	Lisbon (PT)	1,202	100.00	Telvent Housing	a-b	(3)	A
Telvent Scandinavia, A/S	Ostersund (SE)	334	100.00	Telvent E. y M.A.	a-b	(3)	-
Telvent Servicios Compartidos, S.L.	Madrid (SP)	210	100.00	Telvent GIT/Telvent E. y M.A.	a-b	(8)	A
Telvent Thailand Ltd.	Bangkok (TH)	66	100.00	Telvent Tráfico y Transporte	a-b	(3)	E
Telvent Tráfico y Transporte, S.A.	Madrid (SP)	6,452	100.00	Telvent E. y M.A./Telvent GIT	a-b	(3)	A
Telvent USA, Inc.	Houston (USA)	11,307	100.00	Telvent Canadá	a-b	(3)	A
Teyma Abengoa, S.A.	Buenos Aires (AR)	29,140	100.00	Asa Invest./Befesa Argentina	a-b	(4)	A
Teyma Paraguay, S.A.	Asunción (PY)	113	100.00	Teyma Uruguay	a-b	(4)	-
Teyma Uruguay ZF, S.A. (*)	Montevideo (UY)	19,222	100.00	Teyma Uruguay	a-b	(4)	A
Teyma Uruguay, S.A.	Montevideo (UY)	2,810	92.00	Asa Investment	a-b	(4)	A
Tráfico e Ingeniería, S.A. (Trafinsa)	Asturias (SP)	1,034	100.00	Telvent T y T/Arce Sistemas	a-b	(3)	C
Transmisión 610 Norte, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa México	a-b	(4)	-
Transportadora Cuyana, S.A.	Buenos Aires (AR)	3	100.00	Teyma Abengoa / Abengoa	a-b	(4)	A
Transportadora del Atlántico, S.A.	Buenos Aires (AR)	3	100.00	Teyma Abengoa / Abengoa	a-b	(4)	A
Transportadora Río de la Plata	Buenos Aires (AR)	3	80.00	Teyma Abengoa	a-b	(4)	A

Appendix VI

(*) Companies incorporated or acquired and consolidated for the first time in the year.

The circumstances considered in Article 2 of Royal Decree 1815/91, whereby the Rules for Formulation of Consolidated Annual Accounts were approved, are:

a. The parent Company shall hold a majority of the voting rights.
b. The parent Company shall have the right to appoint a majority of the members of the governing body.
c. The parent Company may hold a majority of the voting rights through agreements with other shareholders or members.

The percentage interests have been rounded up to two decimals.
Unless stated otherwise, the closing date of the latest annual accounts was December 31, 2005.

(1) Bioenergy Business Group.
(2) Environmental Services Business Group.
(3) Information Technology Business Group.
(4) Engineering and Industrial Construction Business Group.
(5) Holding Company.
(6) Acquisition and running of rural and urban property, together with other related activities.
(7) Financial services.
(8) Ancillary services.

A Audited by PricewaterhouseCoopers Auditores, S.L.
B Audited by Deloitte & Touche España, S.L.
C Audited by Auditoría y Consulta, S.A.
D Audited by Auditores y Consultores del Sur, S.A.
E Audited by Other Auditors.

Appendix VII

Associated Companies included in the Consolidation Perimeter using the Participation Method (2005)

Name	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of Nominal Capital	Parent Company	(*)	Art. of R.D. 1815/91	Activity	Auditor
Abalnor T&D, S.A. de C.V.	Mexico D.F. (MX)	1	25.00	Abengoa México	-	5º 3	(4)	-
ABG Servicios Medioambientales, S.A.	Biscay (SP)	150	20.00	Alianza Medioambiental	-	5º 3	(2)	-
Abenor, S.A.	Santiago (CL)	7,376	20.00	Abengoa Chile/Transam	-	5º 3	(4)	A
Agua y Gestión de Servicios Ambientales, S.A.	Seville (SP)	5,310	43.50	Befesa M.A. / Codesa	-	5º 3	(2)	-
Aguas del Tunari, S.A.	Cochabamba (BO)	2,384	25.00	Abensur Trading Comp.	-	5º 3	(2)	-
Araucana de Electricidad, S.A.	Santiago (CL)	5,323	20.00	Abengoa Chile/Transam	-	5º 3	(4)	A
Cogeneración del Sur, S.A.	Seville (SP)	260	45.00	Abencor Suministros	-	5º 3	(4)	C
Cogeneración Motril, S.A.	Seville (SP)	1,403	39.00	Abener Inversiones	-	5º 3	(4)	E
Consorcio Teyma M&C	Santiago (CL)	11	49.90	Abengoa Chile	-	5º 3	(4)	-
Deydesa 2000, S.L.	Álava (SP)	6,763	40.00	Befesa Aluminio Bilbao	-	5º 3	(2)	E
Ecología Canaria, S.A. (Ecansa)	Las Palmas (SP)	68	45.00	Befesa TLI	-	5º 3	(2)	-
Expansion Transmissào de Energia Eletrica, Ltda.	R. de Janeiro (BR)	7,618	25.00	Abengoa Brasil	-	5º 3	(4)	E
Expansion Trans. Itumbiara Marimbondo, Ltda.	R. de Janeiro (BR)	5,401	25.00	Abengoa Brasil	-	5º 3	(4)	-
Geida Skikda, S.L.	Madrid (SP)	150	50.00	Codesa / Befesa CTA	-	5º 3	(2)	-
Geida BeniSaf, S.L.	Madrid (SP)	150	50.00	Codesa / Befesa CTA	-	5º 3	(2)	-
Geida Tlemcen, S.L.	Madrid (SP)	1	34.00	Befesa CTA	(*)	5º 3	(2)	-
Hospital del Tajo	Seville (SP)	1,336	20.00	Inabensa	(*)	5º 3	(4)	-
Huepil de Electricidad, S.A.	Santiago (CL)	14,447	20.00	Abengoa Chile/Transam	-	5º 3	(4)	A
Inversiones Eléctricas Transam Chile Limitada	Santiago (CL)	5,418	20.00	Abengoa Chile	(*)	5º 3	(4)	A
Intersplav	Sverdlovsk (UA)	3,726	40.00	Befesa Aluminio Bilbao	-	5º 3	(2)	A
Líneas Sistemas Nacional, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	A
Líneas y Subestaciones 506, S.A. de C.V.	Mexico D.F. (MX)	1	25.00	Abengoa México	-	5º 3	(4)	-
Líneas y Subestaciones de México, S.A. de C.V.	Mexico D.F. (MX)	2	33.30	Abengoa México	-	5º 3	(4)	-
Residuos Ind. de la Madera de Córdoba,S.A.	Cordova (SP)	607	69.90	Alianza Befesa Egmasa	-	5º 3	(2)	-
Subestaciones 410, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	-
Subest. y Lineas Bajío Oriental, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	-
Subestaciones y Líneas de México, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	-
Tenedora de Acciones de Redesur, S.A.	Lima (PE)	4,368	33.30	Abengoa Perú	-	5º 3	(5)	-
TSMC Ing. y Construcción	Santiago (CL)	13	33.30	Abengoa Chile	-	5º 3	(4)	-
Tuxpan TXD, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	A

(*) Companies incorporated or acquired and consolidated for the first time in the year.

Article 5.3 of Royal Decree 1815/91, whereby the Rules for the Formulation of Consolidated Annual Accounts were approved, states that when one or more companies belonging to the group hold an interest of at least 20% in the capital of another Company which does not belong to the group, said Company shall be deemed to exist as an associated Company. Said percentage is reduced to 3% if the Company held is admitted to official listing on a stock exchange.

(1) Bioenergy Business Group.
(2) Environmental Services Business Group.
(3) Information Technology Business Group.
(4) Engineering and Industrial Construction Business Group.
(5) Holding Company.

A, C and E: See page 5 of Appendix I.

Joint Ventures included in the Consolidation Perimeter using the Proportional Integration Method (2005)

Name of Entity	Registered Address	Shareholding		Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 3)	Auditor
		Amount in thousands of €	% of Nominal Capital					
Adis Segovia Valdestrilla	Madrid (SP)	-	7.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Almanjayar	Madrid (SP)	2	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Almendralejo	Madrid (SP)	4	60.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Argelia	Madrid (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Biocarburantes de Castilla y León, S.A.	Seville (SP)	16.900	50,00	Abengoa Bioenergía	-	4º2.a	(1)	A
Campus Aljarafe	Pontevedra (SP)	-	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Casa del Depore	Zamora (SP)	60	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Centrales	Zamora (SP)	6	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Centro Contingencias Gava	Barcelona (SP)	4	30.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Chapin 2002	Seville (SP)	3	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Cifuentes	Seville (SP)	3	55.00	Befesa CTA	-	4º2.a	(2)	-
Ciudad de la Justicia	Madrid (SP)	1	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Consistorio	Madrid (SP)	6	30.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Consorcio ACI	Lima (PE)	-	41.00	Abengoa Perú	(*)	4º2.a	(4)	-
Consorcio Ambiental del Plata	Montevideo (UY)	-	40.00	Teyma Uruguay	-	4º2.a	(4)	-
Consorcio FAT (Ferrovial-Agroman-Teyma)	Montevideo (UY)	1,225	40.00	Teyma Uruguay	-	4º2.a	(4)	-
Consorcio Telar Klitten	Montevideo (UY)	-	50.00	Teyma Uruguay	-	4º2.a	(4)	-
Consortium Kenya	Madrid (SP)	3	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Consortium Tanzania	Madrid (SP)	3	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Control Aéreo Gava	Barcelona (SP)	27	30.00	Instalaciones Inabensa	-	4º2.a	(4)	-
CPD´S	Madrid (SP)	6	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Edar Las Palmas UTE	Gran Canarias (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
Edar Motril	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
Eidra	Seville (SP)	1	42.00	Instalaciones Inabensa	-	4º2.a	(4)	-
El Piloto	Lima (PE)	-	23.00	Abengoa Perú	-	4º2.a	(4)	-
Electrificación L-3	Madrid (SP)	6	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Elsan - Pacsa - Tecnocontrol - Telvent T y T	Madrid (SP)	2	33.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Emisa - ST	Madrid (SP)	-	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Energía Línea 9	Barcelona (SP)	1	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Energía Noroeste	Seville (SP)	3	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Erabil	Biscay (SP)	6	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Explotaciones Varias, S.A.	Ciudad Real (ES)	1.907	50,00	Abengoa	-	4º2.a	(5)	-
Ferial Badajoz	Madrid (SP)	-	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Forum Solar	Madrid (SP)	3	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Geinso Geriátrico	Barcelona (SP)	2	33.34	Instalaciones Inabensa	-	4º2.a	(4)	-
Groupement	Madrid (SP)	1	33.33	Instalaciones Inabensa	-	4º2.a	(4)	-
Guadalajara	Seville (SP)	3	55.00	Befesa CTA	-	4º2.a	(2)	B
H. Campus de la Salud	Seville (SP)	2	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Hospital Aranjuez	Madrid (SP)	30	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Huesna UTE	Seville (SP)	6	33.33	Befesa CTA	-	4º2.a	(2)	-
IDAM Cartagena	Seville (SP)	1	37.50	Befesa CTA	(*)	4º2.a	(2)	-
Inacom	Madrid (SP)	1	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Incyel	Madrid (SP)	5	37.50	Instalaciones Inabensa	-	4º2.a	(4)	-
Inelin	Madrid (SP)	6	48.50	Instalaciones Inabensa	-	4º2.a	(4)	-
Jerez Ferroviaria	Seville (SP)	1	10.00	Instalaciones Inabensa	-	4º2.a	(4)	-
La Lama	Pontevedra (SP)	1	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Libia-Lineas	Seville (SP)	-	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-

Joint Ventures included in the Consolidation Perimeter using the Proportional Integration Method (Continuation) (2005)

Name of Entity	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of Nominal Capital	Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 3)	Auditor
Linea 1	Madrid (SP)	6	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Línea 400 kv	Madrid (SP)	6	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Linea 9	Barcelona (SP)	6	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Líneas Manantali	Madrid (SP)	3	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Lluchmayor UTE	Seville (SP)	2	50.00	Befesa CTA	-	4º2.a	(2)	D
Nat Electricidad	Madrid (SP)	12	33.33	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Novo Hospital de Santiago	Pontevedra (SP)	-	5.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Parke Lanbarren	Guipúzcoa (SP)	1	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Pl Huelva	Seville (SP)	2	40.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Preufet Juzgados	Barcelona (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Pridesa - ASA (Almería) (IDAM Almería)	Seville (SP)	1	50.00	Befesa CTA	-	4º2.a	(2)	-
Primapen I	Madrid (SP)	12	33.33	Instalaciones Inabensa	-	4º2.a	(4)	-
Primapen II	Madrid (SP)	12	33.33	Instalaciones Inabensa	-	4º2.a	(4)	-
Primapen III	Asturias (SP)	36	33.33	Instalaciones Inabensa	(*)	4º2.a	(4)	-
S/E Libia	Madrid (SP)	-	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
S/E Villaverde Bajo	Seville (SP)	3	33.34	Instalaciones Inabensa	-	4º2.a	(4)	-
Saih Duero	Seville (SP)	4	70.00	Befesa CTA	(*)	4º2.a	(2)	-
Segria Sud	Seville (SP)	4	60.00	Befesa CTA	-	4º2.a	(2)	-
Semi-Inabensa	Madrid (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Serveis Lleida	Barcelona (SP)	2	40.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Sinamón	Madrid (SP)	18	33.33	Instalaciones Inabensa	-	4º2.a	(4)	-
SS/EE Cantabria	Barcelona (SP)	2	33.34	Instalaciones Inabensa	-	4º2.a	(4)	-
ST - Acisa	Barcelona (SP)	3	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
ST - E. Otaduy - Excavaciones Cantábricas	Biscay (SP)	6	34.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
ST - Excavaciones Cantábricas - E. Otaduy	Biscay (SP)	1	34.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
ST-Indra Sist.-Excav. Cantábricas-E.Otaduy	Biscay (SP)	6	30.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Teatinos	Málaga (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
Telvent - Sice - FCC	Madrid (SP)	5	34.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Telvent T y T - Acisa	Barcelona (SP)	-	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Telvent T y T - Telvent Argentina	Córdoba (AR)	1	50.00	Telvent Argentina	-	4º2.a	(3)	-
Telvent UTE	Buenos Aires (AR)	2	50.00	Telvent Argentina	(*)	4º2.a	(3)	-
Telvent-Inabensa	Barcelona (SP)	3	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Torre	Bilbao (SP)	6	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Torretriana 2	Madrid (SP)	1	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
UTE Abensaih	Seville (SP)	4	65.00	Befesa CTA	-	4º2.a	(2)	-
UTE Abensaih Construcción	Seville (SP)	3	50.00	Telvent E y MA	(*)	4º2.a	(3)	-
UTE Abensaih Construcción	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Abensaih Mantenimiento	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Abensaih Mantenimientos	Seville (SP)	3	50.00	Telvent E y MA	(*)	4º2.a	(3)	-
UTE Albox	Seville (SP)	-	50.00	Codesa	-	4º2.a	(2)	-
UTE Almería Explotación	Seville (SP)	2	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Avinyo	Barcelona (SP)	-	40.00	Codesa	-	4º2.a	(2)	-
UTE Bascara	Barcelona (SP)	-	40.00	Codesa	-	4º2.a	(2)	-
UTE Canal Aguerri Balaguer	Lérida (SP)	2	33.33	Befesa CTA	-	4º2.a	(2)	-
UTE Cartuja	Seville (SP)	-	100.00	Codesa	-	4º2.a	(2)	-
UTE Cazorla	Seville (SP)	6	100.00	Codesa	-	4º2.a	(2)	-
UTE Deca	Málaga (SP)	2	32.25	Befesa CTA	-	4º2.a	(2)	-
UTE Duro Felguera Plantas Industriales	Gijón (SP)	-	50.00	Befesa Fluidos	-	4º2.a	(2)	-
UTE Espluga	Barcelona (SP)	-	40.00	Codesa	-	4º2.a	(2)	-

Joint Ventures included in the Consolidation Perimeter using the Proportional Integration Method (Continuation) (2005)

Name of Entity	Registered Address	Shareholding Amount in thousands of €	Shareholding % of Nominal Capital	Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 3)	Auditor
UTE Estepa	Seville (SP)	4	65.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Fuente Álamo	Valencia (SP)	3	33.00	Codesa	-	4º2.a	(2)	-
UTE Gelida	Barcelona (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Guiamet	Seville (SP)	7	60.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Idam Atabal	Seville (SP)	3	53.00	Befesa CTA	-	4º2.a	(2)	-
UTE Idam Carboneras	Málaga (SP)	3	43.00	Befesa CTA	-	4º2.a	(2)	-
UTE Itóiz	Biscay (SP)	4	35.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Jucar Vinalopo	Seville (SP)	2	33.34	Befesa CTA	-	4º2.a	(2)	-
UTE Lubet	Seville (SP)	-	75.00	Codesa	-	4º2.a	(2)	-
UTE Meirama	La Coruña (SP)	54	6.00	Befesa CTA	-	4º2.a	(2)	-
UTE Montemayor	Seville (SP)	-	60.00	Codesa	-	4º2.a	(2)	-
UTE Negratín - Almanzora	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Ojen	Seville (SP)	-	70.00	Codesa	-	4º2.a	(2)	-
UTE Operación Verano	Madrid (SP)	2	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
UTE Poniente	Almería (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Ranillas	Seville (SP)	2	15.00	Codesa	(*)	4º2.a	(2)	-
UTE Ribera	Valencia (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Riegos Marismas	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Riegos Villareal	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Rincon de la Victoria	Málaga (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Sahechores	Seville (SP)	4	62.00	Befesa CTA	-	4º2.a	(2)	-
UTE Saih Duero	Seville (SP)	30	30.00	Telvent E y MA	(*)	4º2.a	(3)	-
UTE Sector Este	Barcelona (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Selectiva Poniente	Almería (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Servicios y maquinaria Duro Felguera	Gijón (SP)	-	50.00	Befesa Fluidos	-	4º2.a	(2)	-
UTE Sevic	Barcelona (SP)	-	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
UTE Sigüenza	Seville (SP)	3	55.00	Befesa CTA	-	4º2.a	(2)	-
UTE Skikda	Madrid (SP)	75	25.00	Codesa	(*)	4º2.a	(2)	-
UTE Skikda	Seville (SP)	1	25.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE TTT - Iceacsa (Explotación Cent.)	La Coruña (SP)	3	50.00	Telvent Tráf. y Transp.	(*)	4º2.a	(3)	-
UTE TTT - Inabensa	Barcelona (SP)	1	50.00	Telvent Tráf. y Transp.	(*)	4º2.a	(3)	-
UTE TTT- Meym 2000 (Postes SOS)	Barcelona (SP)	2	50.00	Telvent Tráf. y Transp.	(*)	4º2.a	(3)	-
UTE Túneles Malmasín	Biscay (SP)	5	25.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
UTE Utrera	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Vilanova	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Villanueva	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Zaindu Hiru	Biscay (SP)	-	29.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Utrera Dos Hermanas	Seville (SP)	9	33.33	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Vendrell UTE	Barcelona (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
Zuera Electrificación	Madrid (SP)	6	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-

(*) Companies/entities included in the consolidated group in the present year (See Note 6.8).

(**) Article 4.2.a of Royal Decree 1815/91, whereby the Rules for Formulation of Consolidated Annual Accounts were approved, defines multigroup companies as those for which the articles of association establish joint management.

(1) Bioenergy Business Group.
(2) Environmental Services Business Group.
(3) Information Technology Business Group.
(4) Engineering and Industrial Construction Business Group.
(5) Acquisition and running of rural an urban property, together with other related activities.

A, B and D: See page 5 of Appendix I..

Appendix IX

Companies with Electricity Operations included in the Consolidation Perimeter (See Note 36.1) (2005)

Name	Registered Address	Activity (*)	Remarks
Abenasa Transmissao de Energia, Ltda. (ATE)	Rio de Janeiro (BR)	9	Construction phase
Abenasa Transmissao de Energia, Ltda. (ATE II)	Rio de Janeiro (BR)	9	Construction phase
Abenor, S.A.	Santiago (CL)	9	Operational
Aprovechamientos Energéticos Furesa, S.A. (Aprofursa)	Murcia (SP)	1	Operational
Araucana de Electricdad, S.A.	Santiago (CL)	9	Operational
Befesa Desulfuración, S.A	Biscay (SP)	8	Operational
Befesa Plásticos,S.L.	Murcia (SP)	8	Operational
Biocarburantes de Castilla y León, S.A.	Salamanca (SP)	3	Construction phase
Bioetanol Galicia, S.A.	La Coruña (SP)	3	Operational
Captación Solar, S.A.	Seville (SP)	5	Construction phase
Cogeneración del Sur, S.A.	Seville (SP)	1	Operational
Cogeneración Motril, S.A.	Seville (SP)	1	Operational
Cogeneración Villaricos, S.A.	Seville (SP)	1	Operational
Copero solar, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Uno, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Dos, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Tres, S.A.	Seville (SP)	5	Construction phase
Desarrollos Eólicos El Hinojal, S.A.	Seville (SP)	2	Dormant
Ecocarburantes Españoles, S.A.	Murcia (SP)	3	Operational
Enernova Ayamonte, S.A.	Huelva (SP)	4	Operational
Expansión Transmissào de Energia Eletrica, Ltda.	Rio de Janeiro (BR)	9	Construction phase
Expansion Transmissao Itumbiara Marimbondo, Ltda.	Rio de Janeiro (BR)	9	Construction phase
Fotovoltaica Solar Sevilla, S.A.	Seville (SP)	5	Construction phase
Huepil de Electricidad, S.A.	Santiago (CL)	9	Operational
Iniciativas Hidroeléctricas, S.A.	Seville (SP)	7	Operational
Nordeste Transmisora de Energía, S.A. (NTE)	Rio de Janeiro (BR)	9	Operational
Palmucho, S.A.	Santiago (CL)	9	Construction phase
Procesos Ecológicos Vilches, S.A.	Seville (SP)	3	Operational
Puerto Real Congeneración, S.A.	Cadiz (SP)	3	Operational
Sanlúcar Solar, S.A.	Seville (SP)	6	Construction phase
Sniace Congeneración, S.A.	Madrid (SP)	1	Operational
Solar Processes, S.A.	Seville (SP)	5	Construction phase
Solnova Electricidad, S.A.	Seville (SP)	6	Operational
Solnova Electricidad Uno, S.A.	Seville (SP)	6	Operational
Solnova Electricidad Dos, S.A.	Seville (SP)	6	Operational
STE- Sul Trasmisora de Energía, Ltda.	Rio de Janeiro (BR)	9	Construction phase

(*) Electricity operations as described in Note 7 t) in accordance with the provisions of Law 54/1997.

(1) Production under Special Regime: Cogeneration . Primary energy type: Fuel.
(2) Production under Special Regime: Wind. Primary energy type: Wind.
(3) Includes production under Special Regime: Cogeneration. Primary energy type: Natural gas.
(4) Production under Special Regime: Cogeneration. Primary energy type: Natural gas.
(5) Production under Special Regime: Solar Photovoltaic. Primary energy type: Solar light.
(6) Production under Special Regime: Solar. Primary energy type: Solar light.
(7) Production under Special Regime: Hydraulic. Primary energy type: Water.
(8) Production under Special Regime: Other. Primary energy type: Industrial waste (used oils).
(9) Transport.
(10) Electricity production: Based on hydrogen. Primary type of energy: Hydrogen.

Companies taxed under the Special Regime for Company Groups at 12.31.05

Abengoa Tax Group Number 02/97		
Name	**Tax address**	**Shareholding**
Abengoa, S.A.	Seville (SP)	Parent Company
Abecom, S.A.	Seville (SP)	Instalaciones Inabensa, S.A.
Abeinsa, Ingeniería y Construcción Industrial, S.L.	Seville (SP)	Abengoa, S.A.
Abencor Suministros, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Abener Energía, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Abener Inversiones, S.L.	Seville (SP)	Abener Energía, S.A.
Abengoa Bioenergía, S.L.	Seville (SP)	Abengoa, S.A.
Abengoa Bioenergía San Roque, S.A.	Seville (SP)	Abengoa Bioenergía, S.L.
Abentel Telecomunicaciones, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Aprovechamientos Energéticos Furesa, S.A. (Aprofursa)	Murcia (SP)	Abener Inversiones, S.L.
Asa Iberoamérica, S.L.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Aznalcóllar Solar, S.A.	Seville (SP)	Solúcar Energía, S.A.
Bioeléctrica Jiennense, S.A.	Seville (SP)	Abener Inversiones, S.L.
Bioetanol Galicia, S.A.	La Coruña (SP)	Abengoa Bioenergía, S.L.
Captación Solar, S.A.	Seville (SP)	Abener Inversiones, S.L. / Abener Energía, S.A.
Centro Industrial y Logístico Torrecuellar, S.A.	Seville (SP)	Abeinsa IyCI, S.L. / Instalaciones Inabensa, S.A.
Centro Tecnológico Palmas Altas, S.A.	Seville (SP)	Abengoa, S.A.
Cogeneración Villaricos, S.A.	Seville (SP)	Abener Inversiones, S.L.
Copero solar, S.A.	Seville (SP)	Solúcar Energía, S.A.
Copero Solar Huerta Uno, S.A.	Seville (SP)	Solúcar Energía, S.A.
Copero Solar Huerta Dos, S.A.	Seville (SP)	Solúcar Energía, S.A.
Copero Solar Huerta Tres, S.A.	Seville (SP)	Solúcar Energía, S.A.
Desarrollos Eólicos El Hinojal, S.A.	Seville (SP)	Siema
Ecoagrícola, S.A.	Cartagena (SP)	Abengoa Bioenergía, S.L.
Ecocarburantes Españoles, S.A.	Murcia (SP)	Abengoa Bioenergía, S.L.
Enernova Ayamonte, S.A.	Huelva (SP)	Abener Inversiones, S.L.
ETBE Huelva, S.A.	Seville (SP)	Abengoa Bioenergía, S.L.
Fotovoltaica Solar Sevilla, S.A.	Seville (SP)	Solúcar Energía, S.A.
Gestión Integral de Recursos Humanos, S.A.	Seville (SP)	Abengoa, S.A.
Greencell, S.A.	Seville (SP)	Abengoa Bioenergía, S.L.
Hynergreen Technologies, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Instalaciones Inabensa, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Negocios Industriales y Comerciales, S.A. (Nicsa)	Madrid (SP)	Abencor Suministros, S.A.
Plataforma Solar Sanlúcar La Mayor, S.A.	Seville (SP)	Solúcar Energía, S.A. / Instalaciones Inabensa, S.A.
Proyectos Técnicos Industriales, S.A. (Protisa)	Madrid (SP)	Instalaciones Inabensa, S.A.
Puerto Real Cogeneración, S.A. (Precosa)	Cadiz (SP)	Abener Inversiones, S.L.
Sanlúcar Solar, S.A.	Seville (SP)	Solúcar Energía, S.A.
Servicios Integrales de Mantenimiento y Operación, S.A. (Simosa)	Seville (SP)	Instalaciones Inabensa, S.A.
Sniace Cogeneración, S.A.	Madrid (SP)	Abener Inversiones, S.L.
Sociedad Inversora en Energía y Medioambiente, S.A. (Siema)	Seville (SP)	Abengoa, S.A.
Sociedad Inversora Líneas Brasil, S.L.	Seville (SP)	Asa Iberoamérica, S.L.
Solar Processes, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solnova Electricidad, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solnova Electricidad Dos, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solnova Electricidad Tres, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solúcar Energía, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Telvent Corporation, S.L.	Madrid (SP)	Abengoa, S.A.
Telvent Investment, S.L.	Madrid (SP)	Telvent Corporation, S.L.

Companies taxed under the Special Regime for Company Groups at 12.31.05 (Continuation)

Befesa Tax Group Number 4/01 B		
Name	**Tax address**	**Shareholding**
Proyectos de Inversiones Medioambientales, S.L.	Biscay (SP)	Parent Company
Befesa Medio Ambiente, S.A.	Biscay (SP)	Proyectos de Inversiones Medioambientales, S.L.
Alianza Medioambiental, S.A. (AMA)	Biscay (SP)	Befesa Medio Ambiente, S.A.
Aser Recuperación del Zinc, S.L.	Biscay (SP)	MRH Residuos Metálicos, S.L.
Befesa Aluminio Bilbao, S.L.	Biscay (SP)	MRH Residuos Metálicos, S.L.
Befesa Desulfuración, S.A.	Biscay (SP)	Alianza Medioambiental, S.L. (AMA)
Befesa Tratamiento y Limpiezas Industriales, S.L.	Biscay (SP)	Alianza Medioambiental, S.L. (AMA)
Befesa Zinc Aser, S.A.	Biscay (SP)	Aser Recuperación del Zinc. S.L.
Befesa Zinc Comercial, S.A.	Biscay (SP)	Aser Recuperación del Zinc, S.L.
MRH Residuos Metálicos, S.L.	Biscay (SP)	Befesa Medio Ambiente, S.A.

Consolidated Management Report for the Year 2006

(Free translation from the original in Spanish)

Consolidated Management Report for the Year 2006

1.- Introduction.

1.1. The present Directors' Report is formulated in accordance with articles 171 and 202 of the Revised Text of the Limited Liability Companies Law, article 49 of the Commercial Code and the Seventh European Council Directive of June 13, 1983 (83/349/EEC).

Abengoa, S.A. is an industrial and technological company that, at the end of the year 2006, held a group formed by the following companies: the parent company itself, 273 subsidiaries, 26 associated companies and 2 Joint Ventures. Likewise, the differente companies in the Group take part in 277 Temporary Consortiums. In addition, the Group companies owns shareholdings of less than 20% in other companies.

Apart from this legal corporate structure, for operating management and administration purposes, Abengoa acts through the organizational structures, described in point 2.1. below.

1.2. In order to accurately measure and evaluate the business and the results achieved by Abengoa, the basis used must be the consolidated figures, which reflect the evolution of the business.

In addition to the accounting information provided in the Consolidated Financial Statements and in the present Management Report, Abengoa is publishing an "Annual Report" describing the most important achievements in the year 2006. This Report is available in Spanish, English and French. Said Annual Report, which is printed before the General Shareholders' Meeting at which the Financial Statments for 2006 are to be approved, includes both the consolidated financial statements of Abengoa and a description of the business strategy objectives and the most relevant accomplishments of the five Business Groups into which Abengoa was structured at December 31, 2006.

In addition to the printed edition, the mentioned Annual Report will be available in Internet, at the address www.abengoa.com.

The obligation to provide the market with useful, truthful, complete and balanced information in real time would not be sufficient if the appropriate means of transmitting this information are not adequate, guaranteeing that it is disseminated effectively and usefully. Therefore, as a result of new technology, the Aldama Report, the Financial System Reform Act and the Transparency Act recommend and impose the use of listed companies' websites as an information tool (including historical, qualitative and quantitative company data in it) and as a distribution tool (including current or personalised information in real time that may be accessed by investors).

Abengoa has therefore introduced a new website since the end of the first quarter 2002, characterised firstly by a more direct, rapid and efficient on-screen presentation and secondly by a broad and comprehensive information content and documentation made available to the shareholders in particular and to the general public.

Furthermore, this web page also provides the regular information (quarterly or six-monthly) or significant events that it is compulsory for Abengoa to notify to the Stock Market National Commission under stock market rules. It is also possible to request a printed copy of the Annual Report from the aforementioned Internet address.

1.3. The shares of Abengoa, S.A. have been listed on the stock exchange since November 29, 1996 and the Company files the legally required quarterly and six-monthly information.

All the shares of Abengoa, S.A. were first quoted on the Madrid and Barcelona Stock Exchange Markets and in the Stock Exchange Interconnection System on November 29, 1996. Simultaneously, a public offering was made by their shareholders Inversión Corporativa I.C., S.A. and its subsidiary Finarpisa, S.A., together with other shareholders.

For the two processes (listing and public offering), Abengoa published an Admission Prospectus and, together with their shareholders, the Initial Public Offering Prospectus. Both Prospectus were duly approved and registered by the Stock Market National Commission on November 12, 1996 and November 21, 1996, respectively.

The volume of shares included in the Public Offering was finally established at 33.03% of the share capital of Abengoa, S.A. and the offer concluded on November 29, 1996, the date on which the stock market operation was carried out.

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 General Ordinary Meeting held on 9 April 2006, Abengoa, S.A. had 6,663 shareholders.

As on December 31, 2006, the company believes the free float to be 43.96% if the shareholding of Inversión Corporativa I.C., S.A. and its subsidiary Finarpisa (56.04%) is deducted.

According to the figures supplied to the company by Sociedad Rectora de la Bolsa de Valores de Madrid (Governing Body of the Madrid Stock Exchange) 118,874,315 shares were traded in 2006. The average volume of daily trading over the year was 468,009 securities. Minimum, maximum and average listed share prices in 2006 were 12.35 €, 29.98 € and 20.79 € respectively. The last closing price quoted for Abengoa shares in 2006 was 27.81 €, 124% higher than on December 31, 2005, and 1,207% higher than the share price established for the Public Offering on November 29, 1996.

1.4. "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 Sanlucar 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 M € 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 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.

- 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 35.4 M $US, 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 plant began production in 2006, and an additional plant is now under construction, with capacity of 5 million litres/year for the production of bioethanol from biomass, which will be the first of these characteristics in the world.

- In 2005, commencement of the construction of the fourth bioethanol facility in Nebraska (US) which will produce 330 million liters per year and will be one of the biggest in the US. Agreement with Cepsa for the construction of a biodiesel production plant on the lands of Cepsa's "Gibraltar" Refinery, in San Roque (Cadiz).

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

- Recently, 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 out 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 MW/h 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»

1.5. Current configuration and nature of its business.

There are two types of products in Abengoa:

- **Integrated Product**: in which the environment of responsibility is global, including from the active promotion of the business, with or without investment in the capital, to the providing of financing formula, the defining and design of the technologies to be applied, the turnkey construction and subsequently the Business Operation, Maintenance and Management Service. With these products there is a clear recurrence that endows more stability on Abengoa's financial statements (business induced).

- **Conventional Product**: in which a specific item or service is sold and the investment in which goes against the customer's balance sheet and, in addition, in which we are not responsible for the management thereof.

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

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

It provides solutions for:

- **Sustainable development:**

    - ✓ Abengoa produces 619 million liters of ethanol per year which prevents the emission of 1,691,486 tons of CO_2 to the atmosphere, which is approximately equivalent to the annual emissions from a fleet of 700,000 vehicles.

    - ✓ Abengoa produces 2,000,122 MW/h per year of electricity from cogeneration, which means the prevention of the emission of 983,963 tons of CO_2 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 CO_2 per year.

    - ✓ Abengoa treats more than 2,536,140 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 a day, which will enable supply for a population of 4.8 million.

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

    - ✓ Manage more than 60% 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.

    - ✓ 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 all over the world.

    - ✓ 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.

- **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 4,406 km of high-voltage lines under concession contracts in Latin America, with a capacity of more than 22,700 MW, equivalent to the annual needs of a population of 24.5 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)

1.6. Consolidated sales at 31/12/06 were 2,677.2 M €, a 32.3% increase on the previous year.

All of Abengoa’s Business Units increased their sales figure over 20%.

Sales M €	**2006**	**2005**	**% Variación (06-05)**
- Bioenergy	476.2	392.7	21.3
- Environmental Services	555.3	402.4	38.0
- information Technology	476.3	362.6	31.4
- Industrial Engineering and Construction	1,169.4	865.8	35.1
Total	**2,677.2**	**2,023.5**	**32.3**

The Gross Cash Flows from Operating Activities (earnings before interest, tax, depreciation and amortization, adjusted by the works flows done for own fixed assets) reached 287.9 M €, which represents a 71.5 M € increase on the previous year (+ 33.0%)

Among the contributions to these Gross Cash Flows, of note is that from the Industrial Engineering and Construction business unit which increased considerably to 137.5 M € (98.9 M € the previous year), which represents a 39.1% increase, and also that from the Environmental Services business unit with 58.0 M € (40.4 M € the previous year), which represents a 43.7% increase.

Gross Cash Flows M €

	2006	2005	% Variación (06-05)
- Bioenergy	49.9	43.8	14.0
- Environmental Services	58.0	40.4	43.7
- information Technology	42.3	33.3	27.2
- Industrial Engineering and Construction	137.5	98.9	39.1
	287.9	**216.4**	**33.0**

It is important to consider the company's efforts in R&D&I activities, whose impact on the financial statements goes from 18.3 M € in 2005 to 23.2 M € in 2006 (up 26.8%).

The after tax result attributable to the parent company is 100.3 M € which is a 52.0% increase on the 2005 financial year figure (66.0 M €).

The above result means a profit of 1.11 € per share as against the 0.73 € per share obtained in 2005.

The non-recourse financing applied to projects has risen 86.9%, from 670.8 M € in 2005 to 1,253.9 M € in 2006.

Abengoa's Net Debt in 2006 is 153.8 M € (net cash position) as against 118.4 M € (net cash position) in 2005.

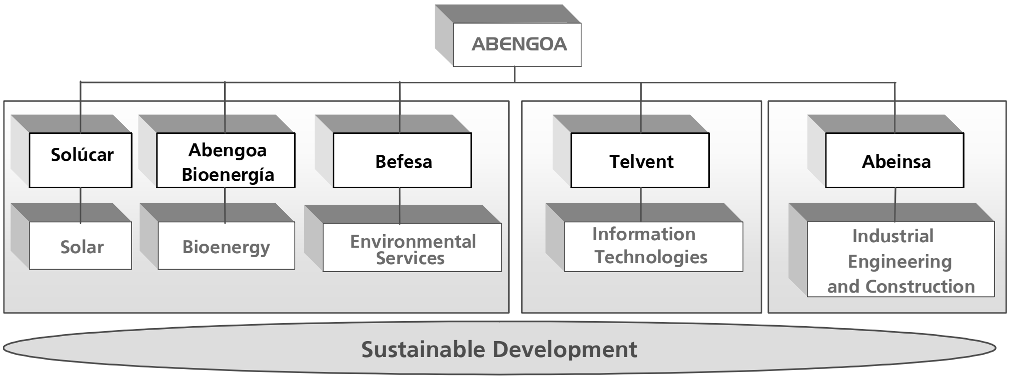
2.- Comments on the Evolution of the Business and Overall Situation of the Companies Included in the Consolidation.

2.1. General description and organization.

Abengoa is a technology company applying innovative solutions for sustainable development in the infrastructures, environment and energy sectors.

At the 2006 year end, Abengoa's stock market capitalization was € 2,516.07 million, it is present in more than 70 countries and its sales in the year were € 2,677.2 million and its Gross Cash Flows € 287.9 million.

Abengoa operates through five Business Groups:



The activities of the five Business Groups are as follows:

- **Solar.**

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

- **Bioenergy.**

  Abengoa Bioenergía is its holding company. The Business Unit is dedicated to the production and development of biofuels for transport, bioethanol and biodiesel, among others that utilize biomass (cereals, cellulosic biomass, and oleaginous seeds) as the raw material. The biofuels are utilized for ETBE production (gasoline additive), or for direct blending in gasoline or gas oil. Given that they are renewable energy sources, biofuels reduce CO_2 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.

- **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.

- **Information Technology.**

  Telvent, the holding company of Abengoa's businesses in the Information Technology sector, provides high value-added solutions in four industrial sectors (Energy, Traffic, Transport, and the Environment). Its technology allows companies to make real-time business decisions utilizing data control and acquisition systems, as well as leading-edge operational applications that provide companies with secure and efficient information.

- **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.

2.2. Recent evolution.

2.2.1. The evolution of the main balance sheet and profit and loss account figures over the last years is shown below:

Description	2006	Δ%	2005	1996	CAGR(*) (96-06)
	M €		M €	M €	%
Total Equity	541.1	2.8	526.2	160.4	12.9
Total Assets	5,427.0	63.3	3,322.7	538.4	26.0

Description	2006	Δ%	2005	1996	CAGR(*) (96-06)
	M €		M €	M €	%
Sales	2,677.2	32.3	2,023.5	578.8	16.5
Gross Cash Flows (1)	287.9	33.0	216.4	53.8	18.3
Pr. Attrib. to Parent Comp.	100.3	52.0	66.0	16.1	20.1

(1) Earnings before interest, tax, depreciation and amortization, adjusted by the works flows done for own fixed assets.
(*) CAGR: Compound Annual Growth Rate.

2.2.2. On the balance sheet, the most significant aspect is the increasing in the caption "Fixed Assets in Projects", which rose from € 178.2 million in 1997 to € 681.8 million in 2005 and € 1,151.3 million in 2006, basically as a result of Intangible assets representing the investments in certain concessions located in Brazil, for the acquisition at the 2006 year end of the B.U.S.Group and for the projects investments in the activities of water and environmental management, and of bioetanol-producing plants and installations belonging to the different Project promotion companies in which interests are held by other subsidiaries of Abengoa, S.A.

The investments in these promotion companies are generally made through Project Finance, a financing formula agreed with the financial institution whereby the latter recovers the financing through the funds generated by the project. This type of funding is, therefore, without recourse to the shareholders.

The balancing item of these investments appears in the balance sheet liabilities under the caption "Financing without Recourse Applied to Projects", which, at the 2006 year end totals € 796.1 million under the long-term caption and € 457.8 million at short-term, in comparison with € 386.4 million and € 284.5 million respectively in 2005.

The change in the size and structure of Abengoa's balance sheet in the last five years relates to certain actions, of which the final effect on the balance sheet may be seen in the following variations:

a) The full consolidation of the holding in Befesa at the year end 2000 (91.00%). For purposes of the profit and loss account, however, said consolidation affected only the contribution relating to the six-month period at the year end 2000, since the tender offer concluded in June 2000, and to a full year for the first time in 2001, which closed with a shareholding of 92.05%.

b) Capital increase in Abengoa in the year 2000, which allowed Abengoa’s shareholders’ equity to be increased by € 75.1 million and was concluded with the full support of the investors in the month of August 2000. The increase in the shareholders' equity represents approximately a third of that which already existed, which was increased to € 302.0 million.

c) Signature of a syndicated loan in 2001 for an amount of € 340 million maturing at 6 years, signed with 38 financial institutions and structured to reinforce the company's financial resources after the acquisition of Befesa through the tender offer subsequently launched on the stock market.

d) Divestment in the wind power activity in October 2001, representing a net reduction on the balance sheet of € 83.9 million in Fixed Assets in Projects and € 64.9 million in Financing without Recourse Applied to Projects

e) Acquisition of the United States company High Plains Corporation, with an investment of 100 million US dollars. The whole investment was made using the Abengoa’s available treasury resources and is shown on the balance sheet for 2001.

f) Signature of a syndicated loan in 2002 for an amount of € 500 million maturing at 6 years, signed with 51 financial institutions and structured to reinforce the company's financial resources after the acquisitions of Befesa and High Plains.

g) Acquisition in the year 2003 of Metso Corporation’s Network Management Solutions Division through the 100% purchase of its subsidiaries in Canada and the United States, with a total investment of 35 MUSD.

h) Effective listing of Telvent GIT on the United State technological market Nasdaq. The total amount of the capital increase carried out, including the issue premium, was € 61.2 M.

i) Constitution of a Syndicated Loan in financial year 2005, composed of principal of € 500 M with 7-year maturity, plus a revolving credit line of € 100 M expiring in 6 years, arranged with 45 financial entities and structured in order to ensure that Abengoa’s financial resources are adequate to achieve its Strategic Plan.

j) In 2006, the acquisition of 100% of the shares of B.U.S., Group AB, for a company value of 330 M€, through non-recourse financing signed with Barclays. On 4 December, the operation was approved by the German Competition Authorities.

2.2.3. In the evolution of the Business Groups at the level of Sales and Gross Cash Flows, particularly notable is the growth experienced in Environmental Services, with a 38.0% increase in Sales and 43.7% in Gross Cash Flows:

	Sales 2006			Sales 2005		Sales 1996	
Business Group	**M €**	**% over total**	**Δ 05/04 (%)**	**M €**	**% over total**	**M €**	**% over total**
Bioenergy	476.2	17.8	21.3	392.7	19.4	-	-
Environmental Services	555.3	20.7	38.0	402.4	19.9	46.3	8.0
Information Technology	476.3	17.8	31.4	362.6	17.9	138.9	24.0
Engineering and Industrial Construction	1,169.4	43.7	35.1	865.8	42.8	393.6	68.0
Total	**2,677.2**	**100.0**	**32.3**	**2,023.5**	**100.0**	**578.8**	**100.0**

	Gross Cash Flows 2006			Gross Cash Flows 2005		Gross Cash Flows 1996	
Business Group	**M €**	**% over total**	**Δ 05/04 (%)**	**M €**	**% over total**	**M €**	**% over total**
Bioenergy	49.9	17.3	14.0	43.8	20.2	-	-
Environmental Services	58.0	20.2	43.7	40.4	18.7	4.3	8.0
Information Technology	42.3	14.7	27.2	33.3	15.4	7.5	14.0
Engineering and Industrial Construction	137.5	47.8	39.1	98.9	45.7	42.0	78.0
Total	**287.9**	**100.0**	**33.0**	**216.4**	**100.0**	**53.8**	**100.0**

2.2.4. In 2006, Abengoa continued to increase its activity abroad, in volume as well as diversification. The ever-increasing contribution from the United States and Canada by the companies in the Information Technologies and Bioenergy Business Units is especially noteworthy. Of the 2,677.2 M € billed in the 2006 financial year, 1,499.8 M € (56.0%) is from sales abroad. The activity in Spain amounted to 1,177.4 M € (44.0%) compared to 1,041.7 M € in 2005 (51.5%).

Of the total sales figure abroad, 1,071.5 M € (71.4%) correspond to local activity, that is to say, billing by the local companies established in different countries, and exportation by Spanish companies amounted to 428.3 M € (28.6%). In 2005, the local activity and exportation represented 36.8% and 11.7% respectively.

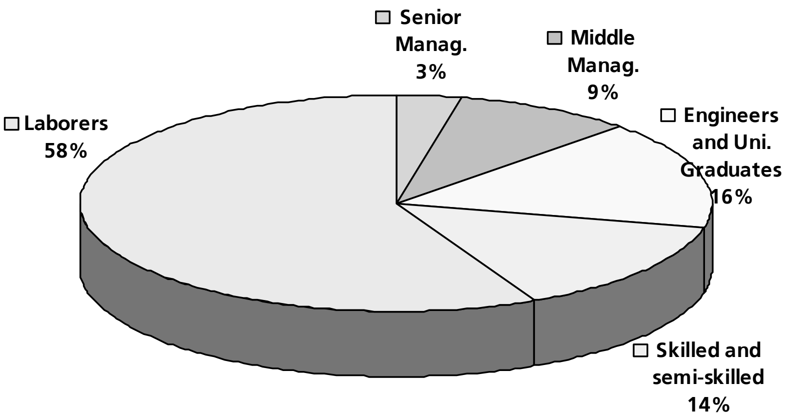
We would especially mention the variation in the contribution from the different geographical areas. Latin America continues representing a similar percentage to that of 1996. Nevertheless, the contribution from the USA and Canada, that in 1996 was non-existent, is currently 10.6%.

International Activity							
	2006		2005		1996		CAGR(*) (96-06)
Exports and Sales by Local Companies	M €	%	M €	%	M €	%	M €
- USA and Canadá	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
- África	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 foreign sales	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**

(*) CAGR: Compound Annual Growth Rate.

2.2.5. With regard to the average number of employees, the comparative figures are as follows:

Average Number of Employees	2006	%	2005	1996
Spain	6,977	51.3	6,000	4,115
Abroad	6,631	48.7	5,082	3,335
Total	**13,608**	**100.0**	**11,082**	**7,450**



3.- Information on Significant Events after the Year End.

In relation to the proceedings brought by Central Magistrate's Court number 4 of the National Criminal Court against four members of the Board of Directors of Abengoa, S.A., against the current Secretary of the Board of Directors, and against the current Chairman of Telvent GIT, for an alleged crime of unfair administration in accordance with article 295 of the Criminal Code, as a result of the purchase of shares in Xfera, Ruling of the Central Criminal Court of the National Court of 25 January 2007 dismissed these proceedings, declaring their absolute nullity. On the 17 October 2006, the Central Criminal Court had already issued a ruling in which it cancelled the precautionary measures imposed on Corporate Investment. The Ruling of 25 January accepts and fully allows the preliminary point argued by the representatives of the accused, in relation to the lack of active legitimation of the Public Prosecutor's Office, given the fact that no one had presented any allegations, as established by article 296 of the Criminal Code. The ruling also clarifies that neither of the exceptional cases was applicable here – involvement of general interest or plurality of affected parties - which make it possible to consider the existence of a crime even if there have been no allegations. The Ruling of 25 January was the object of an appeal by the Public Prosecutor's Office dated 6 February 2007, which will be resolved by the Criminal Division of the National Court in due course, at which time, if the aforementioned Ruling is confirmed, it will become firm.

4.- Information on the forecast evolution of the Group.

4.1. In order to forecast the Group's prospects, it is necessary to take into account its evolution and development over recent years, from which it may be deduced that, in the medium term, there are prospects for growth. The strategy for the Group in the medium term is based on the growing contribution of the activities related to the Environmental markets, renewable fuels (bioenergy), the beginning of the solar activity, together with continuity in the development of the Information Technology and Engineering and Industrial Construction activities.

4.2. In addition, as stated above, the reinforcement of Abengoa's capacity in the Environmental Services market through Befesa Medio Ambiente, S.A., the increased bioethanol production capacity, the expansion of the Information Technologies business, as well as the recent development of the solar activity, will also help to boost long-term prospects. To the extent to which current forecasts are met, Abengoa has a new base for its operations, which may remain stable and continuous over forthcoming years.

4.3. With the reservations appropriate to present circumstances, bearing in mind the increased flexibility in the organisational structure, the specialisation and the diversification of activities, within the investment possibilities forecast in the national market and the competitive capacity in the international market, together with the exposure of part of its activities to the sale of commodity products and currency different from the Euro, the Group is expected to be in a position to continue to progress favourably in the future.

5.- Information on Research and Development Activities.

5.1. Abengoa continued to increase its R&D&i effort in the year 2006 (in spite of the persistence of the world technology crisis), convinced that, to bear fruit, this effort requires a continuity that should not be interrupted by either crises or economic cycles.

Furthermore, it strengthened its presence and, in some cases, its leadership in different public and private institutions and forums, in which cooperation between the large technological companies is fomented and the short- and long-term future of R&D&i activity is decided.

5.2. The program established for this type of activities have been substantially met. Abengoa, through the people responsible for this strategy in each business area, making a day-to-day effort regarding the increased degree of innovation in its technologies, as required by the characteristics of the activities carried out, essentially concentrating on the following objectives:

- Constant monitoring of the technologies which may affect each business area.
- Selection of the technologies portfolio which provides the Group companies with the maximum competitive advantage.
- Assimilation and implementation of the technology available from Transfer Agreements.
- Selection of the optimal channels to accede to technological development.
- Determination of the commercialization programmes for the technology developed.
- Use of institutional support for innovation and technology.

5.3. From among all this joint effort, attention should be drawn to the fact that, in 2006 , the Research and Development activity was carried out in each Group Company in accordance with the needs arising from its respective market. Most of the projects fell within the scope of the R&D promoted by the Spanish authorities (actions taken by the Ministry of Industry and Energy) and the European authorities (Framework R&D Programs).

Abengoa performs its R&D either directly or through contracts with third parties, usually public bodies for innovation, university departments or other public and private entities. In addition, during the year, Abengoa made strategic investments in countries like the USA and Canada in pioneer companies that develop and own technologies in sectors defined as high priority, such as Biofuels and control systems, in order to facilitate the internalization and implementation of these technologies in these important emerging markets.

Research and Development is a strategic activity for Abengoa in order to plan its future. It is carried out in the Business Groups in accordance with the requirements of their respective markets in order to make the necessary competitive capacity permanently available.

5.4. In the year 2006, investment in R&D totalled € 68.5 million in comparison with € 65.9 million in 2005. For the year 2007, the company plans to make an even greater R&D&i investment effort, up to a sum of more than € 69 million. Special attention should be paid to the planned investments in projects related to the conversion of biomass and ethanol and solar energy-related projects.

6. Quality and Environmental Management.

The progressive implementation of the Quality Management Systems in the Abengoa companies, in both Spain and the other countries where they are present, is one of the strategic objectives of the group’s quality commitment. This objective is built around the Quality Management model in accordance with the International Standard ISO 9001 and the EFQM Excellence model.

As a result of the path followed in earlier years, at the end of 2006, 93% of the Abengoa companies had Quality Management Systems certified under ISO 9001. Likewise, 82% of the companies had Environmental Management Systems certified under ISO 14001.

The percentage distribution by Business Group of the companies with Quality and Environment certifications is shown below:

Business Group	% Companies Certified under ISO 9001	% Companies Certified under ISO 14001
Solar	50%	50%
Information Technology	92%	85%
Engineering and Industrial Construction	100%	71%
Environmental Services	94%	100%
Bioenergy	83%	67%

The Spanish companies of the Bioenergy Business Group, Ecocarburantes Españoles, S.A. and Bioetanol Galicia S.A., have developed and implemented an integrated management model for Quality, Environment and the Prevention of Risks at Work, which was certified by an international certification entity in 2004. Regarding the United States company Abengoa Bioenergy Corp., it is governed by the most influential local rules in its sphere of production.

As tools to improve the Quality and Environmental Management Systems, almost all the Group companies have implanted a new version of the two computer applications: for management and problems resolution (PRR) and for processing the improvement actions (IA).

7. Information on the Acquisition of Own Shares.

7.1. Abengoa, S.A., together with its subsidiaries and associated companies, met the legal requirements on trading in own shares and does not currently hold any own shares on its portfolio and did not do so in 2006.

The Ordinary General Shareholders Meeting of Abengoa, S.A. on 9 April 2006 authorised the Board of Directors to approve the issue of other securities that recognise or create a debt or contribution of capital within the legal limits applicable in each case.

7.2. The parent Company did not accept any of its own shares as pledges or in any kind of mercantile deal or legal transaction.

7.3. Neither are there any shares of Abengoa, S.A., which are held by third parties that are able to act in their own name, but on behalf of companies belonging to the Group.

7.4. In the year 2001, incentive programs for management personnel and employees were introduced in Befesa Medio Ambiente, S.A. and Telvent GIT, S.A., and in 2004 in Abengoa Bioenergía, S.A. These programs are based on the management personnel and employees' acquiring 358,880 shares in Befesa, 1,799,000 shares in Telvent, and 94,330 shares in Abengoa Bioenergía, S.A., through personnel loans granted to the purchasers by financial institutions. These loans bear a variable interest rate and mature at five years, being secured by the pledge of the shares acquired and, subsidiarily, by Abengoa. The holding of the shares by the management personnel and employees is linked to meeting a management objectives program over the next five years.

In addition, during the year 2006, a Share Acquisition Plan for the group's Management has been implemented in Abengoa, S.A., in accordance with the following basic terms:

- For: Up to 122 Directors of Abengoa (business group directors, business unit directors, technical managers and R&D&I managers and corporate services managers) belonging to all its subsidiaries and business areas, present or future, who voluntarily wish to take part in the plan. The plan will not include any member of the Board of Directors of Abengoa.

- Share volume: Up to 3,200,000 shares of Abengoa, representing 3.53% of the Company's share capital.

- Those taking advantage of the plan will be able to access a bank loan for the purchase at market value of the shares of Abengoa already issued and in circulation, in accordance with the Stock Market Act, with the guarantee of Abengoa and excluding personal liability, in accordance with article 81.2 of the Limited Companies Act and up to a maximum of € 87 millions (including expenses, commissions and interests). The term of repayment of the loan shall be five years and six months.

7.5. Finally, it is stated that any reciprocal holdings that have been established with companies in which shares are held are transitional and are within the limits of the Spanish Limited Liability Companies Act.

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www.abengoa.com

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