

III Abengoa Investor Day



Overview of Abengoa
Madrid, November 21st 2007



With the sun ... we produce thermoelectric and photovoltaic electric energy

With biomass ... we produce ecological biofuels and animal feed



With waste ... we produce new materials through recycling, and we treat and desalinate water

With information technologies ... we manage business and operational processes in a secure and efficient way



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

With the development of social and cultural policies ... we contribute to economic progress, social equity and the conservation of the environment in communities where Abengoa is present



III Abengoa Analyst and Investor Day IT 2.0: Building a Sustainable and Secure World

November 21st, 2007

08:00 Transportation from Hotel Wellington to La Moraleja Business Resort

09:00 Welcome
Amando Sánchez Falcón

09:10 Abengoa, building our future
Santiago Seage, Chief Strategist, Abengoa & CEO, Abengoa Solar
Amando Sánchez Falcón, Chief Financial Officer, Abengoa

10:45 Q&A

11:00 Coffee Break

11:15 Telvent, building our future
Manuel Sánchez, President & CEO, Telvent

12:00 Security, an IT Challenge
José Ignacio del Barrio, Executive Vice President, Global Services Division &
Business Development, Telvent

12:30 IT for a Sustainable World
Javier Garoz, Executive Vice President, Environment Division, Telvent

13:00 Q&A

13:30 Lunch

15:00 Transportation to Telvent

15:30 Technology & Product Showcase
Francisco Cáceres, Chief Technology Officer, Telvent

17:00 Transportation to Hotel Wellington

17:45 Arrival at Hotel Wellington

- **Abengoa: building our future**

- **Financing our future**

- **Outlook for 2007 and 2008**

The World of Tomorrow (*)

More people: 8 billion. -3% Europe, +9% China, +26% India, +15% North America and +35% Latin-America

Source: World Urbanization Prospects. 2005 Revision

More concentration in cities:
60% of people will live in cities

Source: World Urbanization Prospects. 2005 Revision

Global warming and destructive meteorological events

Source: IPCC WG1 AR4 Report

Increased energy consumption

Source: World Energy Outlook 2005

Water scarcity for 50% of population

Source: The UN World Water Development Report 2003



Abengoa focuses its growth on the creation of new technologies that contribute to sustainable development

Our Commitment

Abengoa applies **innovative solutions for sustainable development** in the **infrastructure, environment and energy** sectors



- Generating **energy** from **renewable** resources.
- Recycling **industrial waste**, and generating and managing **water**.
- Developing information systems which aid in managing existing infrastructures more **efficiently**.
- Creating environmentally-friendly **infrastructures** that avoid emissions.
- Promoting **new horizons** in development and innovation.

Our Commitment

And to achieve this:

- We invest in **research, development and innovation** (R+D+i).
- We expand those **technologies** with the greatest potential.
- We develop the required **talent** by attracting and retaining the very best human resources.
- We allocate human and financial resources to promoting **social action policies** that contribute to **social and human progress** through the Focus-Abengoa Foundation.



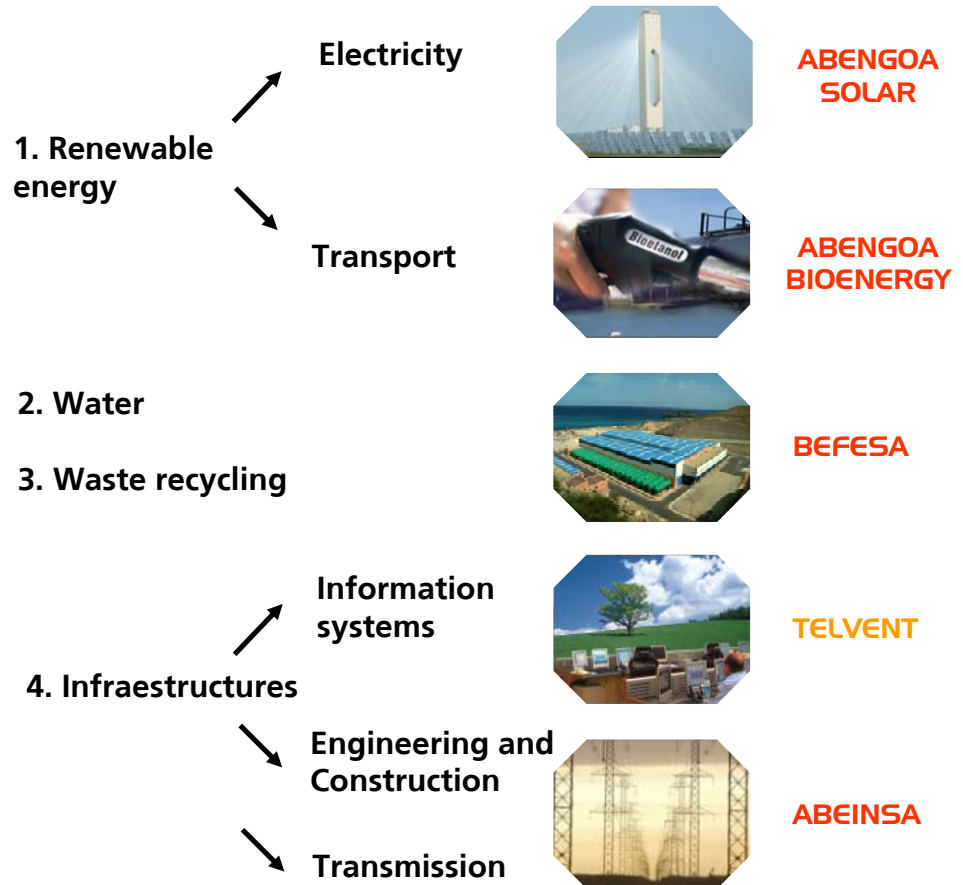
Our strategy



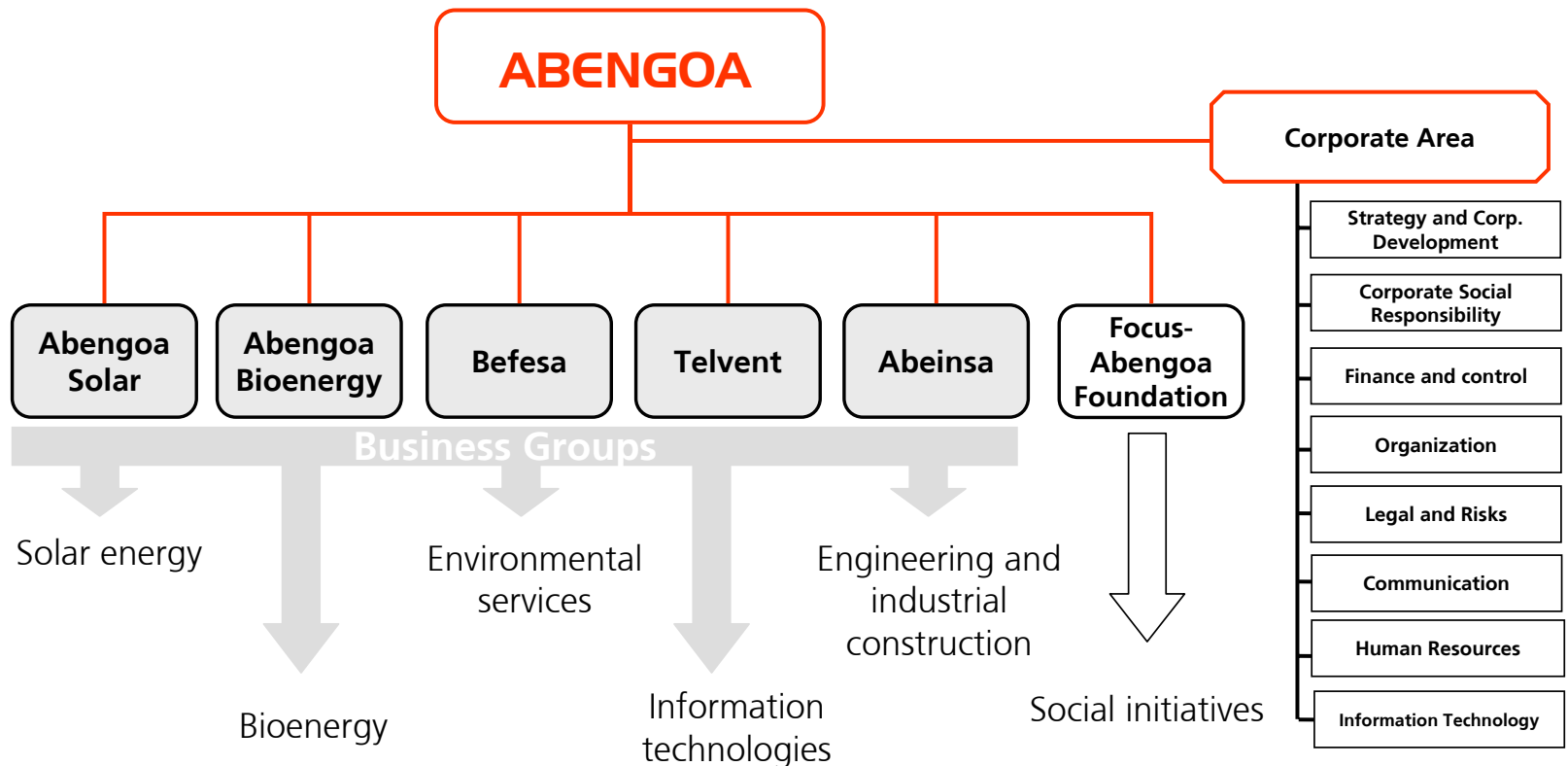
- **Focus** our investments on new high growth markets where:
 1. We can contribute to sustainable development.
 2. Technology and innovation can make a difference.
 3. We can grow globally
 4. We can achieve international leadership in the long term.
- Organize our businesses around “**controllable entrepreneurs**”
- **Add value from Abengoa to our business:**
 1. A shared culture and common management tools (financing, control, risk management, analysis, human resources)
 2. Deep knowledge about energy, water, sustainable development, climate change, information systems and engineering.
 3. Deep experience in technology and R&D
 4. Financing and capital allocation.
- Maintain a **balanced business portfolio** in terms of cash generation, growth and volatility.



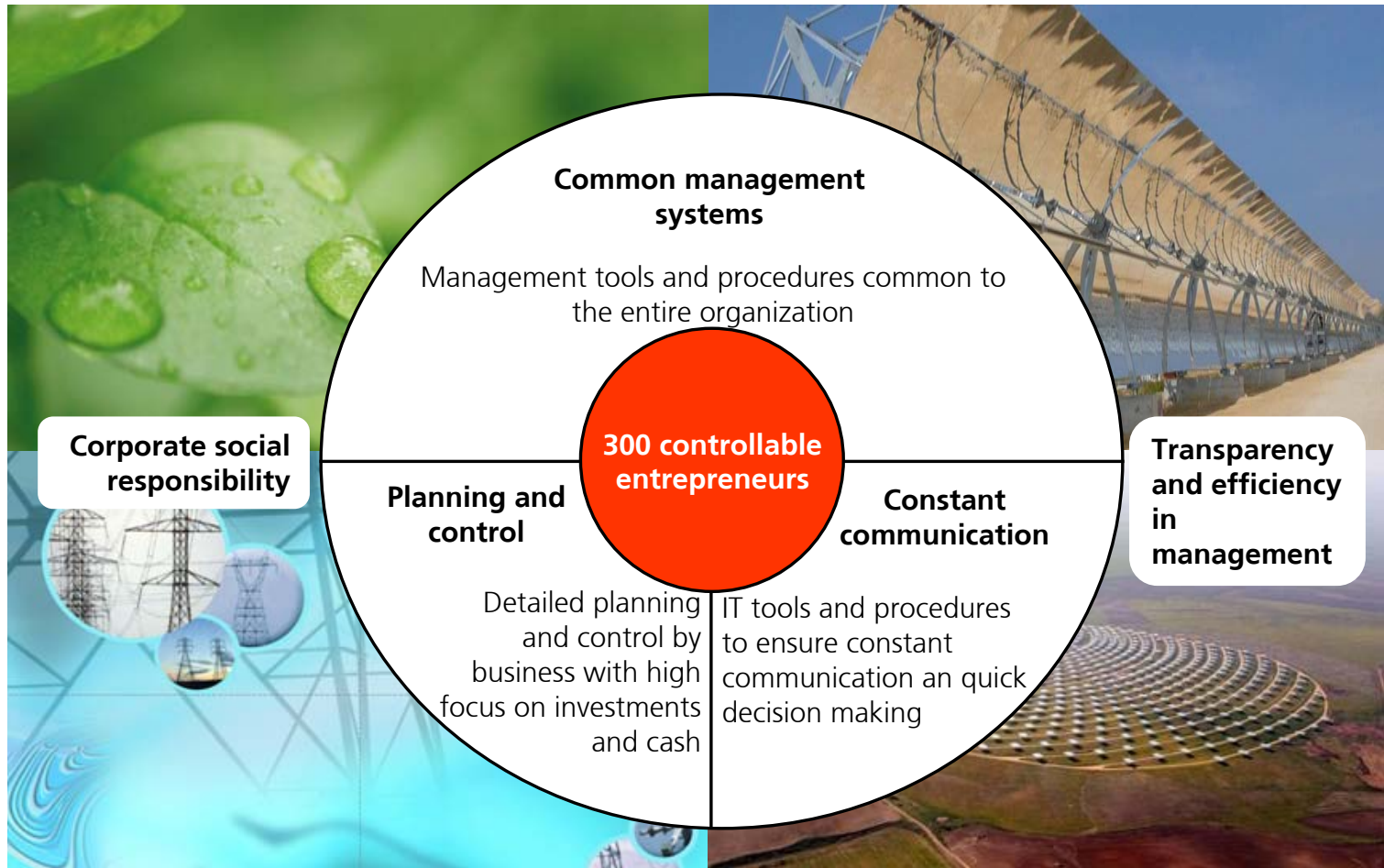
**Key Solutions for Sustainability
and against Climate Change**



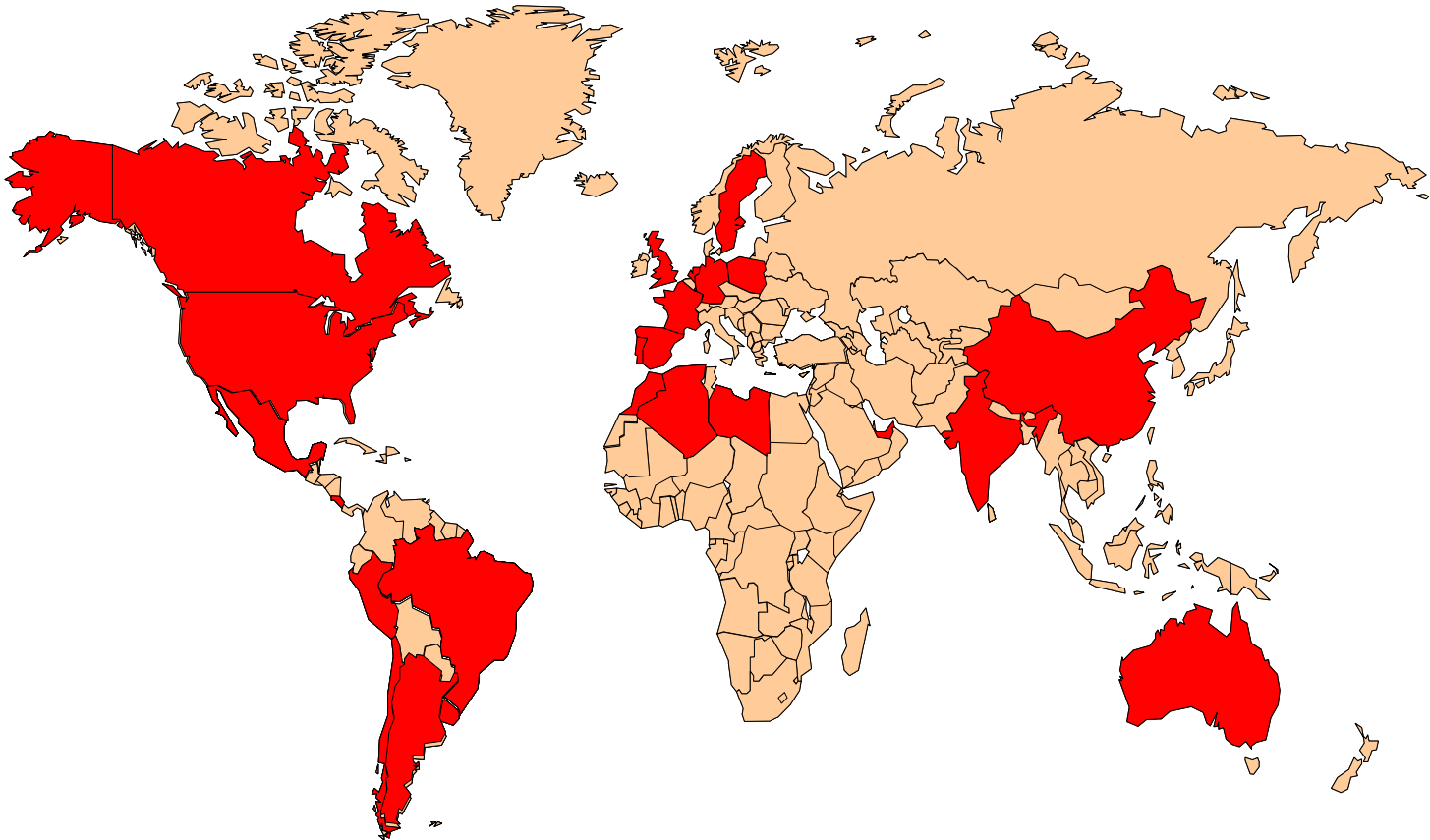
Five business groups ...



Around 300 managers leading each business within business groups



With a presence in more than 70 countries, and over 23,000 employees after recent acquisitions

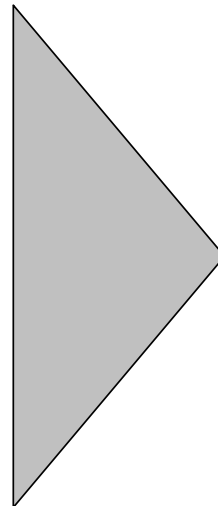


- R& D budget (Million-euros)

- 06 €: 68.5
- 07 €: 69.5

- R& D teams

- 40 in Solar Power
- 40 in Bioenergy
- 15 in Environment
- 35 in IT
- 15 in other



- Our objective:

- Develop technologies that can represent major breakthrough in our main business

- Commercialise that technology, to third parties

One of the renewable energies with largest potential

- ✓ **Sustainable development** Clean, low emissions. Alternatives can only be used in certain locations and cannot be stored
- ✓ **Solar Power is a mature technology:**
 - Photovoltaics can be used everywhere as a central or distributed solution
 - Concentrated Solar Power as a lower cost solution for large plants. Considered firm power as energy can be stored or combined with gas
- ✓ **Still more expensive than fossil but...** it will soon be competitive with conventional (learning curve and CO₂ penalties)
- ✓ **Substitute for fossil fuels** The solution to the economic volatility, drought and carbon limits
- ✓ **Favorable policies** – Driven by climate and energy security, either feed-in or percent targets



Trough



- ✓ Proven, mature
- ✓ Plants operating since the 80s
- ✓ Cost reduction potential

Tower

- ✓ Abengoa Solar pioneer
- ✓ High potential as it allows higher temperature
- ✓ Several fluids tested



Other



- ✓ Several technologies
- ✓ Not proven, R&D phase

Feed-in tariff

Countries with feed-in law

- Spain
- Greece
- France
- Italy
-

- Chile
- United States

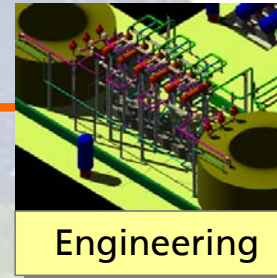
Renewable Standards and
Investment Tax Credit

Ad-hoc projects

- Morocco, Algeria, Middle East

ABENGOA SOLAR

Main business activities



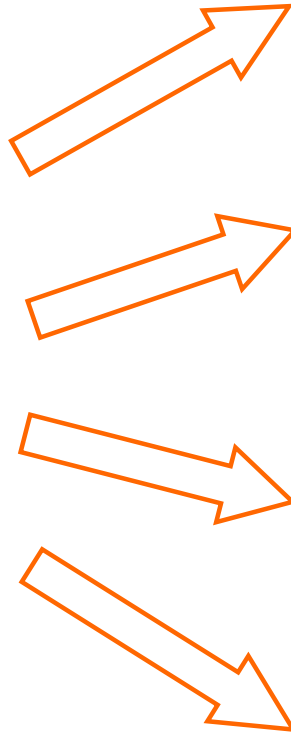
Our business

- 300 MW Solar Complex near Seville (“Plataforma Solúcar”):
 - PS10, first commercial solar tower worldwide in operation since early 2007
 - PS20, second tower worldwide under construction
 - First trough installation in operation outside the U.S.
 - Two 50MW plants under construction (Solnova 1 and 3)
 - Rest of plants to start construction over next years (Solnova 4 in 2008)
- 100MW in Écija to start construction in late 2008
- Construction in Algeria of the world’s first hybrid technology plant (ISCC), 150MW. Joint ownership Abengoa-NEAL. Second ISCC in Morocco for the electricity company.
- Photovoltaic plants in Spain. 12MW built or under construction.

Our technology

- We design, build and operate our plants
- Full in-house capabilities in CSP (tower, trough) and PV technologies
- In house R&D team of 40 developing CSP (tower, trough, other) and CPV technologies

Investments



Plataforma Solúcar

- ✓ 1,200 Million €
- ✓ 300 MW



2 plants in Écija (Sevilla)

- ✓ Around 600 M€
- ✓ 100 MW



Other plants

- ✓ Algeria ISCC, PV
- ✓ 300 Million €



R&D

- ✓ 50 Million €



ABENGOA

Abengoa Solar: PS10 and PS20



Sólucar platform



In operation

Sevilla PV (1,2 MWs); Largest low concentration plant
PS-10 (11 MWs); First commercial tower (1st generation)



Sevilla PV



Espejos de PS10

In construction

PS-20 (20 MWs); Second comercial tower (2nd generation)
Solnova 1 y 3 (2 x 50 MWs); Trough plants



PS20 junto a PS10



Solnova 1 y 3

In development

Solnova 2, 4 y 5 (3 x 50 MWs); Trough plants
AznaIcollar 20 (20 MWs); Tower



Solnova 2, 4 y 5



AznaIcollar 20

Projects in Écija

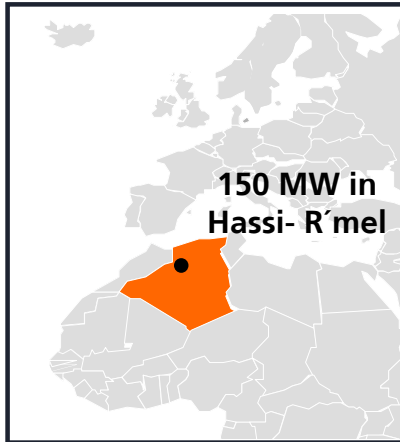


Écija 1 and 2

Trough Technology

Écija 1 and 2: 100 MWe with storage

- ✓ Proprietary Technology: Solúcar TR trough
- ✓ 440 GWh/year that will supply 120.000 Spanish households
- ✓ 180.000 Tm. de CO₂ saved per year
- ✓ Total reflective area 1000.000 m².
- ✓ Total land use: 380 ha



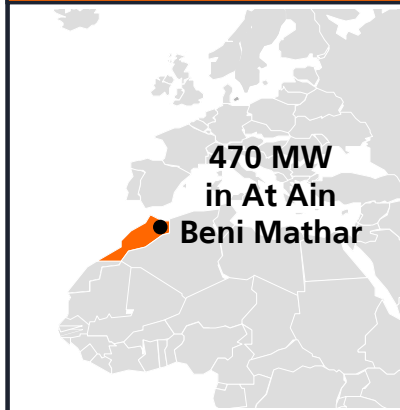
**150 MW in
Hassi- R'mel**



First ISCC plant worldwide

ISCC in Algeria 150 MWe

- ✓ Algeria. First combined cycle with solar trough field under construction
- ✓ 20 MW from trough, rest from natural gas
- ✓ 180.000 m² of reflective surface
- ✓ Thermal oil as heat transfer fluid
- ✓ Ownership: Abengoa Solar (51%) and NEAL (49%)



**470 MW
in At Ain
Beni Mathar**



Largest ISCC plant worldwide

ISCC in Morocco 470 MWe

- ✓ Morocco. Largest combined cycle with solar trough field
- ✓ 20 MW from trough, rest from natural gas
- ✓ 183.000 m² of reflective surface
- ✓ Thermal oil as heat transfer fluid
- ✓ Project sponsored by Wolrd Bank
- ✓ Ownership: ONE



With biomass ... we produce ecological biofuels and animal feed

- Need to reduce emissions due to fossil fuels in transportation
- Oil price at 90 dollars per barrel
- Energy dependence on oil producing countries
- Bioenergy as only solution available for transportation:
 - Much better CO2 life cycle than fossil fuels
 - Positive impact on agriculture
 - Provide DDGS(*) cereal byproduct to be used for feeding livestock, which allows to reduce the need for use of raw cereal sources



(*) Dried Distillers Grains with Solubles

Has the world changed?

- The causes behind current high prices are complex. ... including the concentration of demand in the transportation sector,
- The consequences in unfettered growth in global energy demand are alarming
- Rising global energy demand poses a real and growing threat to world's energy security
- Urgent action is needed if greenhouses gas concentrations are to be stabilised at a level that would prevent dangerous interference with the climate system

International Energy Agency, World Energy Outlook 2007

Not so much , but in line with our long term plan:

- 2nd generation technologies have the potential to:
 - Displace a significant amount of energy for the transport sector
 - Reduce greenhouse gas emissions
- 1st generation is a necessary transition phase or that is currently available and significantly contribution to reduce emissions

A high growth market

- U.S.: DoE forecasts 35 billion gallons in 2020
- Europe: most countries have approved regulations including the compulsory use of ethanol and diesel, in the main countries with separate targets for bioethanol and biodiesel. E85 starting in some countries.
- Brazil: nearly all cars sold flexible, bioethanol represents over a third of gasoline
- Many other countries introducing regulation

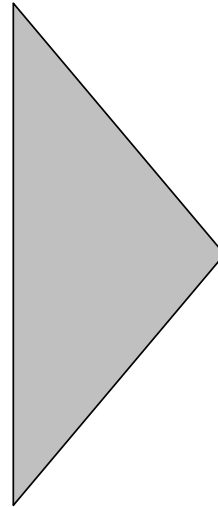
A profitable market for the right players

- Players with cost advantages can generate good returns. Key sectors commercial presence, overall size, plant size, logistics and operational know how.
- Cost competitive with oil already in some regions

A volatile market in the current first generation

- Commodities do “cross” and create high cash flow scenarios and low cash flow scenarios
- Dynamics are completely different by region, presence in 3 geographies is a natural hedge
- Hedging commodities help to manage short term spikes
- Long term contracts are key

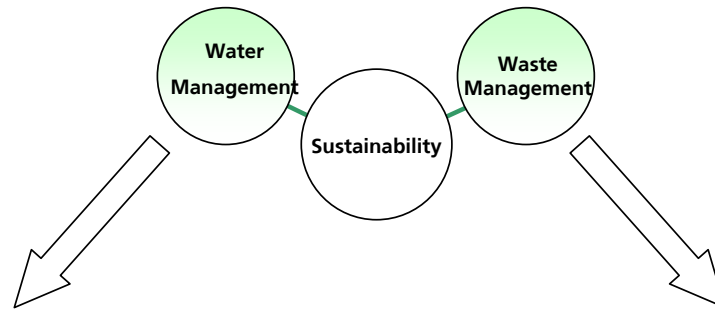
- Sustainable development
- Emissions reduction potential
- Integrated model
- Sustainability certification



- Brazil
 - Sugar cane
 - Integrated model
- Other geographies
 - (Asia, Africa)

- A global leader in bioethanol
- The only producer of bioethanol present in the three key geographical areas: U.S. (number 5), Europe (number 1) and Brazil (top 10).
- Unique commercial network serving oil majors and independents
- Exclusive operational know how in several feed-stocks:
 - 3 plants in Spain
 - 4 plants in U.S.
 - 2 plants under construction in U.S. and 2 in Europe (France, Netherlands) with the size required to be competitive in the long run.
- An ambitious R&D plan targeting to develop the cellulosic ethanol technology, an alternative to oil at prices much lower than today's:
 - \$100 million committed to R&D over next four years
 - U.S. Department of Energy and European Union research grants
 - Pilot plants in both U.S. and Europe
 - First hybrid plant to use cellulosic ethanol plant to be built with DOE in Kansas (2012)

Befesa currently works in these two areas ...



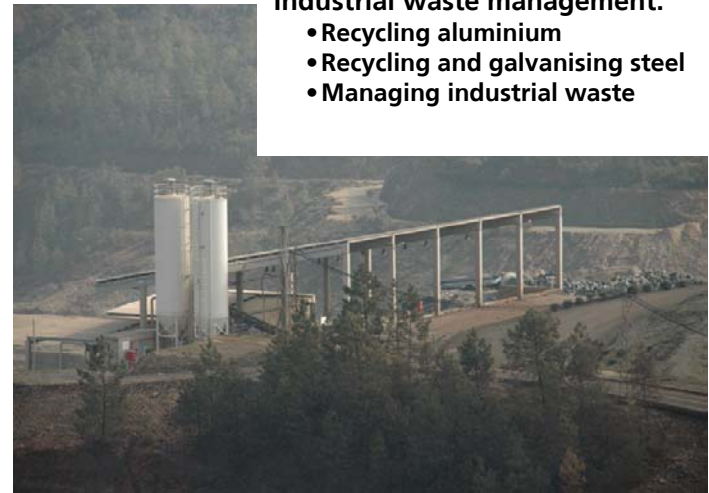
Full Water Cycle:

- Desalination and treatment
- Water infrastructures



Industrial waste management:

- Recycling aluminium
- Recycling and galvanising steel
- Managing industrial waste





Water

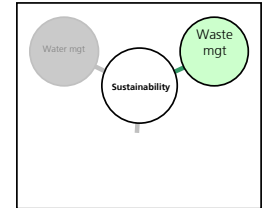
- Greater concern and commitment from governments
- Need to offer water to large populations in regions with limited supply
- Three main solutions: infrastructure for transportation, infrastructure to reduce water consumption in agriculture and desalination
- Desalination has lowered its energy consumption and cost significantly (half an euro per m²) thanks to the evolution of the reverse osmosis technology
- Large cities around the world need desalination to guarantee water supply

Industrial waste management and recycling

- Need to manage and whenever possible recycle industrial waste avoiding the production of new materials and the emissions associated
- In several large consumption materials a complete recycling is possible (i.e. steel, aluminum)

Waste management

Global reserves of copper, zinc and other metals could be insufficient to meet growing demand, even taking recycling into consideration ⁽¹⁾.



The current trend in waste management focuses on three main areas of action :

- ✓ Reducing waste generation at source.
- ✓ Treating generated waste appropriately:
 - Encouraging recycling
 - Managing hazardous waste correctly
 - Producing value from the non-recyclable part
- ✓ Regulating the traffic of waste between countries to avoid the transfer of environmental damage from one geographic location to another.

⁽¹⁾ Gordon, R. B., Bertram, M., Graedel, T. E. (2006). "Metal stocks and sustainability". Proceedings of the National Academy of Sciences of the USA (PNAS) vol. 103, no. 5, pp. 1209–1214.

Water

- One of the 5 largest desalination companies worldwide in terms of volume with 1,2 million cubic meters per day capacity, enough to supply water to five million people.
- Leader in Spain in water infrastructure
- High growth market
- In house technology in reverse osmosis purchasing key equipments from external suppliers. In house R&D.



Industrial waste management and recycling

- European leader in steel mill dust recycling (plants in Spain, France, Germany and Scandinavia)
- Third largest aluminum waste recycler if merger with Alcasa is approved (three plants in Spain, UK and Poland)
- Leader in the Iberian Peninsula in industrial waste management and growing presence in Latinamerica
- Reduction in energy consumption through our recycling activities, decreasing CO₂ emissions by 2,5 million tons per year

From a Spanish business to a international niche player:

- Aluminium integration with Alcasa (pending competition authorities)
- Steel dust and galvanization (Befesa Zinc + BUS)
- Desalination

Plant	Location	m3/day
Sousa	Liby	13.500
Valverde	Spain	60.000
Precosa	Spain	1.000
Villarico	Spain	1.000
Almería	Spain	50.000
Carboneras	Spain	120.000
El Atabal	Spain	165.000
Cartagena	Spain	65.000
Bajo Almanzora	Spain	60.000
Skikda	Algeria	100.000
Beni Saf	Algeria	200.000
Honaine	Algeria	200.000
Chennai	India	100.000
Qingdao	China	100.000
Total		1.235.500



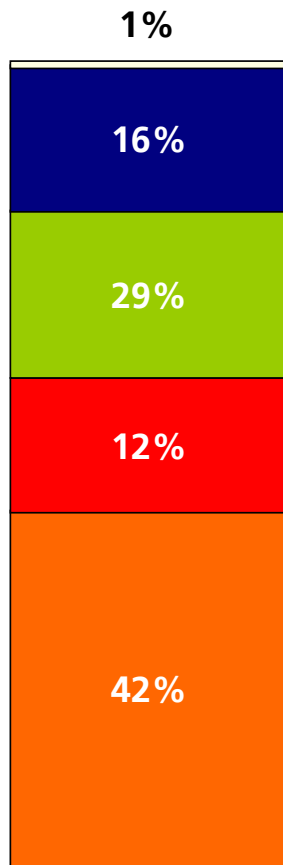


Industrial construction and engineering

- Leader in Spain and Latinamerica in industrial engineering and construction with a strong presence in energy
- Ranked by ENR as third largest international power contractor
- Strong move from lower margin higher competition segments into newer technologies

Transmission lines

- 5000 kilometers of transmission lines in concession or property in Latinamerica
- Highly estable business where being a constructor of lines is a key advantage to win new business



Gross cash flow
2007 YTD

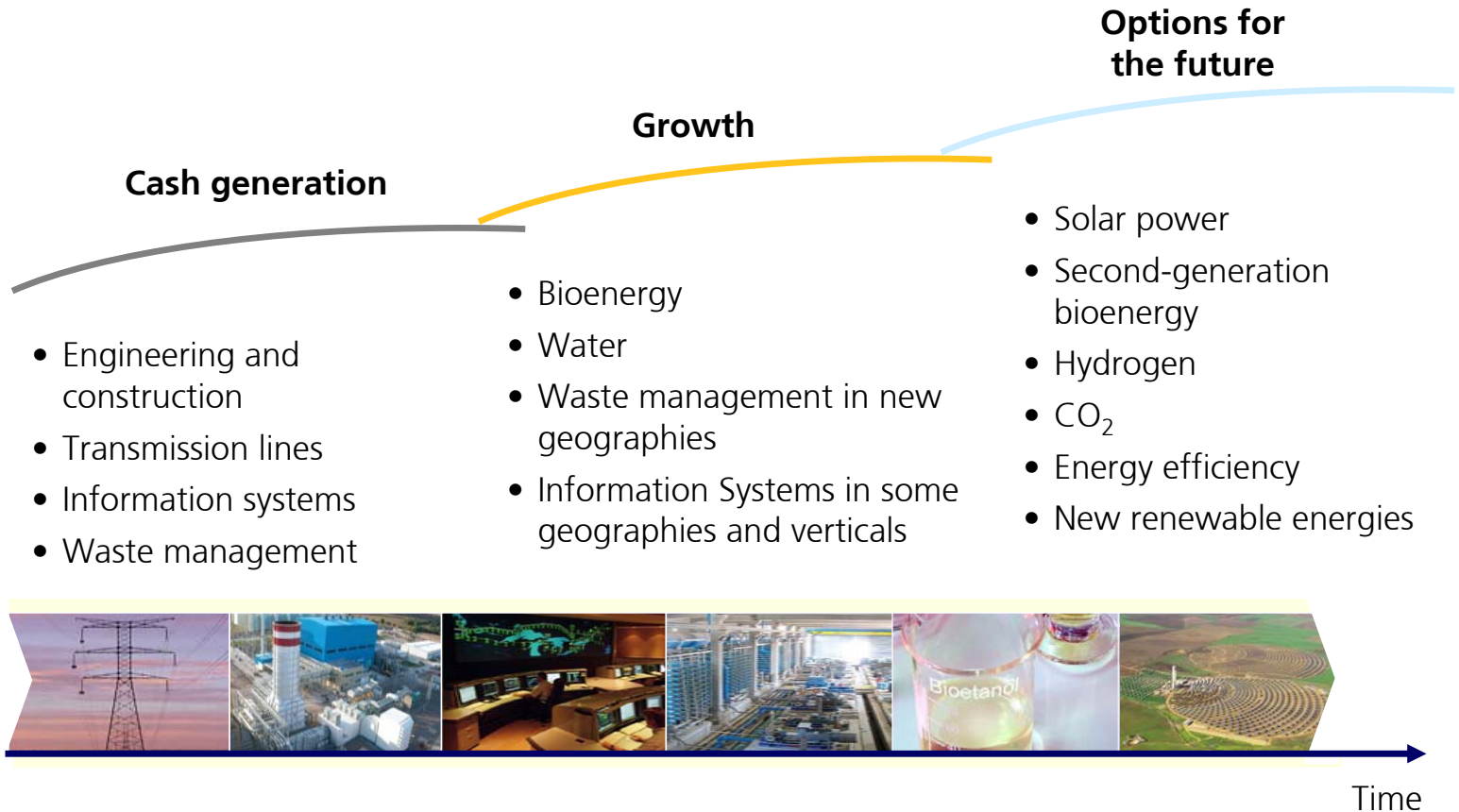
- Multi-billion investments internationally
- High cash generation and low volatility
- R&D in several technologies

- Multi-billion investments internationally
- Volatility.
- High investments in R&D on second generation

- Industrial waste: moderate growth driven by new geographies. Potential opportunities for further consolidation
- Water: High growth and investments, specially in desalinization.

- High organic growth.
- Growth via acquisitions in selected geographies and verticals.

- Low investments, except for transmission lines.
- High cash generation.
- International growth.



- **Abengoa Building our future**

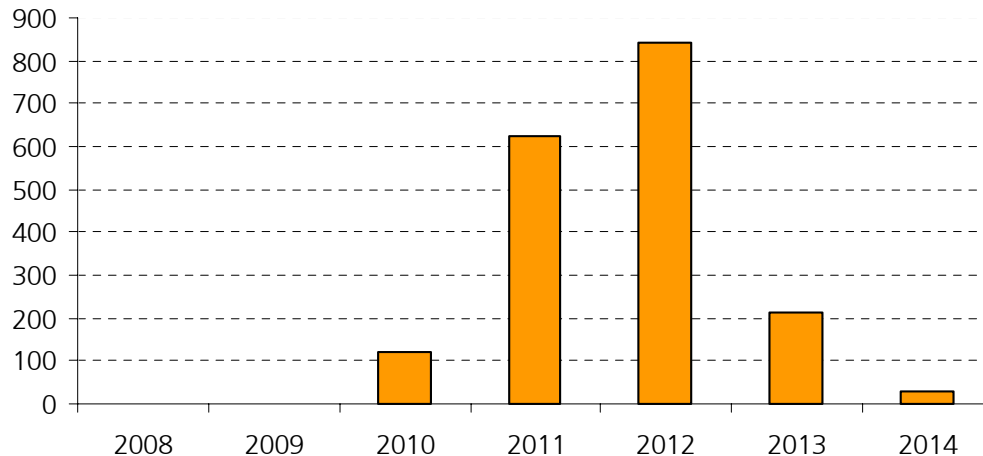
- **Financing our future**

- **Outlook for 2007 and 2008**

- **Good position to cope with tougher credit market conditions**
 - **Financing secured for 2008 and 2009 growth plan**
 - **859 M of new corporate debt raised in 2007**
 - **2 US ethanol plants: 300 M USD**
 - **130 Mw of Solar thermal projects already secured**
 - **IADB and BNDES loans for Brazilian Transmission**
 - **Desalination plants in Algeria and India: local capital markets**
 - **Geographic and sector diversification reduces exposure**
 - **Solar Thermal, Biofuels, Desalination, Transmission**
 - **North Africa, Latin America, North America, India**
 - **Financial Flexibility: Net Corporate Debt to EBITDA below 2,5x EBITDA FY07**

Comfortable Corporate Debt Position

- No refinancing needed until 2011
- Minimum 80% interest rate protection throughout the life of the debt at attractive rates with combination of fixed and caps



Proven Ability to raise Non-Recourse Debt (1,300 M € at YE07)

- Leadership position and track-record as a sponsor
- Renewables and Energy Infrastructure less affected

- **Abengoa Building our future**

- **Financing our future**

- **Outlook for 2007 and 2008**

- Growth prospects maintained in all divisions albeit unfavourable market conditions in Bioenergy
- Activities with good visibility represent 82% of 2007 expected Operating Cash Flow
- Diversified approach to sustainable businesses proves to be a right approach
- Elimination of sales and margins in internal Solar and ethanol projects reduces growth rate of Consolidated Sales and Net Profit
- Operating Cash Flow is a better measure of the group's ability to generate cash

9m 07 (M€)	Solar	Bioenergy	Environm	IT	Eng. & Ind. Constr.	Aggregate	IFRIC 12 Eliminations	Total Consolidated
Sales	16,7	430,5	543,9	389,0	926,1	2.306,2	-106,9	2.199,3
% change vs. 2006		32%	49%	29%	16%			
Operating Cash Flow	2,5	43,5	76,4	31,9	113,7	268,0	0,0	268,0
Net Income						91,7	-11,3	80,4
% change vs. 2006						28%		12%

ABENGOA



Solar

With the sun...we produce
thermoelectric and photovoltaic electric
energy

- **PS20 (20 Mw) Tower Plant: Operating by year end 2008**
- **Solnova 1 (50 Mw): construction started Q307**
- **Solnova 3 (50 Mw): : construction to start by end 07**
- **Hassi R'Mei ISSC Plant,Algeria : construction Q407, in operation Q409; 1st year operating revenues of 43,9 M € and 77% Ebitda margin**
- **Ain Ben Mattar, Morocco: construction Q407**
- **Solnova 4 (50 Mw): start construction in Q408**

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Bioenergy



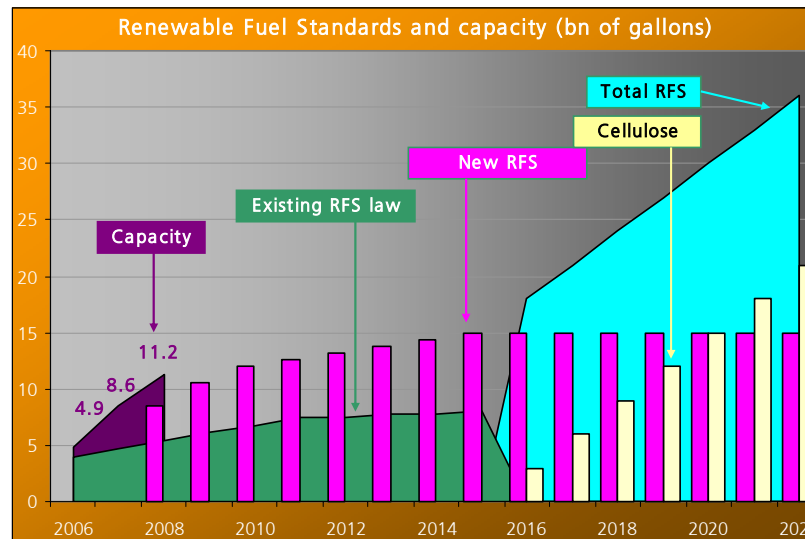
With biomass... we produce ecologic fuels and animal feed

Supply and Demand

- Strong economic incentive to blend: over 1USD/gall vs. gasoline
- Support from high gasoline prices
- Shortage of Infrastructure for Southeastern markets
- Significant short term improvement in ethanol pricing

Legislation

- Approval of Energy Bill containing new RFS in December



Existing
Capacity

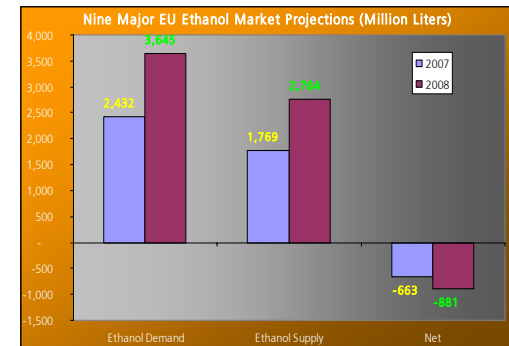
- York (50 M Gall/year): large and efficient facility
- Ravenna (88 M Gall/year): start of operations completed successfully
- Colwich and Portales (25 and 30 M Gall/year) to be substituted by new projects under construction

New
Projects

- Indiana and Illinois: 2 x 88 M Gall/year projects ideally located for current logistics and future biomass
- Financing agreements signed in July 2007
- 1st funding for both projects completed

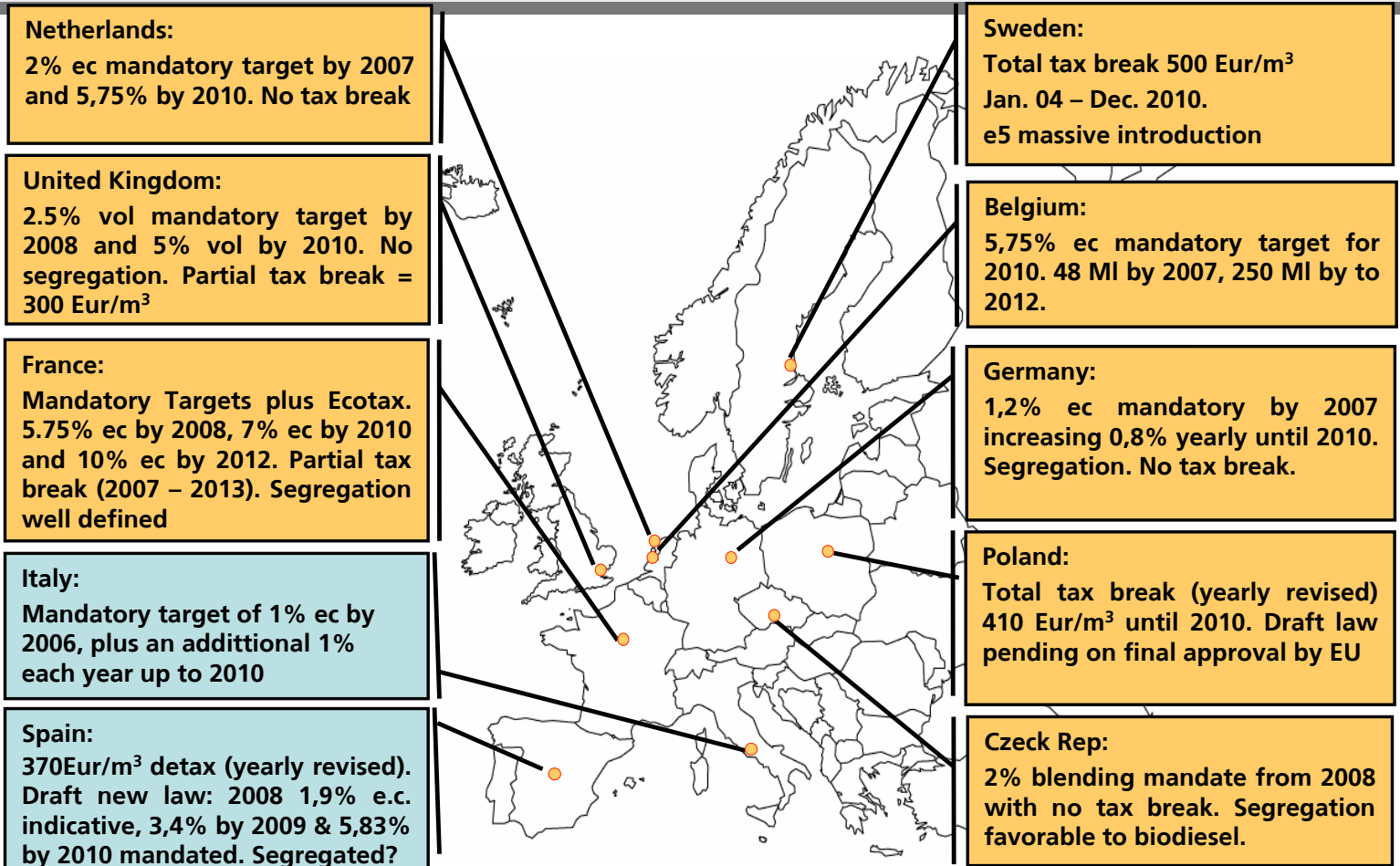
Supply and Demand

- Growing demand in 2008-2010 due to existing approved mandates in 8 of largest 10 Member States
- Delays in capacity growth due to challenging market conditions, as only large scale, optimum logistics and competitive projects will get done
- Imports from Brazil will cover supply deficit, but will have to compete with strong internal demand and higher sugar and energy prices



Legislation

- New Draft EU Directive setting mandatory targets in January 2008:
 - 10% target for 2020 set by Counsel of Ministries
 - Allow higher ethanol blends up to 10%
- Spain: approval of 5,83% mandate for 2010



In the future we foreseen mandatory blend (5,75% by 2010, 10% by 2020) and no tax break from 2012

Existing Capacity

- **Cartagena and Galicia:** long term contracts with Spanish refiners linked to methanol and gasoline prices provide competitive advantage and better price visibility
- **Salamanca:** expected operation with new mandate in Spain or sooner if conditions improves.
- **Upward pressure in ethanol prices; expected drop in cereal prices**

New Projects

- **Lacq, France (200 M l):** start of operations in August 2008; favorable market position due to tax-exemption and penalties.
- **Rotterdam (480 M l):** construction started in June 2007, operation scheduled in March 2010; ideally located to supply european largest refinery hub
- **UK and Germany (480 M l each):** start of construction subject to final permitting phase.



Market Update

- Sugar and ethanol prices remain significantly below 2006 levels
- Recovery of India's ethanol program will be a key driver for sugar and ethanol price increase in 2008
- Local ethanol demand growing as a consequence of higher gasoline prices and increase of flexi-fuel fleet.



Market Update

- Integration plan under way
- Plans to expand capacity in two existing facilities
- Two cogeneration projects under development
- Greenfield project in evaluation phase

- **US DOE award for the construction of hybrid biomass facility places Abengoa in an excellent position to lead the introduction of cellulosic technologies.**
- **Milestones completed**
 - DOE Award
 - Site selection
 - Initial Project Layout
 - Project team selection
- **2008 will be key in defining final project structure and calendar**
- **By 2012 Abengoa expects to have in operation its first hybrid facility**
- **All new 1st generation projects in development and construction are designed to be complemented with a biomass production line.**
- **We believe a solid platform of efficient cereal plants are a extremely valuable asset in the deployment of second generation technologies.**

ABENGOA

Environmental Services

With wastes... we produce new materials by recycling, and we also treat and desalt water to achieve a sustainable globe

- Befesa has showed that it is ideally positioned to become a global leader in certain niches as aluminium, steel dust and desalination
- Growth led in 2008 by :
 - Consolidation of Alcasa in Aluminum
 - Execution of the order book in Water Infrastructure (more than two years)



Water Infrastructure Significant pipeline of projects 2008-2009

▪ Latin America (México, Uruguay, Perú)	830 M €
▪ India	313 M €
▪ China	410 M €
▪ North America	<u>150 M €</u>
	2.703 M €

ABENGOA

Industrial Engineering and Construction

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



Internal

- Solar platform (300 MW).....1.200 M €
- Other solar project under development (100 MW)..... 600 M €
- Bioethanol plants.....2.200 M €

4.000 M €

External

- Back log.....**2.400 M €**
 - ISCC Argelia.....260 M€
 - ISCC Marruecos.....370 M€
 - Telecoms.....550 M€
 - Tranmission Lines in Latinoamerica...250 M€

6.400 M €

- In line to meet double digit growth in 07 with start of large international projects in Q4 2007

→ **Significant pipeline of projects in 2008 -2009:**

- **Solar Thermal and ISSC > 10 bn USD**
- **Latan Transmission Infraestructure > 10 bn USD**

→ **Transmission Concession**

- **339 M BRL (132 M €) of EBITDA once all concessions in operation**
- **Platform for future growth as an operator of Transmissions Infraestructure**

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

With the development of social and cultural policies ... we contribute to economic progress, social equity and the conservation of the environment in communities where Abengoa is present

