Consolidated Annual Accounts at December 31, 2002

(Free translation from the original in Spanish)

a) Consolidated Balance Sheets at December 31, 2002 and 2001

Consolidated Balance Sheets at December 31, 2002 and 2001

- Expressed in thousands of Euros -

Assets	12/31/2002	12/31/2001
A. Uncalled Share Capital	**0**	**1**
B. Fixed Assets		
I. Start-up and Capital Increase Expenses	**18,864**	**15,604**
II. Intangible Fixed Assets		
Intangible fixed assets	139,591	92,330
Provisions and amortisation	(71,281)	(56,167)
	68,310	**36,163**
III. Tangible Fixed Assets		
Tangible fixed assets	523,369	528,551
Provisions and amortisation	(200,468)	(197,905)
	322,901	**330,646**
IV. Fixed Assets Project Finance		
Intangible fixed assets	20,557	32,715
Provisions and amortisation	(4,214)	(8,653)
Tangible fixed assets	349,676	318,180
Provisions and amortisation	(48,797)	(36,648)
Financial fixed assets	67,125	0
	384,347	**305,594**
V. Long-term Investments		
Investments in associated companies	22,000	15,422
Long-term investments	37,870	13,325
Other investments and loans	11,469	11,272
Provisions	(4,594)	(2,125)
	66,745	**37,894**
Total Fixed Assets	**861,167**	**725,901**
C. Goodwill	**310,981**	**281,326**
D. Deferred Charges	**21,493**	**13,057**
E. Current Assets		
II. Stocks	**225,973**	**246,457**
III. Accounts Receivables		
Trade receivables	306,320	351,535
Amounts owed by associated companies	33,728	23,209
Other receivables	169,524	135,160
Provisions	(2,712)	(2,959)
	506,860	**506,945**
IV. Short-term Investments		
Short-term investments	84,220	57,180
Loans to associated companies	1,221	1,566
Other investments	102,873	149,616
Provisions	(2,829)	(2,705)
	185,485	**205,657**
VI. Cash at Bank and in Hand	**191,702**	**115,742**
VII. Accruals and Prepayments	**7,648**	**5,478**
Total Current Assets	**1,117,668**	**1,080,279**
Total Assets	**2,311,309**	**2,100,564**

Consolidated Balance Sheets at December 31, 2002 and 2001

- Expressed in thousands of Euros -

Shareholders´ Equity and Liabilities		12/31/2002	12/31/2001
A. Shareholder´s Equity			
I.	Share Capital	22,617	22,617
II.	Share Premium	110,009	110,009
III.	Revaluation Reserve	3,679	3,679
IV.	Other Reserves of Parent Company		
	Distributable reserves	90,319	89,277
	Non-distributable reserves	4,523	4,523
		94,842	93,800
V.	Reserves in Consolidated Companies	79,411	57,488
VI.	Reserves in Associated Companies	866	39
VII.	Cumulative Translation Adjustments		
	In Subsidiaries Consolidated by line-by-line or Proportional Method	(38,457)	(12,187)
	In Companies consolidated by equity method	(5,710)	(60)
		(44,167)	(12,247)
VIII.	Net Profit attributable to the Group		
	Net income for the year	45,169	42,112
	Net Profit attributable to minority interests	(1,672)	(606)
		43,497	41,506
Total Shareholders´ Equity		310,754	316,891
B. Minority Interests		40,813	46,180
D. Deferred Income		98,181	48,218
E. Provisions for contingencies and expenses		34,571	21,350
F. Other Provisions		0	48,081
G. Project Finance			
I.	Long-term Project Finance	140,357	139,604
II.	Short-term Project Finance	129,555	62,033
Total Project Finance		269,912	201,637
H. Long-term Liabilities			
II.	Loans	549,975	384,658
III.	Other Liabilities	79,573	72,179
Total Long-term Liabilities		629,548	456,837
I. Current Liabilities			
II.	Loans	61,081	110,341
III.	Amounts owed to Associated Companies	10,536	10,900
IV.	Trade Payables	747,845	726,612
V.	Other Non-Trade Payables	103,753	107,022
VI.	Other Payables	2,018	3,362
VII.	Accruals	2,297	3,133
Total Current Liabilities		927,530	961,370
Total Shareholder´s Equity and Liabilities		2,311,309	2,100,564

b) Consolidated Profit and Loss Accounts for the Years Ended December 31, 2002 and 2001

Consolidated Profit and Loss for the years ended December 31, 2002 and 2001

- Expressed in thousands of Euros -

Expenses		12/31/2002	12/31/2001
	Materials consumed	1,025,104	887,341
	Personnel expenses	241,957	225,500
	R & D amortisation charges	7,636	9,865
	Other amortisation charges	47,704	39,683
	Change in trading provisions	1,142	2
	Other operating expenses	236,419	245,511
	Total Operating Expenses	**1,559,962**	**1,407,902**
I.	**Operating Profit**	**118,260**	**116,939**
	Financial expenses	66,780	67,118
	Loss on financial investments	11,935	820
	Change in financial investments provisions	301	412
	Negative exchange differences	20,444	11,572
	Total Financial Expenses	**99,460**	**79,922**
II.	**Net Financial Income**	**0**	**0**
	Participation in losses from companies under equity method	164	199
	Amortisation of goodwill	16,672	14,401
	Total Ordinary Expenses	**1,676,258**	**1,502,424**
III.	**Profits from Ordinary Activities**	**37,432**	**52,701**
	Loss on sale of fixed assets	4,316	248
	Decrease in provisions of tangible and intangible fixed assets	4,441	7,661
	Loss on sale of investments in consolidated companies	112	331
	Extraordinary expenses	71,179	5,870
	Total Extraordinary Expenses	**80,048**	**14,110**
IV.	**Net Extraordinary Income**	**0**	**1,338**
	Total Expenses	**1,756,306**	**1,516,534**
V.	**Net Profit before Tax**	**23,732**	**54,039**
	Corporate income tax	21,437	(11,927)
VI.	**Net Profit after Tax**	**45,169**	**42,112**
	Profit attributable to minority interests	(1,672)	(606)
VII.	**Profit attributable to the Group**	**43,497**	**41,506**

Consolidated Profit and Loss for the years ended December 31, 2002 and 2001

- Expressed in thousands of Euros -

Income	12/31/2002	12/31/2001
Net turnover	1,521,932	1,379,878
Increase in stocks	41,119	46,074
Work done for own fixed assets	47,663	84,051
Other operating income	67,508	14,838
Total Operating Income	**1,678,222**	**1,524,841**
Dividends from undertakings	2,078	1,079
Other financial income	16,928	16,052
Profits on short-term financial investments	37	0
Positive exchange differences	13,202	10,972
Total Financial Income	**32,245**	**28,103**
II. Net Financial Losses	**67,215**	**51,819**
Participation in profits from companies under equity method	3,223	2,181
Amortisation of negative goodwill	0	0
Total Income from Ordinary Activities	**1,713,690**	**1,555,125**
Income from sale of fixed assets	25,557	7,442
Income from sale of investments in consolidated companies	177	1,566
Income from sale of investments in companies under equity method	0	0
Capital grants transferred to profits for the year	3,539	2,742
Other extraordinary income	37,075	3,698
Total Extraordinary Income	**66,348**	**15,448**
IV. Net Extraordinary Losses	**13,700**	**0**
Total Income	**1,780,038**	**1,570,573**

c) Notes to the Consolidated Annual Accounts at December 31, 2002

Notes to the Consolidated Annual Accounts at December 31, 2002

Note 1.- Activity.

Abengoa, S.A. is an industrial and technological Company that, at the end of the year 2002, held a group (hereinafter, Abengoa or the Group) formed by 232 companies, the parent Company itself, 200 subsidiaries and 31 associated companies. Moreover the different companies have investments in about 224 Temporary Consortiums. In addition, Group companies hold interests of less than 20% in other companies.

Abengoa, S.A. was set up as a Limited partnership on January 4, 1941 in Seville and was subsequently transformed into a corporation on March 20, 1952. It is registered in the Mercantile Register of Seville, initially on form 2,921, folio 107 of volume 47 of Corporations and currently, due to the recent adaptation and rewording of the company's articles of incorporation, is registered in volume 573, book 362 of Section 3 of Corporations, folio 94, form SE-1507, registration 296. The company's current registered office is located at Avenida de la Buhaira, nº 2 in Seville.

The company's corporate purpose is described in Article 3 of the company's articles of incorporation. Within the main activities mentioned in the corporate purpose, Abengoa as an applied energy and equipment Company, provides integral solutions in the Energy, Telecommunications, Transport, Water, Environment, Industry and Services sectors.

Abengoa is an industrial and technological Company that provides solutions for Sustainable Development, the Society of Information and Knowledge and Infrastructure Creation.

Abengoa operates through four Business Groups, the activities of which are as follows:

- Bioenergy:

  This area of activity involves the production of ethyl alcohol from vegetable products (cereals, biomass). The alcohol, (bioethanol) is used to manufacture ETBE (unleaded petrol additive or component) or is blended directly with petrol and gasoil. As it is a renewable energy, net CO_2 emissions are reduced (greenhouse effect).

- Environmental Services:

  Aluminium waste, salt slag and zinc waste recycling, industrial waste management, industrial cleaning and environmental engineering services (engineering and construction for water treatment and waste management).

- <u>Information Technology</u>:

  Systems and Service Development and Integration.

  <u>Systems for</u>: Information Control, Private Telecommunications Networks, Business Process Payment and Automation for the Energy, Environment, Traffic, Transport and Public Administration Sectors.

  <u>Services of</u>: Hosting, Management, Administration and Maintenance of Technical Infrastructures.

- <u>Engineering and Industrial Construction</u>:

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

Pursuant to the corporate purpose, these activities may be carried out in Spain or abroad, using either the company's own resources or through interests in other companies with similar corporate purposes.

A significant part of the projects undertaken have a duration of more than one year.

Note 2.- Subsidiary Companies.

2.1. Information concerning the 200 Consolidated Subsidiary companies by line-by line method is given in Appendix I to these Notes.

Note 3.- Associated Companies.

3.1. Information on the 31 Associated Companies consolidated by the equity method is given in Appendix II to these Notes.

Note 4.- Temporary Consortiums.

4.1. Information on the 86 Temporary Consortiums consolidated by the Proportional Consolidation Method is given in Appendix III to these Notes.

4.2. Under the provisions of articles 11 and 14 of the Rules for the Formulation of Consolidated Annual Accounts, 138 Temporary Consortiums have not been included in the consolidation process. The net book value of the investments in the non-consolidated Temporary Consortiums is Th.Eur. 663, and they are accounted for as "Short-Term Investment" on the consolidated balance sheet. The net turnover in proportion to the interest held is 1% of the net consolidated turnover. The net aggregated profit in proportion to the interest held is Th.Eur. 43.

Note 5.- Abengoa, S.A. Profit Distribution.

The proposal for the distribution of the net profit of Abengoa, S.A. for the year 2002 to be submitted for the approval of the General Shareholders' Meeting is as follows:

Basis of distribution	**Th.Eur. Amount**
Profit and Loss	**29,765**

Application to	**Amount**
Distributable reserves	17,099
Dividends	12,666
Total	**29,765**

Note 6.- Bases of Presentation of the Consolidated Annual Accounts.

6.1. The Consolidated Annual Accounts are based on the statutory accounting records of Abengoa, S.A. and its group of companies and are prepared in accordance with generally accepted accounting principles in Spain established in the current mercantile legislation, to present fairly the equity, the financial position and the results of the Group.

6.2. The figures contained in the documents that comprise the Consolidated Annual Accounts (balance sheet, profit and loss account and these notes) are expressed in thousands of Euros (Th.Eur.).

Unless otherwise stated, the percentage holding in the capital of entities includes both the direct interest and the indirect interest corresponding to group companies with direct holdings, not the total interest which would be held by the parent Company.

6.3. When necessary, the appropriate reclassifications have been made on the 2001 balance sheet and profit and loss account, in order to facilitate the comparison with the year 2002 figures. Applying the true and fair view criterion, interests acquired as a vehicle for specific business operations are valued from their acquisition date until the date of sale using accounting criteria similar to those used for other investments, with the difference that the amortization of the implicit goodwill is deferred for accounting purposes and that the associated profit/loss are considered as an operating results, to the extent that there are no reasons that make an earlier reduction of its book value advisable, until the vehicle company starts its regular economic operations, applying a strict criterion of correlation of income and expenses (integral treatment). (See Note 25.2). See the accounting treatment of tax issues resulting from the Resolution of the Spanish Accounting and Account Auditing Institute (ICAC) in Note 23.5.

6.4. Appendix I lists the 35 Companies / Entities that are fully consolidated by the line-by-line method for the first time in this year. (See Note 6.6 and footnotes to Appendix I).

6.5. On December 17, 2001, after a Tender Offer started on November 1, 2001 Abengoa, through its subsidiary Asa Environment and Energy Holding AG, took control of the majority of the capital of High Plains Corporation (HIPC), a company listed on the Nasdaq Stock Market. This company is the fifth bioethanol producer in the United States, with well-known experience in said market, and focuses solely on this activity, owning three operation plants, with a total production capacity of 85 million gallons (332 million litres) a year. The period of the Tender Offer was officially extended until January 16, 2002. At December 31, 2001, the interest obtained was 86.32%, which reached 94.13% at the end of the additional Tender Offer period finalised on January 16, 2002.

On February 14, 2002, the Spanish Stock Market National Commission and the SEC were informed of Abengoa's intention to merge its subsidiaries High Plains Corporation and Abengoa Biofuels Corporation. Consequently, Abengoa likewise requested the exclusion of HIPC from the Nasdaq Stock Market. After the merger, Asa Environment and Energy Holding AG obtained 100% control of High Plains Corporation, the company resulting from the aforementioned merger, and the minority shareholders received an amount equal to the price per share stated in the tender offer. (See Note 8 on the resulting Goodwill on Consolidation). In 2002, to complete the process, the company Asa Bioenergy Holding was incorporated, with Asa Environment contributing its holding in High Plains Corporation by means of a capital increase.

6.6. The inclusion of High Plans Corporation in the consolidated profit and loss account for the year 2002 contributed approximately Th.Eur. 155,000 to the sales figure in relation to the preceding year. In the rest of the profit and loss account captions, no significant differences can be seen, once the amortisation of the Goodwill has been taken into account. The consolidation of the rest of the companies mentioned in Note 6.4 did not have any significant effect on the global consolidated figures at December 2002, except, for balance sheet purposes, the acquisition by Alianza Medioambiental, S.L. of 47.5% and 5% of the shares of CMA on December 12 and 27, 2002, respectively. Said company became fully consolidated for 100% of the holding (see Note 13.3).

6.7. Appendix II shows the 8 Companies / Entities included this year in the consolidation that are consolidated by the equity method.

6.8. Likewise, 30 Temporary Consortiums were consolidated for the first time in the year, as they started their activities in this year and/or commenced significant operations. Their contribution to the consolidated turnover is Th.Eur. 30,957.

6.9. Certain Companies / Entities have been excluded from the consolidation process (line-by-line method):

Corporate Name	% Shareholding	Reason
Abengoa Biofuels Corporation	100.00	Merger with High Plains Corporation
Bioeléctrica del Viar, S.A.	100.00	Disolution
Biomasa del Genil, S.A.	100.00	Disolution
Biomasa del Guadiamar, S.A.	100.00	Disolution
Desarrollos Energéticos de Piura, S.A.	100.00	Disolution
Emilio Carrión, S.L.	52.50	Disolution
Energía de la Biomasa, S.A.	100.00	Disolution
Fomento Energía Renovable de Palencia, S.A.	70.00	Disolution
Guadalcacín Energía, S.A.	100.00	Disposal
Sinaben Multimedia, AIE	50.00	Under disolution

The above listed companies' contribution of sales and results to the consolidated figures was practically nil in both 2001 and 2002.

6.10. Certain Companies / Entities have been excluded from the consolidation process (equity method):

Corporate Name	% Shareholding	Reason
Altek Equipment Corporation	33.30	Disolution
Asti Energia, S.A.	25.00	Disolution
Biselan, S.A.	33.30	Disolution
Inversiones Graminsa, S.A.	24.40	Disposal
Meta, Protección del Medio Ambiente, S.A.	33.30	Disolution

With no significant effect on the results in respect of the consolidated figures for both 2001 and 2002.

6.11. Likewise, 14 Temporary Consortiums were eliminated from the consolidation in the year due to the finalization of their operations or the fact that such operations were not significant, neither individually nor globally. Their net turnover, in proportion to the interest held, was Th.Eur. 6,748 in 2001.

6.12. During the year, the essential actions to reorganise the company group were completed, placing Abengoa, S.A. as a holding company and the different shareholdings in accordance with the Business Group to which they belonged. In all cases, following its traditional accounting policy, consistently applied, intercompany transfers were carried out at the prior book value thereof, in order to avoid recognising any profits or losses in transactions with third parties that had not materialised.

Note 7.- Accounting Policies.

The most significant accounting policies applied in the preparation of the consolidated annual accounts are the following:

a) Goodwill on Consolidation.

Goodwill represents the positive difference between the net book value of the parent company's investment in subsidiary, associated and multi-group companies and its share in the net equity at the date of acquisition.

The investments made in the companies that gave rise to the Goodwill on Consolidation are long-term investments, operations being expected to continue for between 12 and 20 years. Consequently, under current applicable legislation, in order to apply the accounting principle of the correlation of income and expenses correctly, it is considered appropriate to amortize the Goodwill over a term of twenty years or, if applicable, over the estimated term of the project, if shorter.

b) Consolidation Difference.

If applicable, it would include the difference where it arises; negative consolidation difference represents the excess of the parent company's share in the net equity of subsidiary companies and multi-group companies at the date of acquisition in respect of the net book value of its investment in such subsidiary companies and multi-group companies.

Consolidated difference is only credited to the profit and loss account in the cases mentioned in the Spanish Consolidated Annual Accounting Standards.

c) Intercompany transactions.

Income and expenses relating to transactions with related parties are eliminated until they materialise with third parties outside de Group

Accounts receivable and payable between related parties, which were included in the consolidation, are eliminated in the consolidation process.

d) Consistency of accounting policies applied.

Accounting policies consistent with those applied by the parent Company have been applied in all the companies included in these Consolidated Annual Accounts.

e) Translation of foreign companies' annual accounts.

For the purpose of preparing the accompanying consolidated financial statements, the investees' financial statements denominated in foreign currencies were translated to local currency as follows:

1) All goods, rights and liabilities are translated into local currency using the foreign exchange rate at the end of the financial year.

2) The profit and loss accounts of foreign companies are translated into local currency using the annual average exchange rate calculated as the aritmethic average of all month-end foreign exchange rates.

3) The difference between the amount of the foreign company's shareholders' equity (including the profit and loss account), which is calculated in accordance with the preceding paragraph 2) translated at the historic exchange rate, and the net financial position calculated according to translation of goods, rights and liabilities described in paragraph 1) above, is presented, with negative or positive sign, in the shareholders' equity on the consolidated balance sheet, under the "Translation Differences" caption.

The translation of the results of companies consolidated by the Equity Method was carried out in accordance with the annual average foreign exchange rate, calculated in accordance with paragraph 2) above.

For companies located in countries with high inflation, translation is made at the exchange rate at the end of the financial year, once the financial statements have been adjusted in accordance with accounting rules for inflation. This practice has had no significant effect on the Annual Accounts.

f) Start-up and capital increase expenses.

Start-up and capital increase expenses are valued at the cost of acquisition or production of the goods or services, which give rise to them. They are systematically amortized over a period of five years.

g) Intangible Fixed Assets.

The items, which comprise Intangible Fixed Assets, are valued at their acquisition cost or cost of production. These assets are amortized on a straight-line basis following their actual estimated useful lives.

There are Research & Development expenses that are, in general, charged to the profit and loss account in the year in which they are incurred and there is an individual breakdown of each specific R&D project. There are likewise certain projects that are amortized over 5 years as from the date they come into operation. Abengoa companies took part in research and development programs carried out by other entities in which a minority interest is held. The amounts associated to their contributions to these programs are capitalized and amortized over a five-year period in the cases where the conditions established for this purpose in the General Accounting Plan are met.

Administrative concessions are valued at acquisition cost and are charged systematically to the profit and loss account over the period of the concession.

Patent rights are valued at acquisition cost and their amortization is calculated applying the straight-line method over the period for which its exclusive use is recognized.

Transfer rights are only accounted for when produced through an acquisition, in return for a consideration.

Data processing applications include the amounts paid for the access to property or rights for the use of programmes as well as the costs of those designed by the Company itself, when it is foreseen that their utilisation will be spread over a number of years. Maintenance costs of these applications are charged directly to the profit and loss account of the year in which they are incurred. Amortization is calculated on a straight-line basis over a period of five years from the moment the use of the respective data processing application begins.

Assets acquired under finance leases are accounted for as Intangible Fixed Assets when, from the economic conditions of their contracts, they can be considered to be acquisitions. Amortization is calculated as described in paragraph h) below.

h) Tangible Fixed Assets.

Items included in Tangible Fixed Assets are valued at their acquisition or production cost.

The value of the assets includes the effect of the legal revaluations approved by legislation of the country where each Company is located, except for Argentina in the present year, pursuant to the technical pronouncement issued by the Spanish Accounting and Account Auditing Institute (ICAC).. Renewal, enlargement or improvement costs are included in the assets as a higher value of the item only when it involves an increase in their capacity, productivity or useful life.

Amounts relating to the works carried out by the Company itself are valued at their cost of production and are credited to the profit and loss account. Interest expenses and exchange differences related to the external financing of investments in Tangible Fixed Assets are only accounted for as an increase in the asset value when they arise before the asset is put into operation, provided that the total value of the asset thus calculated does not exceed the market value.

The depreciation of Tangible Fixed Assets is calculated systematically by applying the straight-line method over the useful life of the assets and considering the effective depreciation of the asset due to use. If applicable, any value adjustments that arise are made.

The annual rates used to calculate the depreciation of Tangible Fixed Assets are as follows:

Items	% Rate
Buildings	2% - 3%
Installations	4% - 12% - 20%
Machinery	12%
Tools	15% - 30%
Furniture	10% - 15%
Construction equipment and supplies	30%
Data processing equipment	25%
Vehicles	8% - 20%

i) Financial investments.

Long and short term security investments, with fixed or variable interest, are valued at their cost of acquisition at the time of subscription or purchase, plus revaluations made in the effect of the legal revaluation. The necessary eliminations have been made in the consolidation process in accordance with the consolidation method followed.

For values listed on a stock exchange, when the year-end market value is lower than the acquisition cost, the provisions necessary to reflect the fall in value are made and charged to the profit and loss account.

Unlisted securities are valued at acquisition cost less, when applicable, any provisions deemed necessary to reflect the fall in value suffered, which are in no case less than the losses incurred on the percentage shareholding. In order to calculate the provisions required, the underlying book value of the securities, adjusted by the amount of any tacit capital gains which existed upon acquisition and still exist at the time of the subsequent valuation, is taken as the reference value.

j) Non-trade receivables.

Long and short-term non-trade receivables are recorded at the amount actually outstanding. The difference with the nominal value is considered as interest income accrued in the period, following financial criteria.

Bad debts are provided for when considered necessary in the specific circumstances.

k) Deferred charges.

Deferred charges relate basically to interest on finance leases and other deferred expenses. The net book value of the items included under this caption is: leasing Th.Eur. 3,794 and Other Deferred Expenses Th.Eur. 17,699, comprising basically debt formalisation expenses, the treatment of metal and grain futures market transactions and other items.

l) Stocks.

Raw materials and other supplies are valued at acquisition cost (first in, first out) plus all additional expenses incurred until the goods reach the warehouse.

Auxiliary products, consumables and replacements are valued at the latest invoice price or market value, if lower. The valuation of these products at the latest invoice price does not differ significantly from the valuation that would have been obtained if the first in, first out criterion had been applied.

Finished goods are valued at the lower of market value or average production cost, calculating the latter as the specific cost of the supplies and services plus the applicable part of the direct and indirect labour and general manufacturing costs.

Work in progress value includes costs directly incurred and the corresponding part of indirect costs incurred during the production period.

Provisions for depreciation and obsolescence are established when necessary.

Several Group companies have carried out transactions in the metal futures market (basically zinc and primary and secondary aluminium) to totally or partially hedge operations for the sale of physical tonnes with content of said metals.

The price differences produced by the continuous variations in the futures traded on official markets are treated in accordance with the following criteria:

- Both positive and negative differences due to the changes of prices in genuine future transactions to hedge risks are booked by adjusting the value of the main transaction hedged.

- Both positive and negative differences on transactions that are not defined as hedges are taken directly to the profit and loss account over the life of the transaction, theoretically closing the positions on the transactions open in accordance with market prices.

The result of the futures transactions for the year ended December 31, 2002 was a profit of Th.Eur. 454 on transactions closed in the year and a loss of Th.Eur. 1,367 on transactions open at the year end.

m) Shares of the parent Company.

The parent company does not hold any of its own shares neither during the year nor at the year-end.

n) <u>Capital grants</u>.

Capital grants are valued at the amount awarded and are recorded when they are considered to adequately meet the conditions established by the body granting them. They are released to the profit and loss account on a systematic basis in line with the estimated useful life of the assets to which they relate.

ñ) <u>Provisions for liabilities and charges</u>.

This caption includes provisions for contingencies and expenses relating to probable and/or certain liability. Amounts are assigned to the provision when, applying the most conservative valuation criteria, circumstances thus advise.

o) <u>Provisions for pensions, similar obligations and other</u>.

Certain group companies hold a series of obligations under incentive programs with management and employees (1.48% of the share capital of Befesa Medio Ambiente, S.A. and 5.4% of Telvent, S.A.). These obligations are not significant and an appropriate provision has been made.

p) <u>Long and short-term payables</u>.

Long and short-term non-trade payables are recorded at their reimbursement value. The difference between this amount and the amount actually paid is accounted for as interest expense during the period in which it is accrued, following financial criteria.

Credit facilities are shown in the accounts at the amount drawn of the total credit facility available.

Amounts relating to trade bills discounted and factoring with recourse pending maturity at the year-end are recorded as short-term receivables and loans from financial entities. Factoring without recourse is treated as collection; the related financial expense was approximately Th.Eur. 15,495 in the year.

See the treatment of financing without recourse in process in Note 13.6.

q) <u>Corporate income tax</u>.

The charge for corporate income tax is recorded in the profit and loss account for the year and is calculated taking into account the timing differences associated with the different treatments for accounting and tax purposes of certain operations and the tax allowances to which the companies are entitled (See Note 23.5).

r) Foreign currency transactions.

The following procedures are applied in accounting for foreign currency operations:

1. Intangible and Tangible Fixed Assets:

   These balances are translated into local currency at the exchange rate prevailing on the date of the operation.

2. Stocks:

   The acquisition price or production cost is translated into local currency at the exchange rate prevailing at the date of the related transaction.

3. Financial investments:

   Financial investments are translated into local currency at the exchange rate prevailing at the date the investment is acquired.

   At the year-end they are valued at the exchange rate prevailing at this date and, if necessary, a provision is established.

4. Cash and banks:

   Foreign currencies are translated at the exchange rate prevailing on the transaction date. At the year-end, they are valued at the exchange rates prevailing at this date. Exchange differences are charged directly to the profit and loss account.

5. Accounts payable and receivable:

   Accounts payable and receivable in foreign currency are translated into local currency at the exchange rate prevailing on the date of the related operation. At the year-end they are translated at the exchange rate prevailing at this date.

   Unrealized exchange gains, where they occur, are not recorded as income for the year but are included in the balance sheet as deferred income. Unrealized exchange losses are charged directly to the profit and loss account.

Exchange rate hedging transactions (exchange rate insurance) are carried out in the circumstances in which, applying the conservative valuation principle, they are considered appropriate in order to mitigate the risks on operations abroad, hedging specific risks.

s) Accounting for income and expenses.

Sales of goods and income from services provided are recorded net of the applicable taxes and all discounts except those for prompt payment, which are considered as financial expenses whether or not they are included in the invoice.

Amounts relating to taxes in respect of purchases of merchandise and other goods acquired for resale, excluding Value Added Tax (VAT) and direct transport costs, are considered as part of the purchase price or cost of the services acquired.

Discounts subsequent to issuing or receiving invoices due to defects in quality, non-compliance with delivery dates or other similar reasons, as well as volume discounts on sales are all recorded separately from the sale or purchase amount of the goods and from the income or expenses for services, respectively.

The income from contract work is recognised upon completion and delivery. However, for long-term contracts (more than one year), income is recognised following the percentage of completion method, which includes billings on account and recognising income based on estimated margins taking into account the contingencies and risks estimated until the completion of the contract and delivery to the customer.

From the present year onwards, certain transactions (to which Notes 13.6 and 13.7 refer) have become significant, generally in relation to infrastructure construction, in which the company awards a construction contract (either in association with other companies or on an exclusive basis) collection of which takes place by means of a long-term royalty (20 or 30 years) that includes financial compensation for deferred payment, future services associated to the transaction and maintenance of the systems. In this type of complex transaction:

a) The profit assigned to the first phase of construction is recognised in accordance with the percentage of completion method, applying values that in no case exceed the sums financed by the associated project finance agreements.

b) Financial profits and profits from future services are accounted for in accordance with the best estimates, in order to ensure a stable yield throughout the term of the administrative concession.

t) Electricity activities

Law 54/1997 of November 27 and the subsequent implementing legislation regulates the different activities related to the supply of electricity. This mainly consists of the production or generation, transport, distribution, commercialization and intra-Community or international exchange of electricity, together with the economic and technical management of the electricity system. This field of activity also includes the self-producers and producers under the special regime regulated in this Law.

Royal Decree 437/1998 of March 20 approved the General Accounting rules for the electricity industry companies and, therefore, for those included in the groups mentioned in the preceding paragraph. These rules establishes certain obligations to be disclosed in their annual accounts. These obligations are applicable for the consolidated annual accounts of groups that include one or more electricity activities.

Certain consolidated companies carry on operations that may be considered to fall within those considered as electricity activities as described above.

Appendix IV gives details of these companies and their activities.

Note 13 “Fixed Assets in Projects” gives details of the investments made in each one of these activities.

Note 25 “Income and Expenses” gives details of the net turnover of each activity.

u) Assets for environmental use.

The equipment, installations and systems applied to eliminate, reduce or control any environmental impacts are booked applying criteria analogous to those used for fixed assets of a similar nature.

Specific provisions are made for environmental contingencies when, applying a highly conservative principle, circumstances make this recommendable.

Note 8.- Goodwill on Consolidation.

8.1. Details of Goodwill on Consolidation by subsidiary at December 31, 2002, together with the accumulated amortization, are shown below:

Goodwill on Consolidation	Amount	Accumulated Amortization	Net
Line-by-line / proportional method consolidated companies			
Abengoa Chile Consolidated	10,195	(1,497)	8,698
Aluminios en Discos, S.A.	31	-	31
Befesa Medio Ambiente, S.A.	196,301	(24,683)	171,618
Borg Austral, S.A.	685	(137)	548
Cartera Ambiental, S.A.	7,723	(1,132)	6,591
Compañía Industrial Asúa-Erandio, S.A. (Aser)	13,132	(8,426)	4,706
Complejo Medioambiental de Andalucía, S.A. (*)	20,229	(530)	19,699
Comercial Sear, S.L.	2,287	(114)	2,173
Ecomat, S.A.	1,864	(93)	1,771
Enernova Ayamonte, S.A.	361	(108)	253
Etrinsa	203	(13)	190
Hidro Clean, S.A.	1,066	(53)	1,013
High Plains Corporation (**)	52,563	(2,321)	50,242
Laitek Luz y Tecnología, S.A.	6,495	(325)	6,170
Refinalsa	1,100	(639)	461
Remetal	27,099	(7,567)	19,532
S.P.M.	223	(11)	212
Sociedad Inversora en Energía y Medioambiente, S.A.	2,146	(647)	1,499
Sondika Zinc, S.A.	1,067	(156)	911
Tratamiento de Aceites y Marpoles, S.A. Consolidado	4,934	(468)	4,466
Trademed, Tratamientos del Mediterráneo, S.L. (***)	1,484	(666)	818
Trespi, S.L.	304	(26)	278
Unión Química y Naval, S.L. (Unquinaval)	1,561	(135)	1,426
Zindes, S.A.	3,372	(532)	2,840
	356,425	**(50,279)**	**306,146**
Equity method consolidated companies			
Deydesa 2000, S.L.	5,469	(840)	4,629
Intersplav	344	(138)	206
	5,813	**(978)**	**4,835**
Total	**362,238**	**(51,257)**	**310,981**

(*) Relates to the Goodwill that existed before this Company joined Befesa Medio Ambiente through the Company Alianza Medioambiental (AMA) and the new Goodwill generated in the year 2002 (Th.Eur. 18,258) through the additional acquisition of 47.5%, which took place on December 12, 2002, and 5%, which took place on December 27, 2002. At the 2002 year end, the Group held 100% of the capital of CMA.

(**) The total amount of the investment for the acquisition of 100% of the shares of HIPC, considering both the amounts paid up to December 31, 2001 and those that materialised later than said date, was Th.Eur. 106,376, which gave rise to goodwill of Th.Eur. 52,563, including items resulting from a cost estimate of Th.Eur. 5,000 for the required adaptation of USA accounting principles to Spanish ones.

(***) Relates to the 40% that Siema held in the Company before the acquisition of Befesa.

8.2. The variations in the net balance of this caption in the year 2002 were as follows:

Goodwill on Consolidation	Amount
Balance at 31.12.01	281,326
High Plains Corporation (See Notes 6.5 and 8.1)	13,511
Complejo Medioambiental de Andalucía, S.A. (See Note 8.1)	18,258
Laitek Luz y Tecnología, S.A.	6,495
Other net additions	8,063
Amortization for the year	(16,672)
Balance at 31.12.02	**310,981**

Other additions for purchases includes new acquisitions of companies and additional acquisitions in companies consolidated in the preceding year.

Note 9.- Investments in Associated Companies.

The detail of investments in associated companies consolidated by the Equity Method as of December 31, 2001 and 2002 and of the variation therein is as follows:

Companies	Balance at 31.12.01	Allocation profit/(loss) for year	Other Movements	Balance at 31.12.02
Cogeneración del Sur, S.A.	9	(44)	121	86
Cogeneración Motril, S.A.	1,413	581	(10)	1,984
Deydesa 2000, S.L.	2,370	782	-	3,152
Expansion-Transmissao de Energía Electrica Ltda.	-	(27)	5,585	5,558
Ecología Canaria, S.A. (Ecansa)	-	82	369	451
Ecolube	456	(49)	56	463
Intersplav (*)	4,131	1,734	(1,687)	4,178
Tenedora de Acciones de Red Eléctrica del Sur, S.A. (Perú)	5,190	-	(361)	4,829
Other companies (**)	1,853	-	(554)	1,299
Total	**15,422**	**3,059**	**3,519**	**22,000**

(**) The holding in the Ukrainian company Intersplav is 50.84% of the share capital in respect of the corporate rights attributable thereto, while it is established at 40% in respect of the entitlement to dividends and to receive the pertinent assets in the event of liquidation. It is consolidated by the equity method, since it is resident in a country with high inflation.

(*) Relates to insignificant companies, generally dormant, that joined the consolidated group in 2001.

The most significant movement during the year was the inclusion of Expansion-Transmissao de Energia Electrica Ltda. in the consolidated group.

Holdings in companies resident outside Spanish territory total Th.Eur. 14,565.

Note 10.- Start-Up and Capital Increase Expenses.

The variations in start-up and capital increase expenses for the year were as follows:

	Start-up Expenses
Balance at December 31, 2001	15,604
Increases	7,562
Decreases	(495)
Allocation to profit and loss account (amortization/depreciation of fixed assets)	(3,807)
Balance at December 31, 2002	**18,864**

The increases are mainly due to recently-incorporated companies, some of which are in the phase prior to commencement of activities, in relation to capital increases in companies and start-up expenses for new activities, mainly abroad.

Note 11.- Intangible Fixed Assets.

11.1. The detail of the Intangible Fixed Assets as of December 31, 2001 and 2002 and of the variation therein is as follows:

	Rights under Leasing Contracts	Research and Development Expenses	Concessions and Patents	Other Intangible Fixed Assets	Total
Cost					
Balance at December 31, 2001	4,166	76,431	8,122	3,611	92,330
Increases	20,369	9,879	4,811	472	35,531
Decreases	(870)	(371)	(261)	(162)	(1,664)
Other Movements	1,515	5,986	7,116	(1,223)	13,394
Balance at December 31, 2002	**25,180**	**91,925**	**19,788**	**2,698**	**139,591**
Accumulated Amortisation					
Balance at December 31, 2001	(521)	(50,505)	(3,048)	(2,093)	(56,167)
Additions (provision)	(888)	(7,634)	(1,453)	(600)	(10,575)
Decreases	213	371	-	2,217	2,801
Other Movements	(326)	(3,227)	(2,421)	(1,366)	(7,340)
Balance at December 31, 2002	**(1,522)**	**(60,995)**	**(6,922)**	**(1,842)**	**(71,281)**
Net Fixed Assets					
Balance at December 31, 2001	**3,645**	**25,926**	**5,074**	**1,518**	**36,163**
Balance at December 31, 2002	**23,658**	**30,930**	**12,866**	**856**	**68,310**

The amounts relating to "Other Movements" reflect, in general, companies joining and leaving the consolidated group, together with adjustments between the final balances of individual companies for the prior year and the balances contributed for consolidation. The net effect is not significant.

11.2 The caption "Rights under Leasing Contracts" includes assets acquired through finance lease contracts and have been accounted for in accordance with the transitory provisions of Royal Decree 1643/1990 dated December 20.

Original Cost	Instalments Paid	Instalments Paid in the Year	Instalments Pending	Value of Purchase Option
25,180	1,646	1,527	24,997	284

As a result of a lease-back transaction signed with a financial entity during the year, the company Carrierhouse, S.A. booked the disposal of fixed assets assigned to said company for an amount of Th.Eur. 16,702 as decreases in the caption "Technical Installations and Machinery" (See Note 12.1) and, in turn, recorded the aforementioned lease-back agreement under the caption "Rights under Leasing Contracts" (See Note 11.1). No capital gain or loss was recorded by the Group as a result of the operation described.

The amount relating to companies resident outside Spanish territory totals Th.Eur. 1,009.

11.3. The breakdown of Research and Development by Business Group is as follows:

Business Groups	Total Cost	Accumulated Depreciation	Net at 31.12.02	Net at 31.12.01
Bioenergy	11,516	(2,996)	8,520	8,861
Environmental Services	5,071	(3,285)	1,786	301
Information Technology	54,715	(41,357)	13,358	13,752
Engineering and Industrial Construction	20,623	(13,357)	7,266	3,012
Total	**91,925**	**(60,995)**	**30,930**	**25,926**

11.4. The caption "Concessions and Patents" includes, among other items, the following assets, which will revert to their previous owner in accordance with the respective concessions.

Description	Act. (*)	Amount	Accumulated Depreciation	Net	Concession Year	Year of Reversion	Institution
Surface rights	(3)	1,994	(1,329)	665	1992	2007	Private Sector
Operating concessions	(3)	721	(721)	-	1997	2001	Private Sector
Administrative concessions	(5)	1,226	(274)	952	1993	2033	Agesa
Surface rights	(5)	179	(41)	138	1985	2055	Private Sector
Patents	(3);(4)	297	(297)	-	1986	1996	INPI Brasil
Research Concession	(4)	4,813	(3,487)	1,326	1993	2043	Ministry of Economy
Research Concession	(4)	228	(198)	30	1994	2008	Ministry of Economy
Research Concession	(4)	2,104	(185)	1,919	1994	2044	Ministry of Economy
Alvega concessions	(2)	3,311	(110)	3,201	2000	2010	Private Sector
Right of way	(2)	624	(191)	433	1985	2084	Sefanitro
Integration joint venture	(2)	3,879	-	3,879	2000	2020	Solid Waste Consortium
Contribution and use of Technology	(2)	300	(28)	272	2000	2010	Global Plasma
Assignment use of Technology		18	(18)	-	Other	Other	Private Sector
Other non-reversible rights		94	(43)	51	Other	Other	Other
Total		**19,788**	**(6,922)**	**12,866**			

(*) Details of Administrative Concessions and Industrial property by type of activity on page 5 of Appendix I.

There is no obligation to create a reversion fund.

Details of the amounts relating to companies located outside Spanish territory are as follows:

Cost	297
Accumulated Depreciation	(297)
Net	-

Note 12.- Tangible Fixed Assets.

12.1. The detail of Tangible Fixed Assets as of December 31, 2001 and 2002 and of the variation therein is as follows:

	Land and Buildings	Technical installations and machinery	Payments on Accounts and Assets in the Course of Construction	Other Tangible Fixed Assets	Total
Cost					
Balance at December 31, 2001	84,499	310,957	64,407	68,688	528,551
Increases	6,513	27,630	12,059	4,076	50,278
Decreases	(14,724)	(56,150)	(8,616)	(10,444)	(89,934)
Other Movements	2,854	86,403	(55,079)	296	34,474
Balance at December 31, 2002	**79,142**	**368,840**	**12,771**	**62,616**	**523,369**
Accumulated Amortisation					
Balance at December 31, 2001	(19,353)	(143,557)	-	(34,995)	(197,905)
Increases	(2,066)	(19,756)	-	(5,552)	(27,374)
Decreases	4,169	16,826	-	7,983	28,978
Other Movements	3,344	(4,546)	-	(2,965)	(4,167)
Balance at December 31, 2002	**(13,906)**	**(151,033)**	**-**	**(35,529)**	**(200,468)**
Net Fixed Assets					
Balance at December 31, 2001	**65,146**	**167,400**	**64,407**	**33,693**	**330,646**
Balance at December 31, 2002	**65,236**	**217,807**	**12,771**	**27,087**	**322,901**

The amounts of "Other Movements" show, in general, companies joining and leaving the consolidation process, together with the adjustment of final balances of individual companies for the preceding year in respect of those contributed to be consolidated. The net effect is not significant.

12.2. The following Tangible Assets have been fully depreciated:

Description	Amount
Buildings	616
Technical installations and machinery	30,969
Other installations, tools and furniture	5,802
Other Tangible Fixed Assets	7,640
Total	**45,027**

12.3. The most relevant revaluations in Tangible Fixed Assets in previous years are as follows:

Company	Gross Value	Accumulated Depreciation	Net Value
Abengoa	1,845	(111)	1,734
Eucomsa	2,687	(2,299)	388
Refinalsa	935	(685)	250
Remetal	2,915	(2,722)	193
Rontealde	9,220	(3,040)	6,180

The effect on the accumulated depreciation in the year was Th.Eur. 1,346.

12.4 The most significant investments in Tangible Fixed Assets (net of depreciation) located outside national territory are:

Country	Amount
Argentine	2,940
Brazil	27,099
Chile	7,945
China	14
United States of America	69,537
Morocco	91
Mexico	16,425
Peru	71
Portugal	5,855
Puerto Rico	30
United Kingdom	16,239
Uruguay	2,070
Total	**148,316**

12.5. Fixed Assets not assigned to company's operations are not significant.

12.6. It is the group's policy to insure all assets as considered necessary to cover possible risks, which could materially affect their value or usefulness.

Note13.- Project Financing.

13.1 Shareholdings in several companies with the corporate purpose of a "single project" are included in the consolidated group.

The companies with the Projects usually finance them by what is known as "Project Finance" (Financing without Recourse Applied to Projects).

In this figure, the basis of the agreement between the Company and the financial entities is the allocation of the cash flow generated by the project to repayment of the financing and settling the financial charges, excluding or limiting the amount of any other equity resources that may be used for this purpose, so that the financial entities recovers the investment exclusively through the cash flows of the project it is financing, with subordination of any other debt to that derived from the Financing without Recourse Applied to Projects until the latter has been fully repaid.

Thus, these are formulae for financing without recourse, which are applied only to specific business projects. In these companies used to participate other shareholders such as electricity companies, the authorities of the autonomous region or other local shareholders, apart from Abengoa, S.A. or subsidiaries.

13.2 The amounts of the captions related to Project Financing and the movement thereon during the year were as follows:

Fixed Assets in Projects	**Balance at 31.12.02**	**Balance at 31.12.01**
Intangible Fixed Assets	16,343	24,062
Tangible Fixed Assets	300,879	281,532
Financial Assets	67,125	-
Total	**384,347**	**305,594**

Financing without Recourse Applied to Projects	**Balance at 31.12.02**	**Balance at 31.12.01**
Long-term	140,357	139,604
Short-term	129,555	62,033
Total	**269,912**	**201,637**

Net	**114,435**	**103,957**

13.3. The amounts of the investments in fixed assets in Projects financed without recourse and the movement thereon during the year were as follows:

Intangible Fixed Assets	Balance at 31.12.01	Increases	Decreases	Other Movements	Balance at 31.12.02
Intangible Fixed Assets	32,715	398	-	(12,556)	20,557
Accumulated Amortisation	(8,653)	(1,019)	-	5,458	(4,214)
Net Intangible Fixed Assets	**24,062**	**(621)**	**-**	**(7,098)**	**16,343**

Tangible Fixed Assets	Land and Buildings	Technical installations and machinery	Payments on Accounts and Assets in the Course of Construction	Other Tangible Fixed Assets	Total
Cost					
Balance at December 31, 2001	94,790	143,088	74,797	5,505	318,180
Increases	351	29,094	25,853	709	56,007
Decreases	(3,324)	(21)	-	-	(3,345)
Other Movements	(72,379)	122,273	(74,024)	2,964	(21,166)
Balance at December 31, 2002	**19,438**	**294,434**	**26,626**	**9,178**	**349,676**
Accumulated Amortisation					
Balance at December 31, 2001	(25,183)	(9,639)	-	(1,826)	(36,648)
Increases	(767)	(11,161)	-	(637)	(12,565)
Decreases	27	17	-	-	44
Other Movements	21,379	(20,090)	-	(917)	372
Balance at December 31, 2002	**(4,544)**	**(40,873)**	**-**	**(3,380)**	**(48,797)**
Net Fixed Assets					
Balance at December 31 2001	**69,607**	**133,449**	**74,797**	**3,679**	**281,532**
Balance at December 31, 2002	**14,894**	**253,561**	**26,626**	**5,798**	**300,879**

Financial Assets	Balance at 31.12.01	Increases	Decreases	Other Movements	Balance at 31.12.02
Long-term Credits (See Note 19.5)	-	-	-	67,125	67,125
Provisions	-	-	-	-	-
Net Financial Assets	**-**	**-**	**-**	**67,125**	**67,125**

Other movements, at the net amount, relates to the inclusion of companies (see Notes 6.4, 6.9 and Appendix I). The rest relates to reclassifications among the different sub-captions and, under the Tangible and Intangible Fixed Assets captions, is because some assets ceased to be considered as Fixed Assets in Projects. For Financial Assets, see Notes 19.5 and 13.6. Complejo Medioambiental de Andalucía contributed cost of Th.Eur. 9,735 and accumulated amortisation/depreciation of Th.Eur. 3,480, since it ceased to be consolidated on a proportional basis and became fully consolidated (See Note 6.4).

13.4. It is planned, at present, to cancel the Financing without Recourse Applied to Projects in accordance with the following calendar, pursuant to the forecast cash flow to be generated by the projects.

2003	2004	2005	2006	2007	Following	Total
129,555	36,320	35,511	23,214	21,490	23,822	269,912

The 2003 balance includes Th.Eur. 52,511 relating to Financing without Recourse in Process (See Note 13.6).

13.5. Financing without Recourse Applied to Projects usually has the following guarantees:

- The pledge of shares in the promoting Company, authorized by the shareholders thereof.
- The assignment of collection rights.
- Limits on the disposal of the project's assets.

13.6. Financing without Recourse in Process is defined as cash transactions in which financial resources are obtained, usually through financial entities. These transactions fall within the framework of the development of projects, which are, likewise, usually undertaken using Project Finance. This manner of obtaining funds is considered analogous to the traditional advance payments that the clients make during the different phases of the execution of a project or works. Financing without Recourse in Process is distinguished from the traditional client advance payments because it is usually a financial entity that provides the funds, which relate to short-term transactions (usually with a duration of less than 2 years) during the launching and construction phase of Assets/Projects which, once they have been completed and brought into operation, will be subject to concessions financed by means of Project Finance (See Note 13.1).

The short-term cash transactions remain under this heading until the financing without recourse applied to projects is definitively formalised.

Notwithstanding, if, during the short-term financing period, risks that the deadlines agreed for formalising the Project Finance (or for the construction that will finally give rise to the financing) will not be met are noted, these amounts are reclassified to the balance sheet caption that would correspond to them in view of their nature, usually the caption Debt with Credit Entities.

At December 31, 2002, two projects of this type existed:

The Ralco-Charrúa High-Tension Line 2 x 220 Kv, the concession for which is held by the company Huepil de Electricidad, S.A., in Chile, and the line Aneel 003/20001, Transmission System Xingó-Angelim-Campina Grande, the concession for which is held by the company Nordeste Transmissora de Energía, S.A. in Brazil. The most significant details of these two projects are shown in the following chart:

Description	**Ralco**	**NTE**
Project Starting Date	December 2001	January 2002
Scheduled Completion Date	June 2003	December 2003
Amount of Contract (EPC)	Th.Eur. 35,332	Th.Eur. 71,577
Completion at 12.31.02	Th.Eur. 24,491	Th.Eur. 25,286
Starting Date Short-term Financing	December 2001	April 2002
Maturity Date Short-term Financing	March 2003	May 2004
Amount Drawn	Th.Eur. 20,063	Th.Eur. 32,448
Scheduled Starting Date Long-term Financing	March 2003	July 2003
Duration Long-term Financing	12 years	12 years
Total Amount Long-term Financing	Th.Eur. 23,840	Th.Eur. 61,463

13.7. The balances of intangible, tangible and financial fixed assets, both general and relating to Projects, relating to electricity operations as defined in Note 7 t) were as follows:

Activity	Balance at 31.12.01	Increases	Decreases	Other Movements	Balance at 31.12.02
Production under Special Regime: Cogeneration	158,945	87	-	(15,498)	143,534
Production under Special Regime: Hydraulic	7,903	172	-	49	8,124
Production under Special Regime: Other	48,140	2,385	(993)	(6,386)	43,146
Transport	14,804	25,628	(3,386)	67,125	104,171
Total Cost	**229,792**	**28,272**	**(4,379)**	**45,290**	**298,975**

Activity	Balance at 31.12.01	Increases	Decreases	Other Movements	Balance at 31.12.02
Production under Special Regime: Cogeneration	(19,967)	(7,135)	-	481	(26,621)
Production under Special Regime: Hydraulic	-	-	-	-	-
Production under Special Regime: Other	(15,648)	(2,251)	373	3,579	(13,947)
Transport	(4,658)	(646)	1,066	(108)	(4,346)
Total Accumulated Amortization	**(40,273)**	**(10,032)**	**1,439**	**3,952**	**(44,914)**

Net	**189,519**				**254,061**

Other Movements basically relate to the inclusion of the company Huepil de Electricidad, S.A. in the consolidated group, together with adjustments of both percentage shareholdings in companies and starting balances for the year.

The breakdown between Project Financing and other activities is as follows:

	Balance at 31.12.02	Balance at 31.12.01
Project Financing	224,862	157,027
Other	29,199	32,492
Total	**254,061**	**189,519**

13.8. The balances of Financing without Recourse Applied to Projects assigned to electricity activities as defined in Note 7 t) are as follows:

	Balance at 31.12.02	Balance at 31.12.01
Short-Term debt with Financial Entities	46,456	41,245
Long-Term debt with Financial Entities	124,180	107,724
Total	**170,636**	**148,969**

13.9. The balances of Financing without Recourse in Process relating to electricity activities as defined in Note 7.t) are as follows:

	Saldo al 31.12.02	Saldo al 31.12.01
Short-Term debt with Financial Entities	52,511	-
Long-Term debt with Financial Entities	-	-
Total	**52,511**	**-**

Note 14.- Financial Investments.

14.1. The detail of financial investments as of December 31, 2002 is as follows:

	Book value				
	Fixed Interest		Variable Interest		
Financial Investments	Associated Companies	Other	Associated Companies	Other	Total
Short-term investments	-	7,386	-	76,834	84,220
Long-term investments	-	-	22,000	37,870	59,870
Total	**-**	**7,386**	**22,000**	**114,704**	**144,090**

The provision recorded relating to variable interest-bearing instruments amounting to Th.Eur. 7,423 (Th.Eur. 2,829 short-term and Th.Eur. 4,594 long-term respectively).

14.2. The detail of financial investments as of December 31, 2002 relating to companies located outside Spanish territory is as follows:

	Book value				
	Fixed Interest		Variable Interest		
Financial Investments	Associated Companies	Other	Associated Companies	Other	Total
Short-term investments	-	3,445	-	2,283	5,728
Long-term investments	-	-	14,564	11,413	25,977
Total	**-**	**3,445**	**14,564**	**13,696**	**31,705**

14.3. The variation in long-term variable interest investments is as follows:

Financial Investments	Balance at 31.12.01	Increases	Decreases	Balance at 31.12.02
Long-term variable interest	28,747	32,537	(1,414)	59,870

Increases shows, in general, companies newly consolidated by the equity method (See Notes 6.4, 6.7, 9 and Appendix II) and, likewise, the acquisition from Inversión Corporativa I.C., S.A. (See Note 17) of 3.71% of Xfera, S.A. (See Note 26) by Telvent, S.A. for an amount of Th.Eur. 25,000. Decreases shows, in general, companies leaving the consolidated group (See Notes 6.9 and 6.10).

14.4. In general, short-term investments relate to shareholdings in both listed (Th.Eur. 76,256) and unlisted companies (Th.Eur. 7,964), in financial, technological and other sectors, with no latent capital gains pending recognition.

The "financial expenses" caption of the profit and loss account includes the net losses incurred on the disposal of values listed on organized secondary markets, for an approximate amount of Th.Eur. 11,932.

14.5. Details are given below of the companies which, in accordance with current legislation, have not been consolidated (See Notes 2 and 3) in which the parent companies direct or indirect interest is higher than 5% and lower than 20%, the net book value of said holdings being Th.Eur. 4,054.

Companies	% Shareholding
BC International Corp.	9.90
Banda 26, S.A.	11.54
Cisep	12.50
Chekin	14.28
Laboratorio del Amplificador de Energía, S.A.	6.98
Lanetro	5.19
Mediación Bursátil, S.V.B., S.A.	8.00
Nexttel Communication Solutions, S.A.	10.00
Norpost, S.A.	10.00
Vetejar	8.67

14.6. All the notifications required by Article 86 of the Spanish Limited Companies Act have been made.

14.7. There are no important circumstances that would affect the financial investments, such as litigations, seizures, etc.

14.8. Financial investments are usually in Spanish currency. Those, which are in foreign currencies, are valued at the exchange rate prevailing at the year-end and, if necessary, a provision is established.

14.9. There are no firm purchase and/or sale commitments that could be considered material in respect of the annual accounts taken as a whole.

14.10. Receivable interest accrued is not significant.

14.11. Financial investments are remunerated at an interest rate similar to market rate.

Note 15.- Trade and Non-Trade Receivables.

15.1. The balance of the caption Clients, sales and services rendered, for foreign currency receivables has a value of Th.Eur. 76,751, broken down in the following chart:

Tipo de Divisa	Importe

15.2. The breakdown of non-trade receivables is as follows:

Description	Amount
Long-term receivables	8,338
Long-term guarantees and guarantee deposits	3,131
Other long-term receivables	**11,469**
Short-term receivables	101,954
Short-term guarantees	919
Other short-term receivables	**102,873**
Total	**114,342**

It has not been considered necessary to establish provisions against these balances.

The amount relating to companies located outside Spanish territory is Th.Eur. 9,444.

15.3. The variation in long-term non-trade receivables for 2002 is as follows:

Description	Balance at 31.12.01	Increases	Decreases	Balance at 31.12.02
Long-term non-trade receivables	9,030	21,072	(21,764)	8,338

15.4. The maturities of non-trade receivables in the next five years, including short-term maturities, are as follows:

2003	2004	2005	2006	2007	Following	Total
101,954	2,346	488	488	489	4,527	110,292

Note 16. Stocks.

16.1. The breakdown of the balance of stocks as of December 31, 2002 is as follows:

Description	Amount
Commercial inventories	6,460
Raw materials and other supplies	42,298
Work in progress	3,426
Projects in progress	130,147
Manufactured products	36,113
Advances	7,529
Total	**225,973**

The amount of stocks relating to companies located outside Spanish territory is Th.Eur. 48,352.

In the balance sheet liabilities (caption "Short-term Trade Creditors), there are advance payments from clients of Th.Eur. 30,441 related to projects in the process of execution at the year end.

16.2. There are no significant firm purchase or sale commitments, with the exception of those mentioned in Note 29. Futures purchase transactions in raw material markets (cereals, commodities, etc.) are not significant (see Note 7.l).

16.3. There are no limits on the availability of the stocks due to guarantees or pledges other than the normal ones required by the projects. These are eliminated in the course of the execution of the project.

Note 17.- Shareholders' Equity.

17.1. The breakdown of the accounts comprising shareholders' equity as of December 31, 2001 and 2002 and of the variation therein is as follows:

	Balance at 31.12.01	Distribution of 2001 Profit	Other Movements	Balance at 31.12.02
Share Capital	22,617	-	-	22,617
Share Premium	110,009	-	-	110,009
Reserves in Parent Company:				
- Distributable	89,277	1,042	-	90,319
- Non-distributable	4,523	-	-	4,523
Revaluation Reserve	3,679	-	-	3,679
Reserves in fully and proportionally consolidated companies	57,488	25,817	(3,894)	79,411
Reserves in companies consolidated by equity method	39	1,982	(1,155)	866
Cumulative Translation Adjustments:				
- In Subsidiaries Consolidated by line-by-line or Proportional Method	(12,187)	-	(26,270)	(38,457)
- In companies consolidated by equity method	(60)	-	(5,650)	(5,710)
Dividend for the year 2001	-	12,665	(12,665)	-
	275,385			**267,257**
Consolidated Profit for the Year	**42,112**	**(42,112)**	**45,169**	**45,169**
Profit Attributable to Minority Interests	**(606)**	**606**	**(1,672)**	**(1,672)**
Profit Attributable to Holding Company	**41,506**	**(41,506)**	**43,497**	**43,497**
Total Shareholders´Equity	**316,891**			**310,754**

17.2. The share capital at December 31, 2002 was Euros 22,617,420, formed by 90,469,680 ordinary shares of a single class and series, all of which held identical economic and voting rights, with a nominal value of Euros 0.25 each, fully subscribed and paid up. The totality of these shares were represented by account entries and had been listed on the Madrid and Barcelona Stock Exchanges and the Stock Market Interconnection System (Continuous Market) since November 29, 1996. In June 2000, a capital increase took place, the shares of which have been listed on the Stock Exchange since August 31, 2000.

The 1998 Ordinary General Meeting of Shareholders adopted the resolutions to redenominate the share capital in Euros and to adapt the accounting records and the annual accounts to the Euro, delegating in the Board of Directors to execute this at the moment it saw fit. Consequently, the Board of Directors of Abengoa, S.A. was duly authorized to adopt the pertinent resolutions, in accordance with the implementing legislation that has been issued, within the calendar established.

The calendar for adaptation to the euro fixed the year 2002 as the first year in which the accounts must compulsorily be kept in Euros, the annual accounts formulated in Euros and the share capital denominated in Euros.

The first year in which the accounting and the annual accounts could be expressed in euros was 1999. On the basis of the foregoing, on December 11, 2000 the Board of Directors of Abengoa, S.A. resolved, effective in the year 2001, to redenominate the share capital in Euros, reducing the nominal value by Euros 0.00369 per share and fixing it at Euros 22,617,420, formed by 22,617,420 shares with a nominal value of 1 euro each. January 1, 2001 was fixed as the date as from which the Company accounting, trading books, individual and consolidated annual accounts and any information required in monetary units would be expressed in Euros, although the peseta would be kept, until this currency disappears, as a unit for comparison and historical records for the appropriate purposes.

17.3. According to the notifications received by the Company under the provisions of current legislation relative to obligations to give notice of percentage interests held, together with additional information provided by related companies, the most significant shareholders at December 31, 2002 are:

Shareholders	**% Shareholding**
Inversión Corporativa IC, S.A. (*)	50.00
Finarpisa, S.A. (*)	5.16
Austral International, B.V.	5.42

(*) Inversión Corporativa Group.

17.4. The Shareholders, at their Ordinary Annual General Meeting held on June 30, 2002, authorized the Board of Directors:

1.- Increase the share capital, in one or several times, to the sum of Euros 11,308,710, equivalent to fifty percent of the share capital at the time of approval, within a maximum term of five years.

2.- To issue convertible debentures, with the resulting increase of up to Th.Eur. 243,810 in the share capital, over a five-year period.

3.- To issue other securities that recognize or create a debt or capital contribution, within the legal limits applicable in each specific case.

4.- Acquire derivatively treasury stock, within the legal limits, at a price of between Euros 0.03 and Euros 120.00 per share, within a maximum term of eighteen months.

These authorizations, which are still in force, had not been used at the date of issue of these accounts.

17.5. The availability of the reserves is not subject to any restrictions except those imposed by current legislation. Thus, the balance of the caption Revaluation Reserve includes the net effect of the revaluation of balance sheets carried out under the provisions of Royal Decree Law 7/1996; the balance of this caption is frozen until it has been checked and accepted by the Tax Authorities. This verification must take place within the three years following the closing date of the balance sheet on which the revaluation was recorded (December 31, 1996), and, therefore, the term expired on December 31, 1999. When the verification has been made or when the time period has expired, the balance of the account may now be used to eliminate book losses, to increase the share capital or, when ten years have elapsed as from the closing date of the balance sheet in which the revaluation was recorded, as freely-available reserves.

17.6. The list of non-Group Companies / Entities that hold an interest of 10% or more in any of the consolidated companies is as follows:

Subsidiaries Companies	Partner	% Shareholding
Abecnor Subestaciones, S.A. de C.V.	Elecnor, S.A.	50.00
Alianza Befesa Egmasa, S.L.	Egmasa	50.00
Aluminios en Discos, S.A.	Mesima Bilbao, S.A.	33.33
Biocarburantes de Castilla y León, S.A.	Azucarera Ebro Agrícola, 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
Cogeneración del Sur, S.A.	Aceites del Sur, S.A.	45.00
Construcciones Metálicas Mexicanas, S.A. de C.V.	Cía. Española de Financiación del Des., Cofides, S.A.	30.40
Desarrollos Eólicos de Arico, S.A.	Soc.Inversora Maspalomas, S.A.	10.00
Desarrollos Eólicos de Arico, S.A.	Soc. Hidráulica Maspalomas, S.A.	23.35
Deydesa 2000, S.L.	Reydesa Recycling, S.A.	60.00
Donsplav	Scarp	49.00
Ecología de Canaria	Cepsa	55.00
Emp. Mixta Serv. Mpales. El Ejido, S.A.	Excmo. Ayuntamiento de El Ejido	30.00
Energías Renovables Leonesas, S.A. (Erlesa)	Endesa	50.00
Europea de Construcciones Metálicas, S.A.	Tractebel España, S.A.	50.00
Expansion-Transmissao de Energía Electrica Ltda.	Cobra	25.00
Expansion-Transmissao de Energía Electrica Ltda.	Elecnor, S.A.	25.00
Expansion-Transmissao de Energía Electrica Ltda.	Isolux	25.00
Explotaciones Varias, S.A.	Layar Castilla, S.A.	50.00
Fomento Energía Renovable de Palencia, S.A.	Soc. Gral. de Biomasa de Castilla-León, S.L.	29.90
Fotovoltaica Solar Sevilla, S.A.	IDAE	20.00
Galdán, S.A.	Fagor Ederlan Coop. Ltda.	50.00
Iniciativas Hidroeléctricas, S.A.	Suma de Energías, S.L.	45.00
Intersplav	Donets Non-Ferrius Metals Research Institute	43.16
Krasbilmet	Kramz	68.00
Lineas Altamira, S.A. de C.V.	Elecnor, S.A.	50.00
Líneas Baja California Sur, S.A. de C.V.	Elecnor, S.A.	50.00
Nordeste Transmissora de Energía, S.A. (NTE)	Dragados	49.99
Procesos Ecológicos, S.A.	Global Plasma Environment, S.A.	49.99
Residuos Sólidos Urbanos de Ceuta, S.L.	Esys Montenay España, S.A.	50.00
Rontealde, S.A.	Sefanitro, S.A.	10.00
Sainsel Sistemas Navales, S.A.	Saes Capital, S.A.	50.00
Sniace Cogeneración, S.A.	Bosques 2000, S.L.	10.00
Subest. y Líneas en el Bajío - Oriental, S.A. de C.V.	Elecnor, S.A.	33.33
Subest. y Líneas en el Bajío - Oriental, S.A. de C.V.	Isolux de México	33.33
Subestaciones 611 BC, S.A. de C.V.	Elecnor, S.A.	50.00
Subestaciones 615, S.A. de C.V.	Elecnor, S.A.	50.00
Tenedora de Acciones de Red Eléctrica del Sur, S.A.	BSCH	25.01
Tenedora de Acciones de Red Eléctrica del Sur, S.A.	Cobra Perú, S.A.	33.33
Tratamiento de Aceites y Marpoles, S.A.	Urbaser	50.00

17.7. The detail of reserves in subsidiary companies consolidated by line-by-line, proportional or equity method is as follows:

Company	Amount FC / PC	Amount EM
Sub-consolidated Befesa	16,894	745
Sub-consolidated Asa Iberoamérica	12,436	8
Sub-consolidated Information Technology	27,277	-
Sub-consolidated Asa ICI	18,599	113
Sub-consolidated Abengoa Bioenergy	4,668	-
Sub-consolidated Abengoa and those derived from the Consolidation process	(463)	-
Total	**79,411**	**866**

17.8. Details of the Fully and Proportionally Consolidated companies that generated the most significant accumulated translation differences are as follows:

Companies F.C.	Importe
Abengoa Chile, S.A.	(1,312)
Asa Environment and Energy Holding AG (Asa E.E.H.)	(1,876)
Asa Investment AG	(2,275)
Bargoa, S.A.	(8,853)
Borg Austral, S.A.	(4,433)
C.D. Puerto San Carlos, S.A. de C.V.	(1,892)
Enicar Chile, S.A.	3,340
High Plains Corporation	(11,258)
Mundiland, S.A.	1,690
Sainco Brasil, S.A.	(1,041)
Teyma Uruguay, S.A.	(3,370)
Other Positive Differences < 1.000 Mls.Eur.	856
Other Negative Differences < 1.000 Mls.Eur.	(8,033)
Total	**(38,457)**

Companies P.C.	Importe
Expansion-Transmissao de Energía Electrica Ltda.	(3,315)
Intersplav	(1,516)
Tenedora de Acciones de Red Eléc. del Sur, S.A.	(879)
Total	**(5,710)**

The amount allocated to this caption in the year 2002 is Th.Eur. 26,269, basically due to the fall in value of the United States dollar and certain Latin American currencies, including the Brazilian real, the Uruguayan peso and the Argentinian peso, and the revaluation of the Swiss franc.

Note 18.- Minority Interests.

The detail of Minority interests as of December 31, 2001 and 2002 and of the variation therein is as follows:

Company	Balance at 31.12.01	Other Movements	Allocation of 2002 Results	Balance at 31.12.02
Abengoa México, S.A. de C.V.	463	(35)	12	440
Abengoa Perú, S.A.	6	1	-	7
Abenor, S.A.	30	(30)	-	-
Alfagrán, S.A.	510	(263)	16	263
Aluminios en Discos, S.A.	487	252	(309)	430
Aprovechamientos Energéticos Furesa, S.A.	42	3	(7)	38
Araucana de Electricidad, S.A.	3	(3)	-	-
Aurecan, Ac. Usados y Rec. Energ. Andalucía, S.L.	1,664	(1,030)	(32)	602
Bargoa, S.A.	8,111	(447)	903	8,567
Befesa Medio Ambiente, S.A.	-	306	202	508
Bioetanol Galicia, S.A.	-	51	(21)	30
Cartera Ambiental, S.A.	1,720	450	(30)	2,140
Cogeneración Villaricos, S.A.	622	(55)	128	695
Construcciones Metálicas Mexicanas, S.A. de C.V. (Comemsa)	46	1	(1)	46
Desarrollos Eólicos de Canarias, S.A.	1,094	461	307	1,862
Desarrollos Eólicos de Corme, S.A.	806	(282)	291	815
Desarrollos Eólicos de Galicia, S.A.	-	698	44	742
Ecocarburantes Españoles, S.A.	174	149	181	504
Empresa Mixta de Servicios Municipales de El Ejido, S.A	195	31	(89)	137
Enernova Ayamonte, S.A.	3,625	(321)	326	3,630
Europea de Construcciones Metálicas, S.A.	85	(85)	-	-
Europea de Tratamientos Industriales, S.A.	1,357	(3)	(33)	1,321
Explotaciones Varias, S.A.	480	57	(107)	430
Galdán, S.A.	-	164	109	273
High Plains Corporation	-	189	162	351
Iniciativas Hidroeléctricas, S.A.	8,284	(8,284)	-	-
L.T. Rosarito y Monterrey, S.A. de C.V.	725	499	-	1,224
MTC Engenharia, S.A.	-	69	(78)	(9)
Mundiland	-	554	47	601
Nueva Electricidad del Gas, S.A.	(101)	101	-	-
Pandelco, S.A.	-	3	-	3
Procesos Ecológicos, S.A. (Proecsa)	86	-	4	90
Puerto Real Cogeneración, S.A.	(36)	(22)	20	(38)
Rontealde, S.A.	-	60	19	79
S.E.T. Sureste Peninsular, S.A. de C.V.	166	72	-	238
Sainco Portugal	(33)	53	(99)	(79)
Saincomex, S.A. de C.V.	5,200	(822)	217	4,595
Sainsel Sistemas Navales, S.A.	(162)	(31)	8	(185)
Servicios Auxiliares de Administración, S.A. de C.V.	563	33	158	754
Sniace Cogeneración, S.A.	(16)	-	2	(14)
Sondika Zinc, S.A.	965	-	25	990
Telvent Factory AG	924	(72)	55	907
Teyma Uruguay, S.A.	3,302	(1,240)	374	2,436
Tipmega, S.A.	457	(146)	66	377
Zindes, S.A.	2,482	(438)	109	2,153
Consolidated Befesa	3,626	1,470	(342)	4,754
Consolidated Telvent Sistemas y Redes, S.A.	25	(111)	65	(21)
Elimination between consolidated companies	(1,797)	954	(1,030)	(1,873)
Total	**46,180**	**(7,039)**	**1,672**	**40,813**

Other movements include the effects of the shareholder changes in the different companies, particularly the decrease in High Plains Corporation, in which the totality of the share capital was obtained (See Notes 6.5 and 8.1).

Note 19.- Deferred Income.

19.1. The breakdown of the balance of this caption at December 31, 2002 was as follows:

Description	Amount
Capital grants	46,802
Other deferred income	51,379
Total	**98,181**

19.2. The detail of capital grants is as follows:

Grant Beneficiary Company	Entity	Balance at 31.12.01	Other Movements	Amount Transferred to Results	Balance at 31.12.02
Abensur	European Commission	4,086	(4,086)	-	-
Alfagrán, S.A.	Regional Incentives	20	-	(4)	16
Alfagrán, S.A.	Regional Incentives	276	-	(33)	243
Alfagrán, S.A.	M. Industry and Energy	263	-	(68)	195
Aluminios en Discos, S.A.	Prov. Council of Huesca	-	9	(1)	8
Aluminios en Discos, S.A.	Prov. Council of Huesca	35	-	(4)	31
Aluminios en Discos, S.A.	Prov. Council of Huesca	81	-	(9)	72
Arce Sistemas, S.A.	Iberdrola	13	-	(1)	12
Aureca, Aceites Usados y Rec.Energ. Madrid, S.L.	M. Economy and Finance	92	-	(11)	81
Aurecan, Ac.Usados y Rec.Energ. Andalucía, S.L.	M. Economy and Finance	244	-	(36)	208
Auremur	M. Economy and Finance	774	(32)	(43)	699
Aureval, S.L.	ICO	239	(17)	(13)	209
Berako, S.A.	ICO	-	4	(2)	2
Bioetanol Galicia, S.A.	Reg. Govt. Ind. & Trade Dept.	-	1,624	(9)	1,615
Bioetanol Galicia, S.A.	Reg. Govt. Ind. & Trade Dept.	180	-	(1)	179
Bioetanol Galicia, S.A.	IDAE	421	-	(2)	419
Bioetanol Galicia, S.A.	Igape	-	4,935	(28)	4,907
Bioetanol Galicia, S.A.	M. Economy and Finance	-	10,239	(57)	10,182
Cartera Ambiental, S.A.	M. Economy and Finance	7	40	(8)	39
Cogeneración Villaricos, S.A.	ICO-BEI	263	-	(13)	250
Cogeneración Villaricos, S.A.	Andalusia Reg. Government	499	-	(24)	475
Comercial Sear, S.L.	ICO	-	3	(3)	-
Complejo Medioambiental de Andalucía, S.A.	Envir.Dep. Andalusia Reg. Govern.	1,136	1,105	(138)	2,103
Ecocarburantes Españoles, S.A.	Murcia Reg. Government	12,734	-	(4,021)	8,713
Enernova Ayamonte, S.A.	Andalusia Reg. Government	551	(48)	(24)	479
Europea de Tratamientos Industriales, S.A.	MCT	9	-	(1)	8
Europea de Tratamientos Industriales, S.A.	M. Economy and Finance	565	-	(81)	484
Hidro-Limp, S.A.	ICO	-	7	(1)	6
Instalaciones Abengoa, Inabensa, S.A.	European Commission	2,445	(328)	(1,028)	1,089
Nueva Electricidad del Gas, S.A.	Andalusia Reg. Government	324	-	(22)	302
Procesos Ecológicos Vilches, S.A.	Andalusia Reg. Government	810	-	(59)	751
Puerto Real Cogeneración, S.A.	Andalusia Reg. Government	359	-	(40)	319
Rontealde, S.A.	Basque Reg. Government	2,206	-	(264)	1,942
Sanlúcar Solar Solúcar, S.A.	M. Science and Technology	-	344	(31)	313
Sanlúcar Solar Solúcar, S.A.	European Union	-	1,336	(29)	1,307
S.A. de Instalaciones de Control (Sainco)	European Commission	-	(56)	56	-
S.A. de Instalaciones de Control (Sainco)	European Commission	-	276	(276)	-
S.A. de Instalaciones de Control (Sainco)	European Commission	16	-	(16)	-
S.A. de Instalaciones de Control (Sainco)	ICEX	10	37	(37)	10
S.A. de Instalaciones de Control (Sainco)	M. Science and Technology	176	-	(137)	39
S.A. de Instalaciones de Control (Sainco)	M. Science and Technology	189	-	(188)	1
Suministros Petrolíferos del Mediterráneo, S.L.	Grant Impiva	13	-	(2)	11
Telvent Interactiva, S.A.	M. Science and Technology	-	21	(21)	-
Telvent Interactiva, S.A.	M. Science and Technology	58	-	(58)	-
Telvent Interactiva, S.A.	M. Science and Technology	60	-	(60)	-
Telvent Interactiva, S.A.	M. Science and Technology	73	-	(73)	-
Telvent Interactiva, S.A.	M. Science and Technology	243	(14)	(229)	-
Trademed, S.L.	ICO/Instituto Fomento Murcia	943	-	(105)	838
Unión Química Naval,	Andalusia Reg. Government	325	(5)	(40)	280
Urbaoil, S.A.	M. Science and Technology	-	13	(13)	-
Valcritec, S.A.	M. Economy and Finance	633	-	(251)	382
Adjustment to consolidation criteria		4,904	(1,341)	4,020	7,583
Total		**36,275**	**14,066**	**(3,539)**	**46,802**

Capital grants are related to investments in Tangible and Intangible Fixed Assets. There are no cases of non-compliance at this stage or expected whereby the Entity awarding the grant could claim it to be returned.

19.3. Movement on the caption "Other Deferred Income" in the year 2002 was as follows:

Description	Balance at 31.12.01	Increases	Decreases	Balance at 31.12.02
Deferred income from sale of wind power activity (See Note 19.4)	6,000	-	(6,000)	-
Other deferred income (See Note 19.5)	5,943	46,807	(1,371)	51,379
Total	**11,943**	**46,807**	**(7,371)**	**51,379**

19.4. Deferred Income.

In the year 2001, Asa Environment and Energy Holding AG, a 100% held subsidiary of Abengoa, S.A., concluded (on September 14, 2001 and October 30, 2001) an agreement with third parties for the sale of the whole of its wind power generation activity, including the companies that owned the production plants and the assets and resources associated to the promotion, management and construction thereof. The agreement reached involved the sale of the most important subsidiary in this line of activity (Desarrollos Eólicos, S.A.) and its own subsidiaries for a price of Th.Eur. 77,573, which had been fully collected at December 31, 2001.

According to interpretative studies supported by legal advisors of Abengoa, S.A., this sale agreement was subject to the relevant administrative notifications at December 31, 2001. For this reason, the amount received had been fully guaranteed to the acquirer. In particular, in spite of other interpretations of current legislation, subsequent to December 31,2001, a notification was received from the Secretary of State for Economy, Energy and Small and Medium-sized Companies, stating that the proceedings provided for in point 3 of Additional Provision 27 of Law 55/1999 dated December 29 had been initiated, whereby the authorization of the operation was subject to a favourable resolution thereof and the voting rights of the shares involved were suspended until such favourable resolution were obtained. At the date of formulation of the consolidated annual accounts for 2001, the Council of Ministers had not yet resolved on this matter and, although company management reaffirmed its belief that there were no circumstances that could justify an unfavourable resolution in the administrative proceedings initiated and, consequently, on the authorization, the application of a conservative criterion made it advisable not to recognise the result of this transaction in the year 2001, in view of the risk that it could be reverted in the event that it were not approved by the authorities.

Taking the foregoing considerations into account, in the year 2001 it was decided to make an accounting entry in accordance with the principle of conservative valuation. The difference between the price received for the sale and the sum of the net book value of the portfolio, any cost that may appear associated to the sale in the assets and the accounting provisions deemed relevant in the circumstances, is Th.Eur. 6,000.

In April 2001, Abengoa received the favourable resolution of the Council of Ministers and recognised the Th.Eur. 6,000 as income, which is reflected under the caption Extraordinary Income on the Profit and Loss Account (See Note 25.8).

19.5. Movement on the caption "Other Deferred Income" in the year was as follows:

Description	Balance at 31.12.01	Increases	Decreases	Balance at 31.12.02
Exchange rate gains	5,943	5,305	(1,371)	9,877
Huepil de Electricidad, S.A.	-	41,502	-	41,502
Total	**5,943**	**46,807**	**(1,371)**	**51,379**

Huepil de Electricidad, S.A. is the company that holds the concession for the Ralco-Charrúa High-Tension Line, which is among the Projects with Financing without Recourse in Process (See Note 13.6). Said company's assets include credits for a value of Th.Eur. 67,125 that are considered as Financial Assets in Project (See Note 13.3). The balancing item of this asset is included in Financing without Recourse in Process and deferred income, shown at a value of Th.Eur. 41,502 in this Note.

Note 20.- Provisions for Contingencies and Expenses.

20.1. Movement on the caption "Provisions for Contingencies and Expenses" in the year was as follows:

Description	Balance at 31.12.01	Increases	Decreases	Other Movements	Balance at 31.12.02
Provisions for Contingencies and Expenses	21,350	32,939	(20,354)	636	34,571

20.2. At the year end, provisions of Th.Eur. 32,939 had been made, Th.Eur. 32,136 of which were assigned, following the conservative valuation principle, to provide general and specific cover of business evolution risks, mainly outside Spanish territory.

During the year, provisions of Th.Eur. 18,677 (made in previous years) were applied, since it was considered that, even though the directors and legal advisors considered that Abengoa had sufficient arguments for the amounts subject to claims to be recognised in its favour, the time which had elapsed without the claims being resolved made it advisable to classify them as remote and apply the provision. If the claims materialise and are collected, the income will be recorded in the year in which this takes place. Likewise, an amount of Th.Eur. 1,677 was applied to several minor items for which provision had previously been made.

20.3. The rest of the balance at December 31, 2002 for an amount of Th.Eur. 2,435 was contributed by Befesa Medio Ambiente, S.A. and other companies, and relates to provisions for guarantees and other provisions (See Note 7.o), together with the remainder of the provision for disposal of the wind power generation activity (See Note 21).

Note 21.- Other Provisions.

In accordance with the conservative valuation accounting principle, in relation to the sale of the wind power generation activity in 2001, mentioned in Note 19.3, provisions of Th.Eur. 48,081 were made at the 2001 year end.

These provisions were focused to cover certain elements that might not have finally materialize, since there was a high degree of uncertainty, although, in the interest of said conservative valuation, which was based on the best estimates available at the closing date, they had to be adequately provided for.

Movement on this caption in the year was as follows:

Description	Amount
Balance at 31.12.01	48,081
Assets materialised	(11,864)
Profit on sale (See Note 25.8)	(17,867)
Integral treatment (See Note 25.2)	(18,000)
Transfer to Provision for Contingencies and Expenses	(350)
Balance at 31.12.02	-

During the year 2002, effects provided for materialised for an amount of approximately Th.Eur. 11,864, concerning basically the elimination of assets related to the sale of the wind power activity and, among others, assets belonging to the part of Abengoa's prior wind power activity that was not sold in the operation and which, due to the transaction agreements (among them, a no compete agreement) are no longer of operative value to Abengoa.

Th.Eur. 350 were maintained to cover possible aspects not yet concluded and were included in the Provision for Contingencies and Expenses (See Note 20) and an additional amount of Th.Eur. 17,867 was credited to extraordinary gains (See Notes 19.4 and 25.8), since the contingencies it covered were considered to have disappeared.

Note 22.- Non-Trade Payables.

22.1. The detail of debts with financial institutions is as follows:

Description	Balance at 31.12.02
Short-term debts	61,081
Long-term debts	549,975
Total	**611,056**

This amount includes debt denominated in foreign currency for an amount of Th.Eur. 16,313, Th.Eur. 1,988 relating to companies resident in Spain, and Th.Eur. 14,325 to companies resident abroad.

22.2. Loan and credit facility payments are analysed as follows:

2003	2004	2005	2006	2007	Following	Total
61,081	11,935	9,536	174,173	173,507	180,824	611,056

The amounts maturing in the year 2006 onwards include a long-term syndicated loan signed on May 28, 2002 for an amount of Th.Eur. 500,000. It was granted to Abengoa, S.A. with the security of the pledge of shares in certain subsidiaries and likewise guaranteed by subsidiary companies. The loan has an estimated term of 6 years and repayment of the principal will commence from the year 2006 onwards. The loan is intended to finance investments in projects and other investments in companies that allow the Group's business and lines of activity to be expanded. Traditionally, Abengoa has maintained this line of long-term financing within the conditions established with the financial institutions, implying compliance with certain conditions agreed between the parties, which are the usual ones in this type of financial operation.

22.3. Accrued interest due to financial institutions totals Th.Eur. 4,111, which is included under the caption "Short-term debts with credit entities".

22.4. Debt secured by real property mortgage totalled Th.Eur. 1,594 at December 31, 2002, coming, in general, from Befesa Medio Ambiente, S.A. and its subsidiaries.

22.5. Credit facilities for the discount of trade bills are renewable and may be extended at any moment. Therefore a quantification of credit limits is not relevant for the purpose of the annual accounts.

22.6. The equivalent for the breakdown of the most significant foreign currency debt with financial entities is as follows:

	Companies Located	
Currency	**Outside Spain**	**Spain**
Dirhams (Morocco)	114	-
Dollar (USA)	5,816	1,988
Peso (Argentine)	18	-
Peso (Mexico)	3,341	-
Peso (Uruguay)	2,525	-
Real (Brazil)	2,498	-
Sol (Peru)	13	-
Total	**14,325**	**1,988**

22.7. The average rate of the credit transactions is within market rates in each of the countries where each operation is formalised.

Note 23.- Tax Situation.

23.1. Abengoa, S.A. and 46 other Group companies (see Appendix V to these Notes) are taxed under the Special Regime for Company Groups for 2002, with the number 2/97. Likewise, Befesa Medio Ambiente, S.A. and 9 other companies (see Appendix V hereto) are taxed in the year 2002 under the Special Company Group Regime with numbers 4/01 B. The rest of the Group companies are subject to corporate tax under the General Regime.

23.2. 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.

23.3. 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.

23.4. Reconciliation of the accounting result with the taxable income is as follows:

Reconciliation Accounting Result with Taxable Income	Amount
Consolidated profits after tax	45,169
Permanent differences	
- Corporate income tax	(21,437)
- Originated from individual companies	20,132
- Originated from consolidation	21,682
Temporary differences	
- Originated from the individual companies	(6,366)
- Originated from consolidation	11,808
Offsetting of negative tax bases	(29,946)
Taxable Income	**41,042**

The permanent differences on consolidation arise mainly from the distribution of dividends, the provision for amortisation of Goodwill and the portfolio provisions for consolidated companies.

Temporary differences on consolidation originate from the adaptation of accounting criteria to those applied by the parent company.

The breakdown of the corporate income tax item on the consolidated profit and loss account for the year 2002 is as follows:

Description	Amount
Forecast Tax Expense	10,244
Capitalisation of Deferred Tax Assets (See Note 23.5)	(37,515)
Reversal of Deferred Tax Assets capitalised in previous years	5,834
Total	**(21,437)**

23.5. As established in a Resolution of the Spanish Institute of Accounting and Account Auditing dated March 15, 2002 on certain aspects of the 16th Valuation Rule of the General Accounting Plan, several Group companies have booked an amount of Th.Eur. 37,515 as deferred tax assets pending application.

The breakdown of said amount by item and the year in which it was generated is as follows:

Description	Previous Years	Year 2002	Total
Negative Tax Bases	11,441	4,781	16,222
Tax Credits	9,940	11,353	21,293
Total	**21,381**	**16,134**	**37,515**

The amount of this deferred tax asset (See Note 23.4), together with the prepaid tax recorded in earlier years, appears under the caption "Other Debtors" in the Assets of the Consolidated Balance Sheet for an amount of Th.Eur. 47,156 at December 31, 2002.

23.6. In accordance with the provisions of article 36 ter. 8) of Law 43/1995 of December 27, the Corporate Tax Act, the following is the information necessary to meet the formal requirements of the tax credit for reinvestment of the extraordinary profits generated by Abengoa, S.A. in the year 2002.

Transfer Date	Asset Transferred	Amount of Transfer (a)	Net Book Value (b)	Monetary Fall in Value Art. 15.11 Corp.Tax Act (c)	Income to be applied as Tax Credit (a-b-c)	Reinvestment Date
17-12-02	Tangible Fixed Assets	28,858	3,658	481	24,719	22-11-02

In accordance with article 84 of Law 43/1995 of December 27, the Corporate Tax Act, the reinvestment has been made a member of the Bioetanol Galicia, S.A. tax group, Bioetanol Galicia, S.A. itself in the present case. Said reinvestment materialised in the Bioethanol production plant with an annual capacity of 126.5 million litres, using cereals as raw materials, for use as gasoline additives, also obtaining a co-product with a high protein content for animal food, together with the operation of a simple cycle cogeneration plant of 24.8 Mw, for an amount of Th.Eur. 92,131.

23.7. Due to possible different interpretations of the tax legislation applicable to each one of the territories and/or countries in which the different companies are tax residents, there may be certain contingent tax liabilities. However, in the opinion of the tax advisors, the possibility of their materialisation is remote, and in any event, the amount, which could arise from this, would not significantly affect the annual accounts.

Note 24.- Guarantees Furnished with Third Parties and Other Contingencies.

Guarantees furnished to third parties, totalling Th.Eur. 518,801 at the year-end comprise guarantees for completed contracts as well as for bidding rights.

There are guarantees furnished between Group companies amounting to Th.Eur. 207,152. These guarantees are to secure financial operations recorded as liabilities on the consolidated balance sheet at December 31, 2002, all of which related to operations outside Spanish territory, relating to both foreign companies and Spanish companies operating abroad.

Note 25.- Income and Expenses.

25.1. Transactions carried out during the year by Abengoa, S.A. with Temporary Consortiums not included in the consolidation process amount Th.Eur. 35,337 (sales).

25.2. The caption "Other Operating Income" on the consolidated profit and loss account relates to ancillary income, operating grants and all income not included under other income captions, except extraordinary income. The breakdown is as follows:

Description	Amount
Ancillary income	30,442
Consortium Integration	1,065
Integral Treatment (Note 6.3)	26,829
Operating grants	9,172
Total	**67,508**

25.3. The volume of transactions carried out in foreign currency is as follows:

Description	Amount
Sales	448,565
Purchases	203,596
External Services (Received)	86,570
External Services (Provided)	107,517

25.4. The distribution of the net turnover by activity is as follows:

Business Groups	Amount	%
Bioenergy	240,465	15.80
Environmental Services.	424,619	27.90
Information Technology	210,027	13.80
Engineering and Industrial Construction	646,821	42.50
Total	**1,521,932**	**100.00**

25.5. The distribution by geographical area is as follows:

Geographical Area	Amount	%
Domestic Market	**910,168**	**59.80**
- European Union	94,354	6.20
- OECD countries	325,804	21.40
- Other countries	191,606	12.60
International Market	**611,764**	**40.20**
Total	**1,521,932**	**100.00**

25.6. The net aggregated turnover of the companies included in the consolidation, which are not resident in Spain, was Th.Eur. 533,895. The consolidated annual accounts include the accumulated reserves and retained earnings of the individual consolidated companies in the shareholders' equity, not considering the effect of the hypothetical distribution thereof, since said reserves and retained earnings are used as a financing source in each one of the companies.

25.7. The average number of employees in the year is, by categories, as follows:

	Average Number		
Categories	**Spain**	**Outside Spain**	**Total**
Engineers and University Graduates	972	292	1,264
Technical Staff	532	117	649
Clerical Staff	975	196	1,171
Workmen and Auxiliary Personnel	3,467	1,878	5,345
Total	**5,946**	**2,483**	**8,429**

To accumulate this information, the entities included in the consolidation were considered only in the cases where the full or proportional consolidation methods are applied.

25.8. The detail of extraordinary income and expenses is as follows:

Income	Amount
Profits on sale of Intangible and Tangible Fixed Assets (See Note 26.3)	25,557
Capital grants transfers to profit for the year	3,539
Other Extraordinary Income from disposal of wind power activity (See Notes 19.4 and 21)	23,867
Other extraordinary income	13,385
Total	**66,348**

Income	
Disposal/deterioration of Intangible, Tangible and Financial Assets	4,428
Variation in provisions for Tangible and Intangible Fixed Assets and Financial Investments	4,441
Other extraordinary expenses	38,240
Provision for Contingencies and Expenses (See Note 20.2)	32,939
Total	**80,048**
Net Extraordinary Losses	**(13,700)**

Other extraordinary expenses include items such as: preventive write-down of assets for an amount of 15,000 Th.Eur., commissions on credit transactions cancelled before maturity due to the remodelling of the structure of corporate debt (Th.Eur. 5,000); the allocation of claims made to an insurance company which are taking a long time to materialise (Th.Eur. 4,000) and other sundry items contributed by the different consolidated companies, among them adjustments of deferred tax assets from previous years in companies with losses in recent years (Th.Eur. 2,000).

25.9. The detail of the contributions to the profit and loss account after tax is as follows:

	Amount
Sub-consolidated Asa Iberoamérica	1,353
Sub-consolidated Siema	53,539
Sub-consolidated Bioenergy	1,986
Sub-consolidated Asa ICI	(18,210)
Sub-consolidated Information Technology	11,298
Sub-consolidated Abengoa and Consolidation process	(4,797)
Total	**45,169**

The individual annual accounts of the Spanish companies included in the consolidation are filed at the Companies Registry of the province in which their corporate headquarters are located, pursuant to current mercantile legislation.

25.10. The net turnover figures of the companies with electricity operations as defined in Note 7 t) are the following

Activity	Amount
Production under special regime: cogeneration	62,768
Production under special regime: hydraulic	311
Production under special regime: Transport	3,057
Production under special regime: Other	28,106
Total	**94,242**

25.11 The balance of consumption and other external expenses is Th.Eur. 1,025,104, of which Th.Eur. 747,212 relate to purchases, Th.Eur. 27,927 to variation in inventories, Th.Eur. 3 to purchases returned, Th.Eur. 120 to volume discounts on purchases and Th.Eur. 250,089 to work carried out by other companies.

The balance of personnel costs is Th.Eur. 241,957, of which Th.Eur. 193,203 relate to wages, salaries or similar and Th.Eur. 48,754 staff welfare charges or similar regimes.

25.12. The balance of the caption Work Carried out on Fixed Assets is Th.Eur. 47,663, relating to the expenses incurred by the companies on their fixed assets, using their equipment and personnel, which are capitalized. Of this amount, Th.Eur. 27,046 relate to purchase and sale transactions between companies in the consolidated group, to which consolidation criteria and principles, explained in Note 7.h, are applied. The rest relate to individual companies.

25.13. The balance of Other Financial Income is Th.Eur. 16,928, the most significant amounts relating to Other Financial Income Th.Eur.14,636 and Income from Fixed-Income Securities Th.Eur. 1,414.

25.14. The breakdown of Other Operating Expenses is as follows:

Description	Amount
External Services	216,344
Taxes	6,031
Other Management Expenses	14,044
Total	**236,419**

The caption External Services includes, among other items, rentals and royalties for an amount of Th.Eur. 32,476, transport for an amount of Th.Eur. 32,042, services of independent professionals for an amount of Th.Eur. 58,014, and other services for an amount of Th.Eur. 49,637.

Note 26.- Accounts with Related Companies.

26.1. The account held by Abengoa, S.A. with Inversión Corporativa I.C., S.A. at the year-end shows a nil balance.

26.2. Dividends paid to related companies in the year total Th.Eur. 6,605.

26.3. On December 17, 2002, Abengoa, S.A. sold some lands and installations that belonged to it to Iniciativa de Bienes Inmuebles, S.A., a subsidiary of Inversión Corporativa I.C., S.A. (See Note 17). The selling price was Th.Eur. 28,858, with capital gains of Th.Eur. 25,200 on the sale (See Note 25.8). The selling price was established in accordance with reports on the value prepared by independent professional experts.

26.4. On December 30, 2002, Telvent, S.A., the subsidiary which heads the Information Technologies Business Group, acquired 3.71% of Xfera, S.A. from Inversión Corporativa I.C., S.A. for an amount of Th.Eur. 25,000., of which Th.Eur. 5,000 have been paid since the year end, the rest of the payments being scheduled for March 2003. As a consequence of the sale, Telvent, S.A. has taken on Th.Eur. 99,963 in guarantees to the Spanish authorities, counter-guaranteed before a financial entity with a deposit of approximately Th.Eur. 50,000, classified as Cash and Banks on the balance sheet. This situation might be temporary in respect of the amount involved, since there current legislation may change.

Said investment in Xfera materialised for an amount that allowed the total cost incurred by Inversión Corporativa IC, S.A. (IC) as a consequence of this investment until said date to be offset.

The purchase is justified, therefore, by this shareholding's strategic interest for the Group's activity, the basis of the amount involved being the reimbursement of the costs and expenses incurred by IC until that date. The support for this amount is based on recovering it in the future through the supply of services and activities compatible with the business's current state of development, without taking Xfera, S.A.'s equity situation at the date of purchase into account.

Since the investment is strategic for the development of the Information Technology Business Group, Xfera's equity situation at the date of purchase and the forecasts for its future business development as an autonomous entity are irrelevant to Abengoa, once other prior uncertainties on the viability of Xfera's business were considered to have been overcome in December 2002, since the recovery of the investment made to date is evaluated exclusively through the discounted cash flows estimated on the basis of the institutional demand derived from the services that may currently be supplied to Xfera by the Abengoa entities. Consequently, only additional future disbursements, to the extent that they may materialise, could have repercussions for Abengoa and its group companies and, in any case, would be subject to the regular systems of control and recovery of the investment, together with the requirements for meeting the return rates on the amounts invested, which are required from any other disbursement of this kind by the entities that form Abengoa.

Abengoa, as a technological company with real possibilities of using the frequency spectrum awarded to Xfera and with support services that can compete with those received by the operator from any other supplier in terms of price and quality, has real expectations of recovering the investment that exceed the simple consideration of its positioning as a passive investor in this telecommunications project.

Neither the current amount of the investment committed or the other repercussions associated to the investment are in any case excessive or of any great significance for Abengoa as a whole. The company has, in fact, adopted an extremely conservative accounting principle, since it totally links, in this and future years, the amount invested to the identification of a intangible asset the valuation of which will, if appropriate, be effectively checked each year-end in the future, considering the evolution of the possibilities of the current business induced and ruling out any effect related to the evolution of the participation's equity or finances.

Note 27.- Other Information.

27.1. The total remuneration paid to the members of the Board of Directors in their capacity as such and to the Board of Directors Advisory Council members of Abengoa, S.A. in the year 2002, was Th.Eur. 256 for salaries and subsistence allowances, and Th.Eur. 45 for other items.

In addition, in the year 2002, the remuneration paid to the Senior Management of the Company in their capacity as such, considering the members thereof to be the group of seventeen people who form the corporate bodies of the Chairman's Office, the Strategy Committee and the Management of the Corporate Departments, was Th.Eur. 4,086, including both variable and fixed items.

27.2. There are no advances or loans given to the members of the Board of Directors or obligations contracted by them under guarantee.

27.3. In the year 2002, fees of Th.Eur. 867 were paid to Auditors and Audit Firms in relation to financial audit work on said year. In addition, Th.Eur. 358 were paid for other services.

Note 28.- Environment Information.

One of the 4 Business Groups into which Abengoa is structured concentrates its activity as supplier of environmental services, such a waste recycling, industrial cleaning and environmental engineering.

Befesa, the most important company in this Business Group, contributes assets of Th.Eur. 547,312, sales of Th.Eur. 403,061 and attributable profits of Th.Eur. 16,249 associated to the environmental activity to the Consolidated Financial Statements of Abengoa.

At the 2002 year end, Abengoa considered that it did not incur any environmental risks that required additional provision to be made.

One of Abengoa's objectives is for all its companies to hold Certificates for their Environmental Management Systems. The use of treatment techniques with preventive guarantees in respect of environment quality has been officially recognised through the environmental management certifications (ISO 900, ISO 14001 and EMAS). As a consequence of the foregoing, at the end of the year 2002, 67% of the Abengoa companies had Quality Management Systems certified through ISO 9000. Likewise, 33% of the companies had Environmental Management Systems certified through ISO 14000.

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

Business Group	% Companies Certified under ISO 9000	% Companies Certified under ISO 14001
Information Technology	90	30
Engineering and Industrial Construction	71	29
Environmental Services	38	36
Bioenergy	-	-
Latin America	89	22

The Spanish companies of the Bioenergy Business Group, Ecocarburantes, S.A. and Bioetanol Galicia, S.A., are in the process of developing and implementing an integrated management model for Quality, Environment and Prevention of Risks at Work, with the objective of completing implementation of the system during the present year, in order to commence the certification procedures at the end of 2003 and obtain certification in 2004. The company High Plains (also belonging to the Bioenergy Business Group and located in the United States of America) is governed by local rules with greater influence in its sphere of production.

In 2002, two companies belonging to our Environmental Services Business Group obtained the Certificate of Verification, which demonstrates that the Environment Management System meets the requirements of the European Regulation on Eco-Management and Auditing (EMAS) and, therefore, three companies now hold said certificate and the adhesion of one of them to the EMAS has also been accepted.

Note 29.- Subsequent Events.

29.1. On January 31, 2003, Telvent, S.A., a subsidiary of Abengoa and holding of the Information Technology Business Group, acquired control of the Network Management Solution Division of Metso Corporation, by means of purchasing 100% of its subsidiaries in Canada and the United States, valued at M.Eur. 35, including the cash available. The two companies acquired, which will change their names to Telvent Canada and Telvent USA, have annual sales of MUSD 60 and employ more than 400 people in their offices in Calgary, Houston and Baltimore. The financing of this operation will involve a Leveraged Buy-Out. The Goodwill on Consolidation on this acquisition is initially estimated at approximately Th.Eur. 16,000. The final amount will be determined in 2003, once the process of taking control over the companies has been completed.

This acquisition will provide Telvent with a leading position internationally in the Information Control Systems market for the gasoline, gas and electricity energy sectors and the water sector. The Division acquired has a select portfolio of technological applications for the aforementioned market.

Telvent and Metso have been collaborating technologically for the last 9 years through the exclusive integrator agreement for Spain, which was previously established through Sainco, a subsidiary of Telvent.

29.2. Since 2002 year end there have been no other subsequent events in the consolidated companies which could be considered significant for the interpretation of the annual accounts or which could significantly affect either the individual companies or the group.

Note 30.- Order Book.

The breakdown of the Order Portfolio at December 31, 2002 by type of activity is as follows:

Activityd	Amount
Traditional Activity	551,199
Turnkey Activity	136,401
Recurrent Activity	120,670
Total	**808,270**