

ABENGOA

Auditor's Report

Consolidated Financial Statements for the 2005 Financial Year

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

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AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

To the shareholders of
Abengoa, S.A.
Seville

1. We have audited the consolidated annual accounts of Abengoa, S.A. (parent company) and subsidiaries (the Group), consisting of the consolidated balance sheet at 31 December 2005, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity and related notes to the consolidated annual accounts for the year then ended, the preparation of which is the responsibility of the Directors of the Parent Company. Our responsibility is to express an opinion on the consolidated annual accounts taken as a whole, based on the work carried out in accordance with auditing standards generally accepted in Spain, which require the examination, on a test basis, of evidence supporting the consolidated annual accounts and an evaluation of their overall presentation, the accounting principles applied and the estimates made. Our work did not include the audit of the annual accounts at December 31, 2004 of some companies listed in Appendix I and II of the enclosed consolidated annual accounts, in which Abengoa holds an interest of participation and whose total assets and net turnover represent a 44% and 39% of the corresponding consolidated accounts, respectively. Said annual accounts of such companies have been examined by other auditors (see Appendix I and II) and our auditor's opinion on the consolidated annual accounts of Abengoa, SA and its subsidiaries is based, in respect of the investment on such companies, only on these other auditors' report.
2. The accompanying consolidated annual accounts for 2005 are the first which the Group has prepared under the International Financial Reporting Standards adopted by the European Union (IFRS-EU), which generally require that the financial statements present comparative information. In this respect, and in accordance with Spanish Corporate Law, the Parent Company's Directors have presented for comparative purposes for each item in the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity and the related notes to the consolidated annual accounts, the corresponding amounts for the previous year, which have been obtained through the application of IFRS –EU effective at 31 December 2005, as well as the amounts for 2005. Therefore, the figures for the previous year differ from those contained in the consolidated annual accounts for 2004 which were prepared under accounting standards effective in that year. The differences resulting from the application of IFRS-EU to consolidated equity at 1 January and 31 December 2004 and to the consolidated profits for 2004 of the Group are set out in note 5 to the accompanying consolidated annual accounts. Our opinion refers solely to the 2005 consolidated annual accounts. On 28 February 2005 we issued our audit report on the consolidated annual accounts for 2004, prepared under accounting standards effective in that year, in which we expressed an unqualified opinion.

3. In our opinion, based on our audit and on other auditors' report (see Appendix I and II), the accompanying consolidated annual accounts for 2005 present fairly, in all material respects, the consolidated financial position of Abengoa, S.A. and its subsidiaries as at 31 December 2005 and the consolidated results of their operations, changes in consolidated net equity and consolidated cash flows for the year then ended and contain all the information necessary for their interpretation and comprehension in accordance with International Financial Reporting Standards adopted by the European Union which are consistent with those applied in the preparation of the consolidated financial statements for the previous year which have been included in the consolidated annual accounts for 2005 for comparative purposes.
4. The accompanying consolidated Directors' Report for 2005 contains the information that the Parent Company's Directors consider relevant to the Group's position, the development of its business and other matters and does not form an integral part of the consolidated annual accounts. We have verified that the financial information contained in the aforementioned Directors' Report coincides with that of the consolidated annual accounts for 2005. Our work as auditors is limited to checking the consolidated Directors' Report within the scope already mentioned in this paragraph and it does not include a review of information other than that obtained from the accounting records of the Abengoa, S.A. and subsidiary companies.

PricewaterhouseCoopers Auditores, S.L.



Gabriel López
Partner

27 February 2006