

# ABENGOA



## Presentation of Accumulated Results 3<sup>rd</sup> Quarter 2004

# Index

1. General Description of the Activities.
2. Main novelties per Business Unit.
3. Business Evolution. Highlights.
4. Details of the Profit and Loss Account.
5. Relevant Events and other Communications.

## 1. General Description of the Activities



Founded in Seville in 1941, Abengoa is an industrial and technology company that provides solutions for Sustainable Development, the Information and Knowledge Society and the Creation of Infrastructures.

Over the past decade, we have increased our results at an average annual growth rate (A.A.G.R.) of 20%, which is the result of the new Bioenergy, Environmental Services and Technology activities, as well as the internationalization of the company's traditional activities. Over the same period, our Sales abroad have increased at an average annual rate of 16%.

We would especially mention the following strategic operations developed over the last few years:

### 2000

- The acquisition of Befesa which required an investment of 300 M €, by means of a Take-over Bid.
- The coming into operation of the first Bioethanol Plant in Spain, with a production capacity of 100 M Liters/year, which required an investment of 93.8 M €.
- An increase of Abengoa's capital which enabled the shareholders' funds to be increased by 75.1 M €.

## 2001

- Integration of Abengoa's Environmental Division (specialized in environmental engineering) in Befesa, with a 12.3 M € increase of Befesa's capital through a contribution by Abensur.
- Sale of the wind power activity for 109 M €.

## 2002

- Acquisition of High Plains Corporation (now called Abengoa Bioenergy Corporation) the fourth largest Bioethanol producer in the United States, with a 100 M € investment through a Take-over Bid.
- The coming into operation of the second Bioethanol plant in Spain, with a production capacity of 126 M Liters/year which required an investment of 92.1 M €.
- Awarding by the Department of Energy (D.O.E.) of the United States of an R&D project to improve the ethanol production process technology, through the use of biomass, improving the economy of the process and increasing the ethanol production energy performance, thus reducing the production cost thereof and making it more competitive with gasoline. The total investment, co-financed by the D.O.E. comes to 35.4 M US\$ from 2003 to 2006.

## 2003

- Acquisition of Metso Corporation's Network Management Solutions Division, by means of the acquisition of 100% of its subsidiaries in Canada and the United States. The two companies are now called Telvent Canada and Telvent USA, and have put Telvent in a leading position at international

level in the Control and Information Systems market for the oil, gas and electric energy sectors, as well as for the water sector.







The total investment in both companies was 35 M US\$.

- Construction commenced on the third Bioethanol plant in Spain, located in Babilafuente (Salamanca) which will finally require a material investment of approximately 150 M €. The plant will be capable of producing 200 M Liters/year of Bioethanol to be directly blended in gasoline. The raw material employed will be grain, wine alcohol and biomass, the latter in a Bioethanol production facility which will be the first of its kind anywhere in the world.
- The exporting of Bioethanol to Europe commenced.

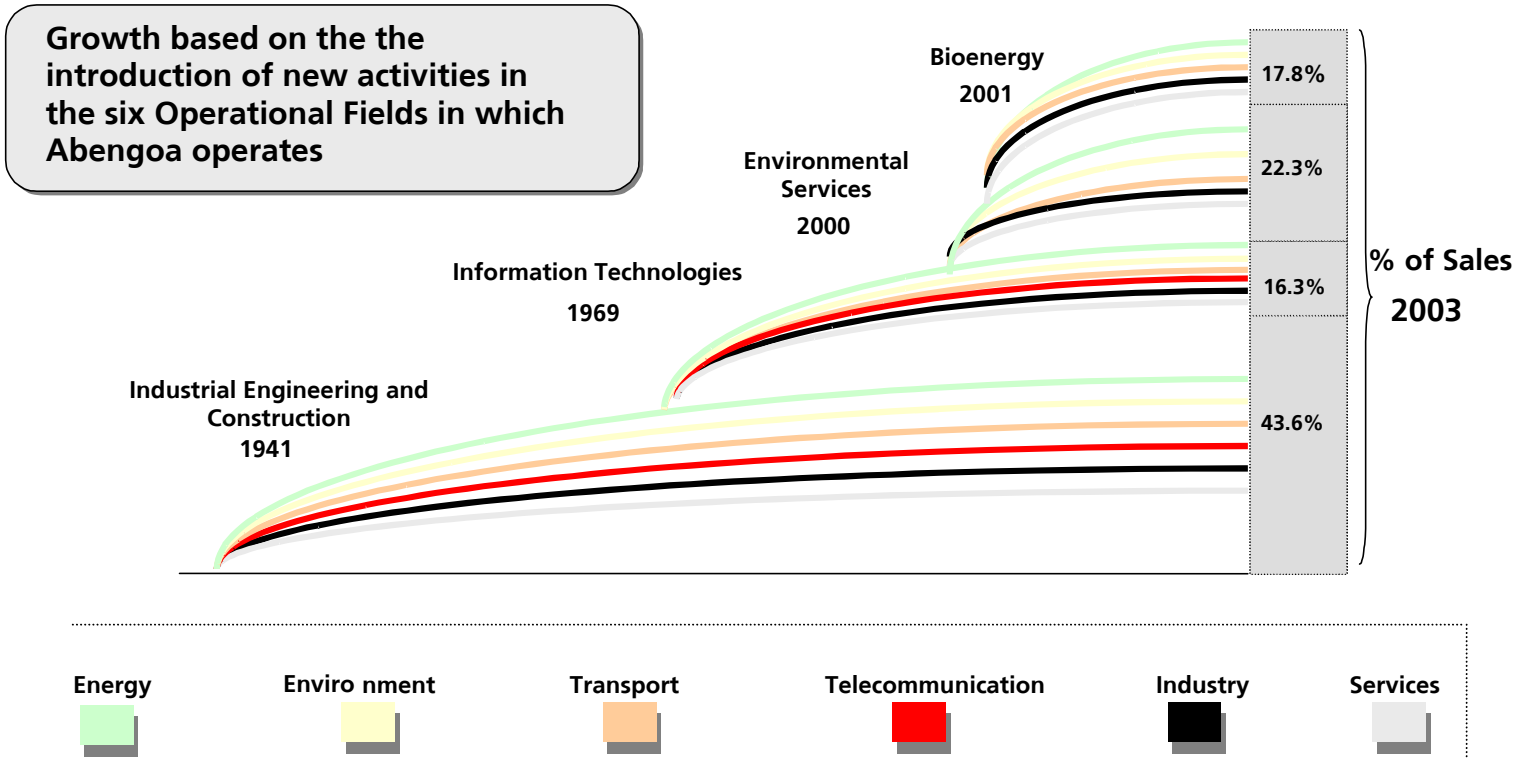
## Strategic Orientation

- In Abengoa, technology is oriented towards six Operation Fields in which each business unit inter-relates to a greater or lesser extent:

- ⇒ Energy
- ⇒ Environment
- ⇒ Transport
- ⇒ Telecommunications
- ⇒ Industry
- ⇒ Services

	 Energy	 Environment	 Transport	 Telecom	 Industry	 Services
Bioenergy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Environmental Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Information Technology	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Industrial Engineering and Construction	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

- The growth strategy is based on the introduction of new activities in the six Operation Fields

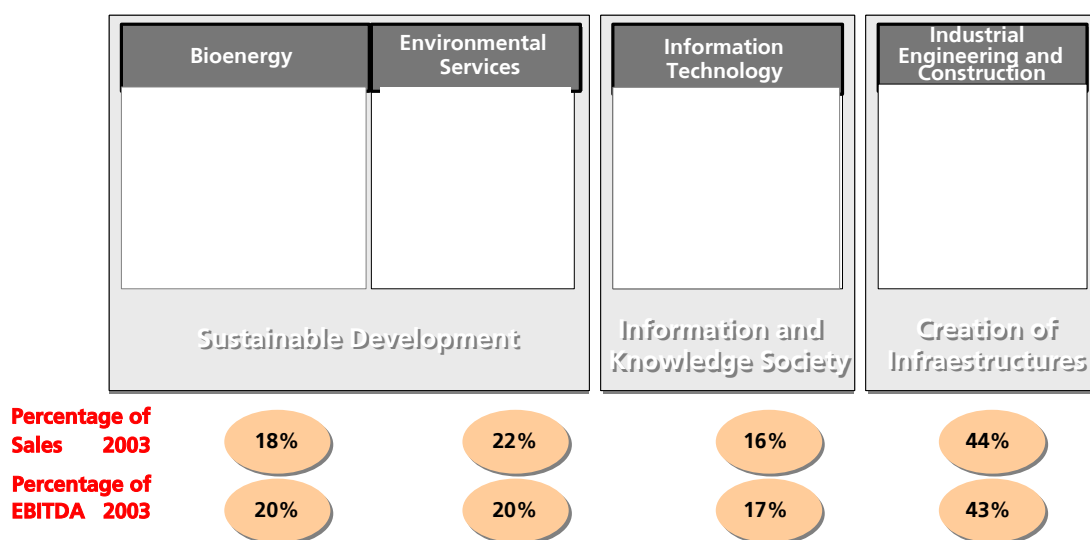


- Nowadays, Abengoa offers a combination of activities that represents a greater diversification in markets, customer portfolio, and which strengthens its capacities in relation to what its original Engineering business constituted.

	Compañía Ing Company			Distribución de ventas por actividad y geografía		
	Ingeniería			2003		
	Ebitda %	Ventas %		Ebitda %	Ventas %	
Business	Ingeniería	72	70	Ingeniería	43	44
	Tecnología	21	23	Telecomunicación	17	16
	Servicios	7	7	Servicios ambientales	20	22
Geography	España		67	España		59
	Latín America		27	Latín America		20
	Resto		6	USA & Canadá		13
				Resto		8

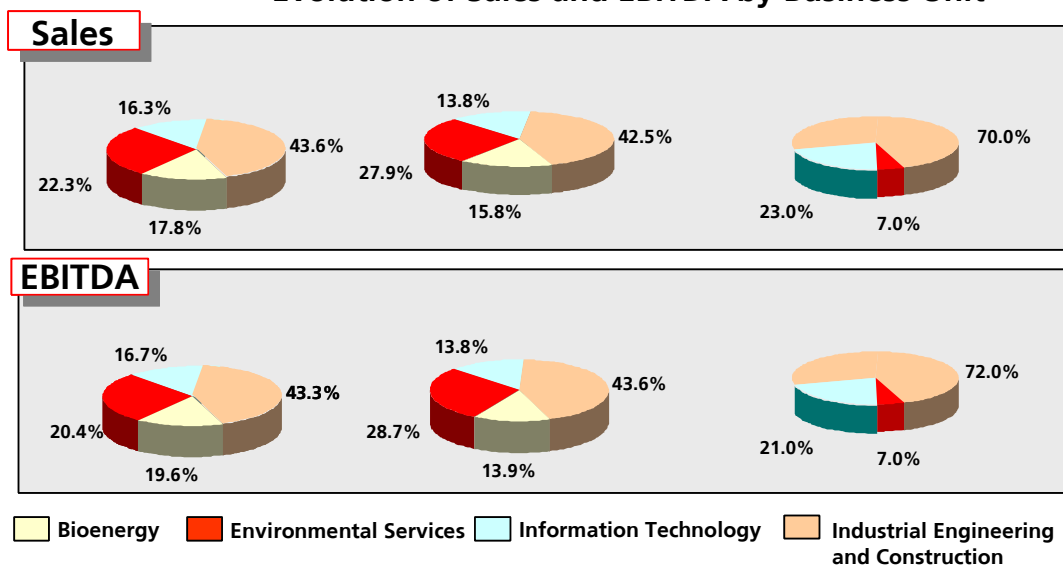
### Abengoa's Current Configuration and the Nature of its Business

Abengoa is an industrial and technology company that provides solutions for Sustainable Development, the Information and Knowledge Society and the Creation of Infrastructures, and which operates through four business units.



The evolution of the Business Units can be seen in the following graph:

#### Evolution of Sales and EBITDA by Business Unit





## 2. Main Novelties by Business Unit

# 2

## 2.1 Bioenergy

Ethyl alcohol production from vegetable products (grain, biomass). The alcohol (bioethanol) is employed to manufacture ETBE (a gasoline additive), or for direct blending with gasoline or gas oil. As a result of it being a renewable energy, net CO<sub>2</sub> emissions (greenhouse effect) are reduced. Production of DDGS (Distillers Dried Grain with Solubles), a protein complement for animals and CO<sub>2</sub>.





The most significant milestones as regards contracts signed or projects developed in the sectors in which the Bioenergy Business Unit operates were as follows:

- ◆ In August, Abengoa Bioenergy signed a contract with Ruhr-Petrol, a German trading company, to supply 8,000 metric tons (10,000 m<sup>3</sup>) of bioethanol for the Miro refinery at Karlsruhe, Germany.
- ◆ Greencell, an Abengoa Bioenergy subsidiary, successfully produced hydrogen from ethanol, and thus demonstrated the viability of the use of bioethanol as a hydrogen “vector”, through the development and evaluation of a 10 kW prototype.
- ◆ Abengoa Bioenergía R&D, an Abengoa Bioenergía subsidiary, has signed a strategic alliance agreement with SunOpta which will enable Abengoa to convert agricultural residues into ethanol, animal feed and biochemical products. Abengoa Bioenergía is developing, in line with its long-term sustainable growth strategy for producing ethanol from starch and biomass, a biomass technology to convert agricultural residues (sugarcane and corn stover) into ethanol.
- ◆ ETBE Huelva S.A., a company in which Abengoa Bioenergía, S.L. has a 90% and Cepsa a 10% shareholding, brought a plant into operation on June 24th 2004 to produce 34,000 t/year of ETBE (Ethyl Tertiary Butyl Ether) a gasoline additive made from a renewable source and produced by means of the catalytic etherification of Bioethanol, obtained from grain and Isobutylene, contained in the refinery’s C currents. The Plant has been

constructed on the site of Cepsa's La Rábida Refinery. The Bioethanol employed as a raw material is produced in the plants of Bioetanol Galicia, S.A. or Ecocarburantes Españoles, S.A.

- ◆ Abengoa Bioenergy R&D has completed construction and started operation of a pilot plant, to develop the processes and technologies that will enable the improvement of the Bioethanol production performances and the quality of the DDGS co-product in an effort to obtain higher protein content.
- ◆ In April 2004, Abengoa Bioenergy Corporation signed an agreement with Nordic Biofuels of Nebraska, L.L.C. that enabled it to take over control of the company that is promoting the development of an ethanol plant project in Ravenna, Nebraska. The company is now called Abengoa Bioenergy of Ravenna L.L.C.

Once the construction of the plant has been completed, Abengoa Bioenergy of Ravenna will be capable of producing 88 million gallons of ethanol per year, which will make it Nebraska's largest ethanol plant and one of the largest of the United States.

- ◆ Construction of the third Bioethanol plant in Spain continues. It is located in Babilafuente (Salamanca) and requires a material investment of approximately 150 M €. The plant's production capacity will be 200 M Liters/year of bioethanol to be blended directly in gasoline. The raw material used will be grain, wine alcohol and biomass, establishing a full scale Bioethanol production facility that will be the first of its kind to use biomass as a feedstock anywhere in the world.
- ◆ Abengoa Bioenergía signed a new contract to supply 900 m<sup>3</sup> of Bioethanol to the Swedish oil company Preem and thus expanded its commercial relationship, which began last year, with this oil company. The bioethanol was shipped by tanker from the port of La Coruña to the terminal the oil company Preem Petroleum AB has at Skarvik, Gothenburg, where it will be blended directly with gasoline at 5% (E5).

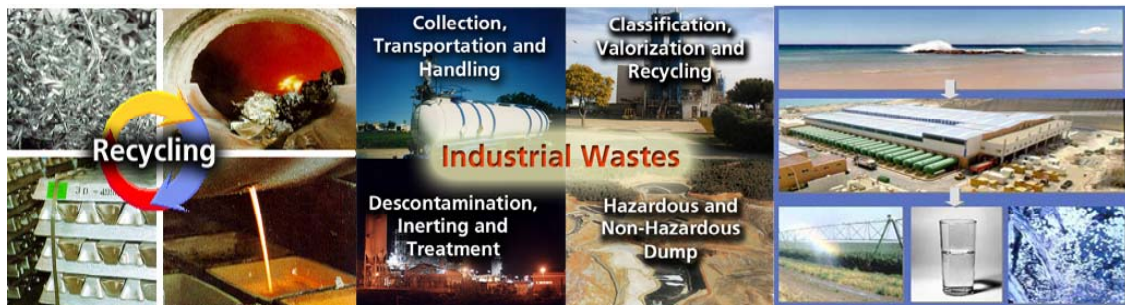
- ◆ Bioethanol exports to Europe continue. A contract has been signed, together with Kraul & Wilkening u. Stelling Kommanditgesellschaft-GmbH & Co. (KWST), with PCK which is a British Petroleum (37.5%), Shell (37.5%), Total (16.6%) and Agip (8.4%) joint venture, to supply it with 43 million liters of dehydrated bioethanol at its Schwedt refinery (Germany) during the course of 2004. This contract must be added to that signed last year with the Swedish oil company Svenska Shell under which twelve million liters of bioethanol were supplied.
- ◆ With these new supplies, Abengoa continues its expansion throughout Europe while increasing and diversifying its customers among the continent's oil companies and refineries, and is consolidating its presence in the markets where it already operates as well as participating in new emerging markets.



The average workforce of the Bioenergy Business Unit for the first nine months of 2004 was 368 employees, a 3.7% increase in relation to the same period in 2003.

## 2.2 Environmental Services

Recycling of aluminum, salt slag and zinc wastes. Industrial waste management, industrial and hydrocarbon cleaning. Environmental engineering (engineering and construction for water treatment and waste management).



A graphic featuring the words "Environmental Services" in a large, white, sans-serif font. The text is centered over a background of numerous small, overlapping, metallic-looking shapes in shades of blue, purple, and silver, creating a textured, crystalline effect.

# Environmental Services

The most significant milestones, during the 3<sup>rd</sup> quarter of 2004, in relation to contracts signed or projects developed in the sectors in which the Environmental Services business unit operates, were as follows:

- ◆ Befesa Construcción y Tecnología Ambiental has been awarded a contract for more than 7 M €, under a consortium agreement, to execute the supply works for the new urban areas of Malaga.

The work, awarded by the Municipal Water Company of Malaga (EMASA), comprises a series of pipelines to complete the water supply network foreseen in the Special Plan, and two regulating reservoirs.

In relation to the general water supply network, a series of sections to close the sector's general pipelines is foreseen, as is the connection of El Atabal treatment plant to the new regulating reservoirs. The defined piping is made of cast iron, with diameters from 500 to 1,200 millimeters. A series of sections to close off the sector's so-called "high grid" is also foreseen. The piping will also be made of cast iron and diameters will range from 400 to 700 millimeters.

Finally, two concrete reservoirs are planned, one with an 18,300 cubic meter capacity, with a pumping station in its valve chamber for tail supply from the general pipelines to a second 6,700 cubic meter capacity regulating reservoir, to supply the "high grid".

- ◆ Last July, Codesa, a company belonging to Befesa's Environmental Engineering section, completed the construction of the new 20,000 cubic meter/day capacity Liquid Effluent Biological Treatment Plant at ENCE's factory in Huelva.

The liquid effluent with the greater organic load from the cellulose production process is mixed with re-circulated bio-solids. Nutrients are added to this mixture and air is injected to favor the quick growth of the micro-organisms that feed off the organic matter. This reduces the oxygen demand of the final effluent. The produced sludge is valorized as a raw material for the manufacturing of agricultural fertilizers and/or as a fuel to be used in Ence-Huelva's biomass boilers.

In addition to this plant, Codesa is building another similar one for ENCE's factory in Pontevedra. Its treatment capacity is 46,800 cubic meters/day and the contract value is 5 M €.

- ◆ Befesa Construcción y Tecnología Ambiental has been awarded the more than 18 M € contract to execute the Irrigation System Modernization works for the Guiamets reservoir (Tarragona) Irrigation Subscriber Community.

The works consist of the reforming of the Els Guiamets reservoir off-take, the main piping system and the seven irrigation networks into which the irrigation area is split into. This totals more than 92 kilometers of high-density polyethylene piping, and the group and individual plot off-takes. Finally, three pumping stations will be constructed to pressurize the network and the irrigation networks and raising stations will be automated with a radio communications system.

- ◆ Befesa Construcción y Tecnología Ambiental has been awarded a contract for more than one million euro to execute the third phase of the Solar Drying Plant Emasesa is going to include at its treated sludge composting facilities at its Copero Sewage Works, in Dos Hermanas, Seville. The sludge from all Emasesa's sewage works will be treated at these facilities.

The sludge drying process, currently done by spreading in outdoor beds, will be converted into a controlled process in an enclosed area will direct solar energy support, once the beds have been covered over with transparent material.

The project comprises the air impulsion systems and deodorization with vegetable compost deep bed biofilters, and will ensure a concentration lower than that established, in the expulsion currents of the air that acts as a drying agent, of substances that could generate unpleasant smells such as sulphohydride anhydride, sulfides, ammoniac or mercaptane compounds.

- ◆ The Ministry of the Environment has awarded Befesa and Telvent, together with Ferroviario-Agromán, a 47.7 M € contract for an Automatic Hydrographic Information System (SAIH) for the river Duero catchment basin, which will enable the implementation of the management and exploitation of the catchment basin's hydraulic resources, as well as the improvement of the meteorological information required for flood forecasting and tracking. The objective is to minimize and control any possible damage that might be caused.

The network will include a series of control stations where the data supply equipment will be installed. To this end, 97 gaging stations, 84 rain-gages, 45 canal gaging stations, 16 control frames and 13 snow gages will be built at a total of 27 reservoirs.

Likewise, five data control centers are to be installed in Burgos, Leon, Palencia, Salamanca and Valladolid. They will receive information from the Catchment Basin Data Control Center that serves as an information and control center for the complete river Duero SAIH.

- ◆ Befesa Tratamientos y Limpiezas Industriales cleaned two slop hydrocarbon reservoirs for Repsol Petróleo at Puertollano Industrial Estate. They contained a total of 4,500 m<sup>3</sup> of waste, and approximately 2,300 m<sup>3</sup> of hydrocarbons and 1,800 m<sup>3</sup> of water were recovered, and Befesa Gestión



de Residuos Industriales managed 400 metric tons of centrifugation sediments.

The scope of the work carried out by Befesa Tratamientos y Limpiezas Industriales consisted of managing the mixture of water / hydrocarbons / sediments waste, liquid as well as pasty stored in the B-10 reservoirs.

Each of the reservoirs to be cleaned contained approximately 2,250 m<sup>3</sup> of sludge. Works commenced on June 28th and were completed within 10 weeks.

The mobile centrifugation unit employed to carry out the work recovered approximately 2,300 m<sup>3</sup> of hydrocarbons, 1,800 m<sup>3</sup> of water, and Befesa Gestión de Residuos Industriales managed some 400 metric tons of centrifugation sediments.

- ◆ Befesa Salt Slags Limited, located at Whitchurch (United Kingdom) has recently signed an exclusive contract with Bernhard Metals Limited to treat all its salt slags over the next five years.

Bernhard Metals Ltd. is the United Kingdom's number two secondary aluminum producer. It has two plants, one in Bradford and the other in Derby. They produce secondary aluminum alloys from aluminum scrap and waste, in a rotating furnace with salt fluxes being added. The amount of salt slags produced at its facilities and contemplated in the afore-mentioned contract is 20,000 metric tons/year.

This contract, together with those already signed in 2003 with Imco Recycling U.K. Ltd. (the United Kingdom's leading secondary aluminum producer) and the rest of the British secondary aluminum producers, enables the long-term consolidation of the salt slags treatment business in the United Kingdom.



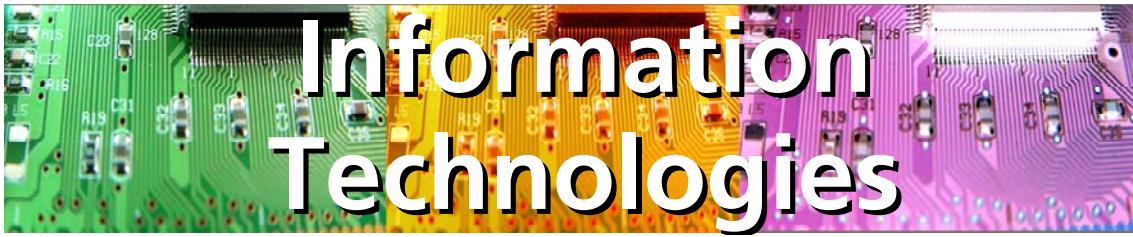
The average workforce of the Environmental Services business unit for the first nine months of 2004 was 1,225 employees, that is to say, 13.8% less than for the same period in 2003. This is a consequence of the divestments in Tracemar, Elsur and Aguas de Baena.

## 2.3 Information Technologies

A specialist in RealTime IT solutions with high added value in the specific industrial sectors of Energy, Traffic, Transport, Environment and Public Administration in the Americas, Spain and China.

With over 40 years experience in industrial supervisory control and business process management systems, Telvent executes projects and provides technical services in the field of mission-critical, real-time control and information management. With the most comprehensive portfolio of outsourcing and consulting services, and employing a technology-neutral philosophy, Telvent manages IT and telecommunications infrastructure for an extensive international client base.





# Information Technologies

The most significant accomplishments during the third quarter of 2004, in terms of contracts awarded and project milestones, consist of the following:

## Energy

- ◆ A contract was awarded for the Emergency Backup Center for City of Houston Public Works and Engineering Department. The Telvent SCADA system to be installed will provide real-time capture and analysis of all surface water resource data. The City of Houston has developed a comprehensive program to address the possible consequences of potential hazardous situations, including flooding, hurricanes, chemical accidents, acts of terrorism, and other hazardous scenarios. The Emergency Backup Center project is part of an overall proactive plan to mitigate possible threats to this city's citizens and infrastructure.
- ◆ Telvent will provide Oncor with the necessary equipment for the maintenance of a large network of remote station devices (RTUs), installed along its electric distribution system. Oncor, which has developed a reputation for high operational safety, efficiency and reliability, represents the largest energy distribution company in Texas, providing electricity to 2.9 million clients and distributing natural gas to 1.5 million clients.
- ◆ Telvent has delivered nine RTU SAGE 2200 remote stations to EnerStar, a new co-operative, of Wabash Valley Power, an organization devoted to the generation and transmission of electricity. Located in Indianapolis, Indiana, Wabash Valley Power provides electricity to 27 distribution systems in Indiana, Illinois, Michigan, and Ohio.

- ◆ Telvent has been contracted to implement the Distributed Control System for the new Bioethanol Production Plant that Abener will be constructing in Salamanca. The awarding of this project represents Telvent's third customer reference in this industry sector, which is expected increase Telvent's positioning on an international level.
- ◆ Telvent has been selected by the Piedmont Natural Gas Company to consolidate its pipeline distribution and transportation systems. The contract award covers the design, construction, and installation of a Telvent OASYS DNA automation and information management system. Piedmont distributes natural gas to 940,000 clients, including industry clients as well as business and residential consumers.
- ◆ The SCADA installation project for the Cadereyta-Matamoros-Bronsville pipeline system for Pemex Refinación in Mexico has been awarded to Telvent. The scope of the project includes field work, telecontrol and communications systems, and also includes options for advanced pipeline management and simulation applications.
- ◆ Telvent has been awarded a contract for providing the necessary technology and services for integrating the new acquisitions from Shell Pipeline within the current control system infrastructure for Buckeye Partners, L.P. The completion of this contract will enable the acquired pipeline assets to be managed by Buckeye's new OASYS DNA system. This acquisition adds 1,900 kilometres of liquids pipeline to Buckeye's existing network, making the company one of the largest carriers of refined products in the United States, with almost 6,110 kilometres of pipeline.
- ◆ A contract for the implementation of twenty Control Systems for the Distribution Substations of Sevillana-Endesa has been awarded to Telvent. This project is a part of the Alborada Plan that is designed to improve the distribution network after the incidents of this past summer in East Andalusia.

- ◆ Telvent has been subcontracted by ABB for the implementation of the communications system for the Castelnou Electric Substation belonging to the Electric Network. This communication system will enable the transmitting of the teleprotection alarms along two routes, providing the necessary redundancy required for a critical infrastructure component - the control system.
- ◆ Telvent and the Water Utilities Department of the City of Lee's Summit will collaborate in a viability study for the planned upgrade of the water utility's existing SCADA system, which would replace the current OASYS 5.2.2 platform with Telvent's latest generation software - OASYS DNA. The upgrade will enable the City of Lee's Summit, located in the State of Missouri, United States, to reduce operating costs, and increase system security, functionality, and efficiency.
- ◆ The installation of the monitoring equipment for Exelon's electrical generation plants located in Framingham, Medway, and New Boston has been completed. This project is included within the various expansion projects of the Exelon Energy Division. As a result of the improvements carried out at its power stations, combined with recent acquisitions and the finalizing of various construction projects, Exelon has expanded its energy generation portfolio and now has access to over 43,000 megawatts of electricity.
- ◆ Telvent has delivered eight SAGE 2200 remote stations to Hydro Ottawa Limited as part of that utility's amalgamation project that is currently underway. Hydro Ottawa Limited is the largest local electricity distribution company for the City of Ottawa (Ontario, Canada). It is also the second biggest municipal electricity distribution company in the province. Hydro Ottawa is responsible for the distribution of electricity to over 270,000 clients in the city of Ottawa and the town of Casselman.
- ◆ Telvent has been awarded a contract for supplying and commissioning of 20 "OCRIS" (telecontrolled post switches) units for the Distribution Control

System for the Regional Electricity Co-operative (Cooperativa Regional de Electricidad, CRE) in Santa Cruz de la Sierra, Bolivia. The scope of the project includes, for each point, the cutoff element, control equipment, and communications. This is the fourth expansion carried out by Telvent since the initial project that it completed in 1997, which included the SCADA system and the interface with the Geographical Information System for the entire network controlled by the CRE.

- ◆ The engineering and installation of the first cell of the wide band access project of the Iberdrola electrical network has been awarded to Telvent, which is also one of the companies selected for the launching of the access network which Iberdrola is planning to develop throughout Spain. After the completion of the pilot cell, Iberdrola will continue to allocate additional cells for installation, with the aim of completing the deployment on a national scale.
  
- ◆ The company Cooperativa Rural de Electricidad has awarded Telvent the radio communication project for deploying 20 remote control systems. This project is part of the expansion of an existing SCADA system that the CRE contracted to Telvent in 1998. The radio communication system for this system is based on one of the solutions most commonly implemented by Telvent for access networks. The radios used are low-velocity digital radios that operate on the UHF band.
  
- ◆ The Alabama Electric Cooperative (AEC) has made an order to Telvent for eight SAGE 2200 remote units in order to expand its electrical distribution system. AEC is composed of member co-operatives from the states of Alabama and Florida, and supplies energy to over 350,000 users.
  
- ◆ The North Georgia Electric Membership Corporation (NGEMC), already an existing client, has awarded a contract to Telvent for the improvement of its electrical distribution systems. NGEMC is located in the heart of the Georgia textile region, and supplies energy to over 93,000 clients.

- ◆ Telvent has been awarded a contract from the Portland Pipeline Corporation (PMPL) to replace its pipeline monitoring and control system with an OASyS DNA SCADA system. The installation also includes a sophisticated integrated leak detection system as well as advanced SCADA applications, along with the telecommunications system and improvements in the field automation system. PMPL operates 375 kilometres of crude oil pipeline, extending from Portland, Maine, in the United States, to Montreal, Quebec, in Canada.
  
- ◆ A project to improve the SCADA system for the Corporación Pública de Gas de Grecia (DEPA) S.A. has been awarded to Telvent. The existing system will be replaced with a new OASyS DNA 7.4 system. The scope of the project also includes the implementation of the Gas Control Centre, together with a Backup Control Centre. DEPA was created in 1988 as a subsidiary of the Greek Public Oil Corporation, and has made a significant contribution towards the introduction of natural gas into Greece. DEPA is now responsible for the import, transport, and storage of natural gas; the construction and administration of the Transport System; and the sale of Natural Gas on a national level.
  
- ◆ The Southwest Louisiana Electric Corporation (SLEMCO), a client of Telvent's since 1982, has awarded the latter the project for the improvement of its electric distribution system. SLEMCO provides energy in Louisiana to over 80,000 clients.
  
- ◆ Telvent has completed the software development project for Phase 1 of the prototype system for Alyeska Pipeline Service Company. Telvent is currently showing the results of this prototype on its web page and also in the offices of the client. Alyeska administers one of the largest pipeline systems in the world, which is 800 miles long, utilizing 48 inch diameter pipe.
  
- ◆ Final acceptance has been granted for Telvent's Enogex gas pipelines project. The OASYS 6.3UX SCADA system, which is coupled with Telvent's family of advanced Gas measuring applications, unifies the three independent pipeline systems in a single integrated information control and



management system. Enogex, a subsidiary of the OGE Energy Corp., operates primarily in Oklahoma and Arkansas.

- ◆ Telvent has completed the installation of new equipment for monitoring the traction energy supply for the New York City Transit Authority (NYCTA) at the substation on 215th street. This equipment will be used to monitor the energy supply of the metro tracks driving the trains. NYCTA carries over 3.5 million passengers per day along 800 miles of track and has over 400 stations. The transit system has three main rail lines to serve the needs of one of the most populated areas of the United States - the Bronx, Brooklyn, Queens, and Manhattan.
- ◆ The demonstration of Telvent's Liquids Management System (LMS) application suite was recently completed for ConocoPhillips. Located in Houston, Texas, ConocoPhillips is the third largest energy integration company in the United States and also have the third largest refining operations in the U.S. ConocoPhillips operates in over 40 countries and has the eighth largest energy reserve and is the fourth biggest refinery in the world.
- ◆ The Factor Acceptance Test (FAT) certificate for Telvent's PECO Energy project has been issued. The completed system will control an infrastructure made up of 10,620 kilometres of natural gas pipeline (transport and distribution), and 29 natural gas stations that control and monitor the delivery of natural gas for a client base of approximately 450,000 people.
- ◆ Telvent has been awarded the contract for the administration of the interruptibility of clients for REE. The scope includes engineering services and the supplying of the necessary applications for complying with the new Spanish legislation regulating this type of energy transactions, which are critical for balancing that country's electric system requirements. The contract award by REE is based in part on Telvent's reputation for being able to successfully implement large-scale projects within relatively short timeframes. The project completion period is critical in this case, because of

the fact that, owing to legal reasons, the system must be in operation by the first quarter of 2005.

- ◆ The project for the Control and Supervision of 20 substations belonging to the electric energy transport system operated by ONS (on 500/345/230 KV levels) has been contracted to Telvent. The scope of the project includes installation and start-up of the intelligent control equipment (RTUs) and all associated equipment, together with the engineering, project and process management services, as well as data interconnection, integration, installation, training and documentation services. The 20 field installation sites are located in Rio de Janeiro, São Paulo, Brasília, Goiás, Mines Gerais and Paraná.
- ◆ Telvent has completed the updating of Exelon's existing remote station equipment, utilizing the Sage 2200 RTU unit at 16 automation substations located throughout the United States. Exelon currently operates a Telvent installed SCADA system.
- ◆ The Sho-me Power Company has placed an order with Telvent for 10 SAGE RTU stations for its electric system that supplies distribution cooperatives in the southwest Missouri. Sho-me Power is part of G&T Coop (the Electric Generation and Transmission Corporation) which has 2,676 kilometres of transmission lines supplying electricity at 131 delivery points located in 125 distribution and transmission substations.
- ◆ Telvent has delivered to CPPE (China Petroleum Pipeline Engineering Corporation) an OASYS SCADA and Station Control System that will administer the petroleum pipeline transmission network of TieDa. CPPE is a subsidiary of the China National Petroleum Corporation (CNPC).
- ◆ Telvent has delivered the updated XML interface to the City Water Light and Power Company of Springfield (Illinois, United States) that will allow it to be connected to the Midwest Independent System Operator (MISO). This interface allows bidirectional data transfer to the electrical control panel.

- ◆ Factory Acceptance Testing for Telvent's Istanbul Gas Distribution Corporation (IGDAS) project, located in Istanbul, Turkey has been completed. The project includes the installation of Telvent's OASYS SCADA system and its GMAS (Gas Measurement Applications Suite). These systems will supervise and monitor the gas distribution network for the city of Istanbul, consisting of over 2,270,000 clients. The project installation phase is scheduled to start in October of this year.
- ◆ Telvent has helped to restore and reconfigure the SCADA control system for Grand Bahamas Power, utilizing remote access as well as on-site services. Located in an area with a high incidence of hurricanes, including two that have devastated the area this year, Grand Bahamas Power has found itself in a situation where a substantial portion of its energy distribution and supply network and its communications infrastructure has been demolished. Telvent continues with its efforts to restore 100% of the SCADA system functionality as soon as possible.

#### Environment

- ◆ The successful completion of the Factory Acceptance Testing (FAT) of the AWOS systems at the airports of Tocumen and M. A. Gelabert in Panama, for Indra. These systems acquire, process, and present in real-time the necessary Meteorological Information for the safe operation of aircraft at airports. This contract, the final client for which is the Civil Aeronautical Authority of Panama (Autoridad Aeronáutica Civil de Panamá, AACCP), is included within the International Civil Aviation Organisation (ICAO) for the renovation of the Panamanian air traffic systems.
- ◆ The provisional acceptance of the first 3 of the 6 AWOS at the Airports of Meknes, Errachidia and Ouarzazate for the Direction de la Météorologie Nationale (DMN) of Morocco. The systems include synoptic and aeronautical meteorological instrumentation, a meteorological processor, and presentation systems. With the implementation of these systems, the security and efficiency of aircraft landing and takeoff at the aforementioned airports will be improved.

- ◆ The granting of an eight-month extension of the maintenance service of the Mobile Meteorological Offices for Defence (Oficinas Meteorológicas Móviles para Defensa, OMMD), of the National Meteorology Institute (Instituto Nacional de Meteorología, INM). The extended service includes the preventive and corrective maintenance of the two operative mobile units of the INM.
  
- ◆ The Maintenance and Conservation Contract of the Air Quality Vigilance and Control Network of the Autonomous Region of Valencia (Spain) for one year. The scope includes the maintenance of a Fixed Network consisting of 30 Emission Measuring Stations, a Manual Network made up of 32 samplers, an Ultraviolet Radiation Vigilance Network made up of 5 stations, and 2 Mobile Units.
  
- ◆ Renewal of the maintenance contract of the Environmental Vigilance Network of the Los Barrios Thermal Power Station in the Campo de Gibraltar (Cadiz) for Endesa Generación and Endesa Ciclos Combinados. The scope includes the maintenance of seven Immission measuring booths, an emission measuring control, and a meteorological tower for a one-year period.
  
- ◆ The contracting of the Geographical Information System (Sistema de Información Geográfico, SIG) for the administration of the Water Framework Directive in the Hydrographical Confederation of the Guadalquivir (Ministry for the Environment). The work to be carried out includes the analysis, design, construction, and implementation of the SIG for the Water Framework Directive. Although the contract amount is not large, it provides Telvent with the opportunity to continue working with the Ministry of the Environment, which represents a very important client relationship.

### Traffic

- ◆ Telvent has received official approval of its Distance Toll Tags according to the protocol established by the MOPT of Chile before the German TUV institution. This approval allows Telvent to market this product in Chile. Prior to this achievement, Telvent had obtained the official approval of this product within the framework of the European project PISTA.
- ◆ The granting of the extension of the Renovías toll in the state of São Paulo, Brazil. This extension consists of a new toll area with eight manual payment and distance toll lanes together with an auditing video system for recording the number plates of offending vehicles and events.
- ◆ The awarding of the Traffic Centralisation project for the city of Xin Xian in China. Telvent has signed a contract with the authorities of the city of Xin Xian, in the Chinese province of Henan, to carry out the centralization of the urban traffic for that city. This will precede the implementation of the latest-generation adaptive traffic management system in real time, ITACA.
- ◆ The extension of the contract with the Barcelona Town Council to include the maintenance of the traffic light installations of the city until 30 September 2005.
- ◆ Telvent has been awarded the Urban Traffic Centralisation project for the city of Haiphon in Vietnam. This project will allow that city to operate a traffic administration system that will help to reduce traffic jams and pollution, improve the quality of life for residents, and give the city police a powerful traffic management tool. With this project Telvent consolidates its presence in Vietnam where it is carrying out centralization work for Ho Chi Min.
- ◆ The awarding of the contract for the installation of the Motorway Management System for the Intervías Concessionaire in the state of São

Paulo, Brazil. The contract has already been signed and work has begun for installing the traffic management installation system for the Intervías motorway in the Brazilian state of São Paulo. With this new project Telvent consolidates its leadership position in the Brazilian Traffic and Transport sector.

- ◆ The awarding of the contract for the renovation of the Toll System of the Envalira Tunnel in Andorra, where the lane software and corresponding toll management system will be upgraded.
  
- ◆ Technical Assistance to support different sanction units of the Provincial Traffic Headquarters of the State Traffic Office (Dirección General de Tráfico, DGT). This project includes the rendering of a service to aid the administrative procedure for addressing speeding and alcohol related incidents due to the anticipated increase in sanctions during the special summer campaign.
  
- ◆ Two-year extension of the integral conservation of Piedrafita. This extension refers to the integral conservation contract for the A-6 Motorway between Villafranca del Bierzo and Cereixal, in the provinces of León and Lugo, and provides a 24-hour road assistance and vigilance service throughout the year, together with the ordinary and extraordinary maintenance of the civil works elements and installations of the Motorway and the seven tunnels it includes and their unified control centre.
  
- ◆ Renovation of the toll system installed in the Concession of the Envalira Tunnel (Andorra). The initial phase of the project, to be completed before the end of this year, includes the renovation of four manual lanes and four automatic lanes, the central area, and the toll software. In spring 2005, two dynamic toll lanes (Lane T) will be installed and a maintenance service will be initiated. This contract is important since it involves the upgrade of a toll system installed two years ago by a competitor, whose tender at the time prevailed over ours.

- ◆ The supplying of various applications and items of traffic equipment for the State Traffic Office (DGT), i.e. night-vision TV cameras with positioners and transmission and video reception equipment sent by monomode optical fibre.
- ◆ Telvent has finished the first phase of the Beijing Supercentre project with the installation of retroprojectors in the management control centre of the Beijing motorway network. As part of this contract, Telvent will supply and install equipment and software for the motorway access networks and ring roads of the city of Beijing, together with the management centre from which the traffic of the aforementioned network will be controlled.
- ◆ Telvent is carrying out a trial scheme for the installation of an Infraction Detection Scheme using a red crossing, devised for the police of the city of Bangkok in Thailand. This scheme, based on a system that detects offenders automatically, utilizing digital photography, enables the automation of the infraction generation process.
- ◆ GMDSS and Fishing simulators for the National Institute of Educational Cooperation (Instituto Nacional de Cooperación Educativa, INCE) of Venezuela. The supply and installation of two simulators for the INCE financed with FAD funds. With these systems the Institute is equipped with two systems incorporating the latest technology which allows the training of its students in the use of world communication systems of salvage and assistance, which is a requirement for all marine professionals. The second simulator allows students to be trained in navigation manoeuvres and the handling of fishing tackle before beginning employment, resulting in resource savings and a substantial reduction in industrial injuries.
- ◆ Telvent has been awarded a contract to supply 50,000 Tags for the Vespucio Sur Motorway in Santiago, Chile. Throughout the month of November, Telvent will supply this motorway with 50,000 Tags that are compatible with the CEN 5.8 Ghz European standard. The Tags will operate under a free-flow system and will guarantee interoperability between the

four urban motorways. Telvent is one of the six officially approved suppliers of the PISTA European Interoperability project.

- ◆ The contracting by the Vizcaya Regional Government of the project to replace the lining of tunnels, the overhaul of the arch and gable end drainage, replacement of the road surface, and the repair of one of the branches of the Basauri junction. The telematic implementation of new optical signposting systems by means of markers, the improvement of the exterior signposting for the closure of tunnels, and the expansion of the control systems will also be carried out.

### Transport

- ◆ The acceptance tests of the Radiant Cable system for the communications portion of the Capistrano Tunnel Communications project were concluded. The result of the tests confirmed the correct signal levels, which were required for system acceptance. The Ministry and Necso were very satisfied and congratulated Telvent on the operation of the system and the manner in which the installation services were performed.
- ◆ The awarding of the Maintenance of the Ticket Sales and Cancellation System of the Bilbao Underground for a one-year period, with an extension for a further two years, covering the maintenance of all equipment and systems: Subways, Vending Machines, Manual Points of Sale, the Station Control System, and the Central Control System. The car parks run by the Bilbao Underground are also included.
- ◆ The supply, installation, and maintenance of new Ticketing equipment for 15 subway stations and 22 Vending Machines. The stations where this new equipment will be located are the most significant of the EuskoTren lines, including Casco Viejo, Bolueta, Sondika, etc. The equipment and systems will be prepared for technology without contact (TWC) and will include the "Barik" sole transport treatment in TWC and "Creditrans" in the form of a metallic band.



- ◆ Alsa, through the Movelia Passenger Transport Operator Association, has contracted Telvent to supply the infrastructure, deployment, and operation of its transactional system. The contract, which will initially last for two years but which can be extended, will make Telvent responsible for the permanent availability of the Alsa critical system of ticket sales, both over the counter and on the Internet, as well as the management of its fleet of buses, and its economic follow-up.
- ◆ The awarding of the contract for supplying and implementing Toll Equipment for Traveller Access Control on Line 3 of the Madrid Underground. The project consists of the supply and installation of toll equipment at the 11 stations of Line 3 on the Madrid Underground. The scope of the equipment distributed throughout the 23 halls of these stations is 180 mobile screen toll control units and 31 toll control units for reduced mobility users, as well as an apparatus to guide user flow. It also includes the development of software and communications for integration in the Madrid Underground exploitation system through its station concentrators.

#### Others

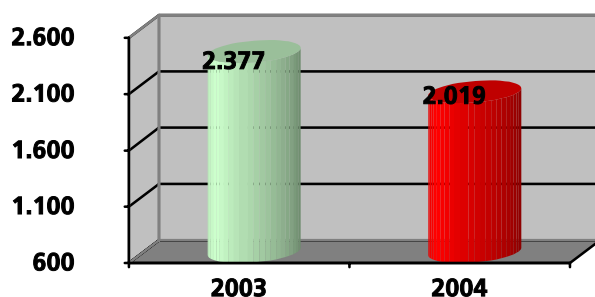
- ◆ The Andalusian Health Service has renewed its Information Systems Maintenance and Technical Support contract for a one year period for the following hospitals: the Virgen Macarena in Seville, Torrecárdenas in Almería, La Inmaculada in Huércal-Overa, Puerto Real in Cadiz, Jerez de la Frontera, the Virgen de las Nieves in Granada, and the Carlos Haya in Málaga. This contract includes the maintenance and integral support of the Hospital Information Systems on a physical level (hardware), on a network level (wiring and active equipment), and on a logic level (base and application software) for the Clinical, Logistic, and Patient Management Systems. The contract also includes Technical Assistance for the evolutionary updating of the HIS (Hospital Information System), which guarantees the adaptation of these systems to the DIRAYA environment of the Andalusian Public Health System.

- ◆ In August the negotiations were concluded so as to begin the marketing of Telvent's Trunking land radio-communication system (Tetra). With the support of our technology partner, Rohill, Telvent has finalized the marketing plans for this product, with which it has had wide experience in Mexico and China, before beginning to promote it in a new marketplace.
- ◆ Within the Outsourcing process of the Uralita information systems, carried out by HP, Telvent will provide the infrastructures for housing in both the main data centre (Alcobendas) and the backup data centre (Fuencarral). As well as these infrastructures, Telvent will provide high quality IT services and a communication system designed to permit the return of data in real-time between the two centres. This five-year contract is for an initial value of 450K euros. This contract also initiates the collaboration agreement that Telvent has signed with HP for Outsourcing and Contingency Centre projects.
- ◆ Red.es has demonstrated its continued confidence in Telvent for housing its information systems after awarding it the tender for Housing, Moving, and Administered Services. In addition to representing an extension of the existing agreement, this contract involves the expansion of services and the migration of the Red Iris systems to the Alcobendas data Centre. The initial value of the contract is 460K Euros and it will last 10 months.
- ◆ A contract for the platform implementation of Electronic Administration services developed by the Andalusian government, together with certain specific modifications designed to personalize certain platform services. One of the mainstays of this platform is the @firma product (an authentication and electronic signature platform based on digital certificates) developed in its entirety by Telvent. This contract represents the first step by Telvent in a relationship with the Castilla León local government concerning horizontal applications (this platform will serve the whole of the Castilla León local government).

- ◆ The contracting of the Health Information System (SIG) by the Health Council of the Castilla León Local Government. This project consists of the creation of the corporate SIG of the Health Council of the Castilla León Local Government, the precursor for which, was a similar system developed by Telvent for the Andalusia Local Government. Its characteristics include the administration of the spatial information associated with Public Health such as the catalogue of health resources, socio-sanitary statistics, vigilance of Public Health, etc. The sum total of the project is 227,516 euros in this initial contract and reaffirms Telvent's entry into the Castilla León Health System.
  
- ◆ Concerning the project for the administration of medical images for the Huelva Sanitary Area (belonging to the Andalusian Health Service of the Andalusia Local Government), during this month the milestone for the installation and the configuration of the storage system for the distribution of medical images has been reached. Server cluster installation and the configuration of the Databases has also been carried out, as well as the installation of the digital radiology systems in the Juan Ramón Jiménez and Infanta Elena Hospitals. The Huelva Health Area project consists of the supplying of an integrated System for the Acquisition, Storage, and Communication of Medical Images.
  
- ◆ The completion of the installation of the application servers and the user terminals, together with the adaptation and structured wiring and network electronics for the municipal offices of the La Línea de la Concepción Town Hall. The next step involves the application for personnel management and the training of the Town Council personnel. The suitable proceedings with the Governing Council of the Andalusia Local Government (the body financing the project) for the continuation in Phase II of the overall project have already been closed. This project is particularly important for Telvent as it represents the first Local Administration installation and the first step in the Digital Cities strategy initiated by the company during the last two years.

- ◆ The completion of the civil works and reforms for the preparation of the Data Process Centre of the Andalusian Company for the Development of the Information Society (Sociedad Andaluza para el Desarrollo de la Sociedad de la Información, SADESI), a public body of the Andalusia Local Government. The project consisted of preparing various rooms of the Zoco building (the headquarters of Sadesi) and converting them into a single hall that would subsequently serve as the SADESI Data Process Centre. From this Data Process Centre the whole Corporate Network of the Andalusia Local Government will be controlled.
  
- ◆ The awarding of the Consultancy and Technical Assistance tender for the maintenance of the Andalusian Public Shows and Games Information System (Sistema de Información de Juegos y Espectáculos Públicos de Andalucía, SISJUEP). This two-year contract demonstrates the renewal of the confidence that the General Office of Public Shows and Games belonging to the Governing Council of the Andalusia Local Government has shown in Telvent over the past six years.
  
- ◆ A pioneering National Health milestone. The DIRAYA project of the Andalusian Health Service is currently in the process of introducing the connection system to the User Database (Base de Datos de Usuarios, BDU) from the hospitals that have the HIS MEDICX system. Utilizing this technology, all procedures performed on a hospital patient will be compiled in their Clinical History and reproduced in real-time in the sole BDU of the over 7,000,000 citizens of Andalusia, allowing qualified consultation from any Health System access point, whether this be Health Centre, Mental Health Unit, State Health Service Hospital, another type of hospital, etc.

**Evolution of the Workforce**




The average workforce of the Information Technologies business unit to September 2004 was 2,019 employees, a 15.1% drop compared to the same period in 2003.

## 2.4 Industrial Engineering and Construction

Engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industrial, transport and services sectors. Promotion, construction and operation of conventional industrial and power (cogeneration and combined cycle) and renewable (bioethanol, biomass, wind, solar and geothermal) plants, as well as those based on hydrogen and fuel cells. Turnkey telecommunications networks and projects. Marketing of products related to the aforementioned activities, as well as the manufacturing of auxiliary equipment for the energy and telecommunications sectors.





## 2.4 Industrial Engineering and Construction

The main novelties in relation to contracts awarded, new plants, price evolution, etc., in the Industrial Engineering and Construction business unit were as follows:

- ◆ The Instituto Costarricense de Electricidad (ICE) awarded Abener, an Abengoa subsidiary, the 158 million dollar turnkey construction contract for Garabito Combined Cycle Power Plant, on the west coast of Costa Rica.
- ◆ Abengoa, through its subsidiary Inabensa, was awarded several MV/LV Rural Electrification contracts by the National Electricity Board (ONE) in Morocco for more than 31 M €. The contracts are to be executed in the provinces of Taroudant, Chichaoua and Agadir (southern area), Boulemane (central area), and Chefchaouen and Nador in the northern area.
- ◆ Likewise, this increase of activity in Magreb has lead to Inabensa being awarded packets for treatment plants, pumping stations, and electricity and telephone works for the "Saidía Mediterranean Tourist Resort" project the Spanish company Fadesa is going to execute in the north of Morocco for an approximate value of 11.8 M €.
- ◆ Inabensa has been awarded, under a JV, the contract for the works included in the Electric System project for the New Terminal Area at Barcelona airport. The contract value is approximately 19 M €.
- ◆ Likewise, Inabensa has been awarded a contract, under a 70% consortium, for the Instituto Costarricense de Electricidad (ICE), for the design,

construction, supply of equipment, materials and services, and commissioning of Palmar, Cóbano and Cahuita substations. Abengoa's share in the contract is valued at 7.2 M €.

- ◆ Powergrid Corporation of India has awarded Inabensa the 2.4 M € contract for the design, engineering and supply of equipment and materials, for the 765 kV power transmission lines circuit between Sipat and Seoni.
- ◆ Ford España, S.A. awarded us a 3 M € contract for the electric installation works in the engine shop at its Almusaffes factory (Valencia), for the C-Car project.
- ◆ Distribution (for MV and LV lines) and maintenance works (for HV lines) continue for Endesa, in Catalonia and the Balearic Isles, and for Iberdrola, in Levante and the Northern Sector, under the pluri-annual contracts we have signed. The value of the contracts for the 2004 financial year is 18 M €.
- ◆ In 2004, Abengoa, through its telecommunications subsidiary Abentel, continues to work on the global customer loop contract by carrying out installation and maintenance works for Telefónica de España. The contract value foreseen for 2004 is 46 M €.
- ◆ In relation to solar energy, work commenced in June 2004 on the construction of the largest solar power plant using tower technology and heliostat field technology with an 11 MW output, and the funding for the construction of a 1.2 MW two-fold concentration photovoltaic plant has been closed. Likewise, three new companies have been set up to develop the new solar projects.
- ◆ Hynergreen, an Abengoa subsidiary for the development of fuel cells, has become a member of the Advisory Board of the European Hydrogen and Fuel Cell Technology Platform, recently launched by the European Commission.

The Platform's main objective is to facilitate and accelerate the development and use of European fuel cells and hydrogen-based energy systems.

Argentina:

- ◆ Installation of cellular telephone antennae in Argentina. The project consists of the construction of new link points (sites), for the installation of cellular telephone antennae, with possible co-locations on existing structures belonging to other operators, or on building rooftops.

The execution of the works, supply of materials, supervision and other corresponding elements will be the responsibility of Teyma Abengoa, with the exception of the antennae and equipment to be installed, which will be the responsibility of CTI Móvil.

Chile:

- ◆ Installation and commissioning of the Ventilation System for the Diablo Regimiento Project, for Codelco Chile El Teniente Division. This project is being executed in its entirety inside Codelco's El Teniente Mine (Sixth Region) at levels Sub 6 and Sub 8, approximately 10 kilometers inside the mountain and 500 meters below the surface. Access to the tunnel is at 2,300 meters b.s.l.
- ◆ Transelec, Changing of Breakers at Antuco Power Plant. The works under this contract commenced in March and are scheduled for completion in October 2004.
- ◆ The Ciruelos Substation Project and supply line to the Valdivia cellulose plant, for Celulosa Arauco y Constitución, has been handed over.
- ◆ The Chena- Maipú HV Line, for Chilectra.
- ◆ El Monte Sewage System, 11 Kilometers of collectors for Aguas Andinas.



Uruguay:

- ◆ The Solis Theater was inaugurated on August 25<sup>th</sup>. Its reconstruction was carried out by Teyma Uruguay and the company will also look after its maintenance over the next six years. The inauguration ceremony took place 50 days ahead of the contracted date. Teyma has been the contractor in charge of the entire Solis Theater reconstruction contract. This has involved it taking full responsibility for the integral recovery of the Solis Theater's central body, restoring the sections and elements considered to be of national heritage interest and constructing new edifications and installations to meet the project's modern design specifications.
- ◆ Contract with Ambev, in Peru, to perform the civil works for a brewery in Lima.
- ◆ Pre-awarding of a contract for two wastewater treatment plants.

Peru:

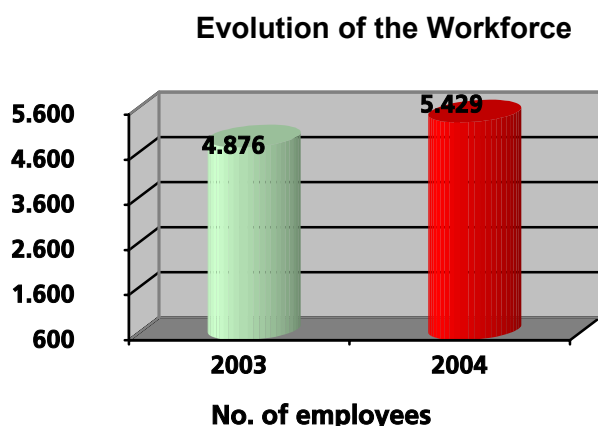
- ◆ Fanning out Center for the Von Humboldt Center.
- ◆ Civil works for the construction of a brewery for Ambev.
- ◆ Civil works for a water treatment plant for Dedini.
- ◆ Northern Interceptor for Sedapal.
- ◆ Renewal of the Low Voltage Networks in Chiclayo, for Electronorte.
- ◆ Primary and secondary networks and connections in Trujillo, for Hidrandina.
- ◆ Primary and secondary networks and connections in Tingo María, for Electrocentro.

Brazil:

- ◆ Signing of the contract with the National Electric Energy Agency (ANEEL) for the new ATE Energy Transmitter concession to build and operate the 525 kV Londrina-Assis-Araraquara line.
- ◆ The Northeast Energy Transmitter, the Xingó-Angelim and Angelim-Campina Grande line, concession period commenced in January. This will result in recurring income of 62.3 million Reales a year. Abengoa holds a 50% share.

Mexico:

- ◆ Relocation of the 115 kV Hermosillo line - Contract C 2003/004 for Abener. Completed on 15.01.04.
- ◆ Project 55 - Contract PIF 001/2003: Two 230 kV lines and two 230/115 kV substations for CFE. Completed on 09.01.04
- ◆ CFE: Project 706 - Contract PIF 001/2003: Eleven 230/138 and 115 kV lines and ten 400/230/138 and 115 kV substations. Contract signed on 15.01.04



The average workforce of the Industrial Engineering and Construction Business Unit was 5,429 for the first nine months of 2004, an increase of 11.3% on the average for the same period in 2003.

## 3

## 3. Evolution of the Businesses. Highlights

**3.1 Bioenergy**

Bioenergy	Sep. '04	Sep. '03	Var (%)
Sales	239.5	235.7	1.6
Ebitda	32.0	27.0	18.5
Ebitda/Sales	13.4%	11.5%	

The Bioenergy business unit's accumulated sales to September were 239.5 M € as against 235.7 M € for 2003, a 1.6% increase which is mainly due to exports in Europe and the increase of sales in the US. This was achieved in spite of the 9.3% depreciation of the dollar compared to the same period the previous year.

The Ebitda increased 18.5% from 27.0 M € in 2003 to the current 32.0 M €. The increase is mainly centered in Europe where, in spite of the poor price scenario, results have improved as a consequence of the greater sales volume (export contracts) and the optimization of plant performance levels. In the US, the higher grain prices have been compensated by the improvement in ethanol prices and the same Ebitda level has been maintained.

**Main Highlights**

- ◆ The accumulated volume of ethanol sales to September 2004 was 182.6 million liters in Europe and 81 million gallons in the US. To September

2003, 151.7 million liters had been sold in Europe and 75.7 million gallons in the US.

- ◆ Up to September 2004, the tendency in the price of ethanol has been a slight drop compared to prices in the 2003 financial year, although a recovery has been made towards the end of the period, and accumulated average prices to-date of 0.525 €/liter have been obtained (compared to a price, for the same period in 2003, of 0.535 €/liter). In the United States, taking into consideration the figures to September for both years, the tendency has been favorable at 1.25 US\$/gallon (compared to 1.14 US\$/gallon in 2003). Considering the same period, the price of grain has risen sharply in Europe to 148.5 €/ton (compared to 131.5 €/ton), and in the United States, where the company has obtained a final price of 2.78 US\$/Bu (compared to 2.54 US\$/Bu in 2003).

### 3.2 Environmental Services

Environmental Services	Sep. '04	Sep. '03	Var (%)
Sales	260.0	283.2	-8.2
Ebitda	28.4	27.8	2.2
Ebitda/Sales	10.9%	9.8%	

To September 2004, the sales of the Environmental Services Business Unit have dropped 8.2% compared to the same period in 2003, as a consequence of:

- The exit from the Goodwill perimeter of the water management companies Abensurasa, Elsur and Aguas de Baena.
- Lower execution volume in the Environmental Construction and Technology sector.

Nonetheless, in spite of the reduction in Sales, the Ebitda margin on sales has increased from 9.8% in September 2003 to 10.9% in September 2004. That is to say, a lower volume of sales is being obtained due to the divestments and lower execution volume, but margins are up on those of last year.

The evolution, by business areas, has been as follows:

- Industrial Waste Management: Its evolution continues to be positive compared to last year. To September 2003, 844 million metric tons were treated, while the number of tons has increased 3.7% to September 2004, and has reached 875 million metric tons.
- Engineering and Services: As has been previously mentioned herein, there are two main conditioning elements: firstly, the divestment strategy put into operation towards the end of last year in the Water

management activities sector and, secondly, the delay to-date in execution. In spite of the above, part of this delay is expected to be recovered during the final quarter, and a large part of the works scheduled for this year will be accumulated in the next financial year.

- Aluminum Waste Recycling: The evolution of this activity has been positive compared to last year, due mostly to the restructuring process brought into operation in 2003 which has enabled the improvement of its profit-and-loss account. Recovery can be seen in volume as well as margins in this activity.

### 3.3 Information Technologies

Information Technologies	Sep. '04	Sep. '03	Var (%)
Sales	195.1	215.0	-9.3
Ebitda	24.0	23.0	4.3
Ebitda/Sales	12.3%	10.7%	

The accumulated sales of the Information Technologies Business Unit for the first nine months of 2004 have been positive in all sectors where we operate, especially in the Environment and Outsourcings areas. In the Energy and Traffic sectors, the accumulated delay for the first two quarters due to the higher seasonal component in the 2004 financial year, which especially affects the Traffic sector, continues to recover in a positive way and according to the forecasts.

It's very positive to check the fact that the percentage of our sales from high added value applications is ever-increasing, resulting in an improvement in operating margins.

On account of all the above, the Ebitda/Sales ratio increased and went from 10.7% in 2003 to 12.3% in 2004. This is a consequence of the incorporation of higher added value products, as well as the greater contribution from the outsourcing business.

### 3.4 Industrial Engineering and Construction

Industrial Engineering & Construction	Sep. '04	Sep. 03	Var (%)
Sales	482.2	507.3	-4.9
Ebitda	59.9	61.0	-1.8
Ebitda/Sales	12.4%	12.0%	

The sales of the Industrial Engineering and Construction Business Unit in the first nine months of 2004 have decreased 4.9% compared to the previous year and have reached 482.2 M €. This is due to the depreciation of the dollar during this period, a 9.3%, and the less invoicing of Abengoa Mexico, whose sales to September 2003 reached 30.8 M €, while this year are 13.9 M €. The Ebitda has dropped 1.1 M € compared to the previous year, from 61.0 M € in 2003 to 59.9 M € in 2004. However, the Ebitda/Sales ratio has gone from 12.0% in 2003 to 12.4% in 2004.



## 4

**4. Details of the Profit-and-Loss Account**

The consolidated sales figure to September 2004 is 1,176.8 M €, a decrease of 5.2%. The Ebitda grows to 4.0% with the evolution of the Bioenergy Business Unit, with an increase of 18.5% compared to the same period in 2003, Enviromental Services Business Unit has had an increase of 2.2% and Information Technologies Business Unit has increased to 4.3%, all of this in spite of the depreciation of the dollar. The profit attributable to the parent company to September 30<sup>th</sup>, 2004 has increased 14.0% compared to the same period in 2003, and has risen to 30.8 M €.

	Sep. '04	Sep. '03	Var (%)
<b>Sales</b>	<b>1,176.8</b>	<b>1,241.2</b>	<b>-5.2</b>
<b>Ebitda</b>	<b>144.3</b>	<b>138.8</b>	<b>4.0</b>
<b>% Ebitda/Sales</b>	<b>12.3%</b>	<b>11.2%</b>	
<b>EBT</b>	<b>54.2</b>	<b>48.4</b>	<b>12.0</b>
<b>EAT attributable to parent company</b>	<b>38.8</b>	<b>34.0</b>	<b>14.0</b>
<b>Net Cash Flow</b>	<b>105.9</b>	<b>93.2</b>	<b>13.6</b>

## Highlights per Business Unit

Sales	Sep. '04	Sep. '03	Var (%)	% Sep.'04	% Sep.'03
Bioenergy	239.5	235.7	1.6	20.4	19.0
Environmental Services	260.0	283.2	-8.2	22.1	22.8
Information Technologies	195.1	215.0	-9.3	16.6	17.3
Industrial Engineering and Construction	482.2	507.3	-4.9	41.0	40.9
<b>Total</b>	<b>1,176.8</b>	<b>1,241.2</b>	<b>-5.2</b>	<b>100.0</b>	<b>100.0</b>

Ebitda	Sep. '04	Sep. '03	Var (%)	% Sep.'04	% Sep.'03
Bioenergy	32.0	27.0	18.5	22.2	19.5
Environmental Services	28.4	27.8	2.2	19.7	20.0
Information Technologies	24.0	23.0	4.3	16.6	16.6
Industrial Engineering and Construction	59.9	61.0	-1.8	41.5	43.9
<b>Total</b>	<b>144.3</b>	<b>138.8</b>	<b>4.0</b>	<b>100.0</b>	<b>100.0</b>

Ebitda/Sales	Sep. '04	Sep. '03
Bioenergy	13.4%	11.5%
Environmental Services	10.9%	9.8%
Information Technologies	12.3%	10.7%
Industrial Engineering and Construction	12.4%	12.0%
<b>Total</b>	<b>12.3%</b>	<b>11.2%</b>

◆ **Net Amount of the Business-Sales Figure**

The consolidated sales figure to September 30<sup>th</sup>, 2004 is 1,176.8 M €, a 5.2% decrease on the previous year. The decrease in sales is due mainly to the decrease experienced by the Industrial Engineering and Construction Business Unit, which went from 507.3 M € to September 30<sup>th</sup>, 2003 to 482.2 M € to September 30<sup>th</sup>, 2004.

<b>Sales</b>	<b>Sep. '04</b>	<b>Sep. '03</b>	<b>Var (%)</b>
<b>Bioenergy</b>	<b>239.5</b>	<b>235.7</b>	<b>1.6</b>
<b>Environmental Services</b>	<b>260.0</b>	<b>283.2</b>	<b>-8.2</b>
<b>Information Technologies</b>	<b>195.1</b>	<b>215.0</b>	<b>-9.3</b>
<b>Industrial Engineering and Construction</b>	<b>482.2</b>	<b>507.3</b>	<b>-4.9</b>
<b>Total</b>	<b>1,176.8</b>	<b>1,241.2</b>	<b>-5.2</b>

◆ **Ebitda**

The Ebitda figure (Earnings before interest, tax, depreciation and amortization) at September 30<sup>th</sup>, 2004 is 144.3 M €, a 5.5 M € increase (4.0% more) on the same period the previous year.

<b>Ebitda</b>	<b>Sep. '04</b>	<b>Sep. '03</b>	<b>Var (%)</b>
<b>Bioenergy</b>	<b>32.0</b>	<b>27.0</b>	<b>18.5</b>
<b>Environmental Services</b>	<b>28.4</b>	<b>27.8</b>	<b>2.2</b>
<b>Information Technologies</b>	<b>24.0</b>	<b>23.0</b>	<b>4.3</b>
<b>Industrial Engineering and Construction</b>	<b>59.9</b>	<b>61.0</b>	<b>-1.8</b>
<b>Total</b>	<b>144.3</b>	<b>138.8</b>	<b>4.0</b>

By Abengoa business units, the contribution to the Ebitda has increased in all units, with the exception of the Industrial Engineering and Construction business unit.

◆ Taxes

	Sep. '04	Sep. '03	Var (%)
EBT	54.2	48.4	12.0
Corporate Taxes	-13.0	-13.8	-5.8
External Partners	-2.4	-0.6	300.0
EAT	38.8	34.0	14.1
Tax Rate	24.0%	28.5%	

The corporate tax figure for the first nine months of 2004 is 13.0 M € compared to 13.8 M € for the same period in 2003. Therefore, the tax rate for the third quarter of 2004 is 24.0% compared to 28.5% for the same period in 2003.

◆ **Earnings After Tax Attributable to the Parent Company (Net Result)**

	Sep. '04	Sep. '03	Var (%)
<b>EAT attrib. parent company</b>	<b>38.8</b>	<b>34.0</b>	<b>14.1</b>
<b>% EAT / Sales</b>	<b>3.1%</b>	<b>2.7%</b>	

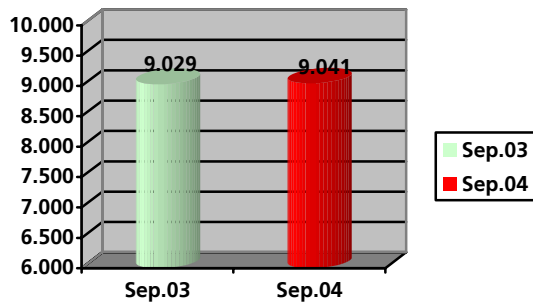
The earnings after tax figure attributable to the parent company in the first nine months of 2004 is 38.8 M €, which is 14.1% more than that obtained for the same period in the 2003 financial year (34.0 M €).

◆ **Net Cash Flow**

	Sep. '04	Sep. '03	Var (%)
<b>Net Cash Flow</b>	<b>105.9</b>	<b>93.2</b>	<b>13.6</b>
<b>% Cash Flow / Sales</b>	<b>8.5%</b>	<b>22.7%</b>	

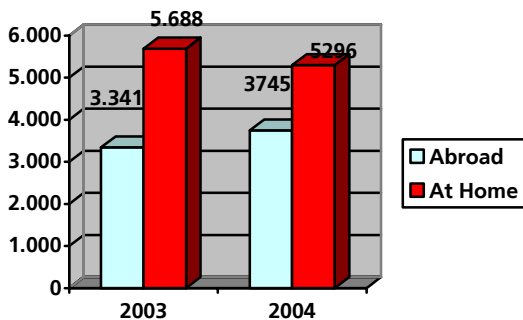
The Net Cash Flow increased 13.6% in the first nine months of 2004 to 105.9 M € (93.2 M € in the same period in 2003).

◆ Evolution of the average workforce



The average workforce increased by 12 employees compared to the same period the previous year.

◆ Origin of the Workforce



As can be seen, the average workforce dropped in Spain as a consequence of the divestments in Environmental Services while it increased abroad due to the increase in the volume of works carried out by Teyma Abengoa during this financial year and the incorporation of the workforces of STE, NTE, ATE and Expansion.

## 5. Relevant Events and other communications

# 5

Description of the events such as:

1. Relevant events reported to the CNMV
2. Stock Exchange Evolution



## 1. Relevant events reported to the CNMV

### Details of the Relevant Events

- ◆ **Written communication of 01.09.2004 (number 52452).**
  - The Company forwarded the information for the First Six Months of 2004.
  
- ◆ **Written communication of 06.09.2004 (number 52641).**
  - The Company informs regarding the provenance from Central Court number 4 in relation to the extension of the criminal investigation into the roles of Mr. Manuel Sánchez Ortega and Mr. Miguel A. Jiménez-Velasco in connection with the proceedings under way in that Court in relation to the acquisition of a shareholding in Xfera Móviles S.A.
  
- ◆ **Written communication of 21.09.2004 (number 52854).**
  - The Company informs of the resolution adopted by the Board of Directors on September 15<sup>th</sup>, 2004, in relation to the terms for implementing a program to purchase company's own shares.
  
- ◆ **Written communication of 04.10.2004 (number 53062).**
  - The Company informs in relation to the official listing admission process of Telvent GIT, S.A. on the NASDAQ, reported on May 11<sup>th</sup>, 2004, of the registering of the Information Prospectus with the U.S. Securities and Exchange Commission, to realize the public subscription offering of shares of Telvent GIT, S.A. in the United States.

◆ **Written communication of 21.10.2004 (number 53355).**

- Further to the aforementioned, the Company reports that on October 21<sup>st</sup>, 2004, the execution and subscription of the increase of capital of Telvent GIT, S.A., has been successfully completed, and the effective listing of Telvent GIT commenced on the American NASDAQ stock exchange. The admission for official listing implies the continuation of the expansion strategy developed for the Information Technologies activity, through the obtaining of funds to finance the growth of this Business Unit, the strengthening of its financial structure and increasing its potential by developing R&D&I investments.

◆ **Written communication of 20/10/2004 (number 17070).**

- The Company forwards a written communication in which it categorically denies certain allusions that have appeared in different means of communication in relation to the supposed link of its subsidiary Instalaciones Inabensa S.A. with payments made by third parties to government officials/civil servants in Costa Rica.

## 2. Evolution on the Stock Exchange

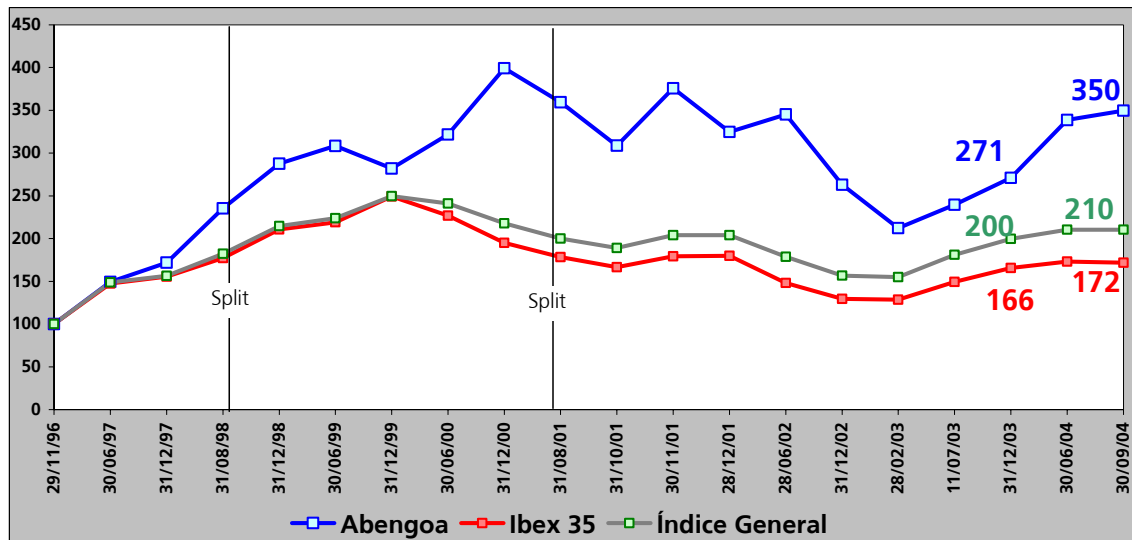
### Share Performance

As on the September 30<sup>th</sup>, 2004 the company believes the free float to be 43.96% if the shareholding of Inversión Corporativa I.C.S.A. and its subsidiary Finarpisa (56.04%) is deducted.

According to the figures given to the company by the Sociedad Rectora de la Bolsa de Valores de Madrid (Governing Body of the Madrid Stock Exchange) 25,485,245 shares were traded during the first nine months of 2004. The average volume of daily trading during the first nine months was 133,431 securities compared to 131,701 in 2003 (a 1.3% increase). The minimum, maximum and average listed share prices during the first nine months of 2004 were 5.73 Euro, 7.81 Euro and 6.91 Euro respectively. The closing price listed for Abengoa shares on the September 30<sup>th</sup>, 2004 was 7.44 Euro, 40.6% up on that of September 30<sup>th</sup>, 2003, and 250% higher than the share price established for the Public Offering on the 29<sup>th</sup> November 1996.

### Evolution since its Initial Public Offering in 1996

As a historical reference, since Abengoa's Initial Public Offering on the 29<sup>th</sup> of November 1996, the company's securities have increased 250% which is 3.5 times the initial price. During this same period, the Madrid Stock Exchange has increased 110% and the select IBEX 35 has gone up 72%.



## Disclaimer

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Avda. Buhaira 2  
41018 Seville (Spain)  
Tel. 0034 954937000  
Fax. 0034 954937002

**ABENGOA**

**Juan Carlos Jiménez Lora**  
Investor Relations Department