

ABENGOA



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



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



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



With Information Technology... we transform data into knowledge, providing effective operational and business real-time decision making for traffic, transport, energy and the environment



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

Presentation of Results 1^{er} Six Months 2006

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1. General Description of the Activities



In November 2006, Abengoa will celebrate the tenth anniversary of its listing on the Madrid and Barcelona Stock Exchanges. Over this last decade, the growth of the company's results has shown considerable solidity. In this sense, the results have increased an compound annual growth rate (CAGR) of 30%, as a consequence of the new Bioenergy, Solar, Environmental Services, and Information Technology activities, and also of the internationalization of our traditional activities. Over this same period, the Sales abroad have increased at an CAGR of 20.4%.

The keys to this notable increase on results lie in, among others, a succession of well-conceived strategic decisions coherent with the Strategic Plan, among which the following are of note:

2000

- A 300 M € investment to acquire Befesa through a takeover bid.
- Start-up of the first Bioethanol facility in Spain with an initial production capacity of 100 M liters/year (currently 150 M liters/year), which required a 93.8 M € investment.

2001

- Sale of the wind power activity for 109 M €.

2002

- Acquisition of High Plains Corporation (now Abengoa Bioenergy Corporation), the fifth largest bioethanol producer in the United States (current production capacity of 108 M gal/year), by means of a 100 M € takeover bid.
- Start-up of the second Bioethanol facility in Spain (Bioetanol Galicia), with a 126 M liters/year production capacity (currently 176 M liters/year), which required a 92.1 M € investment.
- Awarding by the United States Department of Energy (DOE) of an R&D&I project to enhance ethanol production process technology, utilizing biomass to improve the economy of process and increase energy yield from ethanol production and, thereby, reduce the production cost thereof and make it more competitive with gasoline. The total investment, co-funded by the DOE, is 35.4 M \$US, from 2003 to 2006.

2003

- Acquisition of Metso Corporation's Network Management Solutions Division now called Telvent Canada and Telvent USA, which put Telvent in a leading position at international level in the Real-Time Control and Information Systems market for the oil, gas, and electricity sectors, and for the water sector.
- Commencement of the construction of the third Bioethanol facility in Spain, in Babilafuente, which produce 200 M liters/year of Bioethanol for direct blending in gasoline. The raw material will be grain, wine alcohol and biomass, the latter in a Bioethanol production facility that will be the first of its kind worldwide.

2004

- Commencement of the effective listing of Telvent GIT on the American NASDAQ technological market, which facilitates the continuity of the expansion strategy for the Information Technology activity, while also increasing its potential through the development of R&D&I activities.
- Commencement of the construction of the largest thermoelectric solar energy power plant to use tower and heliostat field technology for an 11 MW output, and the construction of a 1.2 MW two-fold concentration photovoltaic power plant.
- Acquisition of the North American company Miner & Miner Consulting Engineers Incorporated (M&M), one of the world leaders in the development and implementation of Geographic Information Systems (GIS) software.

2005

- Abengoa Bioenergía, through AB Bioenergy France, received authorization from the French Government to produce 40,000 tons per year of bioethanol at a plant to be constructed in the southwest of France. This project will be Europe's first corn-based bioethanol production facility. The end capacity of the project will depend on the Government's resolution in relation to the second round of authorizations, the public tendering for which is scheduled for sometime in the first half-year of 2006.
- Commencement of the construction of the fourth bioethanol facility in Nebraska (US) which will produce 330 million liters per year. To finance the project, a 90 million dollar credit has been obtained in the US financial market, in which sixteen institutional investors are participating. The facility will be that with the highest capacity in Nebraska and one of the largest in the US.

- Acquisition of the Perth based Australian company Almos Systems, a leading provider of meteorological solutions. With the integration of Almos Systems (now Telvent Australia), access is gained to a full range of leading-edge meteorological systems and high value-add solutions. In addition, the Australian location will be strategic for the development of new business opportunities in the Asia-Pacific region, one of the world's fastest growing areas.
- Agreement with Cepsa for the construction of a biodiesel production plant on the lands of Cepsa's "Gibraltar" Refinery, in San Roque (Cadiz). The foreseen investment for the plant is 42 M €.
- Strategic agreement with GE Energy Financial Services for the sale of an 80% interest in a packet of three transmission lines in Chile, with Abengoa retaining the remaining 20% interest.

Strategic Orientation

As can be appreciated, Abengoa's strategic development has been based on the generation of options for the future by penetrating in new markets and introducing new products in its existing markets. Therefore, the growth strategy is based on the introduction of new activities in the six Operational Fields (Energy, Environment, Transport, Services, Industry and Telecommunications) in which Abengoa operates and where its five Business Units (Industrial Engineering and Construction, Information Technology, Environmental Services, Solar, and Bioenergy) complement one another.

The result of said strategy is that Abengoa now offers a combination of activities that represent a greater diversification in markets and customer portfolio, and which strengthens its capacities as regards what was its original business, engineering.

Evolution 1995 - 2005

	Engineering Company		Diversified Group with 5 different businesses	
	1995		2005	
	Sales %	EBITDA %	Sales %	EBITDA %
Business				
- Solar	-	-	-	-
- Bioenergy	-	-	19	20
- Environmental Services	6	1	20	19
- Information Technology	23	31	18	15
- Industrial Engineering and Construction	71	68	43	46
Geography				
	%		%	%
USA and Canada	-		13.4	5.0
Latin America	23.7		24.3	29.0
Europe (excluding Spain)	2.9		6.0	6.0
Africa	0.9		2.3	1.0
Asia	2.3		2.3	2.9
Oceania	-		0.2	0.1
Total Abroad	29.8		48.5	44.0
Total Spain	70.2		51.5	56.0
Consolidated Total	100.0		100.0	100.0

The Value of Human Capital

However, a well-conceived strategy is not sufficient to ensure success. One must possess human capital, the persons required to successfully conduct all the strategic planning. That need extends to all members of the company's Workforce, but is especially necessary in those responsible for the design, implementation or adaptation of the company's strategy to the changing circumstances of the business context.

Only when there is capable management staff, trained and experienced in their respective specialties that are motivated and feel bonded to the Company and its future, can the Company feel confident about attaining its business goals.

Fortunately, it can be said that Abengoa now has a management team of these characteristics. It is a management team trained by persons with enormous professional capacity, with in-house experience, and within the same, in the fields of activity or the Operational Sectors in which they work.

If the strengthening of the links between the company and its principal managers has always been of importance, it can now be classified as essential.

Over the next ten years the company must take on ambitious challenges:

- **Development of an Innovation strategy**, focused on results that enables diversification to be increased by creating new products and services and developing new markets, increasing differentiation by improving and adapting existing products and enhancing processes

Main Projects	2004		2005		2006 (F)	
	M €	% / Sales	M €	% / Sales	M €	% / Sales
Enhancement ethanol efficiency (residual starch)	1.0		1.1		1.9	
Biomass conversion to ethanol	3.8		13.5		25.6	
Hydrogen Technology. Fuel Cells	0.6		2.7		3.6	
Enhancement aluminum efficiency	0.6		0.2		0.1	
Vitrification	0.8		0.0		4.0	
Environmental Technology Center	0.0		0.0		0.5	
Desalination	0.0		0.0		1.1	
Electricity, environmental, oil and gas control centers	6.4		6.8		7.1	
Road and rail traffic, and ticketing systems	3.7		3.6		4.0	
Public Administration support systems	1.5		2.1		2.2	
Geographic Information Systems (GIS)	0.0		2.2		2.3	
Solar Energy	0.6		31.7		17.6	
Other Projects	4.3		2.0		4.5	
Total Inversión I+D+i	23.3	1.3%	65.9	3.3%	74.5	3.1%

- **Increment the Investment strategy**, especially in the areas related with Bioenergy (new ethanol facilities in Europe and the United States), solar (with an ambitious construction plan for solar power plants until a global installed output of more than 302 MW is achieved), Desalination (where, in 2005, we have been awarded three desalination plant contracts in Algeria and one in India), High-Voltage Line Concessions (in Latin America and Asia) as well as future Public Building concession contracts both in Spain and abroad, and also in other more mature sectors such as Environmental Services and Information Technology, through the acquisition of other companies in the sectors.
- **Strengthen geographic diversification** by developing the markets where, in principle, the greatest possibilities for expansion exist and in which Abengoa already operates, which are basically the United States, Canada, China, India, Brazil and Europe.

Activity Abroad							
Exportation and Local Company Sales	2005		2004		1995		CAGR (95-05)
	M €	%	M €	%	M €	%	%
- USA and Canada	270.3	13.4	228.2	13.1	0.0	0.0	-
- Latin America	492.3	24.3	299.1	17.1	121.8	23.7	15.0
- Europe (excluding Spain)	122.2	6.0	123.5	7.1	14.7	2.9	23.6
- Africa	46.3	2.3	33.2	1.9	4.9	0.9	25.3
- Asia	47.3	2.3	27.7	1.6	11.9	2.3	14.8
- Oceania	3.4	0.2	0.3	0.0	0.0	0.0	-
Total Abroad	981.8	48.5	712.0	40.8	153.3	29.8	20.4
Total Spain	1,041.7	51.5	1,034.1	59.2	360.9	70.2	11.2
Consolidated Total	2,023.5	100.0	1,746.1	100.0	514.2	100.0	14.7

With the Company's resources and maximum commitment of its management staff, Abengoa will grow in size, get stronger and, above all, become more profitable.

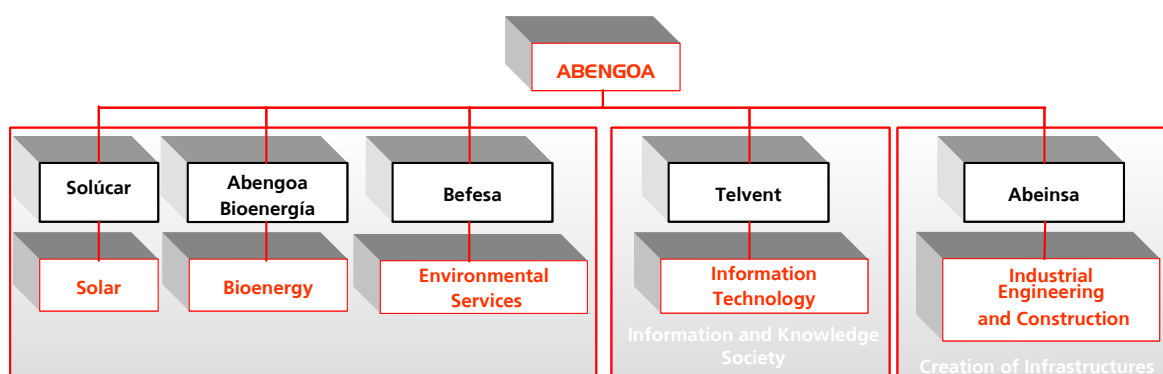
Current Configuration and Nature of its Business

There are two types of products in Abengoa:

- **Integrated Product:** in which the responsibility is global, including from the active promotion of the business, with or without investment in the capital, to the providing of financing solutions, the defining and design of the technologies to be applied, the turnkey construction and subsequently the Business Operation, Maintenance and Management Service. With these products there is a clear recurrence that endows more stability on Abengoa's financial statements (business induced).
- **Conventional Product:** in which a specific item or service is sold and the investment in which goes against the customer's balance sheet and, in addition, in which we are not responsible for the management thereof.

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

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



It provides solutions for

- **Sustainable development:**

- ✓ Abengoa produces 687 million liters of ecologic gasoline per year which avoids the emission of 1,459,078 tons of CO₂ to the atmosphere, which is equivalent to the annual emissions from a fleet of 600,000 vehicles.
- ✓ Abengoa produces 2,068.497 MW/h per year of electricity from cogeneration, which means the avoid of the emission of 910,097 tons of CO₂ were this energy to be produced by conventional carbon thermoelectric power plants.
- ✓ Abengoa has a production plan for 302 MW of electric energy using the sun, equivalent to the annual consumption by a population of 500,000, which will prevent the emission of 742,900 tons of CO₂ per year.
- ✓ Abengoa treats more than 1,653,000 tons of industrial wastes, dedicating them to the production of new materials through the recycling of more than 708,000 tons.
- ✓ Abengoa has increased desalination capacity to 900,000 m³/day, which will enable supply for a population of 4.5 million.

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

- ✓ Manage more than half the movements of hydrocarbons in pipelines in North and Latin America.
- ✓ Transport and distribute more than 140,000 GW/h that provide electricity for a population of more than 80 million.

- ✓ Control vehicle traffic at more than 6,000 intersections that are used by more than 170 million people per day.
- ✓ Manage the displacements of more than 2,500 million passengers per year on train and metro networks.
- ✓ Provide landing and take-off security and efficiency for more than 100 million passengers a year at more than 100 airports.
- ✓ Manage water distribution for a population of more than 25 million throughout Europe, North America, Latin America and the Middle East.
- ✓ Enable 13 million users at more than 4,000 universities and research centers throughout Europe to exchange information.
- ✓ Provide the technological infrastructure from which news is distributed 24 hours a day to more than 400 million Spanish speaking inhabitants worldwide.
- ✓ Ensure the correct distribution of more than 1,000 million liters of gasoline per month, sufficient to fill the fuel tanks of more than 22 million cars.
- **Infrastructure Creation:**
 - ✓ Abengoa has constructed energy generation plants that, with a global installed rating of more than 5,000 MW, supply electric energy for a population of more than 4 million on four continents.
 - ✓ Abengoa possesses 4,072 km of high-voltage lines under concession contracts in Latin America, with a capacity of almost 9,300 MW, equivalent to the annual needs of a population of 10 million.
 - ✓ In Spain, in 2005, Abengoa has installed almost 110,000 new ADSL lines that allow more than 500,000 people to have broadband access to new value-add services.

2. Main Novelties by Business Unit

2



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



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



The main milestones as regards contracts, new plants, evolution of prices, etc., in the Solar Business Unit were as follows:

- ◆ Solúcar Energía, the parent company of Abengoa's Solar Business Unit, was visited by the representatives of twenty-five countries from the committee of experts from the solar energy sector, who participated in the SolarPACES International Symposium, held in the city of Seville.

During this symposium, the attendees visited the PS10 plant, the first tower technology thermoelectric power plant, and the Sevilla PV plant, the largest commercial photovoltaic solar energy power plant; both of which are scheduled to be brought into operation during the second half of this year.

- ◆ Solúcar has presented the Sanlúcar la Mayor Solar Platform to the town's local authorities. The objective thereof is the execution of different solar energy generating projects up to an output of 300 MW. Following the presentation made by Pedro Robles, managing director of Solúcar Energía and project chief, the municipal authorities were given a guided tour the different plants.

With this Solar Platform, Abengoa will install, in the municipal district of Sanlúcar la Mayor, the largest complex in the world dedicated to the production of solar energy destined for the public supply network. The overall investment in the projects is estimated at around 1,200 million euro throughout their different phases.

- ◆ Following several years of research and development of the technology, known as tower and heliostat field, for electric energy harnessing from the renewable solar resource, construction work is being completed on the world's first solar thermal tower plant that will produce electricity in a stable and commercial manner.

The 11 MW plant has been designed to produce 23,000,000 kWh a year, sufficient energy to supply a population of 10,000.

- ◆ Likewise, the construction of a 1.2 MW two-fold concentration photovoltaic plant is nearing completion. This plant, which utilizes the concepts of two-fold concentration and two-axis sun tracking, will produce around 2.4 GWh of electricity, which it will evacuate to the electricity grid as a Special Regime production facility.
- ◆ In addition, once the necessary license obtaining stage has concluded, construction is going to begin, in 2006, of a 20 MW solar power plant, with tower and heliostat field technology and saturated steam generation in the solar receiver.

Evolution of the Workforce



The average workforce of the Solar Business Unit during the first half of 2006 was 32 people.

A collage of laboratory glassware including beakers and flasks containing various colored liquids (green, yellow, red, blue) under different lighting conditions. The text '2.2 Bioenergy' is overlaid in large white font.

2.2 Bioenergy

Abengoa Bioenergía is its holding company. The Business Unit is dedicated to the production and development of biofuels for transport, bioethanol and biodiesel, among others that utilize biomass (cereals, cellulosic biomass, and oleaginous seeds) as the raw material. The biofuels are utilized for ETBE production (gasoline additive), or for direct blending in gasoline or gas oil. Given that they are renewable energy sources, biofuels reduce CO₂ emissions and contribute to the security and diversification of the energy supply while reducing the dependency on fossil fuels utilized in the transport sector and helping towards compliance with the Kyoto Protocol.



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



The most important milestones as regards contracts signed or projects developed in the sectors in which Abengoa Bioenergy operates were as follows:

- ◆ The company AB Bioenergy France (ABF), in which Abengoa Bioenergy, an Abengoa subsidiary and holding company of the Bioenergy Business Unit, holds a 56 percent share, celebrated the foundation stone laying ceremony at the bioethanol production facility site in Lacq, in the south of France.

The Lacq facility will be capable of producing 200,000 tons of bioethanol utilizing corn and wine alcohol as raw materials, and it is being constructed on the basis of the French Government having awarded an overall tax relief on 100,000 tons.

It is the first bioethanol facility in Europe that will utilize corn as the raw material, something that is very common in the United States. The investment to be made is approximately 180 million euro.

The first phase (40,000 tons) is scheduled to come into production in 2007, with the plant's maximum production capacity to be reached in 2008.

- ◆ Biocarburantes Castilla y León (BCL) has been gradually brought into operation during the months of April and May and is expected to reach 100 per cent of its production capacity within the next two months.

The production capacity of the BCL facility, in which Abengoa and Ebro Puleva each hold a 50 per cent interest, is 200 million liters of bioethanol per year utilizing 473,000 tons of wheat as raw material. In addition to the bioethanol, the facility will produce 166,000 tons of a compound, DDGS,

which is utilized to manufacture feedstock, and it will also produce electricity for self-consumption and will export some 150,000 MWh/year to the grid.

Of special note is the fact that some of the bioethanol will be produced by the conversion of biomass from grain by means of a novel technology at world level that is being developed by Abengoa as part of its intense R&D program.

The bioethanol produced will be exported and utilized to produce ETBE, a gasoline additive that reduces the contaminating emissions from this fuel.

The start-up of the Biocarburantes de Castilla y Leon facility is of great importance for Abengoa Bioenergy as it consolidates its leading position in the European bioethanol market by increasing its production capacity by 60 per cent, to 526 million liters per year.

- ◆ Abengoa Bioenergy consolidated its leadership position in Europe upon the signing of three contracts to supply more than 180 million liters of Bioethanol to the EU in 2006. Exports during the first six months exceeded 67 million liters, compared to the 33 million liters exported over the same period the previous year.

- ◆ Last March, the capitol of the state of Texas was the scenario for a ceremony, attended by the Lieutenant Governor, David Dewhurst, representatives of Abengoa Bioenergía, GM y Kroger, to announce the new E85 fuel distribution agreement for two major metropolitan areas, Dallas and Houston, under which Abengoa Bioenergy, with the support of the National Ethanol Vehicle Coalition (NEVC), will supply E85 to the Kroger company filling stations.

GM is the largest manufacturer of flexible fuel vehicles in the United States, with 1.5 million vehicles already having been sold.

Kroger is the second largest chain of stores in the United States, behind Wall-Mart, with more than 2,400 sales outlets, and it is present in all the states in which Abengoa Bioenergy currently has bioethanol facilities in operation. Abengoa Bioenergy will supply the fuel to Kroger's fueling stations from its Kansas and Nuevo Mexico facilities.

For Abengoa Bioenergy, this collaboration agreement is only the beginning of the E85 supply campaign given that the company is in talks with other important fuel retailers in the States with a view to reaching E85 supply agreements with them.

- ◆ The Focus-Abengoa Foundation, together with F.O. Licht, inaugurated the fifth edition of the international conference entitled "World Biofuels 2006" in the Foundation's Hospital de los Venerables headquarters. The inauguration ceremony was attended by Isabel de Haro, Secretary General for Industrial and Energy Development of the Regional Government of Andalusia's Department of Innovation, Science and Enterprise; Jorgen Henningsen, chief adviser of the European Commission's Directorate General of Transport and Energy; Javier Benjumea, chairman of both the Focus-Abengoa Foundation and Abengoa itself; Javier Salgado, chairman of Abengoa Bioenergy; and Christoph Berg, assistant-manager of F.O. Licht.

F.O. Licht's 5th annual World Biofuels conference analysed how the market increases promised by governments in Europe and the rest of the world can be made a reality. Bringing together senior executives from government, biofuels producers, car manufacturers and oil companies, this conference will once again provide a high level forum for leaders in this dynamic industry.

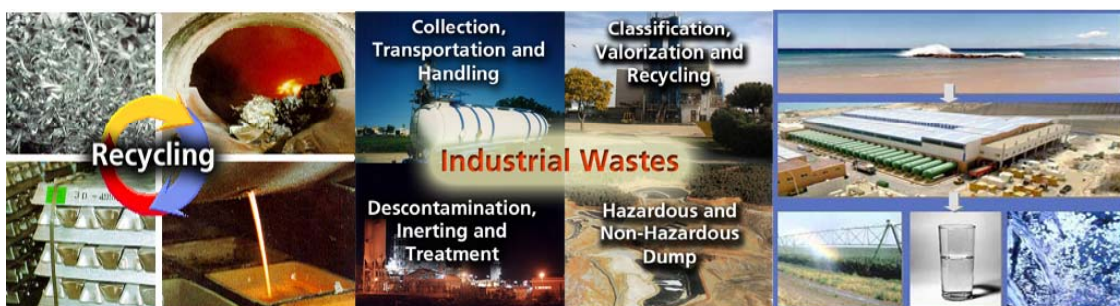
This cycle is one of the activities developed by the Thinking Forum on the Environment and Sustainable Development that, through the Focus-Abengoa Foundation, has been set up with the main objective of it being a valid tool for reflection and action at the highest level that promotes knowledge of, and the creation of public opinion on these matters.



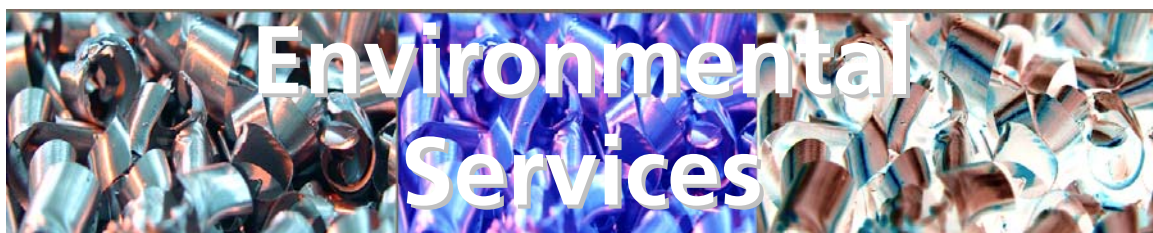
The average workforce of the Bioenergy Business Unit in the first half of 2006 was 500, a 37.0% increase on the 2005 figure.

2.3 Environmental Services

Befesa Medio Ambiente, the holding company of Abengoa's environmental services Business Unit, focuses its activity on providing environmental services for industry and on the construction of environmental infrastructures, while conducting aluminum waste recycling, zinc recycling, industrial waste management and environmental engineering activities.



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



Environmental Services

The most important milestones as regards contracts signed or projects developed in the sectors in which the Environmental Services Business Unit operates, in the first half of 2006, were as follows:

- ◆ **Aluminum Waste Recycling.**- During this year 151,000 tons of aluminum-content wastes were treated. This is an increase of 15.0% on the same period the previous year, and the fact that all the plants have operated satisfactorily is especially noteworthy.

Befesa has signed three important contracts, through its Division dedicated to the design and sale of equipment for the aluminium and zinc industry, with the aluminium producers Slovalco (Slovakia), Aluminium Bhareim (Bhareim) and Sohar Aluminium (Oman), for the construction of ingots belts to increase the aluminium pouring production level while also enhancing the quality of the ingots themselves. The contracts are for €1 million, €3.9 million and €4 million, respectively.

- ◆ **Zinc Waste Recycling.**- During the first half of 2006, 110,000 tons of zinc and sulfur-content wastes have been treated.

During the first half of 2006, Befesa Zinc Aser has continued the construction and installation works for the new Waelz kiln that will replace the existing one and increase production capacity by around 50,000 tons (50% extra).

The completion and commissioning thereof is scheduled for the last quarter of 2006, and the work schedules to date have all been met.

Befesa Zinc Sondika, a company belonging to the Zinc Waste Recycling Business Unit, has obtained the Environmental Management Certificate pursuant to standard UNE-EN-ISO 14001:2004 established by the Spain Standardization and Certification Association (AENOR). This certificate guarantees that Befesa Zinc Sondika meets all the requirements established in said standard, while also having continuous improvement mechanisms defined as objectives to ensure that its activity is conducted in an environment-friendly manner.

- ◆ **Industrial Waste and Cleaning Management.**- In the first half of 2006, some 509,000 tons of industrial wastes have been treated, which is in excess of the volume treated over the same period in 2005.

The Albega industrial waste treatment center has been certified in accordance with the EU Eco-Management and Audit Scheme (EMAS) Regulation 761/01.

The Spanish Standardization and Certification Association (AENOR) awarded Befesa Gestión de Residuos Industriales the Environmental Management certificate that guarantees that all the activities conducted at its La Puebla de Alfindén center meet the requirements of the environmental management standard UNE-EN-ISO 14001:2004. The scope of the certificate includes the management of waste from the autonomous regions of Aragon, Navarra, Castilla and Leon, the Basque Country, and La Rioja.

Befesa was awarded the Andalusia Environment Prize, under the enterprise environmental management modality for its work in conserving and preserving the environment. The company is dedicated to providing environmental services for industry and the construction of environmental infrastructures, and it outstood for having certified environmental management systems implemented at its facilities. In addition, in 2005 it invested more than a million euro in research, development and innovation programs and projects, which are an important part of the company's

growth strategy. The company's chairman, Javier Molina, collected the prize at the ceremony.

Befesa inaugurated the new hazardous waste transfer facility that Rimacor, a company in which Befesa has the majority shareholding, has in Lucena, in the province of Cordoba. The 15,000 ton per year waste treatment facility is licensed to manage all hazardous industrial wastes pursuant to Royal Decree 952/1997, and Ministerial Order MAM/304/2002, with the exception of biosanitary, explosive, radioactive and infectious wastes. Due to its geographical location, the wastes the new plant will receive for treatment will be mostly from the timber sector: non halogenated solvents, resins, varnishes, paint and/or sanding powders, among others.

- ◆ **Environmental Engineering.**- In this period, important contracts have been obtained, of note among which are:

The Ministry of the Environment has awarded Befesa the contract, for more than 10 million euro, for the design and construction of the wastewater grouping collectors and treatment plants for the villages of Almonte, Rociana del Condado, and Bollullos Par del Condado, in the Doñana National Park.

ACESA, the Ebro Valley Public Water Company, has awarded Befesa the project to supply water to 46 municipalities in the autonomous region of La Rioja, known as the Oja-Tirón system, worth more than €18 million. Befesa will construct the infrastructures required to resolve the supply problems in this region and guarantee the operation of the system to supply a population that is expected to reach 76,000 by 2025.

Befesa has been awarded a two million euro contract by the company Gestión Medioambiental, S.A (EGMASA), which belongs to the Department of the Environment of the Regional Government of Andalusia, to design and construct the new wastewater treatment plant to cover the needs of the municipalities of Durcal and Nigüelas, in the province of Granada. The

treatment plant will be capable of treating the wastewater from a population of 8,000 and also of being enlarged according to the needs of the area.

Befesa will invest more than four million euro to resolve the water supply problem of the Barcelona municipalities of Sallent Avinyó, Artés and Calders, and the villages in the Morisco mountain range. The objective of the works is to draw off water from the river Llobregat, make it drinkable and subsequently distribute it.

Befesa has been awarded the contract to construct two hydroelectric plants for the dams at Pedrezuela and Valmayor in Madrid for Canal de Isabel II, valued at four million Euros. Valmayor and Pedrezuela are two of the reservoirs in Madrid's water supply system that are managed by Canal de Isabel II. Valmayor, with 124.4 cubic hectometre, controls the water from the River Aulencia, but is primarily fed by the Guadarrama, whose water it receives via the «Las Nieves» feeder. Pedrezuela, with 41 cubic hectometre, controls the River Guadalix.

Befesa Fluidos has been selected by Epremasa, which is owned by the Córdoba provincial government and is responsible for managing municipal wastes produced in the province, to construct a leachate unit at the waste treatment and reprocessing plant in Montalbán, for more than 0.9 million euro.

Last May, Befesa Fluidos was awarded two contracts for 1 million and 1.3 million euro, respectively, to construct two leachate treatment plants in Madrid and Zaragoza. The leachate plant to be constructed in Madrid will be at the «La Paloma» biomethanization facility located in the Valdemingomez Environmental Complex, the current dump utilized by the Madrid Local Authorities. In addition, Befesa will execute, for the Zaragoza Waste Sorting Plant, the supply, installation and start-up of another leachate plant it will construct at the same facility to treat a daily flow of 200 cubic meters.

The Geida Consortium, formed by Befesa and Codesa, both from the Abengoa Group, has signed the financing contract for the design, construction, financing and 25-year operation of the Beni Saf seawater desalination plant, in Algeria. The 150,000 cubic meters per day production capacity project had originally been awarded to the consortium in 2004. Last April, the enlargement of the plant to 200,000 cubic meters per day was agreed following negotiations with the Algerian Government and over the last few days, the project and operation financing contracts have been signed. In addition, the consortium has also successfully negotiated the enlargement of the Temclem-Hounaine desalination plant from 150,000 cubic meters per day to 200,000 cubic meters per day. The financing contract for this project is expected to be signed in September.

The company Maroc Phosphore has awarded the Befesa-Staip consortium the contract, valued at more than 12 million euro, to construct the canal to transport 75,000 cubic meters of seawater to feed the cooling system and the other services of the new phosphoric acid production lines at its manufacturing complex in Jorf-Lasfar, a locality on the Atlantic Coast of Morocco about 150 km south of Casablanca.

The Port Authority of Huelva has awarded the Joint Venture formed by Codesa and Befesa Construcción y Tecnología Ambiental the contract to execute the works required to channel the sewage generated in the recently rearranged Port Authority industrial estates, Villafría I and II, and in the outer port areas of Huelva and Punta del Sebo, a heavily industrialized area due to the presence of the Huelva chemical Pole. The project, valued at more than three million euro, includes the construction of the discharge mains and two pumping stations that will drive the wastewaters through the three sections the mains consist of.

Befesa Fluidos has achieved the ISO 14001:2004 Environmental Management System certificate from Lloyd's Register Quality Assurance, an ENAC accredited company. The certificate verifies that Befesa Fluidos takes

environmental criteria into account in the design and engineering of the installations that it creates and obliges all its personnel to take the appropriate control and protection measures for the environment in which it operates, according to the requirements established by law.



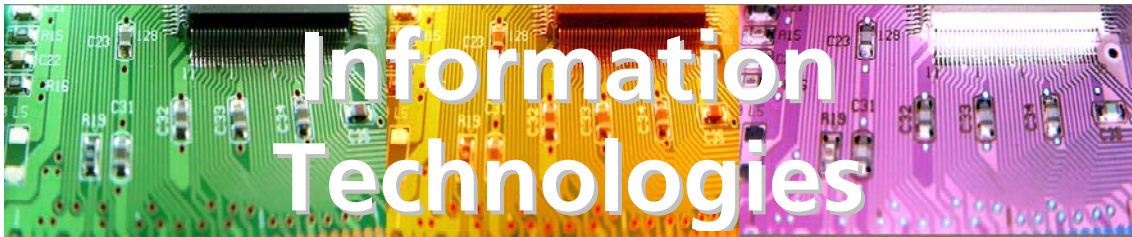
The average workforce of the Environmental Services Business Unit in the first quarter of 2006 was 1,406 employees.

2.4 Information Technologies

Telvent, the holding company of Abengoa's businesses in the Information Technology sector, is a specialist in RealTime information technology (IT) solutions with high added value in four specific industry sectors (Energy, Traffic, Transport and Environment) in Europe, North America, Latin America, the Asia-Pacific region, and the Middle East and Africa. Its technology allows companies to make real-time business decisions utilizing data control and acquisition systems, as well as leading-edge operational applications that provide companies with secure and efficient information.



With Information Technology... we transform data into knowledge, providing effective operational and business real-time decision making for traffic, transport, energy and environment.



The following information highlights the most important contract awards and project milestones categorized according to the selected industry sectors in which Telvent operates:

Energy

Oil & Gas

- ◆ Telvent has signed a contract with the South Florida Water Management District (SFWMD) for installation and support of a distributed SCADA system.
Contract Amount: 0.7 M €.

SFWMD has significant growth plans over the next five to ten years which will provide Telvent with a number of opportunities to expand our presence within the District. Additionally, the District has a number of pump stations that could potentially be converted from an Intellution iFix SCADA solution to OASyS DNA.

- ◆ Telvent was awarded a contract to upgrade the SCADA system at Toronto Hydro Electric to OASyS DNA.
Contract amount: 1.4 M €.
- ◆ Contract with Pembina Pipeline Corporation in Canada to install the SimSuite Pipeline system in three LP (Liquefied Petroleum Gas) pipelines and up to five additional lines for crude oil. Pembina has facilities to deliver crude, condensed and LP gas in Alberta and British Columbia.
Contract amount: 1.0 M €.

- ◆ Telvent received the final approval for the project commissioned from the East Bay Municipal Utility District (EBMUD) in the United States of America. EBMUD's SCADA system was upgraded from OASyS 6.2NT to OASyS DNA. EBMUD supplies water and wastewater treatment for the Alameda and Contra Costa City Councils on the east side of San Francisco Bay in northern California.
Contract amount: 0.8 M €.

Electricity

- ◆ A non-exclusive contract with Fecsa Endesa in Spain for the supply, installation and commissioning of the integrated control and protection systems of the Tramontana Plan. This plan entails the modernisation and construction of over forty substations in the distribution zone administrated by Fecsa Endesa.
Contract amount: 1.4 M €.

The contract carries great weight in this operating area of Endesa and confirms our position as the leading supplier in control systems and substation automation for this client.

- ◆ Contract with Sodean (the Energy Agency of Andalusia) in Spain for the supply of SINEA (the Andalusian Energy Information System). This project will be carried out as a joint venture with Sadiel and Isotrol and includes the tools necessary for the Andalusian provincial government to administrate the energy resources of its region.
Contract amount: 0.6 M €.

This contract is of great importance for the Spanish public administrations that have decided to increase their participation in the administration and rationalisation of energy. Furthermore it will be an excellent opportunity to use and adapt the georeferencing management tools, developed by Telvent through its US subsidiary company Miner&Miner, to the European market.

- ◆ Contract with Abengoa Chile for the supply of control and protection systems of the San Luis substation belonging to Endesa in Chile. This project includes the engineering, panel construction, configuration and commissioning of the aforementioned system.
Contract amount: 1.0 M €.

This contract is of prime importance in the Chilean electricity sector and strengthens our relationship with Endesa - one of our main clients.

Traffic

- ◆ Contract with the Barcelona City Council in Spain for the acquisition and installation of optic fibre cables, regulators, and the corresponding boxes to renew various crossroad traffic lights in the city of Barcelona.
Contract amount: 2.7 M €.
- ◆ Contract with the Barcelona City Council in Spain for the supply and installation of those elements necessary to enlarge the traffic management gigabit network, as well as the substitution of the regulation stations in Barcelona for a new model that boasts all the functions necessary to manage the current Control Centre.
Contract amount: 1.9 M €.
- ◆ Contracts with the Barcelona City Council in Spain to install traffic lights at various points in the city, which are included in the huge project currently being executed by the Barcelona City Council. The construction companies working on this project outsource the supply and installation of traffic lights and materials to our company.
Contract Amount: 0.7 M €.
- ◆ Contract with the department of public works of the Catalan government, which extends the maintenance contract currently in force to the control and security equipment for new tunnels.
Contract Amount: 1.2 M €.

- ◆ Contract with the Government of China to implement the traffic control system in the city of Jincheng. Telvent's solution will control the twenty main crossroads of the city and the traffic of over 59 intersections. All the data acquired by said systems will be processed in real time in the city's traffic Control Centre.

Contract Amount: 4.0 M €.

This project is of great importance to our company, as it consolidates our traffic systems in the strategic Asia-Pacific zone, an area where we are significantly expanding.

- ◆ Contract with the State Secretariat of Transports of Sao Paulo, in Brazil, for the modernisation of the traffic control system in lines 3 and 4 of the city, from which over 300 critical city intersections are controlled. Telvent will install the latest version of its Adaptive Traffic Control System ITACA.

Contract amount: 1.3 M €.

This contract confirms Telvent's leading position in the Brazilian market, where it has been operating for over fifteen years.

- ◆ Contract with the NovaDutra concessionaire of the CCR group in Brazil to renew the roadside SOS system on the «Presidente Dutra» road that links Sao Paulo to Rio de Janeiro. The contract consists of renewing the roadside emergency system along the 200 kilometres of this road.

Contract amount: 0.8 M €.

- ◆ Contract with Sena Letrik in Malaysia to centralise the traffic light system of Kuala Lumpur. The contract consists of upgrading the city traffic control centre of the city and installing the latest ITACA system.

Contract amount: 0.2 M €.

This new contract confirms Telvent's position in Kuala Lumpur, where there are plans to centralise the traffic light system in the majority of the city's crossroads.

Transport

- ◆ Contract with Inabensa in Spain for the supply and installation of the Passenger Information System and Identification of Trains in the new northern line of Metro Madrid. This new underground line will serve eleven stations, and from the year 2007 onwards will link the northern metropolitan zone of Madrid (Alcobendas, San Sebastián de los Reyes, etc.) with the centre of the capital. The project consists of supplying and installing 57 passenger information panels and the train identification system, which is comprised of fifteen balises.

Contract Amount: 1.0 M €.

This contract underlines the great confidence that Metro Madrid places in Telvent as its supplier of global IT solutions for the underground system.

- ◆ Contract with the Inabensa-Revenga joint venture in Spain for the supply and installation of various railway information and control systems, and for ticketing control and management systems for the Moncloa and Legazpi stations of line 3 of Metro Madrid. The following systems will be supplied: the Passenger Access Control System, the Anti-intrusion and Access Control System, the Integrated Telecontrol of permanent Fixtures, the Integrated Telecontrol and Security System, and the Train Identification System.

Contract amount: 2.6 M €.

This contract strengthens Telvent's position as the global supplier of IT solutions for Metro Madrid.

- ◆ Contract with STE Mexico DF (Electric Transport Service of Mexico City) for the partial renovation of the access control system, which was originally supplied and installed by Telvent. The project consists of the supply and installation of the management equipment and software needed to partially renew said access control system.

Contract amount: 0.1 M €.

Through this contract, the STA renews its confidence in Telvent as its supplier of global ticketing systems, and Telvent strengthens its position as the leading supplier of IT solutions for transport in Latin America.

- ◆ Contract with the Arenal joint venture for the supply, installation and commissioning of the Web.Park management and control system for Arenal's car park in Bilbao, Spain. The most novel feature of this project lies in its teleparking system, which has been very successfully installed in other car parks in Spain. This system, which has been entirely developed by Telvent, is included in the global car park control and management solution called «Web.Park» and allows the client to access and pay in the car park using OBE technology.

Contract Amount: 0.3 M €.

This project underlines Telvent's great capacity for technological innovation with respect global IT solutions for transport.

- ◆ Contract with the Llanera Group for the supply and installation of the Web.Park management and control system for the car park in Xativa (Valencia) in Spain. The car park control system is carried out from the new control centre, where the client plans to incorporate the management of other car parks.

Contract Amount: 0.1 M €.

This project places our brand as the preferred supplier of car park management and control systems for the Llanera Group, which is promoting its activity in car park contracts and transport infrastructure.

- ◆ Contract for the supply and installation of the registration number reading system for five car parks in Barcelona, Spain, to the company Cintra.

Contract Amount: 0.1 M €.

This contract consolidates Telvent as the preferential supplier of car park management and control systems for Cintra Aparcamientos, the proprietor of one of the largest car park networks in Spain.

- ◆ The inauguration of the ticketing management system of line 1 of the Tianjin underground system. In addition to the ticketing system, Telvent is responsible for the fare integration of the different metropolitan transport operators of the city: underground, bus, train, ferry and even taxis, as well as for the TETRA telecommunication system.

Contract Amount: 21.0 M €.

This project acts as a milestone in the railway sector, as it is one of the first systems in the world to be entirely based on contact-free technology using contact-free cards as an alternative to traditional tickets. The project underlines the Telvent's capacity for technological innovation and strengthens its position in the Asia-Pacific market.

- ◆ Contract with Siemens AG in Mexico for the supply and installation of the ticketing management system of the line 2 extension of Metro Monterrey-San Nicolás-Escobedo. The project includes the partial incorporation of contact-free technology in lines 1 and 2 of Metrorrey.

Contract Amount: 4.0 M €.

- ◆ Contract with SFM (Municipal Rail Service) through the joint venture formed by Telvent and Roig S.A. (Works, Services and Environment) in Spain for the supply and installation of a ticketing system for line Palma – Inca – Enllaç – Sa Pobla – Manacor. The system to be supplied is comprised of a mixed solution, which allows for the use of bar code technology and contact-free technology for the cancellation of modes of transport.

Contract Amount: 3.4 M €.

- ◆ Contract with Alstom Transporte in Spain for the supply and installation of a telecontrol system for energy and permanent fixtures, and a control centre for the tram system in Parla. The contract includes the telecontrol of

permanent fixtures in the 22 tram stations, based on Telvent's technological platform SCADA OASyS and the supply of 22 Saitel 100 remote controllers. Contract Amount: 0.4 M €.

This project strengthens Telvent's position as the leading supplier of integral railway control centres for both rail traffic and permanent fixtures.

Environment

- ◆ Contract with Aena (Spanish Airports and Air Navigation) in Spain for the supply, installation and implementation of an automated system called VOLMET for the meteorological information for aircraft in flight. The VOLMET automated system obtains meteorological information from aerodromes and generates voice messages that are automatically radioed to aircraft in flight within the air space controlled by the Air Traffic Services. Contract Amount: 0.4 M €.

With this contract, Telvent establishes its position as the main supplier of Real-Time Aeronautical Meteorological Information Systems for AENA.

- ◆ Contract with the INM (Spain's National Institute of Meteorology) in Spain for the installation of Meteorological Aids at the airport in Barcelona. On the 18th April 2006, the provisional reception of the new Meteorological Aids System took place in the airport at Barcelona. This project comprises one of the largest investments carried out in a system of these characteristics in Spain. The new equipment of the three runways and the new control tower system for acquisition, handling and presentation and the dissemination of meteorological information incorporate cutting-edge technology. Furthermore they comply with all WMO and ICAO recommendations for category IIIA operation, thereby guaranteeing take-off and landing procedures even in very low visibility conditions. Contract Amount: 1.8 M €.

- ◆ Contract with System Interface Ltd. based in the United Kingdom for the installation of an AWOS unit in the US airbase at Al Rasheed in Iraq. The Al Rasheed airbase is located at eleven kilometres to the southeast of Baghdad. The airbase is 8,300 feet long. The AWOS supplied by Telvent will be comprised of a meteorological station, basic sensors and a combined server/client system.

Contract Amount: 0.1 M €.

- ◆ Contract with INM (Spain's National Meteorological Institute) for the modernisation of their Radar Observation System. The project includes the supply, installation and commissioning of hardware and software systems for the control and processing of data from the fifteen meteorological radars that INM possesses in Spain. The project also includes a national centre to concentrate the information from all radars and other information sources (satellite, etc.) and to create improved meteorological products.

Contract amount: 3.8 M €.

This is INM's most important project and largest investment in the observation network over the last few decades, and consolidates us as the leader in meteorological information systems.

- ◆ Contract with DGCA (the Directorate General of Civil Aviation) in Kuwait to carry out the maintenance and operation services of LLWAS (the Low Level Wind-Shear Alert System) for International Airport of Kuwait during a year.

Contract amount: 0.1 M €.

- ◆ Contract with the Dutch Airforce in Holland for the supply, installation and commissioning of ATIS (Automatic Terminal Information System) for the airport at Eindhoven, which is used by both civil and military aviation. The project consists of the supply, installation and implementation of an airport information system (ATIS) for the airport at Eindhoven. Furthermore, the contract also includes the maintenance service for fifteen years and hardware upgrades after seven and twelve years.

Contract amount: 0.1 M €.

- ◆ Extension of the contract for the maintenance of the meteorological radar network of the Spain's National Meteorological Institute until the 31st December 2006. Telvent has been continuously responsible for this service since 1997. The service is comprised of the maintenance of the fifteen radars making up the current INM network and of the information systems of regional meteorological centres and the national centre in Madrid.
Contract amount: 0.4 M €.

Others

- ◆ Contract with Aena for the installation of a TETRA system at the airport in Ibiza, Spain. This system will be comprised of one main commutation node, called TetraNode, and a base station with two carriers to serve the over 100 mobile user terminals installed in vehicles and fixed tabletop radios. The purpose of the system is to provide voice service to Aena staff during their installation maintenance tasks.
Contract amount: 0.3 M €.
- ◆ Contract with Qatar Petroleum in Qatar for the installation of a communications integrator, which allows for all communications available (traditional radios, TETRA, external telephones) to be handled from a control centre using a single interface.
Contract amount: 0.2 M €.
- ◆ Contract with Hewlett Packard Española S.L for accommodation and communications between the two buildings that Telvent possesses in Madrid for its client Ascensores Thyssen. This project strengthens Telvent's relationship with Hewlett Packard as the supplier of communications and infrastructure services to HP's clients.
Contract amount: 0.2 M €.
- ◆ Contract with K-Infotec Sistemas S.A. in Spain for the externalisation and communications of its information systems in Madrid.
Contract amount: 0.1 M €.

- ◆ Contract with the SAS (Andalusian Health Service) in Spain to provide support to Telvent's applications (TiCares suite) in sixteen hospitals in Andalusia. The three main areas to be maintained are as follows: PAS - the patient administration system, CIS - the clinical information service and DIS - the department information system. Worth special mention with regards the SAS is the Digital Image area (RIS+PAC systems) and intensive care management. The contract has been signed for two years that can be extended by a further two years.

Contract amount: 2.3 M €.

This contract guarantees Telvent's position in hospital applications for Andalusia where the SAS is our most important client with regards size and sales revenue in the Spanish health sector.

- ◆ Contract with (University Cooperation Office) in Spain to incorporate the computer platforms of the universities Politécnica de Madrid, Alcalá de Henares, Rey Juan Carlos, Carlos III, and Pablo Olavide into the Valgrande centre.

Contract amount: 0.1 M €.

- ◆ Contract with TICE, S.A. (E-Commerce Transactions on the Internet) to offer a global outsourcing service of technological architecture to support the business «entradas.com».

Contract amount: 0.5 M €.

The project entails the client changing its present supplier and is a good example of the type of global outsourcing projects that Telvent is currently undertaking.

- ◆ Contract with Internet People, S.L. for the accommodation and connectivity of its technological infrastructure. Contract amount: 0.1 M €.

- ◆ Contract with the Seville municipal companies (Emasesa, Tussam, Lipasam, Emvisesa), the Seville City Council and the Municipal Institute of Sports for

the incorporation of the TETRA network and applications in Seville, Spain. Telvent is responsible for the Telvent – Tradia joint venture with regards the incorporation of a TETRA digital radiocommunication network which will serve the Seville municipal companies and the security and emergency forces of the Seville City Council: local police force, fire brigade, civil defence, and the Municipal Sports Institute.

Contract amount: 8.3 M €.

This is the most important TETRA installation with the largest system in Spain. Furthermore, it is a project for a strategic client such as the Municipal Corporation of Seville.

- ◆ Contract with the Seville City Council to establish an active support centre to house computer equipment for the IT service of the Seville City Council and the provision of pertinent technical services.

Contract amount: 0.5 M €.

- ◆ Contract with INE (Spain's National Institute of Statistics) in Spain to provide consulting and technical services for the integrated population management system. The purpose is to build a national database of the population census, which eradicates information inconsistency between entities.

Contract amount: 0.5 M €.

- ◆ Contract with the Ministry of Public Administrations in Spain for the e-signature validation platform. The objective is to build a validation and corporate e-signature platform for the entire General State Administration.

Contract amount: 0.9 M €.

This contract entails creating a national and corporate e-signature platform that will subsequently be incorporated into all the autonomous communities of Spain. Its incorporation into the European Union is scheduled for the year 2007.

Evolution of the Workforce

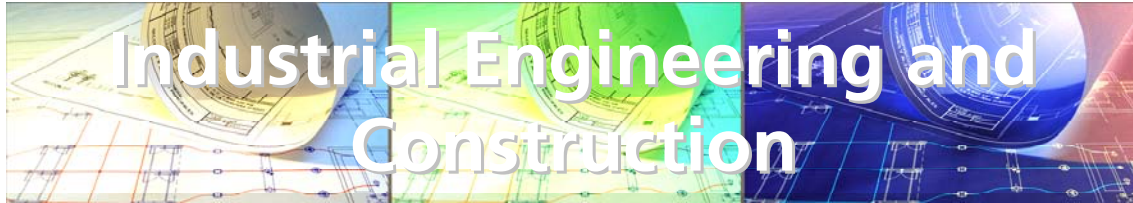
The average Information Technologies workforce in 2006 was 2,712, an 21.8% increase on the figure for the same period in 2005.

2.5 Industrial Engineering and Construction

Abeinsa is Abengoa's holding company for this Business Unit, whose activity focuses on engineering, construction and maintenance of electric, mechanical and instrumentation infrastructures for the energy, industry, transport and services sectors: Promotion, construction and operation of industrial and conventional (cogeneration and combined cycle) power plants, and renewable energy (bioethanol, biodiesel, biomass, wind, solar and geothermal) power plants. Turnkey telecommunication networks and projects.



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



The main novelties as regards contracting, new plants, price evolution, etc., in Industrial Engineering and Construction were as follows:

- ◆ Abener Energía, S.A., has been awarded the contract to construct and operate a 150 MW solar-combined cycle hybrid power plant in Hassi R'Mel (Algeria), where one of the world's main natural gas reserves is to be found.

The plant will have a 25 MW parabolic-trough technology solar field and will supply complementary thermal energy to a 130 MW combined cycle plant. The surface area of the solar field will exceed 180,000 m² and the novelty of the project will be the electric exploitation of the heat generated in the steam turbine itself, which in turn exploits the residual heat from the gas turbine.

- ◆ Instalaciones Inabensa has been awarded the contract for Package II of the electric interconnection system for the Central America countries (Siepac) that will interconnect Nicaragua, Costa Rica, and Panama.

It is to be a turnkey project valued at more than 115 million dollars. The total length is 953 kilometers and the activities include the final engineering, supply of materials, civil works, access routes, compensations, installation and testing of materials, with pylons foreseen for a second circuit in the future, for 300 MW capacity.

- ◆ In addition, Inabensa has been awarded the turnkey project contract for the generation, transformation, transmission and/or sub-transmission and distribution system of the 16 MW Guapi hydraulic power plant in Colombia. The contract value is more than 61 million dollars.

This project is of vital importance for the Colombia electricity system as it will cover the demands of more than 80,000 inhabitants in the municipal districts of Guapi, Timbiqui, and Iscuande.

- ◆ Inabensa France SAS, the French subsidiary of Instalaciones Inabensa S.A., has been awarded the new 2006-2008 framework contract to execute high voltage overhead line modification and disassembly works for RTE EDF Transport. Inabensa France thereby continues its high voltage line activity in France upon it now having renewed the existing contract that dates back to 2003. The holder of this new 2006-2008 framework contract with RTE is Inabensa France, which in turn is responsible for a group of four companies. The overall figure committed by RTE is 75,850,000 euro.
- ◆ The Culture, Tourism Department of Castile and Lion Government awarded Instalaciones Inabensa, S.A., in joint venture, the construction works of the Human Evolution Museum of Burgos. The awarding amounts to 51 million euro.
- ◆ In addition, the Madrid Regional Government has awarded Inabensa, through the company Madrid Infraestructuras del Transporte (Mintra), several contracts to supply installations for the infrastructure remodeling works on the existing and new lines of the Madrid metro system. The overall value of these contracts is approximately 22 million euro.
- ◆ As regards the consolidation of Inabensa's leading position in integral installations for the railway sector, the company has been awarded, in consortium with Abengoa Mexico, the contract valued at approximately 18 million euro to supply the electric energy and catenary for the Buenavista-Cuautitlan suburban railway network, in Mexico F.D.
- ◆ Inabensa continues to execute works for Endesa, in Catalonia and the Balearic Isles, and for Iberdrola, in Levant and the Northern Region, distribution works (for MV and LV lines) and maintenance works (HV Lines)

under the pluri-annual contracts signed. The value of the contracts for the 2006 financial year is approximately 19 million euro.

- ◆ Seville City Council has awarded Inabensa, through the Public Transport Company (Tussam), the 3.4 million euro contract to execute the electrification works for the city's light overland metro line, which is part of the works to be executed under the Metrocentro project.
- ◆ The Town Council of La Nucia (Alicante) has awarded Inabensa, under a joint venture, the construction of the covered pavilion in the Camilo Cano municipal sports complex. The contract value is approximately 6 million euro.
- ◆ On March 13, the President of Mexico inaugurated the repowering to 230 MW of the combined cycle of Hermosillo (Mexico) thermoelectric power plant which was executed by Abener Energía.
- ◆ During 2006, Abengoa continues to execute, through its telecommunications subsidiary Abentel, the global customer loop contract, for installation and maintenance works for Telefónica de España. The expected contract value in 2006 is approximately 55 million euro.

Abengoa Chile

- ◆ Abengoa Chile has been contracted by Transelec to execute the reinforcement project for the 154 kV Itahue – San Fernando line. The contract value is 7.9 million euro and the execution period is 19 months.
- ◆ In addition, it has successfully completed the supply and installation of the lighting, power and low voltage network system for the railway network of Metro Regional de Valparaiso (MERVAL), on the underground sections between the cities of Valparaiso and Viña de Mar.

- ◆ A contract has been awarded by Chilectra to strengthen the 110 kV ring on the Los Almendros – El Salto line. The complexity of the works and the line route (which crosses important thoroughfares in Santiago) means that highly detailed planning and coordination with the municipal authorities is required. The works are being executed to meet the growing demand for electricity in the capital. The contract value is 1.2 million euro.

Abengoa México

- ◆ Abengoa México has signed a contract for more than 21 million dollars with the Comisión Federal de Electricidad to remove the existing transmission cable, guard wire (protector against atmospheric discharges) and replace it with OPGW cable (optical ground wire) or optical guard cable, as it is also known, which will enable the enhancement of telecommunications in the south of Mexico.

The eleven-month project, which is expected to create an average of 100 jobs, was awarded by International Call for Tenders and will be executed under the «flat rate financed public work» modality.

- ◆ Abengoa México has contracted with the Isolux-Techint Consortium the supply and installation of fiber optic guard wire on transmission lines (in two phases, of 700 km and 860 km, respectively), as well as the optic systems, management systems, synchrony systems and electronic equipment. The total contract value is 23 million euro.
- ◆ An agreement has been reached with SDS, Sistema de Desarrollo Sustentable, to execute the civil and electromechanical assembly works at the Zimapan plant. The contract value is 8.1 million euro.

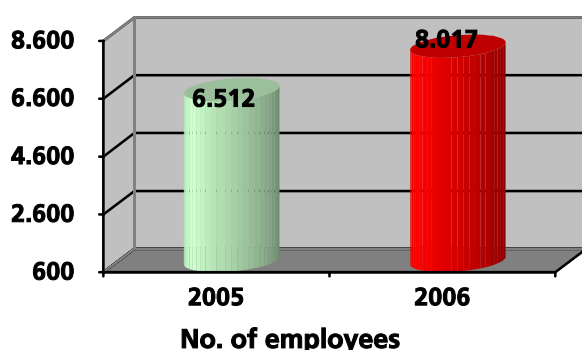
Abengoa Perú

- ◆ The president of Peru, Alejandro Toledo, attended the contract signing ceremony for the city of Huancavelica Integral Drinking Water and Sewerage System Project. The investment to be made in the project which will benefit some 42,000 of the city's inhabitants, is twelve million dollars.

Teyma Uruguay

- ◆ Awarding of the works for Botnia, which consist of the civil work at the Frey Bentos Wastewater Treatment Plant. Said works comprise the aeration pool and cooling towers, as well as excavations, foundations, walls that are over 11 meters high, etc. The contract value is 6.2 million euro.
- ◆ Teyma has been awarded a contract by Antel, to supply and install metallic structures, towers, monopoles, and masts for telephone antennae, and the installation and disassembly of structures Antel possesses. The contract value is 4 million euro.
- ◆ A contract has been signed with Ence for the earthmoving works required for the construction of Ence's cellulose plant in M'Bopicua – Frey Bentos. The first phase has been concluded (0.5 million euro) and phase 2 will now commence. This includes all the excavation, ground leveling and compacting works, the protection of escarpments and construction of channels. The contract value is 4.2 million euro.

Evolution of the Workforce



The average workforce of the Industrial Engineering and Construction Business Unit in the first six months of 2006 was 8,017, a 23.1% increase on the average for the same period in 2005.

3

3. Evolution of the Businesses. Highlights**3.1 Bioenergy**

Bioenergy	Jun. '06	Jun. '05	Var (%)
Sales	214.5	187.3	14.5%
Ebitda	26.0	23.8	9.3%
Ebitda/Sales	12.1%	12.7%	

The sales of the Bioenergy Business Unit rose to 214.5 million euro as against the 187.3 million euro in 2005. This is a 14.5% increase that is due, mainly to the higher bioethanol sales prices in both the EU and United States, and to the higher electricity sales prices at the EU plants. Also of note is the higher volume of bioethanol sold to the EU market.

The Ebitda has risen slightly less than the sales, about 9.3%, and went from the 23.8 million euro figure of 2005 to the current 26.0 million euro. The increase is obtained basically by the net between a better bioethanol and electricity (only in the EU) price performance and the increase in operating costs as a consequence of the rise in the price of natural gas.

Highlights

- ◆ The accumulated ethanol sales volume to June 2006 is 165.1 million liters in the EU (the first sales by BCL, 7.3 million liters, being of note) and 52.2 million gallons in the US. Over the same period in 2005, 139.9 million liters were sold in the EU and 51.8 million gallons in the US. The increase in the sales volume via exports is the main growth factor in the EU.

- ◆ In the first half of 2006, the price of bioethanol in the EU has risen compared to the 2005 prices. The accumulated average price to-date has been 0.574 €/liter (as against 0.520 €/liter). In the United States, the price has also increased, 1.71 US\$/gallon (as against 1.42 US\$/gallon in 2005). In this period, the price of grain in the EU has been slightly higher than last year, 141.0 euro/ton (as against 135.7 euro/ton in 2005). The contrary has occurred in the United States where the price has been 2.29 US\$/bushel (as against 2.55 US\$/bushel in 2005). Also of note is the effect of the increases in the cost of natural gas in the EU, from 12.9 euro/MWh in 2005 to 22.1 euro/MWh in 2006, and in the United States from 7.00 US\$/mmbtu in 2005 to 9.96 US\$/mmbtu.

3.2 Environmental Services

Environmental Services	Jun. '06	Jun. '05	Var (%)
Sales	218.0	178.1	22.4%
Ebitda	22.1	18.9	16.8%
Ebitda/Sales	10.1%	10.6%	

In the first half of 2006, the sales of the Environmental Services Business Unit (218.0 million euro) have increased on those for the same period the previous year by 39.9 million euro, which is a 22.4% increase. This is due mainly to the increase in the volume of wastes treated in all the Group's areas, especially by the Aluminum Waste Recycling unit, and the increase in the volume of works executed by the Environmental Engineering unit. The increase in the price of metals has also had a positive effect on the sales for the second quarter of 2006.

As regards the Ebitda, it has risen compared to 2005 by 3.2 million euro (16.8%). This is mainly due to the positive evolution in the aforementioned business areas. The Ebitda/Sales ratio has dropped slightly to 10.1%, due mainly to the modification made in the mix of the Group's sales.

3.3 Information Technologies

Information Technologies	Jun. '06	Jun. '05	Var (%)
Sales	189.9	158.3	20.0%
Ebitda	16.2	12.4	30.9%
Ebitda/Sales	8.5%	7.8%	

The Information Technologies Business Units sales in the first six months of 2006 were 189.9 million euro, a 20.0 percent increase on the 158.3 million euro achieved in the same period the previous year. The Ebitda is 16.2 million euro, which is a 8.5 percent on sales and 30.9 percent increase on the figure for the same period the previous year.

The gross margin has improved approximately 0.5 percentage points, with operating expenses remaining in line with those of the previous period and this has enabled the EBITDA over sales margin of 7.8% registered in the first half-year of 2005 to be increased to 8.5% in 2006. There has been a slight increase in general expenses, due mainly to expenses that arose as a consequence of the implementation of the SOX, our M&A activity and the integration of acquired companies.

3.4 Industrial Engineering and Construction

Industrial Engineering & Construction	Jun. '06	Jun. '05	Var (%)
Sales	467.5	379.1	23.3%
Ebitda	56.6	36.7	54.2%
Ebitda/Sales	12.1%	9.7%	

The sales of the Industrial Engineering and Construction Business Unit in the first half of 2006 have increased on those of the same period of the previous year by 23.3%, and the figure has reached 467.5 million euro. The Ebitda has also increased on the previous year by 19.9 million euro, and has gone from 36.7 million euro in the first half of 2005 to 56.6 million euro in 2006. Of note in this positive evolution is the contribution from the construction of high-voltage lines in Brazil (in line with previous quarters), and the results from the line concessions that are in operation.

4

4. Consolidated Results and Balance at 30.06.2005 and 30.06.2006

The consolidated sales to June 2006 were 1,089.9 M €, which is a 20.7% increase. The EBITDA increased 31.7% with the good evolution of the Industrial Engineering and Construction Business Unit, with a 54.2% increase on the same period last year, being of special note. The profit attributable to the parent company at June 30, 2006 increased 67.4% on the same period in 2005 and reached 46.3 M€.

	Jun. '06	Jun. '05	Var (%)
Sales	1.089,9	902,8	20,7%
Ebitda	120,9	91,8	31,7%
% Ebitda/Sales	11,1%	10,2%	
Net Profit Before Tax	63,6	46,9	35,5%
Net Profit attributable to the Group	46,3	27,7	67,4%
Net Cash Flow	83,8	57,7	45,3%

Highlights per Business Unit

Sales	Jun. '06	Jun. '05	Var (%)	% Jun. '06	% Jun. '05
Bioenergy	214.5	187.3	14.5	19.7	20.8
Environmental Services	218.0	178.1	22.4	20.0	19.7
Information Technologies	189.9	158.3	20.0	17.4	17.5
Industrial Engineering and Construction	467.5	379.1	23.3	42.9	42.0
Total	1,089.9	902.8	20.7	100.0	100.0

Ebitda	Jun. '06	Jun. '05	Var (%)	% Jun. '06	% Jun. '05
Bioenergy	26.0	23.8	9.3	21.5	25.9
Environmental Services	22.1	18.9	16.8	18.3	20.6
Information Technologies	16.2	12.4	30.9	13.4	13.5
Industrial Engineering and Construction	56.6	36.7	54.2	46.8	40.0
Total	120.9	91.8	31.7	100.0	100.0

Ebitda/Sales	Jun. '06	Jun. '05
Bioenergy	12.1%	12.7%
Environmental Services	10.1%	10.6%
Information Technologies	8.5%	7.8%
Industrial Engineering and Construction	12.1%	9.7%
Total	11.1%	10.2%

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

Abengoa's consolidated sales in the first half of 2006 were 1,089.9 M €, a 20.7% increase on the previous year. All of Abengoa's Business Units increased their sales in the first six months of this financial year.

Sales	Jun. '06	Jun. '05	Var (%)
Bioenergy	214.5	187.3	14.5
Environmental Services	218.0	178.1	22.4
Information Technologies	189.9	158.3	20.0
Industrial Engineering and Construction	467.5	379.1	23.3
Total	1,089.9	902.8	20.7

The Bioenergy Business Unit's sales were 214.5 M € as against 187.3 M € the previous year. The Environmental Services Business Unit's sales were 218.0 M € in 2006 compared to 178.1 M € for the same period the previous year (a 22.4% increase). The Information Technologies Business Unit's sales were 189.9 M € as against 158.3 M € the previous year. Finally, the Industrial Engineering and Construction Business Unit's sales were 467.5 M € as against 379.1 M € the previous year (a 23.3% increase).

◆ **Ebitda**

The EBITDA (earnings before interests, taxes, depreciation and amortization) was 120.9 M €, which is a 31.7% increase on the 2005 figure.

Ebitda	Jun. '06	Jun. '05	Var (%)
Bioenergy	26.0	23.8	9.3
Environmental Services	22.1	18.9	16.8
Information Technologies	16.2	12.4	30.9
Industrial Engineering and Construction	56.6	36.7	54.2
Total	120.9	91.8	31.7

The Bioenergy Business Unit achieves an Ebitda of 26.0 million euro in this first six months as against the 23.8 million euro registered in the same period the previous year. This is a 9.3% increase. The Environmental Services Business Unit achieves an Ebitda of 22.1 million euro to the end of June 2006 as against the 18.9 million euro to the end of June 2005. This is a 16.8% increase. The Information Technologies Business Unit achieves an Ebitda of 16.2 million euro as against the 12.4 million euro the previous year. Finally, the Industrial Engineering and Construction Business Unit achieves an Ebitda of 56.6 million euro as against the 36.7 million euro the previous year. This is a 54.2% increase.

◆ **Taxes**

	Jun. '06	Jun. '05	Var (%)
EBT	63.6	46.9	35.5
Corporate Taxes	-10.1	-14.2	-29.2
External Partners	-7.2	-5.0	44.0
EAT	46.3	27.7	67.4
Tax Rate	15,8%	30,3%	

The earnings before tax were 63.6 million euro which is a 35.5 percent increase on the 46.9 million euro in the first half of 2005. The financial result of 7.9 million euro derived from participations in officially listed shares is of note in the contribution to this magnitude. The earnings for this concept in the first six months of the previous financial year were 5.2 million euro. If the impact of this financial result is eliminated in both periods, the growth level of the earnings before tax is 33.4 percent.

Company tax expenses in the first half of 2006 rose to 10.1 million euro. Thus, the tax rate for said period is 15.8%

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

	Jun. '06	Jun. '05	Var (%)
EAT attrib. parent company	46.3	27.7	67,4
% EAT / Sales	4,2%	3,1%	

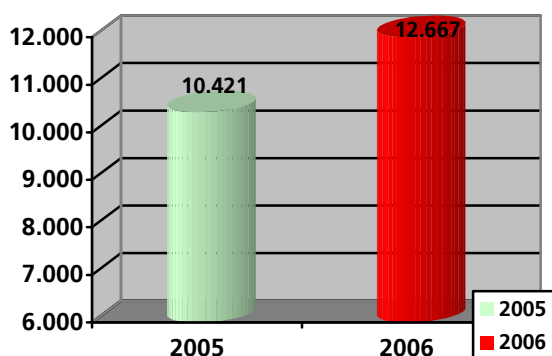
The earnings attributable to the parent company were 46.3 million euro, which is a 67.4 percent increase on the 27.7 million euro achieved the previous year (57.1 percent if the impact of the financial result derived from participations in officially listed shares is eliminated).

◆ Net Cash Flow

	Jun. '06	Jun. '05	Var (%)
Net Cash Flow	83.8	57.7	44.9
% Cash Flow / Sales	7,7%	6,4%	

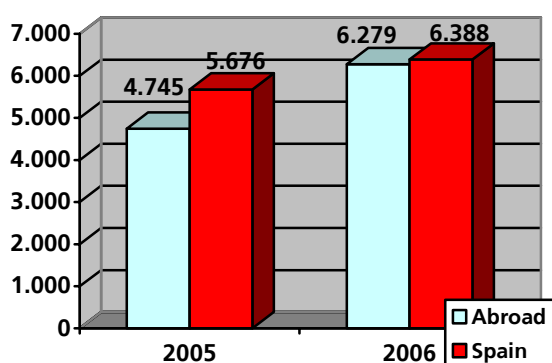
The Net Cash Flow has increased to 83.8 million euro, a 45.3% increase on the 57.7 million euro for the same period in 2005.

◆ Evolution of the average workforce



The workforce has increased by 2,246 compared to the number employed in the first quarter of 2005.

◆ Origin of the Workforce



As can be seen, the increase in the workforce numbers has mainly occurred abroad and this is due to the higher volume of Industrial Engineering and Construction projects in Latin America.

◆ Consolidated Balance Sheets at June 30, 2006 and 2005

	Jun '06	Jun '05
A. Non-Current Assets	1.952,6	1.535,7
B. Current Assets	1.578,4	1.186,0
Total Assets	3.531,1	2.721,8
A. Capital and Reserves	396,1	365,1
B. Minority Interest	132,1	134,3
C. Non-Current Liabilities	1.192,3	981,1
D. Current Liabilities	1.810,6	1.241,3
Total Shareholder's Equity and Liabilities	3.531,1	2.721,8

Abengoa's total Assets in 2006 came to 3,531.1 M € which is a 29.7% increase on the figure for 2005, which was 2.721,8 M €.

◆ Net Debt Position

	June '06	June '05	Var (%)
Bank Loans	723,1	627,8	15,2
Cash and Cash Equivalents	-389,2	-145,5	167,6
Financial Investments	-234,4	-256,5	-8,6
Net Recourse Debt	99,5	225,9	-55,9

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 corresponding to the Second Semester of 2005

◆ **Written communication of 19.01.2006 (Ref. 63.441)**

Purchase by Proyectos de Inversiones Medioambientales, S.L., subsidiary of Abengoa, of 4,88% of the equity in Befesa Medio Ambiente, S.A., in virtue of the exercise of its right to buy, set on December, 2002 and informed on December 13, 2002 (Ref. 38.710).

◆ **Written communication of 08.02.2006 (Ref. 63.958)**

Approval by the Board of Directors of Abengoa S.A., hold on January 23, 2006, executing the resolutions adopted by the Extraordinary Shareholders' Meeting of October 16, 2005, related to the Shares Acquisition Plan for members of the Group's senior management.

◆ **Written communication of 22.02.2006 (Ref. 64.283)**

Notification of the trial start-up agreed by the "Juzgado Central de Instrucción num. 4, Audiencia Nacional", by a supposed offence of disloyal administration, as a consequence of the purchase of shares from Xfera to Inversion Corporativa I.C., S.A. Inversión Corporativa has already declared the validity and application of the Indemnity Contract dated October, 27, 2000, by which the seller company covers the damages that could result towards Abengoa/Telvent as a consequence of the acquisition.

◆ **Written communications of 08.03.2006**

Sending of the notice of the Ordinary General Shareholders' Meeting, including Order-day, Proposal of Resolutions and report (Ref. 64.794), in addition to the Annual Report of Good Governance, 2005 (Ref. 64.800), Annual Accounts individual and consolidated and Auditor's

Report corresponding to 2005, Annual Report for Abengoa, 2005 and information related to the New Market.

◆ **Written communication of 10.04.2006 (Ref. 65.632)**

Sending notice of all the resolutions adopted in the Ordinary General Shareholders' Meeting, hold on april 9, 2006.

◆ **Written communication of 15.05.2006 (Ref. 66.764)**

Notification of the information regarding the first quarter 2006.

◆ **Written communication of 26.05.2006**

Sending notice of the payment of the dividend corresponding to the fiscal year of 2005, to take place on July, 4, 2006 (second half-year 2006).

◆ **Written communication of 29.06.2006 (Ref. 68.234)**

Sending information of the signature with 34 entities of a syndicated loan, in an amount of 600 million euros, integrated by a 300 million euros loan facility and a credit line in the same amount, both with a six year maturity period.

2. Evolution on the Stock Exchange

Share Performance

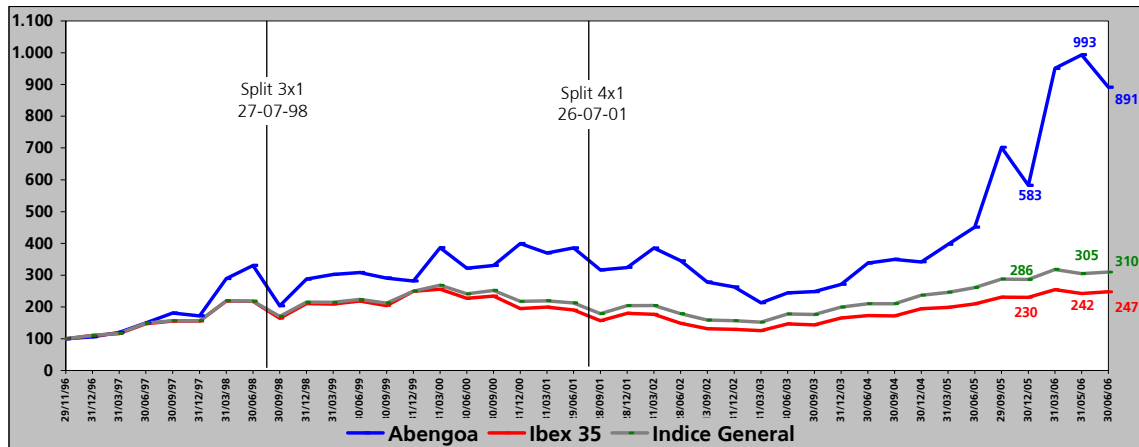
According to the data supplied to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Securities Recording, Clearing and Settlement Management Company) for the last Extraordinary General Meeting held on April 9, 2006, Abengoa, S.A. had 6,663 shareholders.

As on June 30, 2006, the company believes the free float to be 43.96% if the shareholding of Inversión Corporativa I.C.S.A. and its subsidiary Finarpisa (56.04%) is deducted.

According to the figures supplied to the company by Sociedad Rectora de la Bolsa de Valores de Madrid (Governing Body of the Madrid Stock Exchange) 68,426,728 shares were traded in the first half of 2006. The average volume of daily trading over this period was 543,069 shares. Minimum, maximum and average listed share prices in 2006 were 12.35 euro, 29.96 euro and 19.57 euro, respectively. The final listed price of Abengoa's shares in this period was 18.97 euro/share, which is a 52.9% increase on the closing price for the previous year and a 97.6% increase on the closing share price on June 30, 2005.

Evolution since its Initial Public Offering in 1996

As a historical reference, since Abengoa's Initial Public Offering on November 29, 1996, the company's shares have revalorized 791.9 % which is 8.9 times the initial price. During this same period, the Madrid Stock Exchange has revalorized 209.9 % and the select IBEX 35 has gone up 147.4 %.



◆ Disclaimer

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Please do not hesitate in contacting our Head of Investors Relations for any consultation you may wish to make.

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ABENGOA

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