

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

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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.

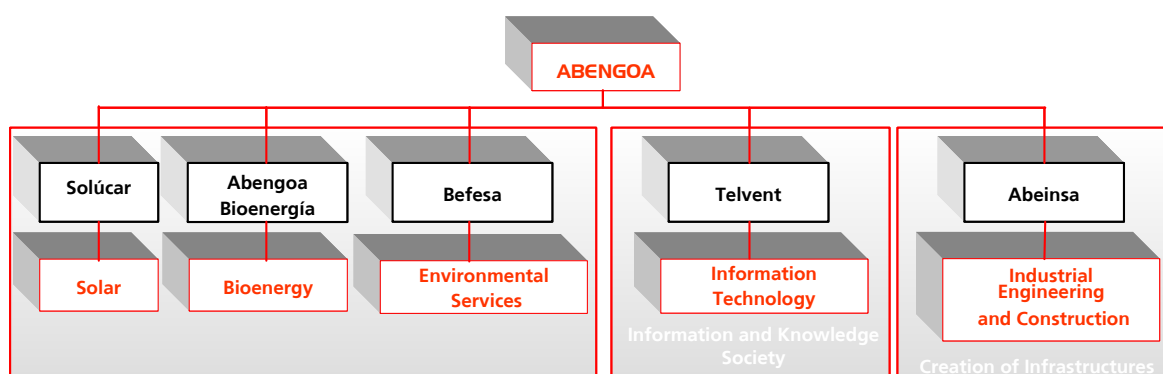
Current Configuration and Nature of its Business

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

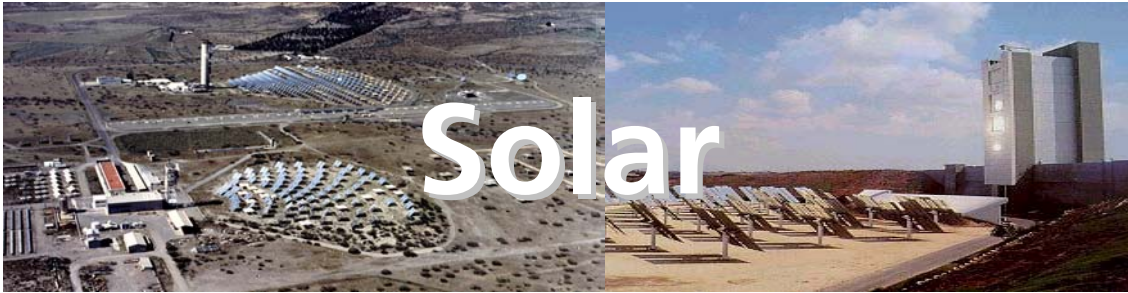
2



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:

- ◆ 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 quarter of 2006 was 26 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, has been awarded an additional authorization by the French government to produce 60,000 tons of corn-based bioethanol at the facility it is currently constructing in Lacq, in the south of France. This bioethanol production capacity, subject to the Hydrocarbon tax relief from 2008 to 2013, must be added to the 40,000 tons authorized in May 2005.

In a first phase, around mid last year, the French government awarded licenses for a total of 200,000 tons split up between three projects, ABF among them. Last December, following this first authorization, the French company led by Abengoa Bioenergy, sent a new proposal to the French authorities in response to the public tender called last year for the authorization of 330,000 tons of bioethanol.

The production capacity of the facility ABF will construct will be 200,000 tons of bioethanol a year.

- ◆ Abengoa Bioenergy consolidated its leadership in Europe with the signing of contracts to supply more than 180 million liters of bioethanol to the EU in 2006. The contracted export volume is more than double the exports made in 2005, the volume of which was more than 85 million liters.

- ◆ The first biomass-based bioethanol production pilot plant is currently being constructed by Abengoa Bioenergy. Construction of the Biomass Plant commenced in August 2005. It is scheduled to be brought into operation in 2007 and will commence by processing 70 tons per day of agricultural waste, such as wheat straw, to produce more than five million liters a year of bioethanol to be used as fuel. This commercial demonstration of the biomass into bioethanol conversion technology is an important milestone for Abengoa Bioenergy's growth in the production of bioethanol from renewable sources. Its end objective is the development of production technologies that are competitive with gasoline.
- ◆ For several years now, the company Ecoagrícola has been developing its activity with the commitment to fostering the production of grains within the framework of a Common Agricultural Policy focused on a much more open market and, therefore, together with its traditional function of foodstuff production, it must meet the new economic requirements and social demands.

Given the expected growth of Abengoa Bioenergy over the next few years, the presence of Ecoagrícola in the European grain markets is ever more essential to guarantee the regular supply to its facilities, given that the purchasing requirements this year will double now that the Biocarburantes Castilla y Leon is being brought into operation. The knowledge of and access to the raw material markets from origin up to the facilities themselves, and the development of energy crops in a European framework for biofuel production purposes must strengthen Ecoagrícola's position within the Business Unit.

On the other hand, and due to the great acceptance by the sector of its participation in Set-aside Lands and Energy Crops in Spain, Ecoagrícola will organize more conferences throughout Spain with the aim of increasing the number of farmers that participate in this type of contracting. In addition, the company is preparing a cycle of conferences throughout the large grain producing regions of the United Kingdom (Newmarket, Newbury,

Lincoln/Doncaster, Luton, Maidstone, Leicester, Dudley and Leeds) to diffuse our activities with the aim of developing this crop modality in said country.

Together with the Spain and United Kingdom projects, early contacts with German producers have been established thanks to the work done last year by Ecoagrícola, in which a ship was successfully sent from Germany to the Ecocarburantes Españoles facility. The grain transported by the ship had been purchased directly from German farmers. These types of so complex operations make Ecoagrícola a company with a marked international projection. The first initiatives for the development of the European Set-aside Lands and Energy Crops program have already commenced, with Germany and the United Kingdom currently at the fore, but with the clear intention of the program being extended to other European countries such as Poland, Hungary and France.

- ◆ Abengoa Bioenergy has formed an alliance with General Motors and Kroger to establish a network of twenty E-85 filling stations in the state of Texas (United States). Abengoa Bioenergy will be the main fuel supplier for the chain of Kroger filling stations in the cities of Dallas and Houston. The initiative is part of GM's strategy to develop the use, in the United States, of E-85, a fuel that is a blend of 85% bioethanol and 15% gasoline.
- ◆ Abengoa Bioenergy, BP Oil España and Ford have signed an agreement with the following content:
 1. Ford manufactures the Ford Focus Flexi-Fuel car, which can consume E-85, 100% gasoline or a mixture of both.
 2. Abengoa Bioenergy will, at first, produce the ethanol at the Ecocarburantes Españoles facility, and later at any of its three facilities.
 3. BP supplies the gasoline and is responsible for distributing the E-85 to the consumer.

The use of the E-85 biofuel in a flexible vehicle results in a 70% reduction in CO₂ emissions compared to a conventional gasoline-run car. The introduction of FFV vehicles and the use of E-85 biofuel in Spain and Europe would help towards achieving the European Community's objectives for promoting biofuels in the transport sector.

- ◆ The construction of the Ravenna facility, which commenced in early December 2005 (USA), is expected to be concluded early in 2007. When this facility is operational, it will be that with the largest capacity in the Nebraska state, and one of the largest in the United States. The facility will consume around 1.13 million tons of corn a year and will provide employment for more than 50 people.

Once the facility is operational, Abengoa Bioenergy will be one of the largest bioethanol producers in the United States, the fifth to be precise, with an installed capacity of more than 765 million liters. Abengoa Bioenergy is currently the European Union's largest bioethanol producer, with an installed capacity of 326 million liters and a facility for a further 200 million liters under construction.

The contracting of personnel will commence around mid-2006, and the facility is expected to commence activity in 2007.

- ◆ Commencement in 2006 of the construction of the York pilot plant (Nebraska) to develop the biomass as raw material fractioning technology for the production of bioethanol and coproducts.



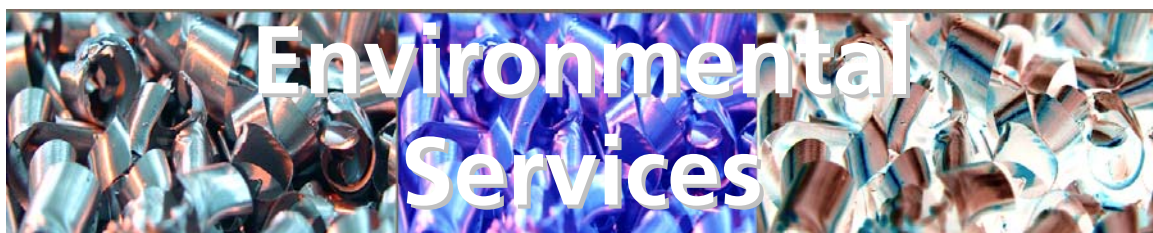
The average workforce of the Bioenergy Business Unit in the first quarter of 2006 was 495, a 37.9% increase on the 2005 figure.

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 quarter of 2006, were as follows:

- ◆ **Aluminum Waste Recycling.**- During this year 70,000 tons of aluminum-content wastes were treated. This is an increase of 12.0% on the same period the previous year, and the fact that all the plants have operated satisfactorily is especially noteworthy.

Befesa has signed a contract with Slovalco, a producer of more than 150,000 tons per year of primary aluminum in Slovakia, for the construction of an ingoting belt that will increase pouring productivity while improving ingot quality. The estimated value of the project is in excess of one million euro and includes the design and construction, assembly and delivery, supervision of the installation process and start-up of the ingoting line. The work will be conducted by Befesa Aluminio Bilbao through Tecnología Remetal, a division dedicated to the design and sale of equipment for the aluminum and zinc industrial sectors.

- ◆ **Zinc Waste Recycling.**- During the first quarter of 2006, some 55,000 tons of zinc and sulfur-content wastes have been treated.

During the first quarter 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 quarter of 2006, some 241,055 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.

- ◆ **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, which includes water catchment, the potable water treatment plant, the distribution pipe network of over 200 kilometres (of which 145 km correspond to new pipeline), four pumping stations to the deposits above the hydraulic grade line of the distribution network and all the supplementary facilities that 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. With the construction of the new treatment plant, Befesa will solve the wastewater discharge problem, while improving the quality of the river water. 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 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.



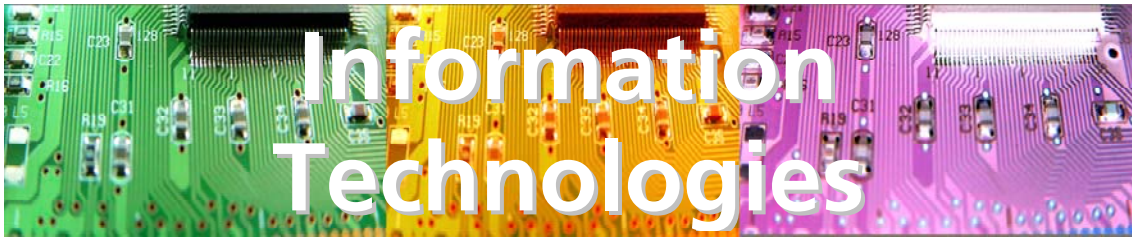
The average workforce of the Environmental Services Business Unit in the first quarter of 2006 was 1,356 employees.

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

- ◆ Contract with Buckeye Partners, LP, USA, to upgrade their OASyS 5.2.2 system, commissioned in 1997, to OASyS DNA. Buckeye is one of the largest independent refined petroleum products pipeline systems in the United States in terms of volumes delivered.
Contract Amount: 0.9 M €.

Buckeye purchased a new OASyS DNA system for their Gulf Coast operations in 2004. Both that project and this one were sole-sourced, a testament to the excellent relationship that Telvent has built with Buckeye over the past decade.

- ◆ Contract with Pembina Pipeline Corporation, Canada, to upgrade its vintage SCADA system to OASyS DNA. The project will be developed jointly with Pembina and involves the integration of Telvent's SimSuite model for Batch and Leak Detection Monitoring. Pembina Pipeline Corporation owns oil and gas pipelines and related installations that supply crude oil, condensates and liquid natural gas in Canada.
Contract amount: 1.3 M €.

- ◆ Contract with Dominion Energy, United States, to develop the upgrading of its vintage SCADA to OASyS 6.3UX. Dominion Energy is Dominion Resource's electric energy transmission and natural gas distribution company and has more than 22,000 kilometers of gas pipelines and power transmission lines.
Contract amount: 0.4 M €.
- ◆ Contract with PEMEX Gas y Petroquímica Básica, México. Telvent successfully completed the Factory Acceptance Test (FAT) milestone for the PEMEX Gas SCADA Upgrade project. This project involves a complete hardware/software replacement of the existing OASyS system with OASyS DNA and the new generation Gas Suite.
Contract amount: 4.9 M €.

PEMEX Gas remains one of Telvent's key international customers. This very large installation will provide an important reference site in Latin America for both OASyS DNA and the Gas Suite. The project is also an important win for GMAS as this will be Telvent's first GMAS installation featuring a Spanish HMI. We are also replacing a competitive installation with this upgrade.

Electricity

- ◆ Contract with Adif, in Spain, for the supply, installation and commissioning of the telecontrol equipment for the substations that supply electricity for the Madrid-Segovia high-speed rail line. This equipment is developed entirely with Telvent technology based on more than 20 years' experience in the railway transport business.
Contract amount: 2.7 M €.

This project allows Telvent to consolidate its position as a reference provider for Adif for the large high-speed infrastructure projects it intends to undertake in the future.

- ◆ Contract with Inabensa, in Spain, for the design engineering, supply, installation and commissioning of the Integrated Control System for the REE-owned Benejama Substation. This system is developed entirely with Telvent technology in accordance with the demanding functional and electromagnetic compatibility standards that have to be met in Very High Voltage installations.

Contract amount: 0.4 M €.

This project enables Telvent to participate as a technological provider for REE in the Integrated Control System business in this substation which is the first time REE has awarded turnkey contracts for substations for its transmission network.

- ◆ Contract with Taiwan Power Company to enlarge the Lungmen Nuclear Power Plant. Completion of the FAT tests on the sample-taking systems in the cooling liquid circuits.

Contract amount: 2.0 M €.

With this contract, Telvent consolidates its participation in projects where the highest standards of quality are demanded given the use the systems are to be put to.

- ◆ Contract with Trinidad & Tobago Electric (T&TEC) to upgrade its current SCADA system to OASyS 6.3UX. The project includes the upgrading of T&TEC's local network speed and the eventual installation of a security copy system outside the facility.

Contract amount: 0.4 M €.

- ◆ Contract with Abener México to supply the Distributed Control System (DCS) for the Baja California Sur II Power Plant. This project, the end-customer being the Comisión Federal de Electricidad (CFE), includes the control engineering, supply, testing and commissioning of the system that will control the power plant's different subsystems, while assuring dependable and efficient operation.

Contract amount: 0.7 M €.

This project provides Telvent with continuity in the control system business for the new generating plants that are being constructed or enlarged in Mexico. It is Telvent's fifth reference over the past four years and consolidates it as one of the providers of reference in this attractive market.

Traffic

- ◆ Contract with Nava Thai Kruang Sanam Co. Ltd, of Thailand, for the implementation of a latest-generation system for detecting red traffic light infractions. It will enable real-time detection of the infractions at each one of the 30 intersections where it will be installed in the city of Bangkok, Thailand.

Contract Amount: 2.5 M €.

With this project, Telvent consolidates its position in the Thailand market, and in the incident detection sector.

- ◆ Contract with the Chicago Skyway Concession, in the United States, for the implementation of the latest generation technological solution for integral toll management (SmartTOLL) which will enable real-time monitoring of the state of the traffic and incidents that occur in each of the 16 toll lanes to be installed on the bridge. This solution will not only enable greater user flexibility to make payments in cash or with magnetic or electronic cards, but will also provide the concessionary company with advanced vehicle detection technology to prevent possible frauds.

Contract Amount: 0.9 M €.

This project is the first traffic contract signed in the United States.

- ◆ Contract with the Spanish Traffic Authority to provide the maintenance services for the traffic regulation and control, speed control and SOS post

installations on the roads controlled from the traffic control center in Seville.

Contract Amount: 4.2 M €.

With this contract, the trust put by the Traffic Authority in Telvent is consolidated and it verifies our capacity as regards technical and material means as well as human means for the execution of the maintenance, repairs and operation activities under this contract.

- ◆ Contract with the Spanish Traffic Authority for the maintenance of its mobile measuring equipment network. This contract is a continuation of the service that was being provided up to January 31, 2006. With this contract, the Traffic Authority ensures the maintenance of all its equipment for traffic data acquisition, the operation and replacement of the elements integrated therein.

Contract amount: 1.0 M €.

Transport

- ◆ Contract with Ghella Sogene C.A., of Venezuela, for the Supply and Installation of the Centralized Control System for the Stations of Phase 1 of Line 1 of the Valencia metro system (Venezuela). The project includes, on the one hand, the Station Control Systems based on Telvent's SCADA OASyS DNA which will manage, through PLCs, and integrate into a single interface, all the functions required to manage the aforementioned systems, the stationary installations of the 10 stations on the line and, in addition, Telvent will supply and install the entire communications network for connecting the Operations Center with the stations.

Contract Amount: 4.8 M €.

This contract consolidates Telvent's presence in the Venezuelan market following the awarding, in December 2005, of the "Ticketing and Passenger Information System" contract for the Caracas-Cua line (IAFE).

- ◆ Contract with Companhia Brasileira de Trens Urbanos (CBTU), of Brazil, to supply and install the enlargement of the access control system for the extension of the Belo Horizonte metro network (Brazil). The project comprises the supply and installation of 42 turnstiles for the new Belo Horizonte metro stations. The equipment supplied operates with magnetic band and contract-free chip card technology.

Contract amount: 0.9 M €.

This contract demonstrates CBTU's confidence in Telvent as a global system provider for Ticketing given that it has previously contracted Telvent to supply the original access control system it has now decided to expand.

- ◆ Contract con Companhia Paulista de Trens Metropolitanos (CPTM), of Brazil, to supply the digital telecommunications system for the Line C extension of the Sao Paulo metro system, Brazil. The project comprises the supply, installation and integration in the Metropolitan Control Center of the Access Control, Interphone, Telephone, Radio Communication, Chronometry, and Communications systems, based of fiber optics, for the three new stations on the extension of Line C of the Sao Paulo metro system.

Contract amount: 3.2 M €.

This contract represents Telvent's consolidation in the Brazilian market as a provider of Global Real-Time IT Solution for the railway sector.

- ◆ Contract with MINTRA, Spain, to supply and install the Automatic Vending System for the New Metroeste Line. The project comprises the supply and installation of 57 Automatic Vending Machines and 20 Electronic Payment Automatic Vending Machines. The Automatic Vending System will include a navigation system for the blind and will enable the use of contact-free technology.

Contract Amount: 2.8 M €.

This contract demonstrates MINTRA's confidence in Telvent as a provider of global solutions for ticketing systems.

- ◆ Contract with MINTRA, Spain, to supply and install toll equipment for passenger access control on the prolongation of Line 3 of the Madrid metro system. The project comprises the supply, installation and commissioning of 45 CCPs and 7 CPMRs for the new stations on the extension of the existing Line 3 of the Madrid metro system. The equipment to be supplied will enable access based on both magnetic band and contact-free chip card technology.

Contract Amount: 1.3 M €.

This contract demonstrates the confidence both MINTRA and Metro de Madrid have in Telvent as a provider of global solutions for ticketing systems.

- ◆ Contract with Renfe Operadora, S.A., of Spain, for the supply and installation of passenger access control equipment in stations on the Bilbao suburban rail network. The project comprises the replacing of the existing access controls at all the stations on the Bilbao suburban rail network with Telvent-technology equipment. The equipment to be supplied includes access equipment based on magnetic band and contact-free chip card technology and a management system in each station.

Contract Amount: 2.7 M €.

For this new ticketing system, Renfe has decided on Telvent's MobiFast technology which means it will possess the latest technological advances in both anti-fraud and day-to-day operation systems.

- ◆ A four-year contract with EuskoTrenbideak-Ferrocarriles Vascos S.A., of Spain, for the preventive and corrective maintenance of the rail, tramway and bus toll payment systems. The maintenance includes the hardware and software systems of the central stations. The station equipment to be maintained by Telvent for Euskotren includes automatic and semi-automatic

vending machines, access controls, as well as consoles and ticket checking units on-board buses. For maintenance purposes the Telvent-developed Rosmiman System will be utilized.

Contract Amount: 3.6 M €.

- ◆ A three-year ticketing system preventive and corrective maintenance contract with Metro Bilbao, S.A., Spain. The maintenance includes the central control station systems and the equipment in the different stations. The equipment to be maintained by Telvent for Metro Bilbao in the different stations includes automatic and semi-automatic vending machines and access control equipment.

Contract Amount: 1.6 M €.

- ◆ Contract with the Biscay Transport Consortium, Spain, for Superstructure Projects. Sestao-Portugalete Section of the Bilbao Metropolitan Railway Network. Package IV: Ticket Sale and Cancellation System. The project comprises the supply and installation of the ticket sale and cancellation system for the next two stations to be inaugurated by Metro Bilbao: Portugalete and Abaxolo. The contracted equipment includes MEAT automatic ticket vending machines, cash-desk sales systems, CAE station access control systems, and station management systems.

Contract Amount: 1.4 M €.

- ◆ Contract with EuskoTrenbideak-Ferrocarriles Vascos S.A., Spain, for the design, supply and installation of automatic ticket vending machines (MEAT) and flap-type turnstiles for passenger control.

Contract Amount: 1.5 M €.

With this contract, EuskoTren is going to upgrade the equipment in the most important station in Biscay by installing Telvent's MobiFast system that enables the implementation of contact-free technology and its integration in the Biscay single ticket system that is being promoted by the Biscay Transport Consortium.

- ◆ Contract with MINTRA (Madrid Transport Infrastructures, in Spain), for the supply and installation of transport ticket vending and cancellation equipment on the new lines, Colonia Jardin-Pozuelo and Colonia Jardin-Boadilla, of the Light Metro System. In addition, it comprises the development of the software required for the ticket selling and cancellation system, in both magnetic band and contact-free format.

Contract Amount: 4.0 M €.

- ◆ Contract with the "Instituto Autónomo de Ferrocarriles del Estado de Venezuela" for the supply of ticketing and passenger information systems for the Caracas-Cua line. There are four stations on the line (Caracas, Charallave Norte, Charallave Sur and Cúa) and the project involves new infrastructure to enable easier communication between the towns in Tuy Valley, on the outskirts of Caracas, and the city center.

Contract Amount: 7.6 M €.

It is the first ticketing system, based integrally on contact-free technology, to be installed in Latin America and is also our first contract in the Venezuela transport sector.

Environment

- ◆ Contract with the National Meteorology Institute, in Spain, to install meteorology aid systems in Madrid-Barajas airport. The new equipment, installed on the five runways, and the new weather information acquisition, processing, display and diffusion system incorporate the latest technological advances and also comply with the operation regulations of the World Weather Organization and the OACI and ensure safe aircraft landing and takeoff maneuvers, even in very low visibility conditions. They also enable the display of information in control towers.

Contract Amount: 2.2 M €.

This project represents the largest investment to have been made in a system of these characteristics, in Spain, and it means that this airport is now one of Europe's best equipped airports.

- ◆ Contract with Aena for the supply, installation and commissioning of an air quality control center and three cabinets at Barcelona airport. The management system to be supplied for the Control Center will directly inform the Environmental Quality Authority of Catalonia on the quality of the air in the vicinity of the airport.

Contract Amount: 0.7 M €.

This contract, together with those previously executed for the Madrid and Fuerteventura airports, consolidates Telvent's references in the field of air quality control for a customer that controls all the national airports and demonstrates Aena's confidence in Telvent's solutions.

- ◆ Contract with Directorate General for Civil Aviation of Kuwait to extend the existing contract for the supply of a Meteorological Data Processing (MDP) system. The value of the contract Telvent Australia signed with DGCA to supply an MDP system has been increased by a further 260,000 Euro to conduct specialized training sessions for DGCA's personnel so that they can gain better knowledge of the configuration and technical design of the solution we are developing.

Contract Amount: 0.3 M €.

With this project, we consolidate our presence in the Middle East.

- ◆ Contract with FESA (Fire Emergency Services Authority), in Australia, for the one-year renewal of the Services Outsourcing contract. Telvent Australia and FESA have signed another one-year contract for the maintenance and extension of the SCADA alarm detection system that is deployed throughout the state of Western Australia, and for the administrative management thereof and customer billing.

Contract amount: 0.2 M €.

This service commenced back in 1998 under a 5-year contract that has now been renewed for one year on three separate occasions. This demonstrates the confidence its customers have in Telvent Australia, while enabling us to maintain an important reference within our services outsourcing strategy.

Others

- ◆ Contract with Skandia STC AIE, in Spain, for the conditioning of its Data Processing Center (CPD), through the installation of the structured cabling and the installation of the infrastructure required to avail of IP telephony, split into two phases.

Contract amount: 0.2 M €.

This project is of great importance as it is the first IP telephony project to be executed and it allows and helps us to penetrate into this telephony sector that is currently on the up.

- ◆ Contract with Operadora de Telecomunicaciones Opera, S.L., in Spain, for the outsourcing of its information systems in Barcelona and the expansion of the infrastructures it currently has in Telvent's Valgrande building.

Contract amount: 0.3 M €.

This project is strategic as it encourages us to position ourselves as a company in which its customers can fully trust and depend on. Opera has put its trust in us to house its information systems, first time round in Madrid, and now in Barcelona.

- ◆ Contract with Lanetro, in Spain, to provide a BRS service for all its system information.

Contract amount: 0.1 M €.

This contract is strategic as it helps the relationship between Telvent and Lanetro to grow. Lanetro has been one of our pioneer customers and the fact that it continues to contract Telvent's services demonstrates, to

possible customers that might require them, that we are a company that can be depended on.

- ◆ Contract with Cintra to install a Gigabit Network to interconnect the nodes on the Ocaña-La Roda section of the AP-36 Madrid-Levant highway, in Spain. The project consists of the supply, installation and FAT and SAT testing of a CISCO Gigabit network for nine nodes.

Contract amount: 0.2 M €.

- ◆ Contract with the Guadalquivir Hydrographic Confederation (GHC), in Spain, to expand the territorial information system for the population through the Internet / Citizen Geoportal. This contract includes the definition and commissioning of the GHC's special data infrastructure and the development of a Geoportal to facilitate the access of the population and of other public and private bodies to the water basin data and geospatial and territorial applications.

Contract amount: 1.2 M €.

This contract extends and consolidates Telvent's first large reference in the Geographic Information Systems sector for Hydrographic Confederations.

- ◆ Contract with the Ministry of Public Administrations, in Spain, to execute an electronic signature platform. This project will implement the electronic signature platform in the State administration sector. It is the result of an agreement signed by the Regional Government of Andalusia and the Ministry of Public Administrations (MAP).

Contract amount: 0.9 M €.

Telvent's electronic signature platform is corporately implemented in the Regional Government of Andalusia and, due to its success, its implementation in the MAP will commence, and it may possibly be extended to cover Central Administration and the rest of the Autonomous Regions. It is currently the only platform capable of validating the electronic ID card.

- ◆ Contract with Vueling Airlines, S.A, of Spain, for the complete outsourcing of information systems interconnection with GDSs and payment method platform. With this project Vueling Airlines entrusts Telvent with the management and administration of its computerized platform to enhance its services.

Contract amount: 0.6 M €.

This contract helps us to consolidate our leading position in the transport sector.

- ◆ Contract with Ferrovial, Spain, for the outsourcing of its computerized systems. The project consists of transferring part of Ferrovial's computerized systems to Telvent's facilities in Alcobendas so that the customer may conduct its normal activity with higher standards and redundancy in quality than its existing ones.

Contract amount: 0.7 M €.

This contract allows us to continue to penetrate into the construction sector market in which Ferrovial is one of the world's main infrastructure group's, by profitability and treasury stock.

- ◆ Contract with CM Capital Markets Holding SA, in Spain, to house the technological platforms of its end-customers from the financial sector. This company is the leader of a group of companies dedicated to currency and capital brokerage and investment services. The contract consists of the security, monitoring, an area dedicated to housing and data back-up services.

Contract amount: 0.1 M €.

This contract opens up the possibility of housing all of CM Capital Markets' customers from the banking and stock exchange in Telvent's facilities.

- ◆ Contract with the Development and Reconstruction Council of Beirut (Lebanon) to develop UTDP traffic-light communications by installing a

wireless communications system that enables remote control of the traffic-light regulators in the city.

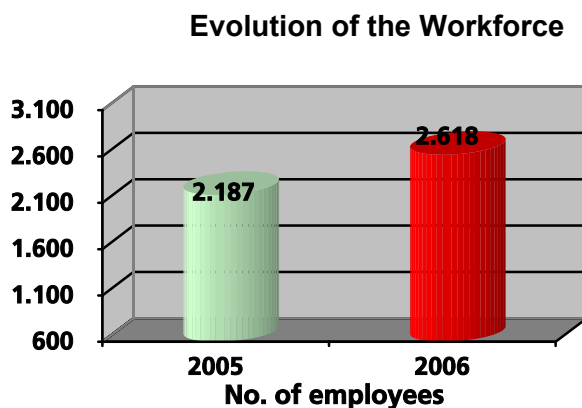
Contract amount: 0.5 M €.

This is the first wireless networks project to be executed in the Lebanon.

- ◆ Contract with Hospital Universitario Virgen del Rocio for the conditioning of the new CTI, communications, cabling and backbone. This contract comprises the integral renovation of the hospital's technological infrastructure and it affects all the existing services and upgrades the communications network and the data processing center which will now be the most important at hospital level in Andalusia.

Contract amount: 1.4 M €.

With this contract, Telvent obtains the custom of the most important Hospital at services level in Spain and consolidates its line of infrastructures in which it is already the leader in Andalusia.



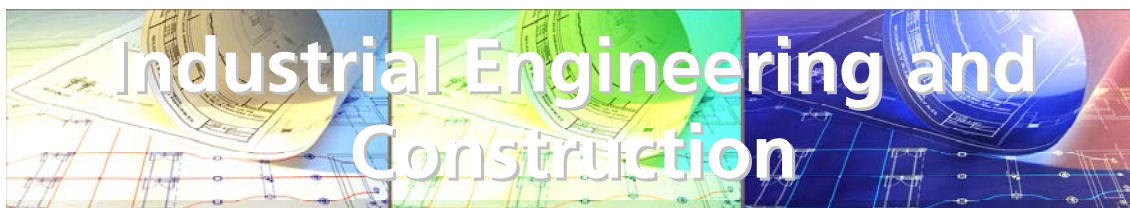
The average Information Technologies workforce in 2006 was 2,618, an 19.7% increase on the figure for the same period in 2005.

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:

- ◆ Instalaciones Inabensa, S.A. will construct, in a joint venture, for the Regional Government of Castilla and Leon the future Museum of Human Evolution of Burgos. The contract value is approximately 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.
- ◆ 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.
- ◆ 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 México

- ◆ 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 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.

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 quarter of 2006 was 8,041, a 25.5% increase on the average for the same period in 2005.

3

3. Evolution of the Businesses. Highlights

3.1 Bioenergy

Bioenergy	Mar. '06	Mar. '05	Var (%)
Sales	101.8	88.5	15.0%
Ebitda	10.0	9.1	9.9%
Ebitda/Sales	9.8%	10.3%	

The sales of the Bioenergy Business Unit rose to 101.8 million euro as against the 88.5 million euro in 2005. This is a 15.0% 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 9.9%, and went from the 9.1 million euro figure of 2005 to the current 10 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 bioethanol sales volume to March 2006 is 77.1 million liters in the EU and 25.8 million gallons in the US. Over the same period in 2005, 74.1 million liters were sold in the EU and 23.4 million gallons in the US. The increase in the national sales volume is the main factor in the EU,

while in the United States it is due to the increase in the installed capacity of the Portales facility.

- ◆ In the first quarter of 2006, the price of bioethanol in the EU has risen compared to the 2005 prices. The accumulated average price to-date has been 0.553 €/liter (as against 0.498 €/liter). In the United States, the price has also increased, 1.43 US\$/gallon (as against 1.30 US\$/gallon in 2005). In this period, the price of grain in the EU has been slightly higher than last year, 139.2 euro/ton (as against 136.5 euro/ton in 2005). The contrary has occurred in the United States where the price has been 2.23 US\$/bushel (as against 2.60 euro/bushel in 2005). Also of note is the effect of the increases in the cost of natural gas in the EU, from 11.9 euro/MWh in 2005 to 21.5 euro/MWh in 2006, and in the United States from 6.94 ES\$/mmbtu in 2005 to 11.33 US\$/mmbtu.

3.2 Environmental Services

Environmental Services	Mar. '06	Mar. '05	Var (%)
Sales	115.2	86.3	33.5%
Ebitda	11.7	9.6	21.9%
Ebitda/Sales	10.2%	11.1%	

In the first quarter of 2006, the sales of the Environmental Services Business Unit have increased on those for the same period the previous year by 28.9 million euro, which is a 33.5% 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 quarter. Of note is the price of aluminum which has gone from 1,485 euro/ton in the first quarter of 2005 to 1,877 euro/ton in the first quarter of 2006. The rest of the areas have maintained a business volume similar to that in the first quarter of 2005.

As regards the Ebitda, it has risen compared to 2005 by 2.1 million euro (21.9%). This is mainly due to the positive evolution in the aforementioned business areas. The Ebitda/Sales ratio has dropped slightly to 10.2%, due mainly to the modification made in the mix of the Group's sales upon the aluminum activity having increased. This is an activity that operates with lower margins than the rest of the Group's areas.

3.3 Information Technologies

Information Technologies	Mar. '06	Mar. '05	Var (%)
Sales	91,3	87,0	4.9%
Ebitda	6.7	9.3	-27.5%
Ebitda/Sales	7.4%	10.7%	

The Information Technologies Business Units sales in the first quarter of 2006 were 91.3 million euro, a 4.9 percent increase on the 87.0 million euro achieved in the same period the previous year. The Ebitda is 6.7 million euro, which is a 7.4 percent on sales and a 27.5 percent drop on the figure for the same period the previous year. The drop is due mainly to the fact that, during this first quarter, there have been bid expenses the results of which are not yet known or have been negative, and to the effort the company is making to implement the internal control process in order to be prepared to meet the provisions of the Sarbanes-Oxley Act. The resources being dedicated to this project are being increased.

3.4 Industrial Engineering and Construction

Industrial Engineering & Construction	Mar. '06	Mar. '05	Var (%)
Sales	226.3	202.4	11.8%
Ebitda	24.1	17.6	36.7%
Ebitda/Sales	10.6%	8.7%	

The sales of the Industrial Engineering and Construction Business Unit in the first quarter of 2006 have increased on those of the same period of the previous year by 11.8%, and the figure has reached 226.3 million euro. The Ebitda has also increased on the previous year by 6.5 million euro, and has gone from 17.6 million euro in the first quarter of 2005 to 24.1 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 the last quarter of 2005), and the results from the line concessions that are in operation.

4

4. Consolidated Results and Balance at 31.12.2004 and 31.12.2005

The consolidated sales to March 2006 were 534.6 M €, which is a 15.1% increase. The EBITDA increased 15.1% with the good evolution of the Environmental Services Business Unit, with a 21.9% increase on the same period last year, being of special note. The profit attributable to the parent company at March 31, 2006 increased 69.4% on the same period in 2005 and reached 18.8 M€.

	Mar. '06	Mar. '05	Var (%)
Sales	534.6	464.3	15.1%
Ebitda	52.5	45.6	15.1%
% Ebitda/sales	9.8%	9.8%	
Net Profit before Tax	32.7	18.4	78.2%
Net Profit attributable to the Group	18.8	11.1	69.4%
Net Cash Flow	36.4	24.7	47.4%

Highlights per Business Unit

Sales	Mar. '06	Mar. '05	Var (%)	% Mar.'06	% Mar. '05
Bioenergy	101.8	88.5	15.0	19.0	19.1
Environmental Services	115.2	86.3	33.5	21.6	18.6
Information Technologies	91.3	87.0	4.9	17.1	18.7
Industrial Engineering and Construction	226.3	202.4	11.8	42.3	43.6
Total	534.6	464.3	15.1	100.0	100.0

Ebitda	Mar. '06	Mar. '05	Var (%)	% Mar.'06	% Mar. '05
Bioenergy	10.0	9.1	9.9	19.1	20.0
Environmental Services	11.7	9.6	21.9	22.3	21.0
Information Technologies	6.7	9.3	-27.5	12.8	20.4
Industrial Engineering and Construction	24.1	17.6	36.7	45.8	38.6
Total	52.5	45.6	15.1	100.0	100.0

Ebitda/Sales	Mar. '06	Mar. '05
Bioenergy	9.8%	10.3%
Environmental Services	10.2%	11.1%
Information Technologies	7.4%	10.7%
Industrial Engineering and Construction	10.6%	8.7%
Total	9.8%	9.8%

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

Abengoa's consolidated sales in the first quarter of 2006 were 534.6 M €, a 15.1% increase on the previous year. All of Abengoa's Business Units increased their sales in the first quarter of this financial year.

Sales	Mar. '06	Mar. '05	Var (%)
Bioenergy	101.8	88.5	15.0%
Environmental Services	115.2	86.3	33.5%
Information Technologies	91.3	87.0	4.9%
Industrial Engineering and Construction	226.3	202.4	11.8%
Total	534.6	464.3	15.1%

The Bioenergy Business Unit's sales were 101.8 M € as against 88.5 M € the previous year. The Environmental Services Business Unit's sales were 115.2 M € in 2006 compared to 86.3 M € for the same period the previous year (a 33.5% increase). The Information Technologies Business Unit's sales were 91.3 M € as against 87.0 M € the previous year. Finally, the Industrial Engineering and Construction Business Unit's sales were 226.3 M € as against 202.4 M € the previous year (a 11.8% increase).

◆ **Ebitda**

The EBITDA (earnings before interests, taxes, depreciation and amortization) was 52.5 M €, which is a 15.1% increase on the 2005 figure.

Ebitda	Mar. '06	Mar. '05	Var (%)
Bioenergy	10.0	9.1	9.9
Environmental Services	11.7	9.6	21.9
Information Technologies	6.7	9.3	-27.5
Industrial Engineering and Construction	24.1	17.6	36.7
Total	52.5	45.6	15.1

The Bioenergy Business Unit achieves an Ebitda of 10.0 million euro in this first quarter as against the 9.1 million euro registered in the same period the previous year. This is a 9.9% increase. The Environmental Services Business Unit achieves an Ebitda of 11.7 million euro to the end of March 2006 as against the 9.6 million euro to the end of March 2005. This is a 21.9% increase. The Industrial Engineering and Construction Business Unit achieves an Ebitda of 24.1 million euro as against the 17.6 million euro the previous year. This is a 36.7% increase. Finally, the Information Technologies Business Unit achieves an Ebitda of 6.7 million euro as against the 9.3 million euro the previous year.

◆ **Taxes**

	Mar. '06	Mar. '05	Var (%)
EBT	32.7	18.4	78.2
Corporate Taxes	-10.4	-5.9	76.3
External Partners	-3.5	-1.3	161.2
EAT	18.8	11.1	69.4
Tax Rate	31.8%	32.2%	

The earnings before tax were 32.7 million euro which is a 78.2 percent increase on the 18.4 million euro in the first quarter of 2005. The financial result of 11.4 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 quarter of the previous financial year were 2.9 million euro. If the impact of this financial result is eliminated in both periods, the growth level of the earnings before tax is 37.4 percent.

Company tax expenses in the first quarter of 2006 rose to 10.4 million euro. Thus, the tax rate for said period is 31.8%

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

	Dic. '05	Dic. '04	Var (%)
EAT attrib. parent company	18.8	11.1	69.4
% EAT / Sales	3.5%	2.4%	

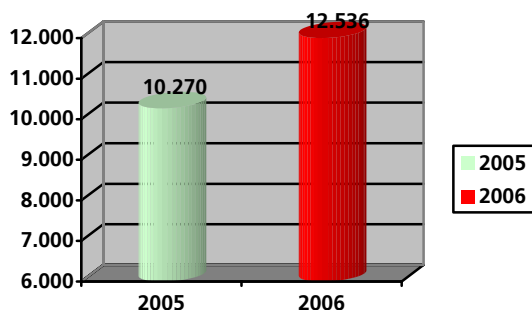
The earnings attributable to the parent company were 18.8 million euro, which is a 69.4 percent increase on the 11.1 million euro achieved the previous year (23.9 percent if the impact of the financial result derived from participations in officially listed shares is eliminated).

◆ Net Cash Flow

	Dic. '05	Dic. '04	Var (%)
Net Cash Flow	36.4	24.7	47.4
% Cash Flow / Sales	6.8%	5.2%	

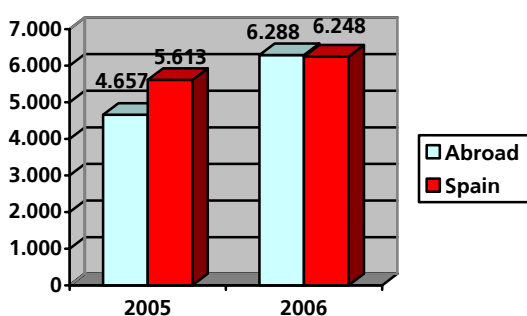
The Net cash Flow has increased to 36.4 million euro, a 47.4% increase on the 24.7 million euro for the same period in 2005.

◆ Evolution of the average workforce



The workforce has increased by 2,266 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.

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. 63441)**

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. 63958)**

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. 64283)**

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.

Out of the period corresponding of the First Term, April 10, 2006 (Ref. 65632) has been send the resolutions adopted in the Ordinary General Shareholders' Meeting hold on April 9, 2006.

2. Evolution on the Stock Exchange

Share Performance

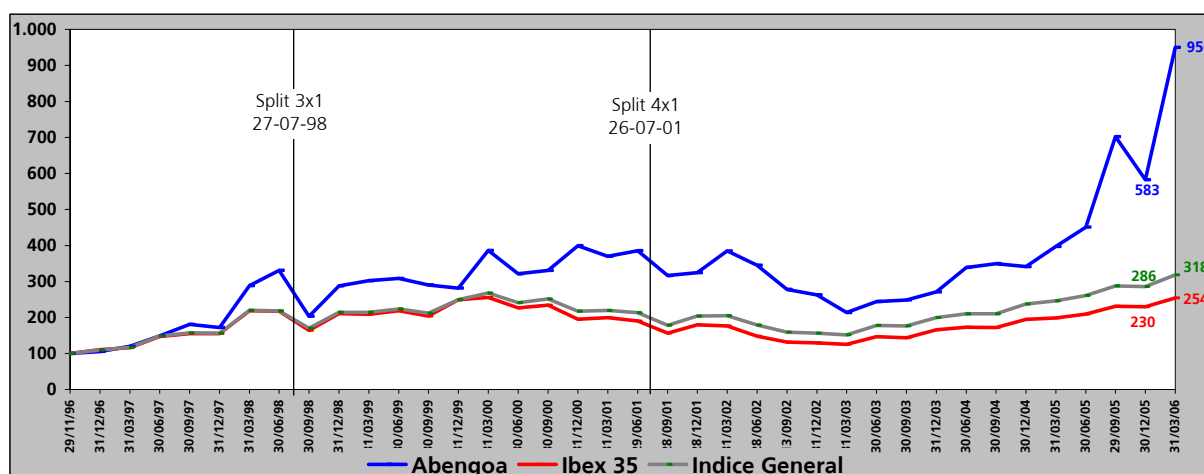
According to the data supplied to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Securities Recording, Clearing and Settlement Management Company) for the last Extraordinary General Meeting held on April 9, 2006, Abengoa, S.A. had 6,663 shareholders.

As on March 31, 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) 29,974,836 shares were traded in the first quarter of 2006. The average volume of daily trading over this period was 468,356 shares. Minimum, maximum and average listed share prices in 2006 were 12.35 euro, 20.76 euro and 17.54 euro, respectively. The final listed price of Abengoa's shares in this period was 20.23 euro/share, which is a 63.1% increase on the closing price for the previous year and a 139.1% increase on the closing share price on March 31, 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 850.4 % which is 9.5 times the initial price. During this same period, the Madrid Stock Exchange has revalorized 218.5 % and the select IBEX 35 has gone up 154.1 %.



◆ Disclaimer

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

Avda. Buhaira 2
41018 Seville (Spain)
Tel. 0034 954937111
E-mail: [jcyjimenez@abengoa.com](mailto:jcjimenez@abengoa.com)

ABENGOA

Juan Carlos Jiménez Lora
Head of Investors Relations