Evolution of Business
Financial Year 2007

With the sun … we produce thermoelectric and photovoltaic electric energy

With Information Technology … we manage business and operational processes in a secure and efficient way

With biomass … we produce ecologic biofuels and animal feed

With engineering … we build and operate conventional and renewable energy power plants, power transmission systems and industrial infrastructures

With wastes … we produce new materials through recycling, and we treat and desalinate water

With the development of social and cultural policies ... we contribute to economic progress, social equity and the conservation of the environment in communities where Abengoa is present

Your Partner in Resources and Technical Solutions

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1 Our Commitment

In Abengoa, we believe that the globe requires **Solutions** that allow our development to be more sustainable. Scientists tell us that **Climate Change** is a reality and from Abengoa, we believe the time has come to pursue and put these solutions into practice.

More than ten years ago, Abengoa decided to focus its growth on the creation of new technologies that contribute to **Sustainable Development** by:

- Generating **Energy** from renewable resources.
- Recycling Industrial **Wastes** and **Water** production and management.
- Creating **Infrastructures** that prevent new investments in assets that generate emissions.
- Creating **Information Systems** that assist in ensuring more efficient management of existing infrastructures.
- Establishing **New Horizons** for development and innovation.

To this end, we invest in Research, Development and Innovation, **R&D&I**, **Globally** extend the technologies with the greatest potential, and attract and develop the necessary **Talent**.

Moreover, through the **Focus-Abengoa Foundation**, we dedicate human and economic resources to promoting social action policies that contribute to social and human progress.

By doing this, we create **Long-Term Value** for our shareholders, contribute to the development of society in the areas in which we conduct our activities, and help to make the globe a better and more sustainable place for future generations.

2 General Description of the Activities

At Abengoa, we believe that the current global economy is not sustainable. Science has reached unequivocal conclusions: climate change is a reality. Given this unquestionable fact, today's society must look towards a new model of economic development based on the efficient use of natural resources and, in particular, the energy, water and waste that we generate.

At Abengoa we took this step more than a decade ago by applying innovative technological solutions. Our objective is to be a major force in the most important areas related to sustainable development:

- In **Renewable Energies**, we aim to create two global leaders: In the production and commercialization of bioethanol for transport and in solar energy for the production of electricity and sale of associated technologies.

- In **Water**, we are creating an international leader in the desalination and water transport market.

- In **Waste Management**, we are the leaders in certain markets for zinc, aluminium and associated services.

- We are creating an international leader in **Information Technologies** with high added value for the efficient management in sectors such as energy, transportation, environment, public administration and global services.

- In **Industrial Engineering & Construction**, we are leaders in the market for a renewable energy infrastructure, transport systems and electricity.

- We are creating **new horizons for growth** by developing businesses with high potential related to other renewable energies such as hydrogen and the management of greenhouse effect gas emissions.

We believe that offering innovative technological solutions and reaching positions of global leadership in these markets will lead to the creation of value in the long term. Our objective is to maximise the value of the company by generating profitable growth through innovation.

We have already made significant progress: 1) Over the last decade we have provided new solutions for the creation of a sustainable economy; 2) We have businesses, with good prospects for growth, which are technological and market leaders on an international scale; and 3) We have obtained significant and sustained increases in our main financial figures. For example, during the period 199 -2007, Abengoa's revenue has grown at a compound average rate of 17%, the gross operating cash flow has increased by 21% and profit per share has increased by 20%.

Thanks to the efforts of the 20 000 people that make up Abengoa's workforce, we ended the year 2007 with M€ 3,214 of revenue (+20.1%), M€ 452 of gross operating cash flow (+57.2%), and M€ 120 of net profit (+20%). But, above all else, during the year 2007 we were able to consolidate a portfolio of businesses based on sustainable development with potential for profitable growth. We are in an excellent position, with prospects for another decade of growth equalling that of the past ten years and opportunities for the creation of value in all of our activities.

Our businesses that we call of horizon one (generators of cash flow and profitability in the short term) include four activities that, in 2007, brought in a total of M€ 2,374 in revenue and M€ 350 in operating cash flow.

1) **Industrial Engineering & Construction**: we are the second largest international power contractor of electrical installations (ENR report, December 2007), serving more than 1,700 internal and external clients. Profitable growth of this business is on track as in 2007 we were awarded important contracts allowing us to end the year with a portfolio of more than M€ 6,000.

2) **Transmission of electrical energy**: we are one of the main owners and licensees of lines spanning more than 4,500 km in Latin America, with an investment of M€ 1,400. Over the next few years we will have the opportunity to continue growing in several countries, by means of new contracts and by participating in the consolidation of this sector.

3) **Recycling of industrial waste**: we are creating an international leader. We are already leaders in Europe (zinc and aluminium) and in Spain and Portugal (management of industrial waste in general). In 2007 the company "BUS," acquired at the end of 2006, was incorporated into the zinc recycling business and a merger has been agreed with Alcasa for the recycling of aluminium. These two operations enable the creation of value from the beginning and the creation, in Europe, of more efficient businesses. This solid base will enable us to benefit from opportunities for consolidation and growth in countries that will implant more demanding regulations over the coming years.

4) **IT Systems**: we have a leading international position in the provision of information technologies with high added value for the management of sectors such as energy, transportation, environment, public administration, and global services. In 2007, we incorporated two traffic and transport companies acquired in the United States and taken a majority stake in Matchmind (Spain). Over the next few years, we expect organic growth deriving from our clients' requirement for systems and services with a high added value. We shall continue to expand our technological and geographical base by means of acquisitions when these enable the creation of value.

In the businesses that we call horizon two (profitable growth over the next few years) we have two activities:

1) **Bioenergy**: we have an excellent international position in the production and sale of bioethanol and status as the only producer present in the three main markets (United States, Brazil and Europe). This market has been growing at 25% annually and is expected to continue to grow at a similar rate within the context of expensive oil and government support for biofuels in most countries. In fact, in 2007 the United States approved an "Energy Bill" that envisages multiplying the market by five over the next fifteen years, whilst various European countries have approved legislation in order to fulfil the planned growth targets In this context, our strategy is to occupy positions in the main markets that are ideal, from a logistic point of view, to increase commercial penetration and prepare us for the second generation of bioethanol, which we have been developing for several years at pilot plants.

In 2007 a new plant in Nebraska was commissioned along with partially a plant in Lacq (France) and the construction of three new plants in the United States and Holland was commenced. We have also entered the Brazilian market with the acquisition of Dedini and we have won a bid to build, with the support of the United States Energy Department, the first second generation commercial plant. Over the next few years we expect an increase in revenue and profitability, despite the volatility of results that characterizes first generation biofuels. But this investment made will allow us to produce the second generation of cellulosic bioethanol as the international leader with regards to operational efficiency and commercial and logistical presence. This, together with the second generation technology that we are developing, will give us a significant competitive advantage in this high growth market.

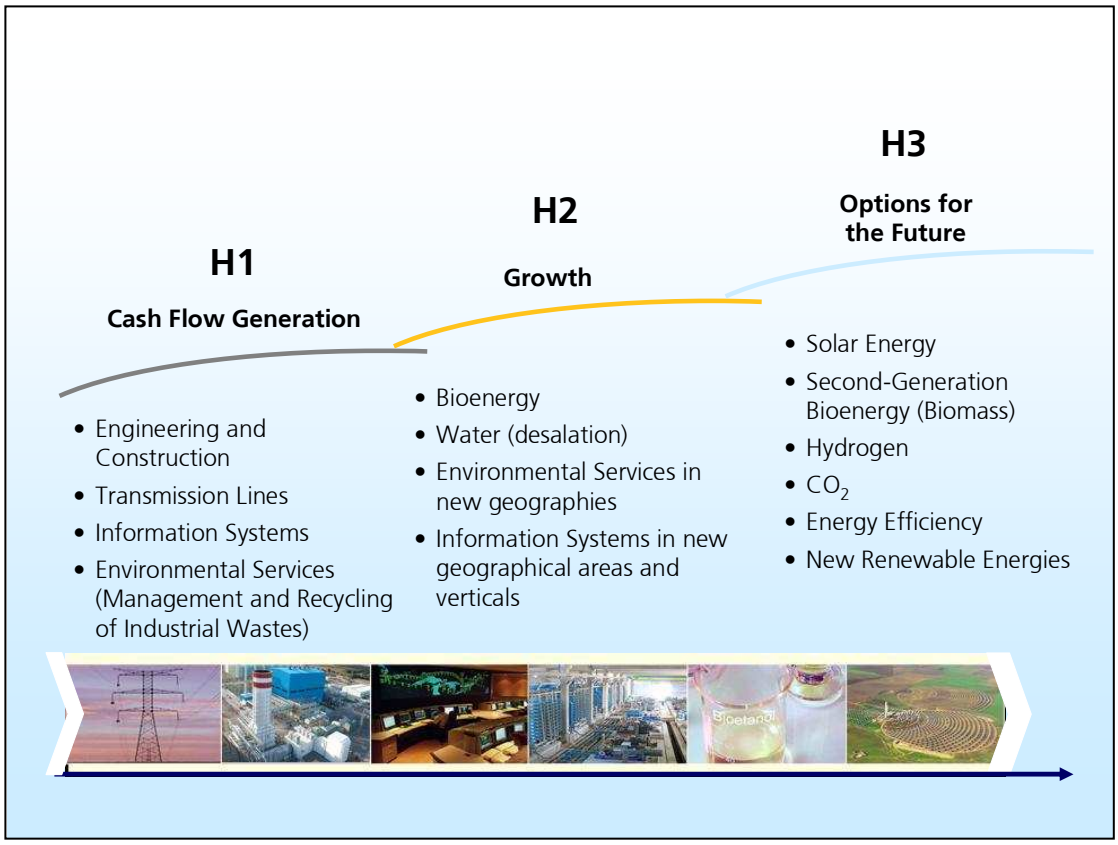
2) **Water**: we are one of the five largest companies in the world involved in the construction and ownership of desalination assets or concessions. It is a market that has been growing at a rate of approximately 10% per year. We are the leader in infrastructure in Spain. In 2007, we began the construction of two large desalination plants in Algeria and one in India. We also have a project in China, which we will start soon. Over the next few years we expect to be awarded new contracts in various countries as a result of our commercial activities.

In the business of horizon three (generators of future growth) we have started new activities in various markets with high potential. Some of them shall become in the future businesses of horizon two and horizon one:

- **Solar Power**: we are one of the world's pioneers in large solar plants connected to the grid. During 2007, the first commercial thermosolar power tower in the world was put into service.At the end of 2007, 170 MW of solar power facilities were under construction in Spain, Algeria and Morocco. Over the next few years we expect significant growth given the present portfolio of projects being promoted.

- **Hydrogen**: we have created one of the pioneering companies in investigation dedicated exclusively to hydrogen technologies as a future energy vector.

- **Management of emissions**: we have a company that is focused on the management of emissions rights and the development of projects for clean development mechanisms. We are also working on pioneering projects related to the capture and sequestration of CO2 and energy efficiency.



In order to attain these objectives, in 2007 we reinforced the capacities that enable use to achieve profitable overall growth in markets with a significant technological component. Over the next few years, it is essential to continue reinforcing our capacities in the following areas, which are critical for our development:

- **R&D&I**: in 2007 we invested M€ 55 and we employ 460 professionals that work with investigation centres and universities in several countries.

- **Internationalization**: in 2007 62% of our business and 56% of our staff were located outside of Spain and we have a strong presence in markets such as United States and Europe and in economies with high potential for growth such as Brazil, China and India.

- **Financing**: in 2007 we obtained an additional M€ 859 in corporate financing with favourable conditions and arranged non-resource project financing for a total of almost M€ 12,000. This puts us in a better position to deal with the present scenario of increased uncertainty.

- **Risk control**: in 2007 we continued to develop system and tools allowing us to identify and manage the financial and operational risks related to our businesses. For example, this year Abengoa carried out an SOX audit in accordance with the criteria of the strictest financial markets.

- **IT and management systems**: in 2007 various mobile management systems were implemented that make decision-making, management and control of the businesses in an international context more agile.

- **Attraction, Development and Retention of talent**: in 2007, 1,700 new employees were recruited, more than 660 thousand hours of training were provided and our potential executives programme was developed.

- **Social responsibility, transparency and communication**: in 2007 we continued our efforts to promote culture through the **Focus-Abengoa Foundation**, with actions such as the purchase of the Velazquez' "Santa Rufina" painting, the implementation of social policies and the promotion of knowledge regarding solutions for sustainable development. From the beginning of 2008, we have had a new web page that increases the company's level of transparency.

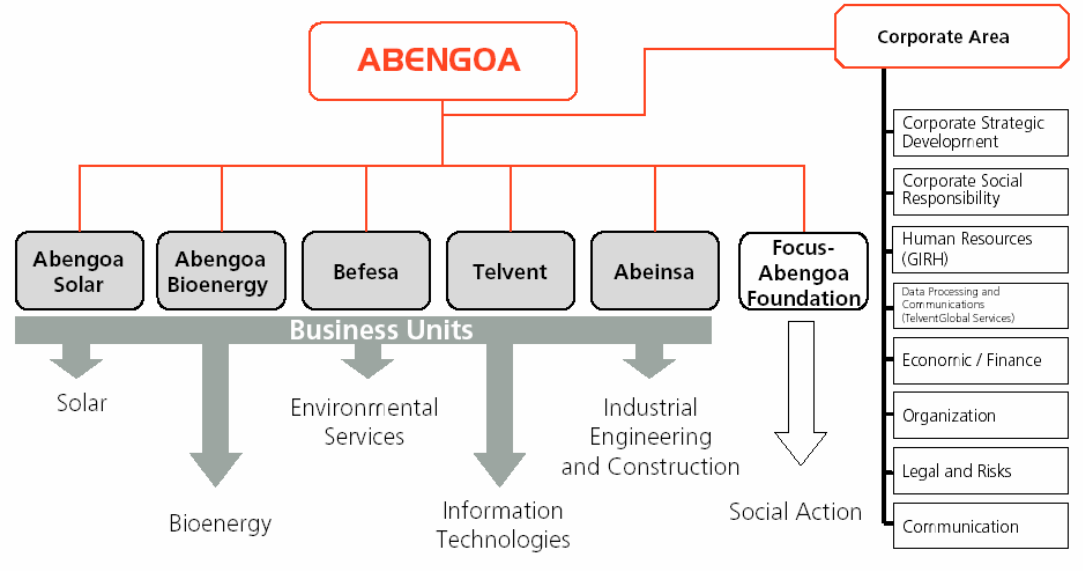
In short, 2007 has been used to reinforce our position in all of our activities, improve our performance and prepare for profitable growth. A significant part of our businesses are stable with high cash flow. In some businesses we are leaders in high-growth markets and other businesses have high potential for growth. Thanks to this position, which we have reached over the past few years, one of our main challenges continues to be choosing between the opportunities for growth that are available to us and assigning our resources to the activities with the greatest potential for the creation of value.

Obviously, there are risks and challenges ahead. In some of our markets the regulations are becoming stricter, financial conditions are becoming less favorable, and detractors of innovation continue to express opinions based on erroneous data about renewable energy. However, the demand for innovative solutions to ensure sustainable development will continue to grow and our presence in various different sectors will protect us. If we are capable of successfully innovating and managing our activities, as we have done in the past, we will create value for our shareholders and contribute to looking after the world that we will hand over to future generations.

Current Organization

Abengoa is a technology company applying innovative solutions for sustainability in the infrastructure, environment and energy sectors while contributing long-term value for our shareholders via management characterized by the fostering of business spirit, social responsibility and transparency and rigor in management.

We are present in more than 70 countries where we operate with five Business Units: Solar, Bioenergy, Environmental Services, Information Technologies, and Industrial Engineering & Construction.



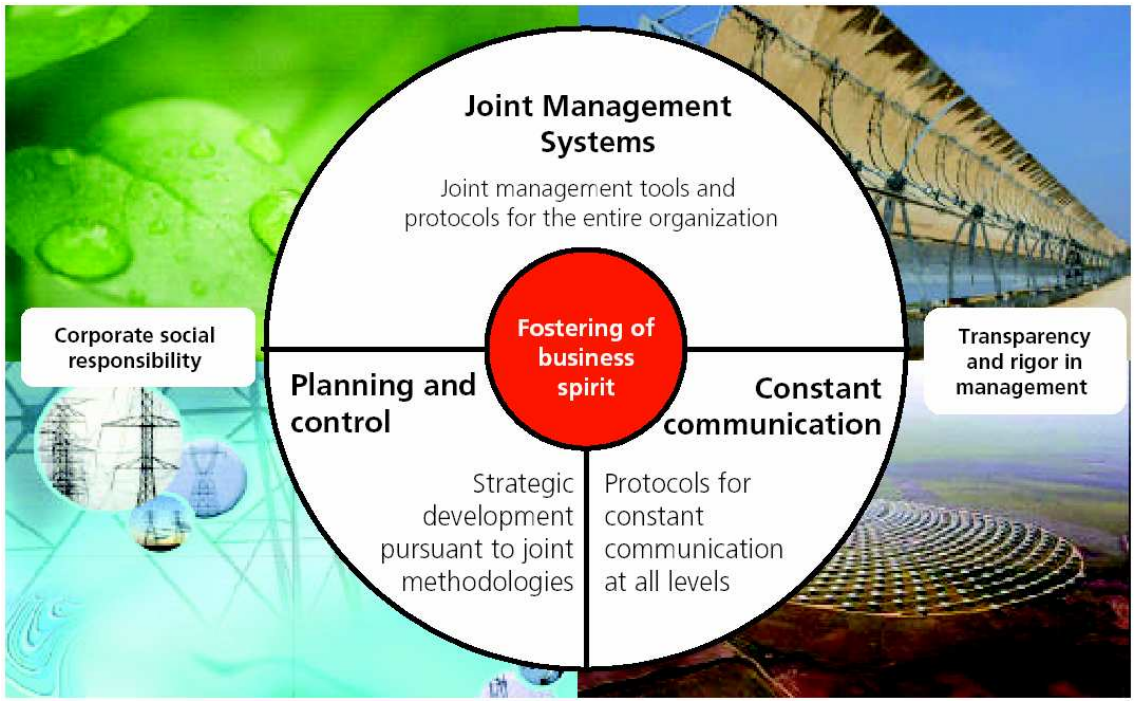
Our management model

Abengoa's growth is based on five strategic pillars:

- Creation of new businesses that help to fight climate change and contribute to sustainability.
- Maintenance of a highly competitive human team.
- Constant value creation strategy via generation of new options, defining current and future businesses pursuant to a structured procedure.
- Geographic diversification in markets with the greatest potential.
- Major investment effort in research, development and innovation activities

These pillars are supported by a management model characterized by three elements:

- Corporate social responsibility
- Transparency and rigor in management
- Fostering of business spirit



3 Business Evolution. Highlights

3.1 Solar

Financial year 2007 was the first year in which Solar released figures as a Business Group. This year, Solar reached installed power of 11 MW in plants with tower technology solar heating (PS 10) and 2.2 MW in plants with photovoltaic technology (Copero and Sevilla PV).

Furthermore, under construction we have 120 MW in 3 solar heating plants (one of 20 MW, with tower technology, and two cylinder parabolic plants) in the Solúcar platform located in Sanlúcar la Mayor (Seville), and 10 MW in photovoltaic plants in southern Spain. On the other hand, construction of a hybrid gas-solar plant is under way in Algeria.

The Solar Business Group reported the following results:

Solar (M€)	2007	2006	Var (%)
Aggregated Sales	**17.7**	**n.a.**	**n.a.**
Ebitda	**10.1**	**n.a.**	**n.a.**
Ebitda / Sales	57.0%	n.a.	
Operating Cash Flow	**9.5**	**n.a.**	**n.a.**

Aggregate sales in this Business Group correspond to:

- The delivery of solar energy to the network, amounting to 3.0 M€, arising from energy sales of 11 MW from the solar heating plant and 1.2 MW from the photovoltaic plant which are within the Sanlúcar la Mayor solar platform (Seville), and from the Copero farms (1 MW) located in Seville province, which were started up over the course of the year.

- Solar technology sales, amounting to 16.9 M€. In this section, we may draw particular attention to the income from industrial systems for heat generation, with various applications such as air conditioning, water or industrial processes and components for solar plants.

- The solar energy developments which we are carrying out within the framework of our Strategic Plan and the completion of the works for several photovoltaic plants, amounting to 20.2 M€.

The details of the activities of Solar Business Unit are shown below::

M€	Sales	Op. Cash Flow	Margin
Sales of solar energy	3.0	1.5	50.3%
Solar promotions	16.9	7.2	42.8%
Venta de tecnología	20.2	0.8	4.0%
Subtotal Aggregated	**40.0**	**9.5**	**23.8%**
Adjustments	(22.3)		
Total Consolidated	**17.7**	**9.5**	**53.8%**

During 2007, personnel in the Business Group increased threefold, reflecting Abengoa's strong commitment to solar energy. In fact, in 2007 the average personnel was 104 employees.

Furthermore, in 2007 the Solar Business Group invested over 200 M€ in the construction of solar heating and photovoltaic plants, and in taking part in solar technology development projects.

We would also highlight this Business Group's investment in R&D&i, which came to 12.9 M€, including projects in Europe and the United States in conjunction with leading solar energy institutions and universities.

3.2 Bioenergy

In the 2007 financial year, after the acquisition of Dedini Agro (now Abengoa Bioenergy Sao Paulo), Abengoa is now the only world player which is present in the three most important bioethanol markets (Europe, United States and Brazil).

Despite the adverse raw materials scenario, Bioenergy improved on the results reported in 2006, with the following figures:

Bioenergy (M€)	2007	2006	Var (%)
Consolidated Sales	**613.7**	**476.2**	**28.9%**
Ebitda	**54.3**	**49.9**	**8.8%**
Ebitda / Sales	8.9%	10.5%	
Operating Cash Flow	**79.8**	**49.9**	**59.8%**

As a consequence of the recent acquisition of Dedini Agro, which has been effectively owned since the end of 2007, the result for the year includes a negative impact on Ebitda of €-4.3 million, primarily due to the fall in the sugar price to 9.77 US cents per pound on 10 October 2007, as well as to the strengthening of the Brazilian Real against the US Dollar.

Performance in **Europe**:

- The volume of ethanol sold has increased to 372.8 Ml (3.1% more than in 2006), despite the stoppage at the Salamanca plant.

- The price of ethanol also increased to 0.606 €/l (vs. 0.58 €/l in 2006) due to the increase in oil prices.

- However, these effects were offset by the increase in the cereal price, which in 2007 had an average price of 183.1 €/t (139.8 €/t in 2006).

- Also of note is the effect of the decrease in the cost of natural gas from 22.4 €/MWh in 2006 to 20.4 €/MWh in 2007.

- Works have begun for the construction of a new plant in the Netherlands. This plant will have an annual capacity of 480 Ml.

Performance in the **United States**:

- The volume of ethanol sold reached 134.7 Mgal, a 32.1% increase on the 2006 figure. The start-up of production in the Nebraska plant (31.9 Mgal sold) was the main reason for this increase.

- The ethanol price also rose, and reached 2.13 $/gal (1.75 $/gal in 2006).

- The cereal price rose to 3.43 $/bu in 2007, as against 2.46 $/bu in 2006 (a 39.4% increase).

- Likewise, also of note is the effect of the decrease in the cost of natural gas from 9.45 $/mmbtu in 2006 to 8.42 $/mmbtu in 2007.

- Works began for the construction of two new plants, in the states of Illinois and Indiana, each with a planned capacity of 88 Mgal.

3.3 Environmental Services

In financial year 2007, Environmental Services reported its best results ever after the successful integration of BUS.

Environmental Services (M€)	2007	2006	Var (%)
Sales	**769.7**	**555.3**	**38.6%**
Operating Cash Flow	**123.8**	**58.0**	**113.3%**
Operating Cash Flow / Sales	16.1%	10.5%	

A new furnace was started up in the Befesa Valera plant, located in Gravelines (northern France). A sum of 18 M€ was invested in this project, thereby taking advantage of synergies with another furnace already existing at the same plant. These two furnaces, together with a similar furnace which Befesa has at its Swedish plant, have capacity to handle 185,000 tons of stainless steel powder a year.

Furthermore, Befesa signed an agreement for the integration of its aluminium business with Qualitas, which will contribute the recently acquired Aluminio Catalán (Alcasa). This will give rise to a company with turnover of around 350 M€, which will be the third-largest operator in the European aluminium waste recycling market.

The performance by divisions was as follows:

- **Aluminium Waste Recycling**. In 2007, cumulative sales amounted to 218.1 M€, compared to 229.4 M€ the previous year. This variation is largely due to the fall in the market price of aluminium. Over this period, 356,000 tons of aluminium-content waste were treated, representing an increase of 0.3%.

- **Steel Waste Recycling and Galvanisation**. In 2007, sales amounted to 251.8 M€, compared to 76.3 M€ for the same period of the previous year. Without considering the sales of 170.5 M€ contributed by BUS (as against 19.5 M€ in 2006), the division reported 11.8% growth, largely the result of the increased production capacity due to the construction and assembly of

a new furnace at the Asúa-Erandio plant (Vizcaya), which went into operation in September 2006. Over this period, 662,112 tons of steel powder and powder from the galvanisation industry were treated, an increase of 444.9%.

- **Industrial Waste Management**. This division reported sales of 124.3 M€, compared to 110.2 M€ the previous year, representing an increase of 12.8%. During 2007, 1,338,480 tons of hazardous and non-hazardous industrial waste were treated, meaning a 4.3% growth compared to the previous year.

- **Water**. This division reported a cumulative turnover of 175.5 M€ in 2007, 25.9% up on the previous year's 139.4 M€, as a result of the execution of the desalination contracts abroad. At the end of the financial year, the order book stood at 464 M€.

Operating cash flow increased by €65.8 million (+113.3%) compared to 2006, of which €49.9 million corresponds to operations from BUS. Excluding BUS, the improvement in operating cash flow is 27.4%, principally driven by the strong performance across all business areas.

Operating cash flow margin over sales improved considerably to 16.1% as a result of the change in the Group's sales mix.

3.4 Information Technologies

During financial year 2007, our turnover grew by 25.4% compared to the figure for the previous year. We closed the year with sales of 597.2 M€.

Information Technologies (M€)	2007	2006	Var (%)
Sales	**597.2**	**476.3**	**25.4%**
Operating Cash Flow	**55.9**	**42.3**	**32.1%**
Operating Cash Flow / Sales	9.4%	8.9%	

It is important to note that this growth has been mainly organic (20%), with the remaining 5% deriving from the contribution of acquisitions consolidated over the year to our sales.

Our organic growth is a perfect combination of sales to a stable and long-term client base -which we provide with new solutions and services, and who account for approx. 85% of our sales- and the incorporation of new clients into our portfolio, our capacities thus being increased in both geographical and sectorial terms.

On the other hand, we would also like to highlight the contribution made by the companies which have become part of the group and which enable us to continue broadening our range of solutions and services.

In 2007, for the first time we consolidated 100% of the activities corresponding to our subsidiary in the USA, Telvent Farradyne Inc., acquired in July 2006, and Maexbic, S.A., acquired in December of the previous year. Furthermore, this financial year we incorporated two new companies with an impact on sales: the American company Caseta Technologies, acquired in May, and the consultancy company Matchmind, in which we recently took up a majority shareholding. These companies have all helped to globally reinforce our range of solutions and services, having a positive impact on the income statement of Telvent.

In addition, we acquired a significant stake in S21SEC, a company which specialises in IT security, with which we hope to consolidate our leading

position in the digital security sector, a key factor in the information technology of today and tomorrow.

We have increased our profitability Gross Flows from 8.9% to 9.4% as a result of an improvement in our margins and operational efficiencies that we are undertaking.

Our clients continue to place their trust in Telvent. In 2007, new contracts amounted to 700 M€, up from 553 M€ the previous year, an increase of 26%. On 31 December 2007, the order book –contracted works pending execution– came to 580 M€, 30% up on the end of 2006 figure, which gives us an indicator of our level of visibility for 2008.

In 2007, we consolidated our new structure into five business activities or segments: Energy, Transport, Environment, Public Administrations and Global Services. We continue to experience growth in each one of these segments, investing in new solutions, expanding our presence in key geographical areas and paving the way for creating new business opportunities.

- **Energy** accounted for approximately 38% of our global business in 2007, with sales of 225 M€, an increase of almost 12% compared to 2006. This year we would like to highlight the dramatic growth in business in the electricity sector in Europe, followed by other areas such as North America and Latin America. We hold a leading position in the Smart Grid Solutions sector, with the cornerstone being the project we are developing for Vattenfall in Sweden, which has made a significant contribution to sales in this segment. In 2007, our OAS&S DNA 7.5 was endorsed by the Idaho National Laboratory and the United States Energy Department, evidence of our great commitment to the security of critical infrastructure control systems.

- **Transport**, which accounted for 36% of our business over the year, is another important segment. Income was up 35% to 221 M€. We are very satisfied with the leading position we are acquiring in Latin America, Asia, Spain, and particularly in North America, This year in North America we concluded the acquisition of Caseta Technologies, a company specialising in the development, integration and maintenance of the complete cycle of toll management and collection systems, completing the capacities and

solutions supplied by us in this region through our subsidiary, Telvent Farradyne.

- **Environment** closed the year with sales of 40 M€, compared to 41 M€ the previous year. We would like to draw attention to the successes reported in the application of our meteorological information system for airports, and our systems for optimising the water distribution network, including detection of leaks, saving in consumption and guaranteed supply.

- **Public Administrations** has virtually doubled its sales, reaching 50 M€.

- **Global Services** reported sales of 61 M€, an increase of over 84% on the previous year. This increase was partly the result of the structural changes carried out in the division in order to deal with our clients' technological requirements more efficiently.

3.5 Industrial Engineering and Construction

Within this Business Group's positive performance, we would particularly highlight the contributions of the constructions of biofuel and solar heating plants by Abener, the new hospital and administrative building concessions in Inabensa, and, finally, the high voltage line concessions in Brazil, with the start-up of the new concession for the Colinas–Sobradinho transmission line (ATE II) being particularly noteworthy. Also notable in comparisons to the previous year are the poorer results recorded by the Cogeneration business, principally due to the fall in energy prices.

Industrial E & C (M€) (*)	2007	2006	Var (%)
Sales	**1,546.6**	**1,169.4**	**32.3%**
Operating Cash Flow	**183.3**	**137.5**	**33.3%**
Operating Cash Flow/Sales	11.9%	11.8%	

(*) Including corporate activity and consolidation adjustments

This growth in business and international development has enabled us to become world leaders in the business sectors in which we are present. In fact, according to a recent report in the Engineering New Records magazine, Abeinsa is the global leader in international contracts relating to the construction of electrical transmission and distribution infrastructures, and is ranked second in the construction of energy-related infrastructures.

By divisions:

- In **Energy**, we would highlight the positive performance of Abener Energía, achieved through the "turnkey" construction of internal development plants for Bioenergy (245 Ml bioethanol plant in Lacq-France, the 200,000 tons biodiesel production plant in San Roque-Algeciras, three plants with capacity to produce up to 480,000 m^3 of bioethanol based on corn or wheat, in the Netherlands, England and Germany) and Abengoa Solar (construction of the second tower-technology solar heating plant with 20 MW power of the Sanlúcar La Mayor Solar Platform, Seville, and starting construction of the two 50 MW cylinder parabolic plants), in

conjunction with the addition of new companies (Abencs and EPG) to develop this company's international activities.

- Our expertise, providing a solid guarantee for Abener in the "turnkey" construction of solar heating technology plants, proved to be instrumental in our being awarded the world's first combined solar-cycle hybrid plant of 150 MW (in Hassi R'Mel, Algeria), and the 470 MW Ain-Beni-Mathar plant (Morocco), which will use combined cycle technology integrated with a solar field of cylinder parabolic collectors. Investment for the two projects will amount to approximately 800 M€.

- In 2007, we continued to strengthen our commitment to the **Environment**, considerably increasing our R&D&i investments in the field of fuel and hydrogen batteries, via our subsidiary, Hynergreen Technologies, and in CO_2 capture and reutilisation and energy efficiency through the R&D division of Instalaciones Inabensa.

- ZeroEmissions Technologies encompasses the coal trading activities and CDM projects associated with the Kyoto Protocol. We have signed contracts for carrying out CDM (Clean Development Mechanisms) projects with companies in various countries, such as China and India.

- A more disappointing aspect of the Energy division is the contribution made by the **Co-generation** business to Abengoa's profit. This contribution was reduced by the negative evolution of energy sale prices, which fell by up to 18% compared to the previous year.

- In **Facilities**, not only did we consolidate the figures reported in 2006, but actually reported additional growth of 25%, due to the correct execution of our projects during 2007. We would particularly highlight the execution of Lot 2 of the Siepac project (Sistema de Interconexión Eléctrica de Países de América Central), which consists of a 230 kV electrical transmission line and the 400 kV Misurata-Surt-Ras Lanouf-Agdabia simple circuit line to 400 kV and 575 km long, together with the new contracts which we secured this year: Construction of the penitentiary facilities of Albocásser (Castellón) and Moron de la Frontera (Seville), the project for the extension of the Seville Exhibition and Conference Centre, supply of equipment for the new international exhibition centre in Beijing (China), deployment of

the third operator telecommunications network in Morocco, construction of three photovoltaic plants for a total of 8 MW, and many others which have enabled us to report this growth.

- In facilities, it is important to draw attention to the development of the concessions business in Inabensa, by means of taking part in the construction of special buildings, and the subsequent management of the concessionary company.

  In 2007, within this line of business, we completed the construction of the Tajo Hospital in Aranjuez, and the execution of three courts for the Government of the Autonomous Community of Catalonia is in progress. Furthermore, Inabensa has been awarded the concession for the new hospitalisation and out patients building of the Costa del Sol Hospital in Marbella (Malaga).

- In **Commercialisation and Auxiliary Manufacture**, the 22% increase compared to 2006 is largely due to Eucomsa, which reported a significant rise in sales (over 25%). We would highlight the numerous supplies we have carried out for REE, for the 400 kW electrical transmission grid, and for the construction of various sub-stations. We would also add that the future outlook appears to be very optimistic, due to the launching of manufacturing activities for the solar energy cylinder parabolic collector plants.

- In **Latin America**, we have maintained our activities in the various countries in which we operate, particularly noteworthy being the works in Brazil – construction of 922 km long high voltage lines, which means Gross Operating Flows in the vicinity of 25 M€. This year, in the transmission line concessions business, we reported Gross Operating Flows of approximately 100 M€. We would also draw attention to the growth in business in Mexico and Peru, where our turnover rose by 20%.

4 Details of the Profit and Loss Account

♦ Consolidated Profit and Loss Account at December 31, 2007

(figures in thousand of euros)

	31/12/2007	31/12/2006
Net turnover	3,214,465	2,677,186
Variation in inventories	42,118	2,541
Other operating income	348,101	134,690
Materials consumed	(2,136,461)	(1,645,700)
Personnel expenses	(518,699)	(402,719)
Depreciation and amortization expense	(97,405)	(68,679)
Research and development costs	(41,912)	(23,239)
Other operating expenses	(523,869)	(454,908)
Otros gastos/Ingresos netos		
I. Net Operating Profit	**286,338**	**219,172**
Financial income	22,469	24,430
Financial expenses	(174,085)	(119,239)
Net Exchange Differences	18,657	8,283
Other net financial income/expenses	(7,530)	(5,330)
II. Net Financial Loss	**(140,489)**	**(91,856)**
III. Participation in Profits/(Losses) of Associate Companies	**4,243**	**7,532**
IV. Consolidated Profit before Tax	**150,092**	**134,848**
Corporate income tax	(14,273)	(13,345)
V. Consolidated Profit after-Tax	**135,819**	**121,503**
Profit attributable to minority interests	(15,416)	(21,164)
VI. Profit for the Year attributable to the Parent Company	**120,403**	**100,339**
Number of ordinary shares in circulation (thousands)	90,470	90,470
VII. Earnings per Share for the Year's Result	**1.33**	**1.11**

M€	2007	2006	Var (%)
Sales	**3,214.5**	**2,677.2**	**20.1%**
Gross Cash Flows	**452.4**	**287.9**	**57.2%**
% Gross Cash Flows / Sales	14.1%	10.8%	
Net Profit Before Tax	**150.1**	**134.8**	**11.3%**
Net Profit Attributable	**120.4**	**100.3**	**20.0%**

♦ Highlights per Business Unit

Sales (M€)	2007	2006	Var (%)	% 2007	% 2006
Solar	**17.7**	**n.a.**	**n.a.**	**0.6**	**n.a.**
Bioenergy	**613.7**	**476.2**	**28.9**	**19.1**	**17.8**
Environmental Services	**769.7**	**555.3**	**38.6**	**23.9**	**20.7**
Information Technologies	**597.2**	**476.3**	**25.4**	**18.6**	**17.8**
Industrial Engineering and Construction [(1)]	**1,546.6**	**1,169.4**	**32.3**	**48.1**	**43.7**
Eliminations [(2)]	(330.5)			**-10.3**	
Total	**3,214.5**	**2,677.2**	**20.1**	**100.0**	**100.0**

[(1)] Including corporate activity and consolidation adjustments
[(2)] Eliminations in Industrial E & C for the internal works of not concessional projects

Gross Cash Flows (M€)	2007	2006	Var (%)	% 2007	% 2006
Solar	**9.5**	**n.a.**	**n.a.**	**2.1**	**n.a.**
Bioenergy	**79.8**	**49.9**	**59.8**	**17.6**	**17.3**
Environmental Services	**123.8**	**58.0**	**113.3**	**27.4**	**20.2**
Information Technologies	**55.9**	**42.3**	**32.1**	**12.4**	**14.7**
Industrial Engineering and Construction [(*)]	**183.3**	**137.5**	**33.3**	**40.5**	**47.8**
Total	**452.4**	**287.9**	**57.2**	**100.0**	**100.0**

[(*)] Including corporate activity and consolidation adjustments

Gross Cash Flows / Sales	2007	2006
Solar	**53.7%**	**n.a.**
Bioenergy	**13.0%**	**10.5%**
Environmental Services	**16.1%**	**10.5%**
Information Technologies	**9.4%**	**8.9%**
Industrial Engineering and Construction	**11.9%**	**11.8%**
Total	**14.1%**	**10.8%**

♦ Net Amount of the Business-Sales Figure

Sales (M€)	2007	2006	Var (%)
Solar	**17.7**	**n.a.**	**n.a.**
Bioenergy	**613.7**	**476.2**	**28.9**
Environmental Services	**769.7**	**555.3**	**38.6**
Information Technologies	**597.2**	**476.3**	**25.4**
Industrial Engineering and Construction [1]	**1,546.6**	**1,169.4**	**32.3**
Eliminations [2]	(330.5)		
Total	**3,214.5**	**2,677.2**	**20.1**

[1] Including corporate activity and consolidation adjustments
[2] Eliminations in Industrial E&C for the internal works of not concessional projects

Abengoa's consolidated Sales to December 2007 were 3,214.5 M€, a 20.1% increase on the previous year. All of Abengoa's Business Units increased their sales in this financial year over 20.0%.

The Solar Business Unit's Sales were 17.7 M€ in 2007. The Bioenergy Business Unit's sales were 613.7 M€ as against 476.2 M€ the previous year, which is a 28.9% increase on the last year. The Environmental Services Business Unit's sales were 769.7 M€ in 2007 compared to 555.3 M€ for the same period the previous year, with a 38.6% increase. The Information Technologies Business Unit's sales were 597.2 M€ as against 476.3 M€ the previous year (a 25.4% increase). Finally, the Industrial Engineering and Construction Business Unit's sales were 1,546.6 M€, a 32.3% increase on the 1,169.4 M€ achieved in the same period the previous year.

♦ Gross Cash Flows from Operating Activities

Gross Cash Flows from Operating Activities (M€)	2007	2006	Var (%)
Solar	**9.5**	**n.a.**	**n.a.**
Bioenergy	**79.8**	**49.9**	**59.8**
Environmental Services	**123.8**	**58.0**	**113.3**
Information Technologies	**55.9**	**42.3**	**32.1**
Industrial Engineering and Construction [*]	**183.3**	**137.5**	**33.3**
Total	**452.4**	**287.9**	**57.2**

[*] Including corporate activity and consolidation adjustments

The Gross Cash Flows from Operating Activities figure was 452.4 M€, which is a 57.2% increase on the 2006 figure.

The Solar Business Unit's Operating Cash Flows were 9.5 M€ in 2007. The Bioenergy Business Unit's Operating Cash Flows were 79.8 M€ in this year as against the 49.9 M€ registered in 2006. This is a 59.8% increase. The Environmental Services Business Unit's Operating Cash Flows reached 123.8 M€ as against the 58.0 M€ to the end of December 2006. This is a 113.3% increase. The Information Technologies Business Unit's Operating Cash Flows were 55.9 M€ as against the 42.3 M€ the previous year, a 32.1% increase. Finally, the Industrial Engineering and Construction Business Unit's Operating Cash Flows were 183.3 M€ as against the 137.5 M€ the previous year. This is a 33.3% increase.

- **Taxes**

M€	2007	2006	Var (%)
ET	**150.1**	**134.8**	**11.3**
Corporate Taxes	**(14.3)**	**(13.3)**	**7.0**
External Partners	**(15.4)**	**(21.2)**	**(27.2)**
EAT	**120.4**	**100.3**	**20.0**
Tax Rate	**9.5%**	**9.9%**	

The earnings before tax were 150.1 M€, which is a 11.3% increase on the 134.8 M€ in 2006.

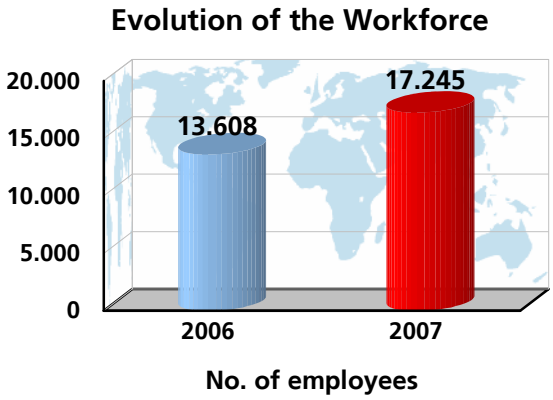
Company tax expenses in 2007 rose to 14.3 M€. Thus, the tax rate for the period is 9.5%, due mainly to the fiscal deductions originated by the efforts being made in, and dedication to R&D&I activities, to the contribution from results in other countries to Abengoa's earnings, and to taxation in Spain under the special fiscal consolidation regime.

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

	2007	2006	Var (%)
EAT attrib. parent Co.	120.4	100.3	20.0
% EAT / Sales	3.7%	3.7%	

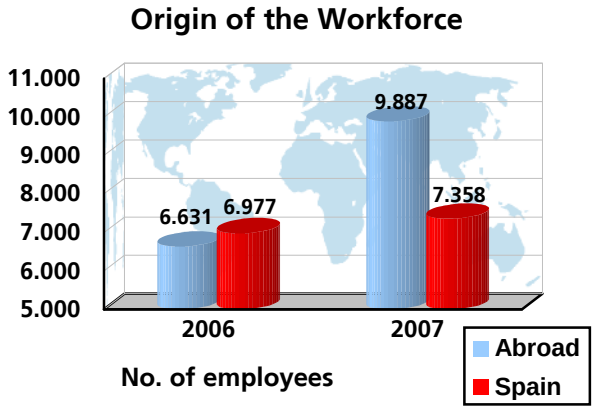
The earnings attributable to the parent company were 120.4 M€, which is a 20.0% increase on the 100.3 M€ achieved the previous year.

♦ Evolution of the Average Workforce



The average workforce has increased by 3,637 compared to the number employed in 2006.

♦ Origin of the Workforce



The increase in the workforce numbers has mainly occurred abroad, due to the acquisition of Dedini Agro (now Abengoa Bioenergy Sao Paulo) in Brazil, and the higher volume of contracts in Latin America.

♦ Consolidated Balance Sheets at December 31, 2006

(figures in thousand of euros)

Assets	31/12/2007	31/12/2006
A. Non-Current Assets		
I. Intangible Assets		
Goodwill	1,114,388	595,519
Other intangible assets	136,602	42,133
Provisions and depreciation	(23,968)	(14,316)
	1,227,022	623,336
II. Tangible Fixed Assets		
Tangible fixed assets	1,360,801	996,074
Provisions and depreciation	(489,940)	(356,329)
	870,861	639,745
III. Fixed Assets in Projects		
Intangible assets	911,602	803,423
Provisions and depreciation	(50,338)	(23,863)
Tangible fixed assets	895,802	435,900
Provisions and depreciation	(118,927)	(68,553)
	1,638,139	1,146,907
IV. Financial Investments		
Investments in associate companies	50,145	52,602
Financial assets available for sale	56,388	47,087
Financial accounts receivables	118,791	45,481
Instrumentos financieros derivados	695	0
Deferred tax assets	190,468	228,919
	416,487	374,089
Total Non-Current Assets	4,152,509	2,784,077
B. Current Assets		
I. Inventories	242,451	150,737
II. Clients and Other Receivables Accounts		
Trade receivables for sales and services	1,145,786	714,414
Credits and other receivables	275,074	267,639
	1,420,860	982,053
III. Financial Investments		
Financial assets at fair value	0	77,742
Financial assets available for sale	61,922	33,205
Financial accounts receivables	410,438	340,010
Derivative financial instruments	124,087	30,782
	596,447	481,739
IV. Cash and Cash Equivalents	1,697,889	1,027,972
Total Current Assets	3,957,647	2,642,501
Total Assets	8,110,156	5,426,578

Abengoa's total Assets in 2007 came to 8,110.2 M€ which is a 49.5% increase on the figure for 2006, which was 5,426.6 M€.

Equity and Liabilities	31/12/2007	31/12/2006
A. Capital and Reserves		
I. Share Capital	22,617	22,617
II. Parent Company Reserves	237,389	226,677
III. Other Reserves	24,361	(79,716)
IV. Translation Differences		
At fully or proportionally consolidated companies	13,199	(10,143)
At companies consolidated by the equity method	2,195	2,865
	15,394	(7,278)
V. Retained Earnings	317,227	227,805
B. Minority Interest	180,502	151,021
Total Equity	797,490	541,126
C. Non-Current Liabilities		
I. Long-Term non-Recourse Financing (Project Financing)	1,186,002	796,068
II. Loans and Borrowing		
Bank loans	2,346,277	873,158
Obligations and other loans	263,592	151,422
Obligations under financial leasing	33,248	9,050
	2,643,117	1,033,630
III. Provisions for Other Liabilities and Expenses	125,415	58,434
IV. Instrumentos Financieros Derivados	9,769	88,389
V. Deferred Taxes Liabilities	139,180	86,372
VI. Employee Benefits	6,603	4,610
Total Non-Current Liabilities	4,110,086	2,067,503
D. Current Liabilities		
I. Short-Term non-Recourse Financing (Project Financing)	503,161	457,802
II. Loans and Borrowing		
Bank loans	182,374	482,774
Obligations and other loans	11,515	15,093
Obligations under financial leasing	12,678	4,873
	206,567	502,740
III. Suppliers and Other Trade Accounts Payables	2,319,449	1,660,881
IV. Current Tax Liabilities	159,095	135,322
V. Derivative Financial Instruments	4,687	47,494
VI. Provisions for Other Liabilities and Expenses	9,621	13,710
Total Current Liabilities	3,202,580	2,817,949
Total Shareholder's Equity and Liabilities	8,110,156	5,426,578

♦ Consolidated Cash Flow Statement at December 31, 2007

(figures in thousand of euros)

	31/12/2007	31/12/2006
Gross Cash Flows from Operating Activities	**452,367**	**287,851**
Financial results, amortizations, texes and work done for Fixed Assets	(316,548)	(166,348)
I. Consolidated profit after-tax	**135,819**	**121,503**
Adjustments to the profit:		
Amortisations and provisions	147,034	68,679
Profit/loss through sale of tangible assets	475	0
Profit/loss through sale of shares	276	0
Result in investments available for sale	0	(1,506)
Results of financial assets at fair value	0	(16,445)
Results of secondary financial documents	3,066	(4,551)
Shares in profits/losses of associate companies	(4,243)	(7,532)
Taxes	14,273	13,345
Other non-monetary items	16,445	14,229
II. Cash generated by operations	**313,145**	**187,722**
Inventories	(33,929)	(35,531)
Clients and other collectable accounts	(416,203)	(496,329)
Suppliers and other payable accounts	617,076	636,518
Other circulating assets/liabilities	(18,866)	(46,238)
III. Variations in working capital	**148,078**	**58,420**
A. Net Cash Flows from Operating Activities	**461,223**	**246,142**
Companies in the group, multigroup and associate companies	(8,139)	0
Tangible fixed assets	(722,114)	(261,588)
Intangible assets	(625,701)	(656,656)
Other assets	55,382	(40,728)
Translation difference and perimeter variation effect	0	0
I. Investments	**(1,300,572)**	**(958,972)**
Companies in the group, multigroup and associate companies	18,015	0
Tangible fixed assets	23,774	1,600
Intangible assets	67,299	37,110
Other assets	13,041	21,861
Translation difference and perimeter variation effect	14,065	21,164
II. Disinvestments	**136,194**	**81,735**
B. Net Cash Flows from Investment Activities	**(1,164,378)**	**(877,237)**
Income from outside resources	1,547,791	1,434,565
Repayment from outside resources	(160,921)	(197,141)
Dividends paid	(24,510)	(13,778)
Other finance activities	10,712	55
C. Net Cash Flows from Finance Activities	**1,373,072**	**1,223,701**
Net Increase/Decrease of Cash and Equivalents	**669,917**	**592,606**
Cash or equivalent at the beginning of the year	1,027,972	435,366
Ganancias/pérdidas por diferencias de cambio en efectivo		
Cash in Banks at the Close of the Year	**1,697,889**	**1,027,972**

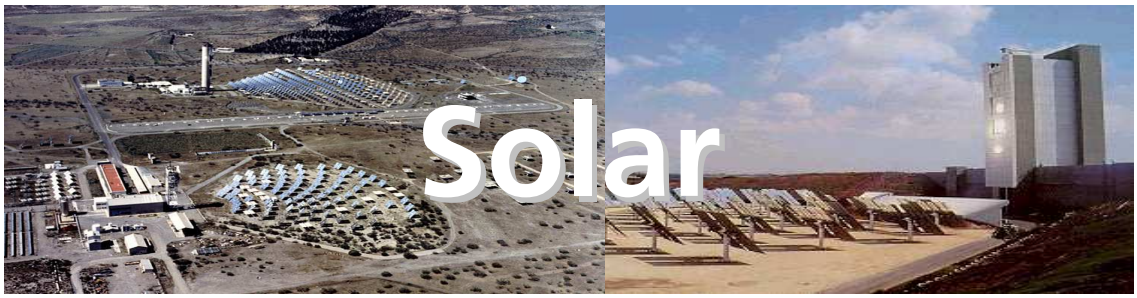
Main Novelties by Business Unit

5

5.1 Solar

At Abengoa Solar, we develop and apply technologies for generating electrical power with the Sun. To this end, we promote, build and operate concentrated solar power and photovoltaic electricity plants and develop and commercialize the technologies needed to do so (R&D&I).

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



The main milestons in the Solar Business Unit, in 2007, were as follows:

- The president of the Regional Government of Andalusia, Manuel Chaves, inaugurated on March 30, the Solar Platform that Abengoa Solar is constructing in the municipality of Sanlúcar la Mayor (Seville). The 300 MW Solúcar Solar Platform will be completed by the year 2013 and, utilizing a wide range of solar technologies will produce sufficient energy to cover the consumption of some 180,000 homes, equivalent to the needs of the city of Seville. The project requires a 1,200 M€ investment.

  The Solúcar Solar Platform is a clear reflection of Abengoa's trust in the energy of the future, its respect for the environment, natural resources and the fight against climate change: this project will prevent the emission of more than 600,000 tons of CO_2 into the atmosphere per year.

  The first two power plants to be brought into operation at the Solúcar Solar Platform are: PS10, the world's first tower technology solar thermoelectric power plant constructed for commercial operation; and Sevilla PV, the largest low concentration system photovoltaic plant.

  The 11 megawatt **PS10** solar power plant generates 24.3 GWh per year of clean energy and comprises 624 heliostats, each of a 120 square meter surface area and a 115 meter tower. The heliostats move automatically by means of a mechanism programmed in function of the solar calendar. The solar radiation is reflected onto a receiver located on the upper section of the tower and the same harnesses the energy it receives to produce steam that is turbined to produce sufficient electric energy to supply some 6,000

homes. This power plant alone will prevent the emission of 18,000 tons of CO_2 per year.

The **Sevilla PV** plant comprises 154 silicon plate heliostats that produce electricity from solar radiation. This 1.2 MW photovoltaic facility will prevent the emission to the atmosphere of 1,800 tons of CO_2 per year.

The remaining Solúcar Solar Platform power plants will be stagger-constructed over the next six years to convert the Platform into a diverse technology macro-project that will include tower thermoelectric, parabolic-trough collector, Stirling dish, and low and high concentration photovoltaic plants.

The following are currently under construction: PS20, the 20 MW thermoelectric solar tower installation, similar to the PS10; Solnova 1 and 3, plants that use parabolic trough collector technology with a 50 MW installed capacity each, as well as three photovoltaic plants in Andalusia with total power of 10 MW. Each of the Solnova plants, which use parabolic trough collector technology, will comprise approximately 300,000 m2 of mirrors covering a total area of some 115 hectares. The technology operates through concentrating the solar radiation on an absorbent heat tube which contains a fluid capable of reaching high temperatures. This produces steam which is sent to a turbo generator where it expands to produce energy.

Abengoa's Solúcar Solar Platform will contribute enormously to the economic development of the municipalities of the Aljarafe district as it will enable the creation of more than 1,000 jobs associated with the Platform's manufacturing and construction phase, as well as a further 300 service and maintenance jobs for the array of power plants.

- Opening of Abengoa Solar's office in the USA in Denver (Colorado) and San Francisco (California) with the aim being the development of solar projects in said country.

- Opening of the Abengoa Solar office in Almería (Spain), international development platform for the business group.

- In December, construction works finished on the Rioglass Solar parabolic trough mirror manufacturing plant in which Abengoa Solar participates as a minority partner. The factory will supply the mirrors for Abengoa Solar's parabolic trough plants.

  The Rioglass Solar Abengoa project will occupy a 47,500 square meter site in Lena (Asturias). To be precise, the plant is to be a production unit for manufacturing parabolic trough mirrors that are used by solar radiation (solar thermal energy) electric energy generating modules. The mirrors will be manufactured from rectangular glass sheet which will be precision-curved. The precision of the curve is critical to ensure maximum concentration of the solar radiation onto the receiver tube. Manufacture started in January, 2008

- Signing of two solar technology sales contracts for the hybrid power plant projects in Algeria and Morocco, comprising the construction of two combined cycle power plants of 150 and 479 MW output, respectively, with a field of thermal oil parabolic trough collectors at each plant that will produce 20 MW.

- Start-up of the Parabolic Trough Collector technology demonstration plant at the Solar Solucar Platform. It is the Europe's first operational PTC plant.

- At the end of October, the first edition of the "World Solar Power 2007" conference was celebrated in Seville, which was held over three days at the Hospital de los Venerables, the headquarters of the Focus-Abengoa Foundation.

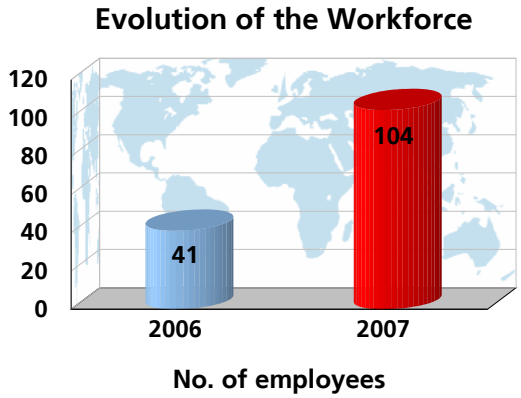
  More than 170 leaders from the solar sector participated in the conferences, including Carlos Rubbia, the 1984 Nobel Prize winner for physics, and the three principal international thermosolar energy

associations (Estela, Seia and SolarPACES). The conferences unanimously advocated the production of thousands of megawatts of clean solar energy as well as working towards a stable regulatory framework.

Once again, Abengoa Solar highlighted its commitment to promoting and constructing solar energy projects as well as developing and applying technologies that improve their efficiency.

- Abengoa Solar has signed the financing agreement for the first plant of parabolic trough collectors (Solnova 1) for more than €200 million.

- On 19 December 2007 we awarded the prize to the best doctoral thesis on solar energy to Felipe Rosa Ríos for his research work on the production of hydrogen through photovoltaic solar energy.



The average workforce of the Solar Business Unit in 2007 was 104, nearly three times on the figure for 2006.

5.2 Bioenergy

Abengoa Bioenergy 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 CO_2 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 biofuels and animal feed

The most important milestons were as follows:

Business Development

- Abengoa Bioenergy Trading Europe has signed a contract with Total France to supply the bioethanol it will utilize to produce ETBE, and blend with its gasoline for distribution to its network of service stations or delivery to other depots.

  Abengoa Bioenergy France has bioethanol storage space in the port of Bayonne, some 90 km from its Lacq facility, and can therefore ship (to Total France) by sea, rail or road from the facility itself. To this end, it has signed a bioethanol storage and handling contract with LCB Tank Terminals, proprietor of the depot specialized in liquid products at the port. This includes the reception, storage and loading of bioethanol on ships, or shipment of the same by tanker train or truck.

  Abengoa Bioenergía Trading Europe is responsible for the marketing, sale and logistic coordination of production at the facilities operated by Abengoa Bioenergy in Europe. In the French market, it has bioethanol supply contracts for ETBE production and for direct incorporation at independent depots as well as depots that are shared by distributors and hypermarkets in France.

  Abengoa Bioenergy France will be able to provide the French market with 200 Ml of bioethanol per year from its cereal plant once it starts production in 2008.

- Works commenced on the construction of two 333 Ml per year capacity bioethanol facilities, in Posey County, Indiana, and in Madison, Illinois.

The global investment will be more than 400 M$. Abener and Abencs have commenced construction of the facilities which is expected to take 24 months up to acceptance of the same, scheduled for late 2009 and first quarter 2010, respectively.

The structure of the project includes the participation of several Abengoa subsidiaries such as Abener and Abencs, Abengoa Bioenergy Trading for marketing the bioethanol and the distiller dried grains with solubles (DDGS), and Abengoa Bioenergy Holding US to supervise construction and coordinate the daily operating activities at the plants. With this structure, Abengoa and Abengoa Bioenergy assure transfer of their know-how to the construction and operation of the project.

Abengoa Bioenergy of Indiana is based close to Evansville, in the so-called "corn-belt of America" which runs along the river Ohio. Abengoa Bioenergy of Illinois will be based in Tricity Port, in Madison, along the river Mississippi. These sites will allow the corn to be delivered to the facility by truck, train or boat. The bioethanol and distillers grains will also be able to be dispatched in like manner to the markets in the east of the US and for export.

When fully operational, the facilities will consume more than 1.5 million tons of corn per year.

When fully operational, the facilities will increase Abengoa Bioenergy's production capacity to more than 1,000 Ml per year, which will put it among the major producers in the US.

- Abengoa Bioenergy Maple (AB Indiana & AB Illinois) has been awarded as "Petroquimical Deal of the year" in Americas by PFI Magazine one of the most prestigious recognition in the Project Financing arena.

  PFI Magazine provides global news, features and analysis on all the latest project finance deals and developments. Published every two weeks, PFI

has become the most authoritative information source for project finance professionals the world over.

The selection of the winner has been based on a full analysis of the details and the achievements in the following areas:

- How has our institution progressed over the course of the year?

- What strategic goals have been met?

- How have we achieved them?

- In what way has our institution adapted to the trends that have driven market activity during the year?

- What has been noteworthy about our deal roster, whether in terms of size of deal, geographical and/or sectoral diversification, or degree of innovation?

The flexibility to choose two Projects from three different alternatives, the possibility to enter into the day-to-day activities allowing (i) the commodity hedging activity under the Risk Management Committee rules as well as (ii) the working capital policies through the flexible payment program (PPB) and non-recourse factoring activity has been key elements to obtain this recognition.

Through this financing Abengoa Bioenergys has successfully secured the construction of two 88 Mgal per year ethanol plants to be located in Illinois and Indiana. These two projects will help consolidate Abengoa Bioenergy leadership position in the US Market.

The transaction was structured to attract several investor classes, which resulted in commitments from over 10 participants totaling up to 550 M$. As a result of this large over subscription, Abengoa Bioenergy was able to

reverse flex from Libor + 325 bps to Libor + 300 bps. The financing was led by West LB and Banco Santander with a syndicate of lenders group acting as "Lead Arrangers".

- Even though Bioetanol Galicia and Ecocarburantes Españoles plants were originally designed to work only with barley and wheat as raw materials, successful changes to corn as feeding cereal were carried out. These operations were completed without plant shutdowns. Fermenters where filled step by step with corn and, at the same time, fermenters that finished alcoholic fermentation (filled previously with wheat or barley as raw material) where gradually unloaded in the Beerwell, a tank that feeds the distillation process.

  Abengoa Bioenergy's high equipment flexibility and staff expertise are the key concepts that explain a successful change in raw material cereal at its facilities.

  Only a few mechanical modifications where required and mainly in the initial cereal cleaning stage. Nevertheless, during the "transition period" multiple adjustments were made due to the physical and chemical properties of the process streams being significantly different with the new cereal, because cereal composition changed notably (compared to wheat and barley, corn has more starch, more humidity and more fat content, as well as less protein content).

  Thanks to the properties of the new cereal important process benefits have been achieved: viscosity reduction enzymes are not needed, less equipment fouling is achieved, less energy consumption is required and, especially, an important bioethanol yield increase is obtained as against wheat and barley as raw material. On other hand, with this new raw material, there is a slight reduction in DDGS yield although the same has new properties customers consider very positive.

Abengoa Bioenergy has high flexibility and versatility plants that, over the past few years, have processed barley, wheat or corn without distinction.

Legislative novelties

- The Energy Independence and Security Act of 2007 was signed into law by President Bush on December 19, and provides for dramatic increases in vehicle fuel economy standards and in the usage of renewable fuels from both traditional grain starch feed stocks, and from advanced feed stocks such as cellulose.

  For the second time in just two years the United States' Congress has passed groundbreaking energy legislation that will require historic increases in renewable fuel usage as well as in vehicle efficiency standards. The new law increases the Renewable Fuel Standard (RFS) for 2008 from the 5.4 billion gallons which was required under the existing RFS to 9 billion gallons, and increases total program requirements from 7.5 billion gallons annually to 36 billion gallons by 2022. Importantly, nearly two-thirds (21 billion gallons) of this 36 billion gallon total will come from advanced biofuels such as cellulosic ethanol, as separate requirements are made for four distinct categories of renewable fuels, each implemented at varying times and in varying amounts, and defined as follows:

  - **Conventional Biofuel**: Defined as ethanol derived from corn starch, provided that facilities that begin construction after enactment must achieve at least 20% reduction in lifecycle greenhouse gas (GHG) emissions compared to baseline lifecycle GHG emissions of fossil fuels.

  - **Advanced Biofuel**: Any renewable fuel derived from renewable biomass other than corn starch ethanol, including biodiesel, ethanol from other starches and sugars, all higher alcohols, cellulosic biofuels, and renewable hydrocarbons, provided they have a 50% life-cycle GHG benefit over petroleum.

- **Cellulosic Biofuel**: Any advanced biofuel from lignocellulose, hemi-cellulose or lignin which provides a 60% life-cycle GHG benefit over petroleum.

- **Biomass-based Diesel**: Biodiesel as defined in section 312(f) of Energy Policy Act of 1992.

The various RFS requirements will be phased in according to the following schedule:

Year	Total RFS Required	Advanced Biofuel	Cellulosic Biofuels	Biomass-Based Diesel	Undifferentiated Advanced Biofuels
2008	9.0				
2009	11.1	0.60		0.50	0.10
2010	12.95	0.95	0.10	0.65	0.20
2011	13.95	1.35	0.25	0.80	0.30
2012	15.20	2.00	0.50	1.00	0.50
2013	16.55	2.75	1.00		1.75
2014	18.15	3.75	1.75		2.0
2015	20.50	5.50	3.00		2.5
2016	22.25	7.25	4.25		3.0
2017	24.0	9.0	5.5		3.5
2018	26.0	11.0	7.0		4.0
2019	28.0	13.0	8.5		4.5
2020	30.0	15.0	10.5		4.5
2021	33.0	18.0	13.5		4.5
2022	36.0	21.0	16.0		5.0

Additionally, the Corporate Average Fuel Economy (CAFE) requirements for transportation vehicles are increased from approximately 25 to 35 miles per gallon by 2020, which is expected to further reduce GHG emissions, and save each American family over $1,000 per year in fuel costs.

Other renewable fuel provisions of the bill include:

Biofuels Research & Development Grants

- Increases authorized funding for existing biomass R&D program by 50% and extends through 2010.

- Authorizes 500 M$ annually for FY08-FY15 for the production of advance biofuels that have at least an 80% reduction in lifecycle GHG emissions.

- Authorizes 25 M$ annually for FY08-FY10 for R&D and commercial application of biofuels production in states with low rates of ethanol and cellulosic ethanol production.

- Authorizes a 200 M$ grant program for FY-08-FY14 for the installation of refueling infrastructure for e85

- Increases the number of DOE Bioenergy Research Centers from 3 to 7.

- Creates R&D program to improve energy efficiency of biorefineries and retrofit corn ethanol biorefineries to add cellulosic production.

Biofuels Infrastructure

- Prohibits petroleum marketers from placing restrictions on installation of renewable fuel pumps.

- Provides renewable fuel pump installation grants and pilot projects.

- Requires the head of each federal agency to install at least one renewable fuel pump at each federal fleet refueling center by 2010.

- Mandates a study of ethanol pipeline feasibility, another on the adequacy of rail network, and a third on distribution of advanced biofuels.

Studies Required

- Impacts of the expanded RFS on food/feed

- Impact of the RFS on the environment

- Pipeline feasibility and adequacy of railroad transportation capability

- Whether optimizing FFV's to run on e85 would increase their efficiency

This bill is a tremendous step towards making America more energy independent and more greenhouse gas friendly, and is extremely supportive of Abengoa Bioenergy's long stated goal to make commercial scale cellulosic ethanol production a reality. Abengoa Bioenergy was recently awarded a major grant from the US Department of Energy to design and build the nation's first commercial scale cellulose to ethanol plant in southwestern Kansas. This new law moves ethanol beyond just a blending component in gasoline and elevates it to a fuel in and of itself. It will provide market incentives to rapidly bring cellulosic ethanol production to commercialization, insuring that a market exists for ethanol produced from facilities using cellulosic technologies, and it will further Congress' stated goal to lessen US dependence on imported energy.

♦ The European Union takes a leading role in the promotion of bioethanol and steers the development of biofuels through its policies and regulations.

Abengoa Bioenergy recognized this strategic need at an early stage of the European commitment to biofuels and initiated the formation of a dedicated bioethanol industry association and became one of six founding fathers of the European Bioethanol Fuel Association (eBio). eBio was officially founded in 2005 and its birth has been celebrated during the 2005 joint Focus Abengoa and F.O. Licht World Biofuels Conference in Seville.

Today eBio gathers 44 stakeholders covering 19 EU Member States, as well as industries in Switzerland, Turkey, Canada, U.S.A. and India that are leaders in the bioethanol sector and account for over 1.3 billion litres installed production capacity and 2.4 billion litres production capacity

under construction. eBio serves as the strongest possible voice of the European bioethanol fuel industry and working towards optimal EU rules and policies for the development of a flourishing European bioethanol market is one of the main goals of the association.

Furthermore, eBio works constantly to shape society's attitude in favour of bioethanol use and participates in educational activities to increase public awareness regarding renewable fuels and the positive contribution they make to European energy independence, climate change and the economy.

R&D&I

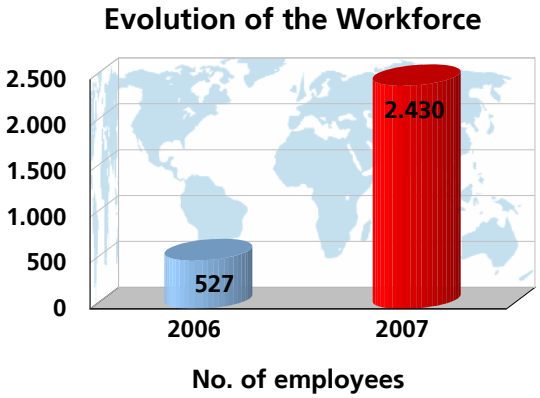
- Inauguration of a pilot plant, in Nebraska, for research and development in biofuel from lignocellulosic biomass (the most abundant organic raw material on earth) production processes.

  The plant, which has required an investment of more than 35 M$, is part of the agreement signed, in 2003, by Abengoa Bioenergy and the US Department of Energy (DOE).

  The plant will play an essential role in the Biofuel Programs promoted by the US Department of Energy – whose head attended the inauguration ceremony. The aims of these programs are to reduce gasoline consumption by 20% within ten years.

  The pilot plant will serve as a platform for testing new equipment, systems and catalysts required to break down organic compounds, such as herbaceous and woody materials, and utilize them in processes to obtain bioethanol. It will also be a research and training center for other Abengoa Bioenergy teams that are currently working on designing equipment to improve organic biomass processes.

Over the next five years, Abengoa Bioenergy will invest more than 500 M$ in its lignocellulosic biomass to bioethanol production technology program.



The average workforce of the Bioenergy Business Unit in 2007 was 2,430, more than 4.5 times the 2006 figure.

Befesa is an international company specialized in industrial waste management and water management and production. We manage more than 2.5 million tons of waste a year, of which 1.2 million tons are utilized to produce new materials by recycling, thereby eliminating emissions of more than two million tons of CO_2 per year. Our desalination capacity is one million cubic meters per day, sufficient to supply a population of 4.5 million.

With wastes... we produce new materials through recycling, and we treat and desalinate water

The most important milestons in the sectors in which the Environmental Services Business Unit operates, during 2007, were as follows:

- **Aluminum Waste Recycling**.- In 2007 356,000 tons of aluminum-content wastes were treated. This is an increase of 0.3% on the previous year, and the fact that all the plants have operated satisfactorily is especially noteworthy.

  Befesa and funds managed by Qualitas Equity Partners ("Qualitas") signed on October, 31 an agreement to integrate their aluminum waste recycling activities into a single joint company, called Befesa Reciclaje de Residuos de Aluminio, SL. The shareholding of this new company will be sixty percent Befesa, who will provide its aluminum waste recycling business companies, and thirty-seven percent of funds managed by Qualitas, who will provide the recently acquired company Aluminio Catalán (Alcasa). The remaining three percent will be held by senior management. The operation was authorised by the Comisión Nacional de la Competencia on January, 17 2008. Qualitas will contribute Alcasa, a company that billed 117 M€ in 2006 and which has a 55,000 t capacity aluminum alloy treatment plant in Barcelona. Moreover, Alcasa owns the company Trinacria, with a plant in Krakow (Poland) that is expected to attain 20,000 t treatment capacity by 2008. The resulting company, whose billing will be around the 350 M€ mark, will rank third in the European aluminum waste recycling market and will attain the critical mass required to provide an integral service for its customers throughout Europe and to continue to develop its sustained growth plan.

  Befesa Aluminio has received a letter of intention to supply casting machines to the new Qatalum aluminium foundry in Qatar. The Qatalum plant, which expects to have an annual aluminium capacity of 585,000 t,

will be linked to a gas operated 1,350 MW electricity power plant. Located in the industrial zone of Doha, it will be the largest initial capacity plant ever constructed, with plans to expand future capacity to 1.2 Mt per year. The work for the contract includes the design, manufacture, assembly and start-up of three fully automated casting belts; two for small ingot alloys (10 kg) and one for primary ingots (22.7 kg). The equipment will be supplied at the end of 2008 and started in early 2009. The project is worth nearly six million euros. This project will be developed by the sale of machinery and technology division of Befesa Aluminio, specialises in the design, construction, assembly and start-up of turnkey facilities for the aluminium and zinc industry. It is a sector leader for sales of foundry equipment, primarily ingot and slab casting lines, as well as providing technological support to Befesa's business unit, and it has carried out an extensive number of projects with more than 100 facilities in 40 countries.

- **Zinc Waste Recycling**.- During the course of the year, a total of 662,000 tons of steel and galvanization waste have been treated. This represents a 445% increase on the 122,000 tons treated in 2006.

  Of note is the fact that the integration of BUS into the Group has been completed. The BUS integration process has included its structure adaptation, the implementation of Befesa's common management systems, the start of the wind-up process of the holding companies of the old group, including the parent company BUS Group AB, and has culminated in a change of the company names of the BUS operating companies.

  On August 7 the new furnace of Befesa Valera was switched in. It is located in Gravelines in northern France. The cost of the project, that exploits the synergies generated by the existing furnace, reached 18 M€. The new furnace together with the existing one has a capacity to treat 120,000 tons of stainless steel dust per year. In addition to these furnaces in France, Befesa has another plant in Sweden giving a combined total

capacity for recycled dust from stainless steel plants of more than 185,000 tons per year. This capacity is sufficient to treat all European dust sources.

- **Industrial Waste and Cleaning Management**.- During 2007 1,338 thousands of tons of industrial wastes have been treated, which is a 4.3% in excess of the volume treated over the same period in 2006, 1,284 thousands of tons.

  On February 2 Befesa presented the environmental statements for Nerva and Palos de la Frontera industrial waste centers, validated by the Spanish Association for Standardization and Certification (AENOR), in recognition of the environmental management systems the company has implemented at these facilities and their compliance with the requirements of the European Regulation 761/2001 (EMAS). The statements, which were submitted during the course of last year– correspond to the 2005 trading year and represent a commitment to information transparency, given that the elaboration of these declarations is voluntary.

  Following the audit carried out by DaimlerChrysler Argentina, Befesa Argentina has been given the classification of "Environmental Excellence" for its environmental management. DaimlerChrysler awards these classifications to its suppliers to demonstrate that they appropriately maintain their operations and document management in accordance with the requirements and parameters of ISO standard 14001:2004. Moreover, the firm of auditors TÜV Rheinland Argentina has certified Befesa Argentina's occupational health and safety system under standard OHSAS 18001:1999.

  On November 29 the Basque Government's councillor for the Environment and Territorial Planning, Mrs. Esther Larrañaga Galdos, inaugurated Deba Industrial Waste Transfer Center (Guipuzcoa) in the company of the deputy mayor of Deba, Xavier Ciaran, and the president of Befesa, Javier Molina. The main activity at Deba transfer center is hazardous waste management. The wastes are received at the facilities where they are then classified,

conditioned and stored provisionally until they are either shipped to an end manager in the Basque Region or to other Befesa centers in other autonomous regions.

Befesa has acquired the 100% of Tratamiento y Concentración de Liquidos, S.L (Tracel), a company dedicated to treating liquid wastes, but which also conducts research in this field and into the use and commercialisation of the resulting products.

Tracel, which was created in 2002 and is owned by the MP Corporación Industrial and Egmasa with a 51% and 49% holding respectively, provides an integral liquid waste management service and is authorised to manage both hazardous and non-hazardous wastes from different production processes in Andalusia and other regions in Spain. It is also licensed to act as a transfer centre for these wastes.

Tracel has a liquid waste treatment plant with a capacity to treat 18,000 tons a year in the province of Jaen. This centre may increase its capacity since it can accept an extensive list of wastes indicated in its licence, as described in the European Waste List Codes under European legislation.

- **Water**.- In 2007, important contracts have been obtained, of note among which are:

Aguas de Castilla-La Mancha, the public entity owned by the regional government of Castilla-La Mancha, has awarded Befesa two contracts to construct water treatment plants valued at more than 25 M€. The first project, the Mocejón plant, will have the capacity to treat waste from 100,000 inhabitants. Befesa will also construct another thirteen treatment plants in Albacete province, scheduled under the "Castilla-La Mancha Treatment and Sewerage Plan".

Befesa in joint venture with Ocide, have been awarded to construct the water treatment plant El Campello in Alicante, on the part of the Entidad

Publica de Saneamiento de Aguas Residuales de la Comunidad Valenciana, the Valencian water authority which is responsible for operating the sewerage and water treatment facilities as well as managing the works on these facilities for the regional government of Valencia, the invest exceeds 12.7 M€. The water treatment plant will handle waste water from the residential areas in the northern part of El Campello town.

The Ministry of Environment, through the Directorate General for Water, has awarded Befesa, in joint venture with the company Construcciones Sanchez Dominguez (Sando), the water supply enhancement project for the city of Caceres, from Portaje reservoir. The investment is more than 40.4 M€ and the aim of the project is to meet the supply needs of 150,000 inhabitants of Caceres and 13 other municipalities in the province. The works comprise the construction of 3 pumping stations and more than 65 kilometers of mains with diameters between 1,000 and 1,200 millimeters, designed to transport a maximum flow of 1,500 liters per second.

Aigües Ter Llobregat, the public company of the Catalonian regional government responsible for supplying drinking water to more than 100 towns and cities, including Barcelona, accounting for nearly four and a half million inhabitants, has awarded Befesa the contract to construct the Fonsanta pumping station and a section of the piping that will connect to the Trinitat distribution station. This project, which will be financed with EU cohesion funds and is included in the actions of Spain's national water plan, will require an investment of more than 20 M€.

The Nicaraguan company Enacal (Empresa Nicaragüense de Acueductos y Alcantarillados Sanitarios) has awarded Befesa as part of a consortium with Seta (Sociedad Española de Tratamiento de Agua), the contract to improve and extend the drinking water systems and sewerage in the cities of San Juan del Sur and Boaco in Nicaragua, valued at more than 18 M€. Both projects are being financed by development aid funds (FAD).

The works to construct the new Bajo Almanzora desalination plant in Almería started on July 11. The plant will be constructed and operated by Befesa as part of a temporary business association (UTE) with FCC Construcción, Servicios y Procesos Ambientales (SPA) and Aqualia Gestión Integral del Agua. The investment of 73 M€ forms part of the AGUA program of the Ministry of the Environment. The desalination plant will have a capacity of up to 60,000 m^3/day of water, of which 75% will be for irrigation in the region and the remaining 25% will be for human consumption. This water will benefit 140,000 people in towns in Almeria, equivalent to 15% of the province's population, and more than 12,000 hectares under agricultural production.

Befesa, together with its Indian partner IVRCL Infrastructures & Projects, have completed the financing arrangements, under the DBOOT ("Design, Build, Own, Operate and Transfer") modality, for the design, construction and operation of Minjur seawater desalination plant to supply the city of Chennai in the State of Tamil Nadu (India). The capacity of the plant, for which the contract was awarded in August 2005, will be 100,000 m^3/day and it is scheduled to commence water production during the third quarter of 2008. Befesa will be exclusively responsible for the turnkey construction of the plant and the operation thereof over twenty-five years. The investment for the development of Minjur plant is 91 M€, of which 77% will be non-recourse financed to the shareholders of the consortium by a syndicate of local banks lead by Canara Bank. Estimates are for earnings of more than 600 M€ from the sale of water to the consortium from Minjur plant over its 25 operational years.

The Spanish Groups, Abengoa, ACS and Sacyr Vallehermoso, operating under the Geida consortium, signed the financing contract with Credit Populaire d'Algerie (CPA) to develop the construction project for the third seawater desalination plant they are to build and operate in Algeria. The investment required to develop the Tlemcem Honaine plant, to be built in the vicinity of the city of Oran, in the western region of the North Africa country and very close to the border with Morocco, is 230 M$. It is the

third finance project to be arranged in Algeria with a local bank. The construction works will be completed in the final quarter of 2009.

Back in 2005, the GEIDA consortium formed by the companies Befesa (from Abengoa), Cobra Tedagua (from ACS) and Sadyt (from Sacyr Vallehermoso), was awarded the construction and twenty-five year operation concession contract for the Tlemcem Honaine desalination plant that will, through the utilization of a reverse osmosis system, produce 200,000 m^3 of drinking water a day and supply a population of 750,000.

The Department of Agriculture, Food and Rural Action of the regional government of Catalonia has awarded the contract worth 22.4 M€ to improve the canal for the Xerta-Sénia irrigation project to a joint venture between Befesa and Construcciones Rubau through the public company Regs de Cataluña, S.A. (Regsa).

Aguas de la Cuenca del Segura, a body dedicated to the management, contracting and promotion of hydraulic works within the river Segura Hydrographic Basin, has awarded Befesa, under a joint venture with Degremont, the more than 33 M€ contract to construct the potable water treatment plant to supply, with water from Cenajo reservoir, Mancomunidad de Canales de Taibilla, in Murcia province.

The objective of the 11 section, included in the AGUA Program, is to improve and regulate water quality and quantity for some 80 municipalities of Murcia and Alicante, and allow the incorporation of Jumilla and Yecla into Mancomunidad de Canales de Taibilla.

The section awarded to Befesa comprises the construction of a new potable water treatment plant (PWTP) that will centralize the existing Mancomunidad's existing treatment capacity.

The National Water Directorate of the Angolan Ministry of Energy and Water has awarded Befesa, in a consortium with the company Riogersa,

the project for the "Xangongo-Ondjiva treated water production and distribution system" in the south of the country on the border with Namibia, worth more than 101 M$. Both projects will be financed with the line that the Angolan Ministry of Finance has with Deutsche Bank.

This contract, which forms part of the trans-border master plan with Namibia to supply water to the north of this southern African country, will provide a secure and continuous solution to the problem of drinking water supply, which is currently non-existent in a large part of Cunene province, and will benefit approximately 250,000 people in one of the provinces most affected by the Angolan conflict.

This drinking water supply project from Xangongo to Ondjiva will take place over 24 months and comprises the following actions: a drinking water treatment station in Xangongo, a treated water deposit in Xangongo, supply from the River Cunene (Xangongo), four pumping stations, supply pipelines (approximately 100 kilometres), two raised deposits (Môngua, Ondjiva) and four surface deposits (Môngua, Missão de Môngua, Bulanganga, Ondjiva).

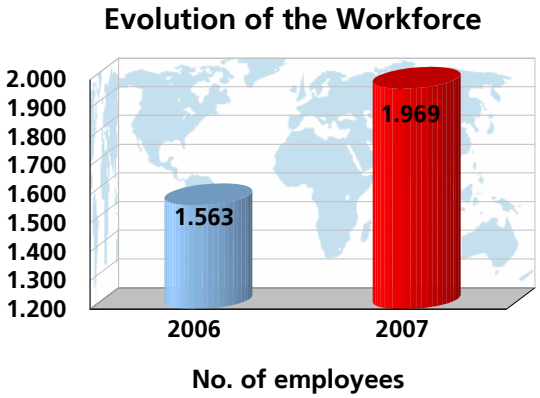
The Global Water Intelligence magazine, one of the world's most prestigious international magazine in the water sector, organizes an annual "Global Water Awards" to recognize and reward the innovation and commitment of the companies dedicated to the development of the Water Sector in eleven different categories. Befesa was awarded 2 prizes:

- The 2006 prize for the best international hydraulic infrastructure concession company for the development of and commitment to the implementation of innovative projects in the world of water.

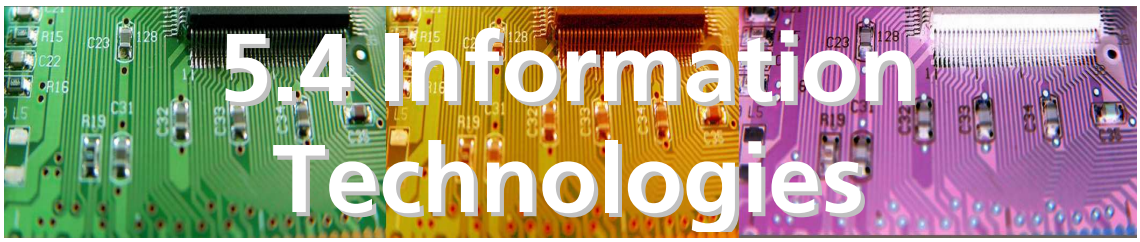
- In the category for the 2006 Best Desalination Plant, the silver prize went to the Cartagena plant (phases I and II), developed by Befesa, Degremont, and Acciona. This prize is awarded to the project that

represents the most impressive technical achievement in the industry during the course of last year.

In 2007 the organizers of the "Best of European Business" prizes, Roland Berger Strategy Consultants, CNN channel and the IESE Business School, have awarded Befesa first prize in the "Mergers and Buyouts-Medium-size Companies" for its BUS Group AB buyout transaction.



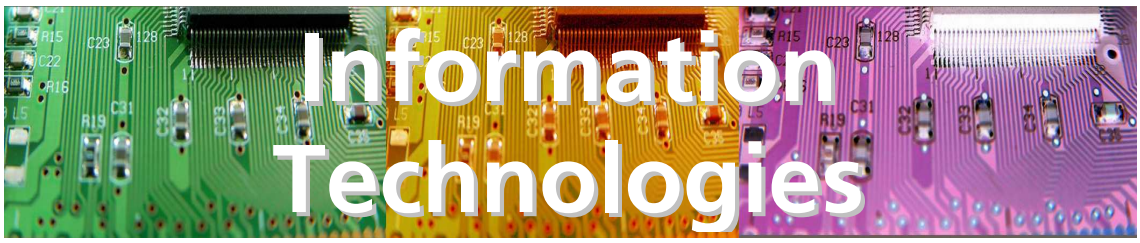
The average workforce of the Environmental Services Business Unit in 2007 was 1,969, a 26.0% increase on the previous year figure.



5.4 Information Technologies

Telvent, the information technologies company for a sustainable and secure world, specializes in high-value-added products, services and integrated solutions in the Energy, Transportation, Environmental and Public Administration segments, as well as Global Services. Its innovative technology and proven experience help ensure secure and efficient management of the operating and business processes of the world's leading companies.

With Information Technology… we manage business and operational processes in a secure and efficient way



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

Energy

- Contract with Alcoa c/o Fluor Global Services, in the United States, to Upgrade to DNA and S2300's. Fluor Corporation is one of the world's largest, publicly owned engineering, procurement, construction, and maintenance services companies. Over the past century, Fluor, through its operating subsidiaries, has become a trusted global business leader by providing exceptional expertise and technical knowledge across every phase of a project.

  This project is significant as it demonstrates the customers continued leveraging of Telvent technologies.

- Contract with TransCanada Pipelines, in Canada, for the TCPL Keystone Project, which is a large "green field" project that will transport crude oil from Canada to the United States. This 3,000 km pipeline will pump 435,000 bbl/day to the central United States refineries. TransCanada is one of the largest energy transporters in NA with gas pipelines from Alberta Canada to the Eastern seaboard as well as a line from the gulf coast to the Midwest United States. TransCanada has been growing quite quickly and acquiring Co-Gen as well as Hydro assets in the electrical production area, and gas pipelines in North America.

  The current contract is a Memorandum of Understanding (MOU) for 0.8 M CDN$. This is an initial contract, allowing Telvent to provide a Co Engineering effort for the overall SCADA and Liquid Applications supply, as

well as providing the Transient Model and a new Line Pressure Control Module (LPCM).

The Full Contract Value for the SCADA is expected to be 3.0 M CDN$. TransCanada has been a good customer of Telvent's. Their early gas pipelines are all controlled by Telvent OASyS SCADA systems. As well as the SCADA system, Telvent is proposing POLARIS, Leak Detection, an Operator Training Simulator, a Scheduling Application, GIS, etc. With each success we get closer to the customer and closer to selling the next system in our list of solutions.

- Contract with the NAT Joint Venture in Barcelona for the provision of engineering, programming and roll out services for the electric control PLCs for the enlargement of Barcelona airport, with AENA as the end customer.

  This contract is the first reference for Telvent Energy with AENA, a company with very ambitious investment plans for forthcoming years, including the remodeling of its electric installations where Telvent can contribute its experience and technology.

- Contract with Grand Bahama, in the Bahamas, to upgrade to DNA. Grand Bahama Power Company supplies electrical power to the island of Grand Bahama from West End to Sweeting's Cay in the east. Grand Bahama Power is a totally integrated utility company serving the island's 45,000 residents.

- Contract with El Paso (Southern Natural Gas), in the United States, to develop a BSAP protocol for El Paso's internally built EP SCADA system. Telvent won this order in a competitive bid where we were higher cost, but were able to demonstrate our superior knowledge of the protocol and the customer's requirements and therefore reduce overall risk to the customer.

  El Paso is one of the top five pipeline companies in the United States, rivaling Williams as the largest Gas pipeline system. They have two

transmission/distribution and one production pipeline, and have integrated LNG receiving terminals into their system.

- Contract with Colonial Pipeline, in the United States, to complete Site Acceptance Testing for Gate 3 (of 6) for the Colonial Pipeline DNA Upgrade Project. This testing was completed on October 19, 2007.

  This constituted the criteria for payment milestone 7 (10% of the total contract). Based in Alpharetta, Ga, Colonial Pipeline delivers a daily average of 100 Mgal of gasoline, home heating oil, aviation fuel and other refined products to communities and businesses throughout the South and Eastern United States.

  This project is strategic because Colonial is one of the biggest Refined Oil Products Pipelines in North America, and very well-known within the industry.

- Contract with Naturgas Energía, in Spain, to carry out a comprehensive audit of their different systems, and a quote to subsequently integrate all current systems into a single, open, scalable and powerful new SCADA system. Naturgas Energía is an energy group that aims to supply natural gas and electricity to businesses and individuals at competitive prices. Naturgas provides service to over 570,000 customers in Spain, with a network of transmission and distribution pipelines of over 4,000 kilometres, and revenues nearing 500 M€, making it the second largest gas utility in the Spanish market.

  For the O&G Europe and North Africa Unit, this project means a milestone because it's the first Co-Engineering Project to be carried out by the Spanish team.

- Contract with NYCTA, in the United States, to provide maintenance of series 7 Computer Software. MTA New York City Transit is the largest agency in the MTA regional transportation network, which also includes

MTA Staten Island Railway (part of NYC Transit's Department of Subways), MTA Long Island Rail Road, MTA Long Island Bus, MTA Metro-North Railroad, MTA Bridges and Tunnels, and MTA Capital Construction.

- Contract with CWLP, in the United States, to support Engineering Services and Hardware. From its inception as a tiny water works company in the mid-1800s to its role today as the largest municipal utility in Illinois, City Water, Light and Power (CWLP) has had a long and proud - and sometimes tumultuous - history. The utility has become an integral part of the Springfield community, providing service and value that extends far beyond the high-quality drinking water and low-cost electric power produced at the utility's combined lakeside filtration plant and generating stations.

Transport

- Contract with Dallah Trans Arabia Company, in Saudi Arabia, to implement integral traffic management solutions in the cities and regions of Jeddah, La Meca and Medina, with the Ministry of the Interior of Saudi Arabia being the end beneficiary.
  Contract amount: 73.4 M€.

  This is an integral project that includes the implementation and management of a varied range of technological solutions focused on optimizing urban traffic control and increasing road safety in these cities which have an overall population of more than five million. To be specific, the adaptive ITACA urban traffic management system – to be implemented by Telvent in the aforesaid cities, will enhance traffic flow while reducing time spent by drivers behind the wheel and, as a consequence thereof, actual levels of CO_2 emissions to the atmosphere. This system also enables control of variable message panels to be installed at the main accesses to the cities, as well as video-monitoring and automatic incident detection systems that complement traffic monitoring operations in the urban environment.

This contract represents Telvent's positioning in Saudi Arabia and the Middle East with significant business prospects throughout the entire region.

- Contract with C.A. Metro of Valencia, in Venezuela, to supply and install the ticketing system for Line 1 of the Valencia subway system, which connects, through its 6-kilometer line, the downtown area with the city's south side. This innovative ticketing system will be based solely on contact-free technology, thus improving accessibility for subway users and providing more secure and efficient management of the ticketing system for the operator. To this end, Telvent will supply contract-free Automatic Cards and Tokens sales and recharging machines, the control system for subway station access points, as well as the application for management and control of the ticketing system, which will involve the use of the new control center created for this purpose.
  Contract amount: 8.2 M€.

  This contract, together with others previously obtained in countries such as Venezuela, Mexico and Brazil, reflects the high level of confidence of the Latin American market in Telvent as a leading supplier of management solutions for public transportation.

- Contract with the New York Transportation Authority in the United States, to develop, implement, operate and maintain a 511 traveler information system. The project includes the creation of a publicly accessible website, a personalized transportation alert system, coordination with telecommunications suppliers, as well as operation and maintenance of the system.
  Contract amount: 7.2 M€.

  The project will be based on several systems that have already been deployed by Telvent in the New York/New Jersey area, such as the TRANSCOM regional system of common information, the Trips123 system

for itinerary planning and the SWIFT system in New Jersey (the 511 traveler information system currently in the development stage).

- Contract with the Transportation Agency of Hawaii, in the United States, to develop, manage and promote a pilot project for the highway patrol service program in Hawaii. The project will be developed over two and a half years, with a possible one-year extension.

- Contract with the National Department of Traffic, in Spain, to install cinemometers in the Madrid Traffic Management Center environment, granting temporary consortium to Indra Systems and Telvent Traffic and Transportation. This contract includes installation of cinemometers along main thoroughfares included in the regional area linked to the Madrid Traffic Management Center, intercommunication with the same and management of the entire process needed to facilitate the procedure for violations. The ultimate goal is to achieve a significant reduction in maximum registered speeds on the highway, especially in significant points of the highway network, thus improving Traffic Safety.

- Contract with the National Department of Traffic (Spanish Ministry of the Interior) in Spain,to install cinemometers in the Traffic Management Center environment in Málaga. Through this project, the work begun by the National Department of Traffic in 2005 will be continued with the supply, installation, configuration and start-up of 12 cinemometers for detecting and sanctioning vehicle speed excess, as well as the adaptation of 23 posts (box, base and electric feed) for the sites of these cinemometers.

- Contract, under a Joint Venture with Etra and Sice, with the Directorate General for Traffic (DGT), in Seville, Spain, for maintenance of traffic regulating and control and speed control equipment and SOS posts installed on access roads to the city of Seville (SE-30, SE-020, A-3109, A-92, A-4, A-49, A-376, A-3122, N-IV, A-483, A-66, H-31 and V Centenary bridge), operated from Seville Traffic Control Center.

- Contract with Maryland State Highway Administration (SHA), in the United States, to provide technical support services for the State CHART (Coordinated Highway Action Response Team) program. Telvent will be responsible for performing a variety of tasks such as ITS planning, design, integration and evaluation.

  Via this contract, Telvent continues as a provider of technical services for Maryland SHA (two contracts awarded in the past eight years). It reflects the strong relationship and Maryland SHA's trust in our services.

- Contract with the National Department of Traffic (DGT) of the Ministry of the Interior, in Spain, to install cinemometers in the Valladolid and Northwest Management Centers environment. The contract includes supply and installation of highway speed control and measurement equipment.

- Contract with the Transportation Agency of Kansas, in the United States, to develop the highway management system in Wichita (the metropolitan area of Kansas). The project includes development of advanced systems for traffic management (ATMS), design of the Traffic Operations Center (TOC) and field equipment such as Variable Message Panels (VMP), closed-circuit television cameras (CCTV), detection vehicles and ramp metering.

- Contract with the Regional Government of Catalonia, in Spain, for conservation of systems, software and hardware of Vic control center, its associated tunnels and accesses. This involves conservation and maintenance services for the VIC highway control center and all tunnels managed from the control center and of 500 m of highway before and after the tunnels. The maintenance contract is for 24 months, with the exception of the 13 tunnels on the C-25 highway, for which the maintenance contract is for 12 months. It also includes integral conservation of all equipment and units associated with the monitoring, control, security and communications systems of the tunnels in the technical housings and in the Vic Highway Control Center (CCCV in

Spanish). It also includes all communication infrastructures between the tunnels and the CCCV (SOS posts, PMV, ETD, radio link, fiber optic, etc.).
Contract amount: 10.9 M€.

- Contract with ATCS, PLC in the United States, to provide ITS planning services, design, engineering of construction inspection systems, as a member of the group of engineering firms that will develop the design and construction of several of the main thoroughfares in Northern Virginia for the State's Department of Transportation (VDOT).
  Contract amount: 10.0 M€.

  The services provided by Telvent will be essential support in traffic management for VDOT during a period in which the construction of several main thoroughfares in the region is expected to be a great challenge to regional mobility. The contract strengthens our relationship with one of our main clients in the US, as well as our position with a view to offering similar services in other regions.

- Contract with the New York Department of Transportation, in the United States, to provide operation services for the Joint Traffic Operations Center of the city of New York. The contract includes system operation services, information diffusion in areas under construction, coordination and tracking of operation procedures, field inspection services, system management, coordination of incident management, and traffic data reporting.

- Contract with CCL Peninsular, in Indonesia, for supply and installation of Navigation and Fishing Simulators, GMDSS and Machinery Room. This contract, under the title "Fisheries Training Development", includes all the works necessary to provide maritime simulators for two university centers in Indonesia. The project is being financed under a Spain to Indonesia DAF credit.

- Contract with the Contracting Body of the Spanish Ministry of Defense for the Navy, in Spain, for maintenance of the Tactical Simulator of the ENM de Marin (Pontevedra). The contract is for simulator preventive and corrective maintenance works.

- Contract with BBVA (Banco Bilbao Vizcaya Argentaria), in Spain, to supply 20,000 OBEs, proven and initialized according to ViaT requirements for BBVA. The contract also includes the supply of 20,000 tampographed supports with the BBVA logo.

- Contract with Construcciones Fiaga, S.A., in Spain, to install the parking area control system at the Palace of Congresses in the city of Oviedo.

- Contract with Valladolid City Council, in Spain, for the installation of 5 new traffic control TV cameras, leading-edge technology regulators and pedestrian green light time-keeping traffic-light systems at different points on the traffic network.

- Contract with Huelva Town Council, Spain, for maintenance, conservation, repair and operation of traffic light installations, television cameras, communication networks and the city of Huelva Traffic Control Center.

- Contract with Aucalsa (Astur-Leonese Tollway) in Spain, as the final client itself, to expand the existing toll system to Via-T. The contract entails modernization of the toll payment systems on this highway.

- Contract with Aucalsa (Astur Leonesa Highway Concessionaire), Spain, to enlarge the CCTV system and fiber optic network. The contract is to enlarge the toll payment CCTV systems and fiber optic communications network on this highway.

- Contract with Adif (Railway Infrastructure Administrator) in Spain, for the analogic to digital transmission system in the CTC of Asturias. The contract involves modernization of the railway control systems.

Environment

- Contract with the Chennai Desalination Plant Joint Venture (Joint Venture between Codesa and Befesa CTA), in Chennai, India, for the supply of the control system for the Chennai desalination plant. Under this contract, Telvent will supply all the field control equipment (PLCs) and the SCADA OASyS based control center for the Chennai plant which has a production capacity of 105,000 m^3 and which will be operated over the next thirty years by said Joint Venture.

  This is the first integral control system to be executed by Telvent with the OASyS system for a desalination plant and it allows the company to establish its presence in an expanding market.

- Contract with East Bay Municipal Utility District of Oakland, California, in USA, for the support, maintenance, and migration of their existing OASyS DNA SCADA Solution. This contract includes an annual provision to incrementally upgrade and enhance the system over a 5 year period.

- Contract with the Department of the Environment and Sustainable Development of the Galician Regional Government, in Spain, to supply bad-weather booths and automatic air quality analyzers for the Galician Air Quality Control Network.

- Contract with Alberta Infrastructure and Transportation Ministry (AIT), in Canada, that includes the supply, installation and maintenance of a Video Traffic Monitoring System (VTMS) and Dynamic Route Information Panels (DMS) in Athabasca region.

- Contract with CSA Construction, Inc., in Houston, Texas, USA, as system integrator, Telvent will furnish and install new control systems services and instrumentation for the Sims Bayou South Waste Water Treatment Plant Improvement Project for the City of Houston.

Public Administration

- Contract with the Andalusia Health Service, in Andalusia, Spain, for the supply of base physical and logic equipment for enlargement and securing of its information technology and communications infrastructures.

  This contract includes supply and associated services to assure security of the two large Information Technology Centers (ITCs) the Andalusia Health Service has in the cities of Malaga and Seville.

- Contract with the Regional Government of Andalusia, in Spain, to expand the navigation service for Secondary Education Centers. The technology infrastructures will be expanded to allow 600 Mbps traffic capacity to the Internet through a link to CICA-RedIris, providing service for another 36 months.

- Contract with the General Directorate of Traffic, in Spain, to provide different computerized services. It includes support for publication of content on the new WEB portal (developed by Telvent in 2007), and for new developments related to Electronic Administration.

- Contract with the Marqués de Valdecilla University Hospital at Santander, in Spain, to provide a computation solution for the new Outpatient Clinic building. This contract will complete, through the hardware involved, the project for implementation of a global solution for the hospital's Outpatient Clinic.
  Contract amount: 0.7 M€.

- Contract with Virgen del Valle Hospital, in Spain, to implement an image management system (PACS). Telvent has taken the opportunity and replaced Kodak as the provider in the hospital sector. The project includes the installation of hardware, previous system migration works and integration tasks with the visor of the hospital's HIS medical history.

Via this project we are present in the hospital that has been selected by the Andalusia Health Service for the pilot project for solutions that are to be developed for all its specialized medical centers. This will allow us to clearly demonstrate our new RIS/PACS developments from the central services of the Andalusia Health System.

- Contract with Red.es, in Spain, to provide an urban planning solution recommended by a work team for a set of three local pilot sites (Cuenca, Seville and Puerto Lumbreras) for the On-Line Urban Planning Initiative Program, and the implantation of a software solution which will allow storage, updating and Internet posting of the results of city planning systematization.

- Contract with the Regional Government of Andalusia, to manage the Corporate Network Customer Call Center and internal management of the micro-informatics of the Regional Government of Andalusia's different Departments, covering the needs of the aforementioned entities as regards the implementation of information technology processes in their sector, with these being the implementation of ITIL methodology, from the help-desk up to the change processes in the department and monitoring of service levels in the same.

- Contract with the Regional Government of Andalusia, in Spain, to develop a corporate geographic information system. The contract includes analysis and development of the IDE geoportal, the Andalusia Digital Street Directory, and the Regional Government of Andalusia's Geodesy and Positioning services.

- Contract with Roquetas del Mar Town Council (Almeria), in Spain, for the supply, installation and configuration of the Oracle Database Management System in the municipalities of Mojonera, Roquetas and Vicar, as part of Activity no. 6 "Communication Channels with the Citizen" under the "Digital City" project for La Mojonera, Roquetas del Mar, and Vicar.

- Contract with the Department of the Environment of the Regional Government of Andalusia, Spain, for supply, installation and back-up of the DPC basic support systems at its Provincial Branch Office in Cadiz. The contract includes minor civil work, the electric energy supply subsystem, air-conditioning subsystem, fire detection and extinguishing subsystem, access control subsystem, and monitoring of the aforementioned subsystems.

- Contract with Alcantarilla Town Council, in Murcia, Spain, to develop and implement a technology platform for Electronic Administration "Alcantarilla Digital: eAdministration". The objectives of the project are the installation and configuration and implementation of an eAdministration platform for Alcantarilla Town Council (File Management, Document Management, Digital Signature, Control Panels to Assist with Decision Taking, etc.); the identification, analysis, simplification, rationalization and implementation by electronic means of the complete life cycle of ten administrative files and, finally, roll out of the municipal portal and virtual citizen attention and public employee offices.

- Contract with Roquetas, Vicar and La Mojonera Town Councils, in Spain, to develop and implement the Employment and Occupational Orientation Portal with OpenCMS for the Roquetas, Vicar and La Mojonera Digital City project.

- Contract with Berja Town Council and Almeria County Council, in Spain, to implement an "Attendance and Virtual Citizen Attention Office" service for Berja Town Council. The objective of the project is the deployment of an eAdministration Platform in Almeria County Council HQ, based on Telvent's TiWorks Suite of tools and components for the implementation and implantation of electronic processing and citizen attention services in a multi-channel environment.

- Contract with the Department of the Environment of the Regional Government of Andalusia, in Spain, to develop new modular functionalities

and adaptations (scale utilities; map utilities; map legends, graphic and print out utilities; alphanumeric data management; consultations via polygon tracing; etc.) for the web application for spatial data viewing and map server of the Department of the Environment's existing Environmental Information Network.

Global Services

- Contract with Yoigo, in Spain, for the global outsourcing of the operation of systems, management of workstations, administration of telecommunications, security and databases, and to ensure operation and evolution of corporate applications and integration of the mobile operator with third parties.
  Contract amount: 5.0 M€.

  This contract positions Telvent as a provider of global Outsourcing and strengthens its presence in the telecommunications sector.

- Contract with the Spanish Radio and Television Corporation, in Spain, to create and manage a multimedia information website.

  With this project, Telvent shows its technological capability for designing and managing one of the most innovative multimedia websites, with a volume of 300,000 registered users, which gives us the opportunity to grow in the audiovisual sector, hand in hand with a public institution of great social relevance.

- Contract with Sociedad Cooperativa Farmacéutica Cofares, in Spain to provide housing for the SAP management software technology infrastructures and the solution for the disaster recovery center while guaranteeing a high-availability service. In addition, incident support and management is being integrated via Telvent's Remedy platform.

This contract positions Telvent as a provider of high-availability services in the SAP environment.

- Contract with the Real Madrid Soccer Club, in Spain, to outsource its website services.

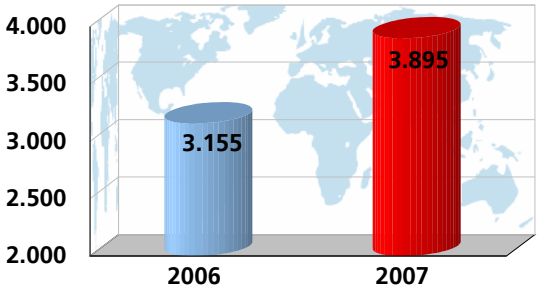
- Contract with Gestevisión Telecinco, in Spain, for global outsourcing of its multimedia audiovisual contents and content management platform and broadcasting via the Internet.

- Contract with Konecta Contact Center, in Spain, for outsorcing of its information system.

- Contract with Fundación Tripartita, in Spain, for the renewal of its management contract for technology infrastructures and Internet applications of the Public Body. This service provides a platform for training management for the unemployed in Spain.

- Contract with Consorcio Regional de Transportes Comunidad de Madrid, in Spain, for the roll out and operation of the emergency center.

Evolution of the Workforce



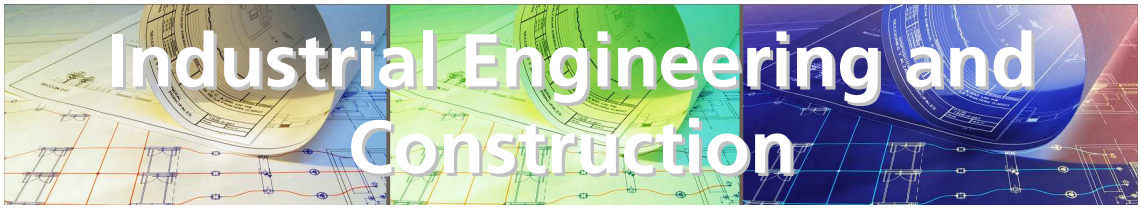
No. of employees

The average workforce of the Information Technologies Business Unit in 2007 was 3,895, a 23.5% increase on the previous year figure.

5.5 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 build and operate conventional and renewable energy power plants, power transmission systems and industrial infrastructures



The main novelties in the Industrial Engineering and Construction Business Unit in 2007, as regards new projects, contracts, new plants, upgrading of internal processes that ensure quality of service, etc., were as follows:

- According to a recent report in the Engineering New Records magazine, Abeinsa is the global leader in international contracts relating to the construction of electrical transmission and distribution infrastructures, and is ranked second in the construction of energy-related infrastructures

- Abeinsa, throughout Zero Emissions Carbon Trust, has confirmed its participation by the signing of the adherence agreement in Tranche Two of the World Bank's BioCarbon Fund with 3 M$. In this way, it becomes the first private company at a European level that will benefit from the acquisition of carbon credits.

  With this operation, Abengoa rises as the only industrial and technological company at a European level to participate in this initiative, created to make easier, to different countries and companies, the observance of the aims marked by the Kyoto Protocol. This will mean a sustainable development of those countries that receive investments throughout the conservation of ecosystems, meaning actions strongly attached to strategies of mitigation in the consequences of Climate Change.

  These initiatives minimize the risk of Abengoa in the profitability of its investment, bound to discharge limitations as opposed to the price variations in the markets of carbon discharges.

- Zeroemissions Technologies continues to consolidate relationships with different institutions and companies in the sector while, at the same time, also strengthening the synergies that exist between the carbon markets and the rest of the activities developed by Abengoa.

Thus, it is now a member of the IETA (International Emissions Trading Association), the mission of which is to promote attainment of the objectives established in the United Nations Framework Convention on Climate Change and, thereby, climate protection. As an IETA member, Zeroemissions will contribute their professional, business and know-how to the national and international dialogue that is developing the key elements of the greenhouse gas market.

Moreover, Zeroemissions has taken a 10 M€ stake in the Spanish Company Carbon Fund, FC2E, and has thereby become a member of its General Board of Investors and chairs its Advisory Committee.

With this new investment, Abengoa consolidates, through Zeroemissions, its commitment to solutions for the fight against Climate Change by investing in one of the mechanisms proposed by the United Nations in the Kyoto Protocol.

- Zeroemissions has taken part as a founder member to constitute the Spanish Association of CO_2, being elected to represent technological companies in their board of directors, (as well as taking part as Secretaryship).

  Zeroemissions shares with the participants of this new forum, the support to the development and the establishment of CO_2 Capture and Storage technologies in Spain, as an option to greenhouse gas emission reductions. This Association wants to "contribute to the improvement of energy efficiency and development of capture, transport, store and CO_2 usage technologies, and its implementation in the industry, so Spain can fulfill its obligations of emission reduction".

- Zeroemissions has announced the signature of a contract in China to provide advisory services on a Clean Development Mechanism (CDM) project for a company from the chemical sector. The project is based on the implementation of heat recovery and electricity production technology

at a sulfuric acid production plant that will reduce its CO_2 emissions by 790,000 tons in ten years. These emission reductions, once certified, will also be traded by Zeroemissions.

- On March 13, Telefónica de España's Purchasing Board authorized the award, to Abentel Telecomunicaciones, of the works to be executed under the Customer Loop Global Contract from May 1, 2007 to April 30, 2012. This new distribution of the works as a consequence of the percentage awarded of the new contract means continuity of the activity the company has been conducting under the previous contract that finalized on April 30.

- Abener Energía has signed a contract with the Moroccan public company ONE (Office Nationale de l'Electricité) to construct a 470 MW power plant in Ain-Ben-Mathar, close to the border with Algeria.

  This contract will require a 469 M€ investment and is the largest this subsidiary has ever been awarded.

  The plant will comprise a 450 MW integrated combined cycle that will utilize natural gas as fuel, and a solar thermal power plant that will concentrate solar radiation at temperature to generate steam that will power a turbine to produce the other 20 MW.

- Abener Energía, S.A. has signed in Algeria the contract to construct the first solar-combined cycle Hybrid Plant in the world.

  This plant will be composed by a solar field of parabolic cylinder technology of 20 MW and will provide complementary thermal energy to a combined cycle of 130 MW. The reflecting surface of the solar field will extend over 180,000 m^2. The novelty of this project will be the electrical use of the heat generated in the same steam turbine that exploits the residual heat of the gas turbine. This configuration is doubly effective. On the one hand, it minimizes the investment associated to the solar field thanks to the

common elements with the combined cycle. On the other one, it reduces the discharges of CO_2 associated to a conventional plant.

- Construction on the Solnova 1 and Solnova 3 projects, the thermosolar plants with parabolic trough collector technology with a 50 MW capacity each, has begun as part of the solar project program.

  There are 360 collectors, each with a useful reflective surface area of more than 800 m^3. These are mirrored structures that are parabolic in shape, which track the sun azimuthally, concentrating the radiation on a tube which carries a heating fluid inside.

- Abener Energía has started the construction of a plant with capacity to produce up to 480,000 m^3 of bioethanol in Rotterdam (Netherlands), based on corn or wheat, and two facilities in the states of Indiana and Illinois (United States) with a unitary capacity of 88 Mgal (333 Ml), from grain.

- Abener Energia, S.A. has agreed with MECS, Inc. to the creation of a joint venture operating under the service mark of Abencs. The joint venture will be focused on executing engineering and construction of biofuels and other alternative energy plants. Abencs will be staffed with detailed engineering, procurement and construction teams transferred from the MECS organization in Saint Louis (USA) and Mumbai (India). Abener will hold a 51% share in Abencs.

  The addition of Abencs to Abener reinforces Abener's capacity for engineering and construction of biofuel and thermo-solar plants and strengthens its presence in the USA, India and China. These are all strategic markets offering exciting growth opportunities.

- Instalaciones Inabensa, S.A., an Abeinsa company, will build the new hospital and outpatient building, the underground car park and additional infrastructures for the Hospital Costa del Sol in Marbella as part of a consortium with Constructora Hispánica S.A., valued at 44 M€.

This new award makes Instalaciones Inabensa, S.A. one of the leading companies for structured financing projects in the hospital, prison, energy and public administration sectors.

- Instalaciones Inabensa has been awarded (under a Joint Venture) the 66 M€ expansion works contract for the city of Seville Conference and Exhibition Center (Fibes).

- Likewise, Instalaciones Inabensa, S.A. was awarded the Security Installations of the Penitentiary Center of Albocàsser in Castellon, in a bid announced by SIEP, Sociedad Estatal Infraestructuras y Equipamientos Penitenciarios (State Society of Penitentiary Infrastructures and Equipments). The amount exceeds 8 M€.

  Specifically for SIEP, Inabensa has been taken part in different works for the last years during the construction of the Penitentiary Centers of Pontevedra, Cordoba, Leon and Palencia.

- Instalaciones Inabensa, S.A. has been awarded the Security Installations of the Penitentiary Center of Moron de la Frontera in Seville, the last part of a lot made by four large "type centers" which construction started two years ago.

  The contract includes the execution of special and security installations of the whole penitentiary complex which is constituted by more than 25 buildings.

- Inabensa was awarded the contract for the Renovation and Adaptation to Regulation of the Central Plant of Installations for the Old Military Hospital Vigil de Quiñones of Seville in a tender called by the Servicio Andaluz de Salud (Andalusian Health Service) of the Andalusia Government. This is part of the actions planned for the complete remodeling of the hospital.

  The amount exceeds 8 M€ and the execution period is 15 months.

- Likewise, Inabensa has been awarded the contract to supply several equipments for the New International Exhibition Center of Beijing (China). The global work where it is focused this project is kept within the important urban and building activities that are carrying out because of the celebration of the Olympic Games 2008 in this city.

  This center is trying to become a world referent in congress and trade fair field. The construction surface in the first stage of this project will be 300,000 m^2 and it is predicted some extensions that will increase the surface until 1,000,000 m^2.

  This contract, the final amount of which will be 11.8 M€, means for Instalaciones Inabensa, S.A. an important landmark for its consolidation in the Chinese market after the recent opening of a subsidiary in this country.

- Inabensa establishes itself in China with a Subsidiary: Inabensa Tianjin. Inabensa´s subsidiary has a 2,000 m^2 workshop in the TEDA (Tianjin Economic-Technological Development Area), where it will manufacture electric and electronic boards.

  The objective is to make Inabensa a reference company in China with a stable presence to undertake not only the manufacturing of ancillary equipment, but also to expand its field of activity to activity areas in the transport and distribution, electric energy, railways and communication sectors, as it is already doing in the other geographical areas.

- Under a JV (Joint Venture), Instalaciones Inabensa's subsidiary Inabensa Maroc has been awarded the 13.4 M€ deployment contract for 45% of the CDMA network (260 telecommunication sites) for the third and most recent operator.

Abengoa Chile

- Abengoa Chile has been awarded by Mining Company Doña Inés de Collahuasi, by an amount closer to 12.8 M$, the contract to build and to put in service the necessary electrical facilities to feed the new water wells in the north sector of the Coposa Salar, approximately 4,500 meters above sea level.

Abengoa México

- As a result of the public bid called by Pemex Exploración y Producción, Abengoa México, S.A. de C.V. has been selected as the winning bidder, awarding the project relative to the construction of the dehydration system lines of the Mayan crude for the oil transfer and his dehydration in electrostatic vessels of the Oil Terminal Dos Bocas; which execution term is of 300 days, with a total amount contract of 58 M€.

  With this new contract Abengoa México reinforce his presence with this client and confirm the quality as a reliable supplier in accordance with the recently acknowledge granted by Pemex Exploración y Producción.

- Abengoa México was awarded by the Federal Commission of Electricity (CFE) for the construction of more than 100 km of overhead transmission lines and two electrical substations in 115 and 230 kV with a total capacity of 133.3 MVA of transformation in the State of Chihuahua, Mexico.

  The total amount of the contract is above 22.7 M$.

Abengoa Peru

- Abengoa Peru has signed the contract with Sedapal to execute the Elaboration of the Technical File and Execute the Works for the "Drinking Water and Wastewater System Expansion and Enhancement" project for Quabrada de Manchay, in the Pachacamac District, in Lima Province.

The execution period is 510 days; total contract value is 37.5 M$; and it is the largest water treatment project currently in progress in Peru.

Comemsa

- Comemsa, subsidiary dedicated to the fabrication of metallic latticework structures for power transmission and distribution lines, has been awarded for the supply of 13,000 towers for a voltage of 230 kV, corresponding to the electric interconnection system for the Countries of Central America (Siepac).

- Likewise, Comemsa has signed a contract with the American company Southern California Edison (SCE), to supply electric towers for the "Rancho Vista" power transmission line.

  Comemsa will supply four types of electric towers, two 250 kV towers and two more than 500 kV towers.

Teyma Abengoa

- Teyma Abengoa, Abengoa's subsidiary in Argentina, signed the contract construction of a 132 kV's line of High-Tension with the secretary Energy office of The Nation, pertaining to the Ministry of Federal Planning, Public Investment and Services the contract corresponding to the construction of the "Central Guemes – Salta Norte Line" located at Salta, Argentina.

Teyma Uruguay

- Teyma Uruguay, has been commended with all the civil works for the biggest Treatment Plant in the country, belonging to the manufacturing plant of cellulose that the Finnish company Botnia is building in Uruguay.

  The method used by the plant for the treatment of the waste waters, will be the biological treatment for activated sludge with an annual discharge

on the average of 73,000 m^3/day. In the first phase of the process the solids of great size are separate by means of grills. Then, the waters are clarified and equalized in big basins. As it advances, the temperature of the waters is reduced in refrigeration towers. After adding certain nutritious to the processed water, it is introduced in the biological reactor. Finally the liquids arrive to their last stage that is the secondary decanter.

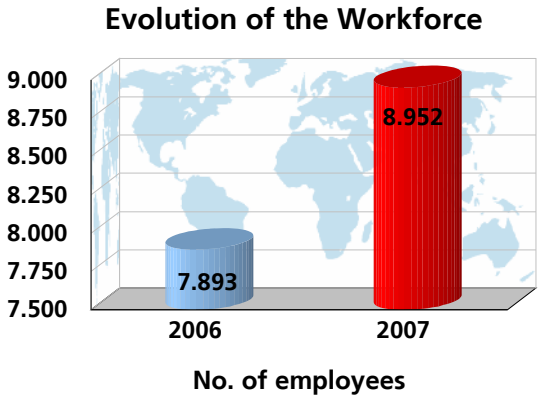
Together with the works of civil work that the company is executing in the Drying Machine, Packing, and Storage and in the Chemical Plant sectors, they make Teyma the main contractor of civil works in the global project of the cellulose plant.

- In the civil construction line of activity, in the first quarter was the inauguration of the Pasteur Institute in Montevideo, an international biomedicine research and researcher training center constructed by Teyma Uruguay.

- Also of note is the project of construction of the Terminal of the Port of the city of Colonia, one of the main tourist towns of the Uruguay.

  The objective of the infrastructure requested by the National Administration of Ports is to offer to the passengers the services of a Terminal that includes all the fluvial operators, allow efficient operations and keep in mind the tourist matters.

- Likewise, Teyma Uruguay increases the capacity of the Water Potabilization and Pumping Plant that supplies Montevideo City. The Water Potability Plant of Aguas Corrientes supplies to the city of Montevideo and its metropolitan area with a capacity of 600,000 m^3/day assisting a population of 1,700,000 inhabitants.



In 2007 the average workforce of the Industrial Engineering and Construction Business Unit was 8,847, a 6.3% increase on the 2006 figure.

6 Relevant Events and other communications

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 half of 2007

- **Written communication of 03.07.2007**

  Payment of the ordinary dividend corresponding to 2006 Results, as approved by the Ordinary General Shareholders Meeting dated April 15, 2007.

- **Written communication of 06.08.2007**

  Notification of the acquisition of the 100% of the brazilian company Adriano Ometto Participacoes Ltda, (Grupo Dedini Agro).

- **Written communication of 03.09.2007 (Ref. 83.544)**

  Half year Financial Information regarding the first half year of 2007.

- **Written communication of 15.10.2007 (Ref. 84.753)**

  Abengoa Bioenergy opens biomass pilot plant in York, Nebraska.

- **Written communication of 23.10.2007 (Ref. 85.098)**

  Update Board of Directors: dismissal presented by Mr. Ignacio Polanco Moreno as Director, due to the assumption of other professional responsibilities, and by Mr. Javier Benjumea Llorente as Vice-Chairman.

- **Written communication of 15.11.2007 (Ref. 86.084)**

  Quarterly Financial Information regarding the third quarter of 2007.

- **Written communication of 19.11.2007 (Ref. 86.324)**

  Agreement with Santander Inv. Bolsa S.V. for shares' liquidity. Modified on 16.01.2008 (Ref. 88.195).

- **Written communication of 11.12.2007 (Ref. 87.137)**

  Designation of Mr. José B. Terceiro as Vice-Chairman of the Board.

Relevant Events after the Year End

- **Notifications of Company' own shares on 12.02.2008, 21.01.2008 and 11.02.2008.**

2. Evolution on the Stock Exchange

Share Performance

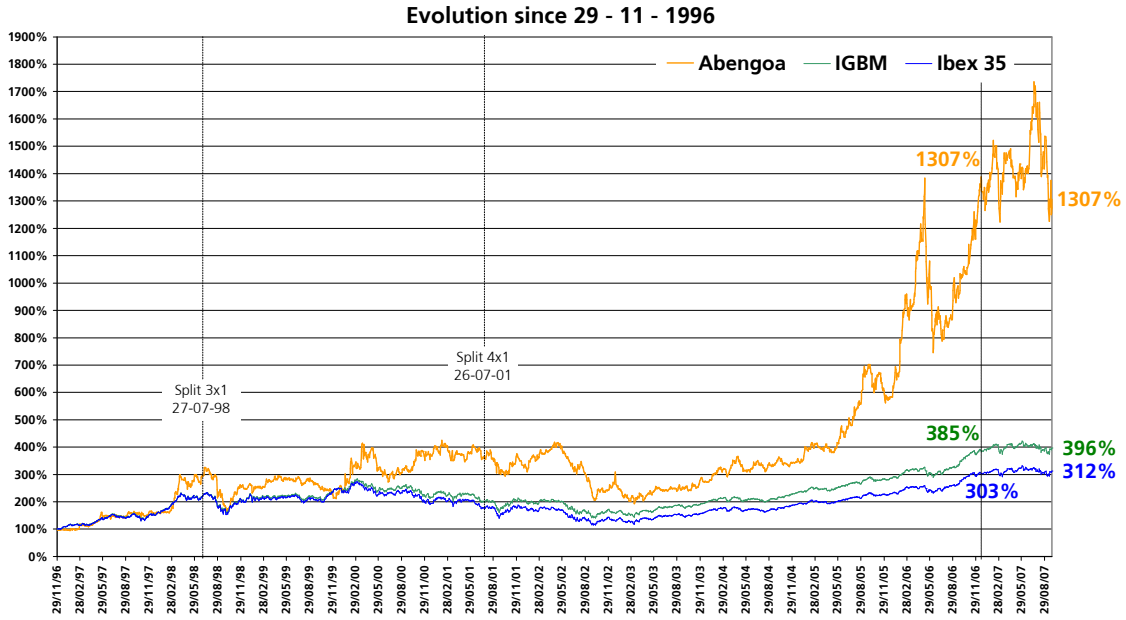
According to the data supplied to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Securities Recording, Clearing and Settlement Management Company) for the last Ordinary General Meeting held on April 15, 2007, Abengoa, S.A. had 10,192 shareholders.

As on December 31, 2007, 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) 134,132,538 shares were traded in 2007. The average volume of daily trading over this period was 530,166 shares. Minimum, maximum and average listed share prices in 2007 were 21.54 euro, 37.50 euro and 28.62 euro, respectively. The final listed price of Abengoa's shares in this period was 24.18 euro/share, which is a 13% decrease on the closing price for the previous year (€ 27.81) and a 1,036% increase on the IPO price on November 29, 1996.

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 1,036% which is 11.4 times the initial price. During this same period, the select IBEX 35 has revalorized 227%.



♦ 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 Sevilla (España)
Tf. 0034 954937111
E-mail: jcjimenez@abengoa.com

ABENGOA

Juan Carlos Jiménez Lora
Investor Relations Director