

# General Description



## Highlights of the year 2001

- In 2001 Abengoa carried out various operations in pursuit of the objectives defined in the strategic plan produced in 1996, when the company was first listed on the stock exchange. In recent years, corporate management has sought to use returns on Abengoa's traditional activity as a springboard to develop businesses with greater value added and to achieve greater diversification in terms of activities and geographic areas.

Developments in 2000 (mainly the acquisition of Befesa and the start-up of the first bioethanol production plant) were built on in 2001 with further strategic operations, resulting in the configuration of Abengoa as a technological company with a solid market presence in the environment sector, providing environmental services (Befesa) and producing fuel from renewable sources (bioethanol).

- Strategic operations carried out in 2001 included the following:
  - Abengoa's environment division (specialising in hydraulic projects and environmental engineering) became part of Befesa through a 12,287,418.99 € increase of capital, with the transfer of the assets of Abensur Servicios Urbanos, S.A. as a non-cash contribution.

- Disinvestment in wind energy operations. The sale of the assets conforming Abengoa's wind energy activity, including shares in Desarrollos Eólicos, S.A. and in subsidiaries engaged in wind farm development and rights to develop new wind farms, was executed on 30 October 2001. The transaction, amounting to 109 million € at the close of 2001, is not considered to have been finalised until the pertinent administrative authorisations have been granted and is therefore not reflected in the 2001 accounts. The authorisation has been applied for and is expected to be issued sometime in the first half of 2002.

- Abengoa increased its bioethanol production capacity with the acquisition of the US company High Plains Corporation (HIPC), an operation completed in 2002. HIPC is the fifth biggest bioethanol producer in the United States and owns three production plants with the capacity to produce 85 million gallons (332 million litres) a year. It reported sales of USD 150 million in the financial year ending June 2001, representing a total investment of USD 100 million. The second bioethanol plant in Spain (Bioetanol Galicia), with a production capacity of 100 million litres a year, was also completed in 2001.

These operations undertaken in 2001 resulted in the configuration of Abengoa as an industrial and technological company operating through four business segments:

- **Bioethanol**
- **Environmental Services**
- **Systems and Networks**
- **Industrial Engineering and Construction**

## General description and organisation

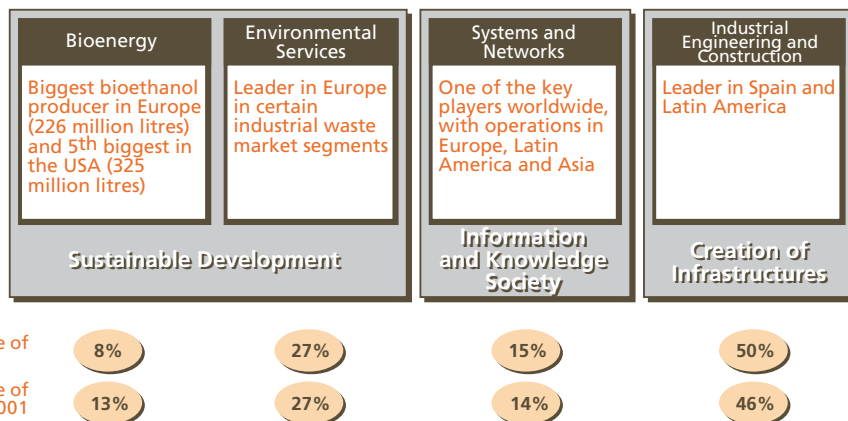
- Abengoa was formed in Seville in 1941. Until 1996 it operated as an engineering company undertaking a range of activities. It is now an industrial and technological company that provides solutions for sustainable development, the information and knowledge society and the creation of infrastructures.

At the close of 2001, Abengoa had a stock market capitalisation of 625 million €, operated in 38 countries and reported sales of 1379.9 million € and EBITDA of 166.5 million €.

# General Description



- Abengoa operates through four business segments:



- These four business segments engage in the following activities:

- **Bioenergy**

This area of activity involves the production of ethyl alcohol from vegetable matter (cereals, biomass). The alcohol, known as bioethanol, is used to manufacture ETBE (petrol additive) or is blended directly with petrol and gas oil. As it is a renewable energy, it contributes to reducing net CO<sub>2</sub> emissions (greenhouse effect).

- **Environmental Services**

This business segment provides aluminium waste recycling, salt cake recycling, zinc waste recycling, industrial waste management, industrial cleanup services and environmental engineering (engineering and construction for water treatment and waste management).

- **Systems and Networks**

The activity of this segment focuses on the integration of control and information systems and private networks and infrastructure for vertical markets including energy, environment, traffic, transport and telecommunications, with offerings based on an innovative combination of technology, infrastructure and content.

- **Technology:** providing solutions based on both in-house and third-party products.

- **Infrastructure:** providing spaces specifically designed and fitted out for the co-location and operation of computer and telecommunications equipment.

- **Content:** developing real-time control, management and information systems for target markets.

- **Industrial Engineering and Construction**

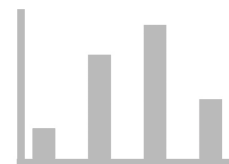
Engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industrial, transport and service sectors. Development, construction and operation of industrial plants and conventional power plants (cogeneration and combined-cycle) and renewable energy facilities (bioethanol, biomass, wind, solar and geothermal). Turnkey telecommunications networks and projects.

## Key figures for 2001

### Sales

- Consolidated sales as at 31/12/01 were 1379.9 million €, up 14.5% on the previous year.
- Sales reported in 2000 were 39.1% higher than in 1999.
- The increase in sales in 2001 can be attributed to growth in the Bioenergy business segment, where sales rose from 41.7 million € in 2000 to 108.5 million € in 2001, and in the Environmental Services business segment, where sales rose from 193.6 million € in 2000 to 369.9 million € in 2001.

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## EBITDA

- EBITDA (earnings before interest, taxes, depreciation and amortisation) amounted to 166.5 million €, 40.2 million € more than in 2000 (31.8% increase).

## Net profit after tax

- Net profit after tax attributable to the parent company rose from 36.1 million € in 2000 to 41.5 million € in 2001, up 15% with an increase of 5.4 million €.

## Net Cash Flow

- Net cash flow for 2001 was 107 million €, 18.2 million € more than in 2000, representing an increase of 20.5%.

	2000 (Mill.euros)	2001 (Mill.euros)	% change 01/00
<b>Profit &amp; Loss Account</b>			
Sales	1,204.6	1,379.9	14.5%
EBITDA	126.3	166.5	31.8%
Profit attrib. to parent company	36.1	41.5	15.0%
Net cash flow	88.8	107.0	20.5%
<b>Earnings per share</b>			
	+0.40	+0.46	15.0%

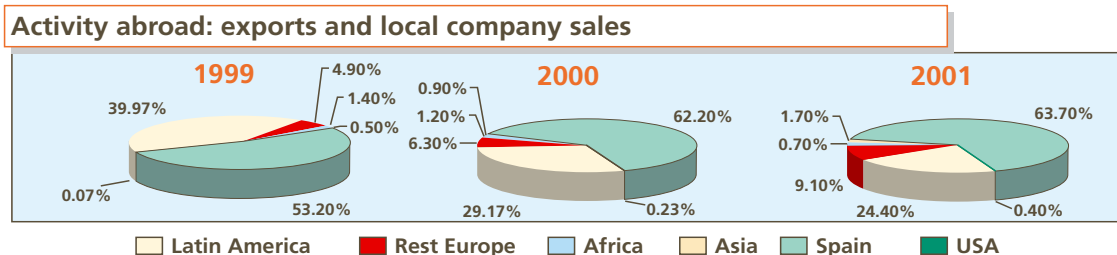
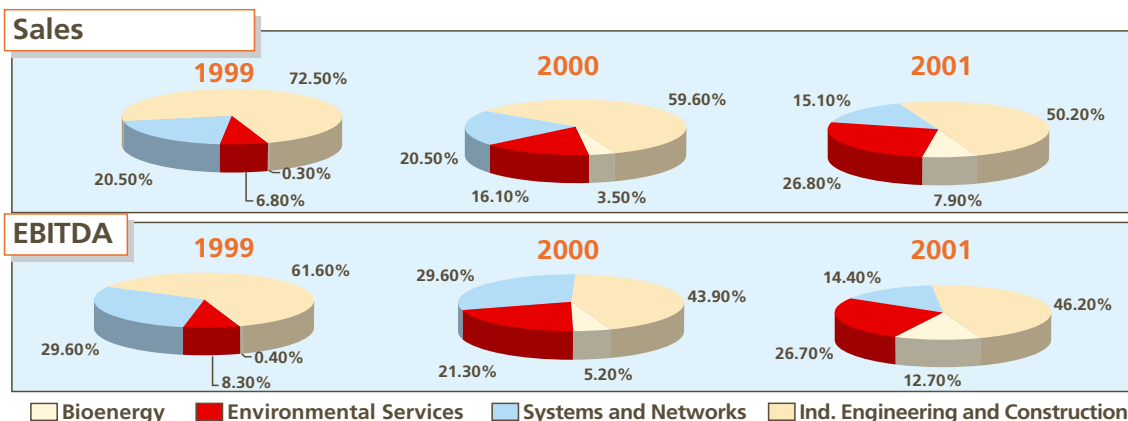
## International activity

abroad accounted for 500.6 million € (36%) of the 1379.9 million € total sales reported in 2001. Sales in Spain amounted to 879.2 million € (64%) compared with 748.2 million € in 2000 (62%).

- In 2001 there were also significant changes in the weight of Abengoa's activity abroad, which continued to represent a significant share of Abengoa's business. Specifically, sales

**Local operations**, that is, sales by local companies based in other countries, amounted to 298.3 million €, accounting for **21.7%** of the total sales

## Sales by Business Segment



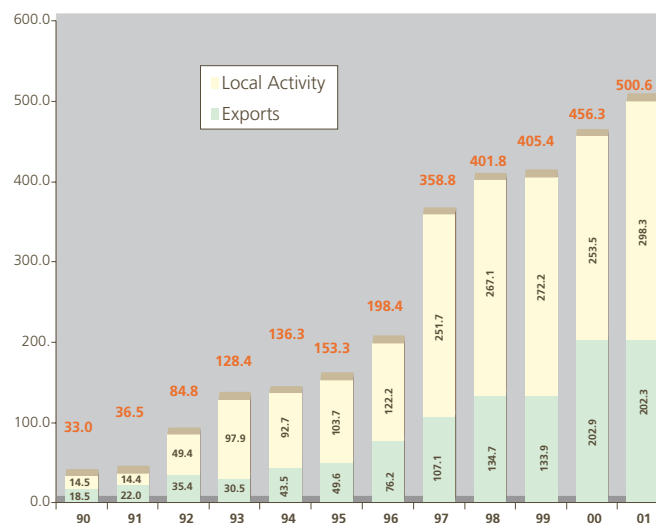
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figure for 2001, while **exports** from companies based in Spain totalled 202.3 million € (14.6%). In 2000 sales by local companies abroad accounted for **21%** of the total figure and exports **16.8%**.

A notable development in 2001 was the change in the percentage shares of geographic areas in total sales. Latin America's contribution fell from 39.97% in 1999 to 29.17% in 2000 and still further to 21.58% in 2001, while Spain and the rest of Europe increased their share of total sales. These percentages can be expected to be altered further with the geographic diversification resulting from the incorporation of High Plains in 2002.

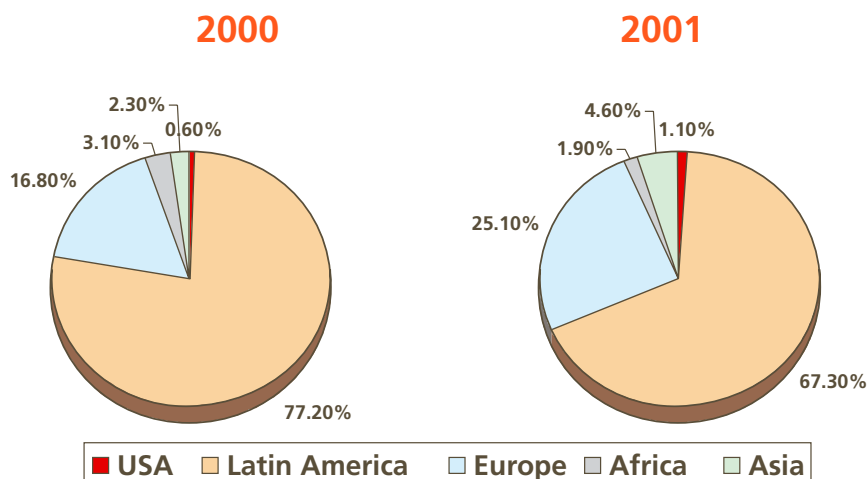
## Activity abroad (millions of euros)



## Share performance

- According to the figures supplied to the company by Servicio de Compensación y Liquidaciones de Valores, S.A. (securities clearing and settlement service) on the occasion of the last General Meeting held on 24 June 2001, Abengoa, S.A. had 5559 shareholders and a free float of 47.98% as of that date, excluding the interest held by the controlling shareholder Inversión Corporativa I.C., S.A. and its subsidiaries Finarpisa and Ibisa (52.02%).
- 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), 27,507,941 shares were traded in 2001. The average volume of daily trading over the year was 110,031 securities compared with 53,207 in 2000 (up 106%). Minimum, maximum and average listed share prices in 2001

Activity abroad by continent 2000-2001 as a percentage of total sales abroad



were 6 €, 9.28 € and 7.75 € respectively, taking into account that the face value of shares was reduced from 1 € to 0.25 € as a result of the share split effected in July 2001.

The closing price quoted for Abengoa shares in 2001 was 6.91 €, 18.6% lower than on 31 December 2000 and 285% higher than the share price established for the public offering of shares on 29 November 1996.