

Summary 2003



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Over the last decade, we have increased our results at a rate of 20% a year as a consequence of the new activities related to Bioenergy, Environmental Services and Information Technologies, as well as through the internationalization of our traditional activities. Over this same period, our Sales abroad have increased at an annual rate of 16%.

- The following strategic operations have been developed over recent years:

2000

- A 300 million € investment to acquire Befesa through a take-over bid.
- Start-up of the first Bioethanol plant in Spain, with a 100 million liter per year production capacity, in which 93.8 million € was invested.
- Widening of Abengoa's capital which enabled the shareholder capital to be increased by 75.1 million €.

2001

- Abengoa's Environmental Division (specialized in environmental engineering) was integrated in Befesa, and Befesa's capital was increased by 12.3 million € through Abensur's contribution.
- Sale of the wind power activity for 109 million €.

2002

- High Plains Corporation (now known as Abengoa Bioenergy Corporation) the fifth largest bioethanol producer in the United States was acquired for 100 million € through a take-over bid.
- Start-up of the second Bioethanol plant in Spain, with a 126 million liter per year production capacity, in which 92.1 million € was invested.

- The Department of Energy (D.O.E.) of the USA awarded the company an R&D project to improve ethanol production process technology, using biomass, to improve the economy of process and increase energy performance from ethanol production and, thus, reduce the production cost of ethanol and make it more competitive with petrol. Total investment, co-funded by the D.O.E., will be 35.4 million dollars from 2003 – 2006.

2003

- Acquisition of Metso Corporation's Network Management Solutions Division through the 100% purchase of its subsidiaries in Canada and the United States. The two companies purchased, nowadays known as Telvent Canadá and Telvent USA, put Telvent in a leading position at international level in the Control and Information Systems market for the oil, gas and electric energy sectors, as well as for the water sector.

The total investment made in both companies was 35 million dollars.

- Construction began on the third bioethanol plant in Spain, in Babilafuente (Salamanca). The material investment is 150 million euro. The plant will have a production capacity of 200 million liters/year of Bioethanol for direct use (blending) in gasoline. The raw material will be cereals, wine alcohol and biomass, the latter in a bioethanol production facility which will be the first of its kind in the world.
- Exports of Bioethanol to Europe commenced.

Summary 2003

Strategic Orientation

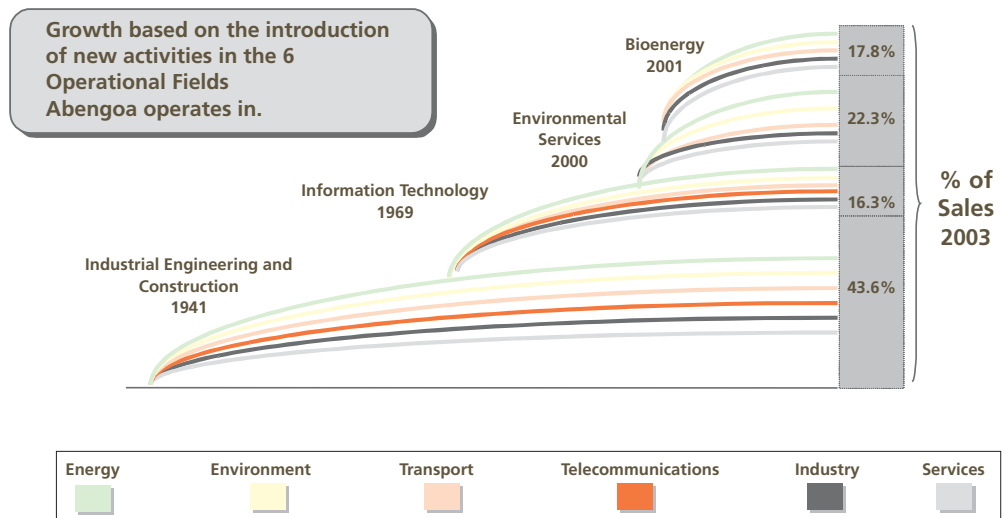
- Technology in Abengoa focuses on Six Operational Fields in which each business unit interrelates to a greater or lesser extent:

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



Summary 2003

- The growth strategy is based on the introduction of new activities in the six Operational Fields Abengoa operates in.



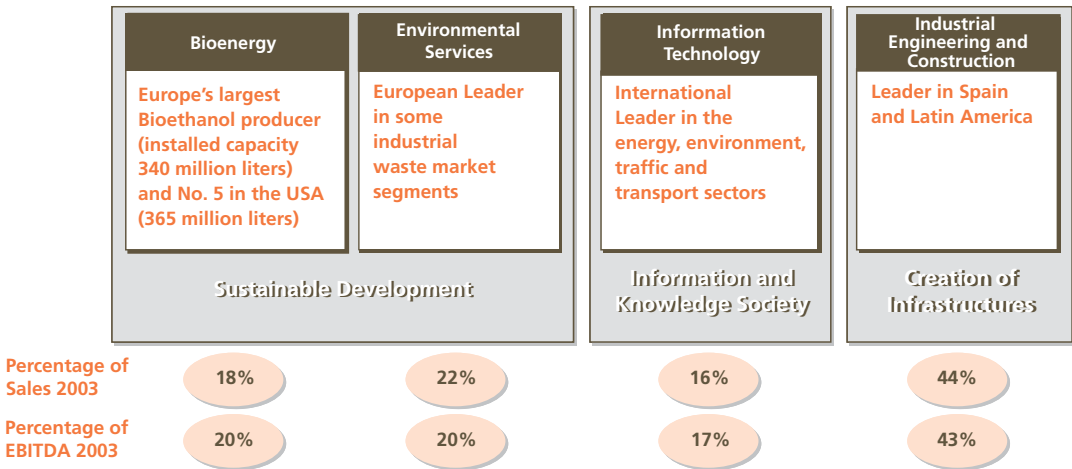
- Abengoa offers a combination of activities that represent greater diversification in markets, customer portfolio, and which strengthen its capacities vis-à-vis its original engineering business.

	Engineering Company			Diversified group with 4 different businesses		
	1993	Ebitda %	Sales %	2003	Ebitda %	Sales %
Business	Engineering	72	70	Engineering	43	44
	Info. Technology	21	23	Info. Technology	17	16
	Environmental Services	7	7	Environmental Services	20	22
Geography	Spain		67	Spain		59
	Latin America		27	Latin America		20
	Rest		6	USA and Canada		13
				Rest		8

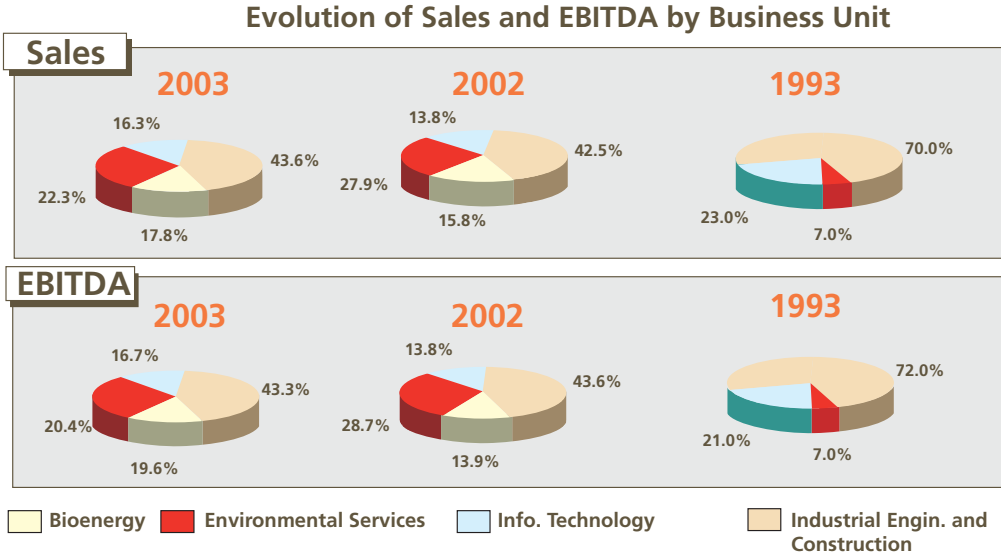
Summary 2003

Current Configuration of Abengoa and the Nature of its Business

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



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



Summary 2003

Evolution of the 2003 Financial Year Results

	M €		Change %	% on total		M€	% on total	% CAGR
	12.03	12.02	03/02	12.03	12.02	12.93	12.93	93/03
Sales	1,635.3	1,521.9	7.5	100.0	100.0	445.4	100.0	13.9
EBITDA	185.2	174.7	6.0	11.3	11.5	25.8	5.8	21.8
Depreciation R&D&I	-13.5	-7.6	76.6	-0.8	-0.5	-0.1	0.0	66.0
Depreciation and Provisions	-53.4	-47.7	11.9	-3.3	-3.1	-7.2	-1.6	22.2
Goodwill depreciation	-19.4	-16.7	16.0	-1.2	-1.1	-2.5	-0.6	22.6
Net financial expenses	-47.1	-49.9	-5.7	-2.9	-3.3	-3.5	-0.8	29.5
Profits from Ordinary Activities	66.2	37.4	77.0	4.0	2.5	0.1	0.0	131.5
Net Extraordinary result	-1.7	-13.7	-87.4	-0.1	-0.9	7.3	1.6	-
Result before taxes	64.5	23.7	172.1	3.9	1.6	7.3	1.6	24.3
Taxes	-16.7	21.4	-177.8	-1.0	1.4	0.0	0.0	90.2
Minorities	-0.8	-1.7	-54.5	0.0	-0.1	-0.1	0.0	21.9
Result attributable to the parent company	47.0	43.5	8.1	2.9	2.9	7.4	1.7	20.3
Net Cash Flow	137.5	118.3	16.2	8.4	7.8	17.4	3.9	23.0

- Consolidated sales at 31/12/03 were 1,635.3 M €, a 7.5% increase on the previous year. The increase in sales is mainly attributable to the Bioenergy Business Unit, with sales amounting to 291.4 M €, as compared to 240.0 M € in 2002 and the Information Technology Business Unit, with sales amounting to 265.5 M €, as compared to 210.0 M € in 2002. This growth came about in spite of the unfavorable exchange rates for the currencies of different countries in which 40.7% of Abengoa's billing is done, the bad trade cycle in the Aluminum sector and the fall in the sales prices for the electric energy Abengoa generates in its Cogeneration plants.
- Ebitda (earnings before interest, taxes, depreciation and amortization) amounted to 185.2 M €, an increase of 10.5 M € (6.0%) on the 2002 figure.

As regards Business Units, Abengoa increased the contribution to Ebitda in all business areas with the exception of Environmental Services, an area that has been greatly effected by the unfavorable trade cycle in the Aluminum sector.
- It is important to mention the increase in the amortization of tangible and intangible fixed assets to 53.4 M € (47.7 M € in 2002) and the effort made to amortize R&D&I, the figures for which went from 7.6 M € in 2002 to 13.5 M € in 2003.

Moreover is important the increase to amortize consolidation goodwill amounting to 19.4 M € (16.0% more than the 16.7 M € in 2002).
- When analyzing the company's financial statement for 2003, it is important to underline the positive impact of the Banco Santander Central Hispano's shares which resulted in earnings of 15.0 M € before taxes.
- Profits from Ordinary Activities amounted to 66.2 M €, an amount greater than that of the previous year (37.4 M €), in spite of the fact that amortizations have increased by 14.3 M € (19.7% more than in 2002).
- The net extraordinary result is -1.7 M €, of which the most significant amounts correspond to capital gains on the sale of Elsur to Agua y Gestión de Servicios Ambientales for 5.7 M € and the extraordinary losses as a consequence of the structural re-conversion of the Aluminum business for -4.8 M €.
- The result before taxes is 64.5 M €, which represents a 172.1% increase on the previous year (23.7 M €).
- Corporation tax in 2003 came to 16.7 M € as against income of 21.4 M € in 2002, as a consequence of applying the Resolution of the 15th March 2002 of the Spanish Accounting and Auditing Institute.
- The result after taxes attributable to the parent company is 47.0 M €, an 8.1% increase on the 2002 financial year figure (43.5 M €).

The above mentioned result implies a profit per share of 0.52 € as compared to the 0.48 € per share for 2002.
- Net cash flow also increased by 16.2% to 137.5 M € (118.3 M € in 2002).

Summary 2003

International Activity

- In 2003, in spite of the unfavorable evolution of the foreign currency exchange rates, Abengoa continued to increase its activity abroad, in volume as well as diversification. The contribution from the United States and Canada stands out this year, a consequence of the acquisition of Telvent USA and Telvent Canadá, as well as of the consolidation of the bioenergy business in the United States. Of the 1,635.3 million € billed in 2003, 714.8 million € (43.7%) correspond to sales abroad. The activity in Spain amounted to 920.5 million € (56.3%) as compared to 910.1 million € in 2002 (59.8%).

Of the total sales figure abroad, 448.2 million € (**27.4%**) correspond to **local activity**, that is to say, billing by the local companies established in different countries, and **exportation** by Spanish companies amounted to 266.6 million € (16.3%). In 2002, the local activity and exportation represented **25.4%** and **14.8%** respectively.

We would mention the variation in the contribution from the different geographical areas. In this way, Latin America has gone from representing 40% in 1999 to 21.6% in 2003. Likewise, the contribution from the USA and Canada, which was practically nil in 1999, now amounts to 12.5%.

Geographical distribution of the sales is as follows:

Activity Abroad							
Exports and sales by local companies	2003		2002		1993		TAMI(*) (93-03)
	M €	%	M €	%	M€	%	%
- USA and Canada	209.8	12.8	143.2	9.4	0.0	0.0	-
- Latin America	332.9	20.4	333.7	21.9	119.4	26.8	10.8
- Europe (rest)	76.7	4.7	94.3	6.2	14.7	3.3	18.0
- Africa	27.8	1.7	10.9	0.7	6.6	1.5	15.4
- Asia	16.9	1.1	29.7	2.0	8.0	1.8	7.7
Total Abroad	664.1	40.7	611.8	40.2	148.7	33.4	16.2
Total Spain	971.2	59.3	910.1	59.8	296.7	66.6	12.6
Consolidated Total	1,635.3	100.0	1,521.9	100.0	445.4	100.0	13.9

(*) TAMI: Annual Average Rate of Increase

Summary 2003

Abengoa's Innovation Strategy

Abengoa's policy is geared to creating and sustaining values. Its innovation efforts are results oriented and based on the pursuit of three tangible objectives:

- Diversification: new products and services.
- Differentiation: improvement and adaptation of existing products.
- Process improvement.

Intangible objectives include the acquisition of essential competencies and, above all, the generation of future options. The latter is closely linked to the creation of value through growth prospects and the development of new business.

Types of execution

Abengoa implements its innovation policy in several ways; in-house innovation aimed at providing specific solutions for individual customers and in-house developments; outsourced innovation based on collaboration agreements with universities, public research bodies and other third parties, in which case the work is usually shared, and in some cases technology is purchased. Another method

much used in recent times is the acquisition of strategic financial interests in technological companies. In such cases, the move is usually a corporate one, although subsequent management is undertaken by the individual companies involved.

The economics of Innovation: Financing

- External resources:
 - Tax benefits.
 - Subsidies.
 - University or Public Research Bodies.
 - Shared R&D.
 - Customers.
- In-house resources:
 - Investment.
 - Expense item for the year.

Investment in R&D&I

2001		2002		2003		2004 (Forecast)	
Millions of €	% of Sales	Millions of €	% of Sales	Millions of €	% of Sales	Millions of €	% of Sales
7.6	0.5	11.1	0.6	17.5	1.1	20.1	1.2

Summary 2003

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 General Meeting held on 29th June 2003, Abengoa, S.A. had 7,707 shareholders (24/06/03).

As on 31st December 2003, 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 Madrid (Governing Body of the Madrid Stock Exchange) 45,357,976 shares were traded in 2003. The average volume of daily trading over the year was 181,431 securities compared with 137,954 in 2002 (up 31.5%). Minimum, maximum and average listed share prices in 2003 were 4,03 €,

6.21 € and 5.27 € respectively. The last closing price quoted for Abengoa shares in 2003 was 5.77 €, 3.04% higher than on 31st December 2002, and 170.9% higher than the share price established for the public offering on 29th November 1996.

Evolution since its Initial Public Offering in 1996

As a historical reference, since Abengoa's initial public offering on 29th November 1996, the company's securities have revalorized 171% which is 2.7 times the initial price. During this same period the Madrid Stock Exchange General Index has revalorized 66% and the select IBEX 35 has gone up 100%.

