

Latin America

A market in which Abengoa has been operating on a stable basis for over thirty years through local companies which carry out all the Business Unit activities with operational autonomy, while applying the management standards implemented throughout Abengoa.



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2003 was another positive year as regards activities and results for the Latin American Business Unit, and this in spite of the profound crisis in which countries such as Argentina and Uruguay are still experiencing.

In 2003, the Latin American Business Unit met its objectives and contributed significantly to the different magnitudes of Abengoa's overall Financial Statement.

The diversification policy, by countries and products, of strengthening the management team, as well as its flexibility, has enabled it, with the technological support received from Abengoa and under common management rules and regulations, once again to conclude a satisfactory financial year and continue with the consolidation of its structures for forthcoming years.

Teyma Abengoa (Argentina)

The structure was maintained in the country and the company is looking with optimism to the economic recovery and normalization of Argentina.

Customers y Projects Carried Out:

- Entidad Binacional Yaciretá: Design, Construction, Transportation, Installation and Commissioning of pumps, valves and sundry devices for fish transfer facilities.
- Telefónica Argentina
- Repsol YPF

In September 2003, the company renewed its AENOR ER-0285/1196 Certificate, in accordance with Standard ISO 9001:2000.

Befesa Argentina (previously Borg Austral)

Customers and Projects Carried Out:

- Repsol YPF: Cleaning of the H1201 Log Ponds in La Plata Refinery. Operation Planta Alfa Laval + US Filter La Plata Refinery. Waste Collection and Treatment for the Catre Area. Slop Oil Unit, Tank 265 La Plata Refinery and Tank 5206.
- EPEC: Commencement of Program "Cordoba free PCB's" with conditioning, consolidation and exportation of PCB's.
- AA2000: Repair of Stations in Paraná Airport, province of Entre Ríos. Conditioning, Consolidation and Exportation of PCB's.
- Special waste treatment services for the Automobile Industry: Daimler Chrysler, Ford, Peugeot-Citroen, Toyota, Volkswagen. The Oil Industry: Esso, Repsol YPF, Shell, Capsa.

Pharmaceutical Laboratories: Aventis Pharma.
Chemical Industry: Rohm & Hece, TFL, Uniliver, Procter & Gamble.

During 2003, Befesa Argentina developed and implemented an Integral Management System in accordance with Standards ISO 9001 and ISO 14001, and other certificates it already had were renewed. The company collaborated in the Environmental Management Prize 2003 / Differentiated Collection of Batteries Program.

Telvent Argentina (previously Sainco Argentina)

Customers and Projects Carried Out:

- Maintenance of traffic light installations and operation of the Traffic Control Center in Cordoba and Rosario, with maintenance, preventive and corrective works.
- Maintenance of the traffic light network in the center of Buenos Aires.
- Western Concessionary: Buenos Aires-Luján Highway, maintenance of the toll and communications systems.
- Toll systems technical assistance for Route 5 Concessionary, in Chile; Route to the Mountains, in Uruguay and Tape Pora, in Paraguay.
- Repsol YPF: Installation and commissioning of the Control System and communications for the P. Rosales-Bahía Blanca oil pipeline.

Telvent continues to develop and operate in red light violation detection systems, one of the few companies at world level, with excellent results, as well as in the design and manufacturing of new toll barriers to meet the demands of the operators.

Abengoa Chile

It has had another good financial year with the objects proposed for the year having been more than met.

Customers and Projects Carried Out:

- Endesa: Completion and commissioning of 140 km of 220 kV low voltage line from Ralco Power Station to Charrúa Substation (BOT contract).
- Aguas Andinas: MV electric distribution system for La Farfana Plant.
- Celulosas Arauco: Construction of Lines and Substations.
- Transemel: Line and Parimacota Substation – Transmission Structure.
- HQI Transelec: Takedown of the 1 x 220 kV



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- Polpaico-Quillota no. 3 line. Transformation of the 220 kV Charrúa-Ancoa line to 500 kV.
- Telefónica CTC Chile: Outdoor Plant, Maintenance, Technical Service, Installation, Repair and Payments Collection.
 - Cía Minera D^a Inés de Collahuasi: Construction of the Handling Yard and Harmonics Filter Belts Sector for the Ujina-Rosario Transition Project.
 - Minera Noranda: Integral supply of hazardous industrial waste collection, handling and final elimination services and cleaning of industrial areas for Altonorte Foundry. This copper foundry is the country's third largest and the world's eighth.
 - Chilectra: Installation of provisional and permanent 110 kV lines. Cherra-Cerro Navía 110 kV line. Chena-Maipú reinforcement line. Cerro Navia-Renca 110 kV line, route modification. Works and maintenance of HV networks in metropolitan areas.



In 2003, Abengoa Chile broadened its AENOR Environmental Quality and Management certificates to include mechanical assemblies and piping for sanitary works.

The Collaboration Agreement signed by the University of Concepción, the Technological Research Corporation and Abengoa came into operation, to encourage the use of bioethanol.

Befesa Chile

Befesa Chile was established to provide a solution to everything related to the environment.

Collaboration Agreements were signed.

It is working, together with Abengoa Chile, on the waste treatment contract for Minera Noranda.

The necessary bureaucratic steps have been taken, and the documentation prepared, to undertake the Industrial Waste activity.

Teyma Uruguay

Within the framework of the general crisis the country and sector have experienced, Teyma managed to meet its objectives and has commenced 2004 in a positive way.

Customers and Projects Carried Out:

- Montevideo City Corporation: Central Body of the Solís Theatre. Surfacing and paving works in Montevideo. Urban Cleansing Works.
- Shopping Center: Enlargement of Shopping de Montevideo
- M'Bopicúa Logistics Terminal (Eurofores) – Chipwood Plant: Execution of the reinforced concrete structures for equipment foundations, conveyor belt support bases and stock silos.
- Banco Hipotecario del Uruguay: Construction of the new façade of its Head Offices, including the removal of 3,000 pieces of reinforced concrete each weighing 1,000 kg. Construction of 103 dwellings under the Fénix Plan.
- Administración Nacional de Usinas y Transmisiones Eléctricas: Distribution and transmission works in different areas.
- Gaseba Uruguay: Installation of regulating stations, enlargement of trunk pipelines and replacement of gas distribution networks and connections.
- Diprode: ASC 4 Cleansing works in Montevideo and Metropolitan Area.
- OSE Obras Sanitarias del Estado: civil works to reduce the quantity of uncontrolled water, enlargement of the sewage network in several cities.
- Intendencia Nacional de Montevideo: Providing Household Waste Collection Services, road cleaning and transportation of material to final storage dump, for a 1,210 hectare area with a population of 150,000, introducing a new collection system.

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- Saneamiento de Cerro Norte: Renovation of the Arteaga network collectors in Montevideo.
- Administración Nacional de Puertos: Maintenance of installations and paving in Montevideo port.
- Servicios Forestales: through its subsidiary Pandelco, Teyma provided crop services for the country's most important operators: Eufores (Ence), Cofosa (Metza-Botnia), TILE.

In 2003, Teyma renewed its Quality ISO 9001:2000, Environmental ISO 14000 and Occupational Health and Safety UNIT 18.001 Certificates.

Pandelco also renewed its Quality ISO 9001:2000 certificate and obtained the Occupational Health and Safety UNIT 18.001 certificate.

Teyma is the only Uruguayan company to have certificates simultaneously for the three systems: Quality, Environment and Occupational Health and Safety. The same can be said of Pandelco in the forest sector given that it has certificates for its Quality and Occupational Health and Safety systems.

In 2003, the company was once again awarded the National Quality Prize, and is the only company in the construction industry to have been awarded it and the second company in Uruguay to have been awarded it for the second time.

Abengoa México

Intense activity continued for the Federal Electricity Commission and PEMEX, and activities commenced in other areas. Thus the objectives for the financial year were very satisfactorily met.

Customers and Projects Carried Out:

- Abener Energía El Sauz: Tuxpan 406 Project (2nd Phase): Supply, construction, installation and testing of the 239 km Tres Estrellas-Teotihuacán power line.
- Federal Electricity Commission (CFE): Tuxpan 406 Project (3rd Phase): Stringing of the second circuit of the 127 km El Salto-Teotihuacán power line.
- Federal Electricity Commission (CFE): National 411 LV System Project: Construction of 400, 230 and 138 kV power transmission lines, total of 637 km, in the States of Chiapas, Oaxaca, Guanajuato, Mexico and others.. The 95 km Río Escondido-Arroyo del Coyote line was completed under this project (50% in consortium with Elecnor).
- Federal Electricity Commission (CFE): 407 LV Network Project related to Altamira II, III and IV. The 75 km El Potosí-Palo Alto Cañada line was completed (50% in consortium with Elecnor).

- CFE: 55 LV Network Project related to CCI Baja California Sur 1: Construction and installation of 49.6 km of 230 and 115 kV lines and two 230 kV and 115 kV substations, in the State of Baja California Sur.
- Federal Electricity Commission (CFE): Supply and installation works for El Sauz Combined Cycle Power Plant.
- PEMEX Exploración y Producción: Rehabilitation works in Activo de Producción Samaria Sitio Grande's SF6 115 kV substation, in the State of Tabasco.

New Contracts:

- CFE: Project 104 SLT 706 Northern Systems 2nd Phase: Construction and Installation of eleven 230, 138 and 115 kV lines, totaling 432.8 km and ten 400, 230, 138 and 115 kV substations in the States of Coahuila, Chihuahua, Durango and Baja California.

The certification process in accordance with standard OHSAS 18001 related to Occupational Health and Safety commenced, and the company's Quality Certificate was renewed.

Befesa Mexico

During the course of 2003, Befesa Mexico continued to make progress and establish itself in the country with a view to covering and developing all its business activities such as the Containment of Industrial Wastes, Sludge Treatment, Automatic Cleaning Services and Land Remediation. 2004 will be the year in which it will fully consolidate itself.

Comemsa (Mexico)

Manufacturing of pylons and metallic structures. In 2003, Comemsa consolidated its presence in Mexico and continued to expand to other regions. Contracting surpassed 29,000 tons through contracts with Sade Skanska, Cymi, Siemens, Abengoa-Elecnor, Cobra, Alstom and the Federal Electricity Commission (CFE) for whom it is a Supplier Qualified by LAPEM. The manufacturing and supply of pylons for LV lines required, in some cases, up to 10 different designs; delivery periods were met and the quality of the works was acknowledged by all its customers. Metallic structures, supports, columns and bus-bars were also constructed for substations. In 2003, Comemsa adapted its Quality System to the 2000 version of Standard ISO 9001:1994, and obtained the corresponding certificate in accordance



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with the audit made by Bureau Veritas Quality International and the company also continued to develop its Environmental Management and Occupational Risk Prevention Systems.

Abengoa Perú

Within a framework of high competitiveness and a shortfall of activity, Abengoa Peru completed its adaptation process towards the end of 2003 and obtained contracts that will permit stability over the next few years.

Customers and Projects Carried Out:

- Befesa Peru: Construction of the first phase of the Environmental Complex was completed.
- La Pampilla refinery: Installation of MV cables for the Substation.
- Red Energía del Perú: Changing of the Lima-Zapallal-Chimbote 1 conductor line to 220 kV.
- Electronorte: Remodeling of Distribution Networks and Rehabilitation of LV networks.
- Hidrandina: Expansion of Distribution Networks and Household Connections for a total of 5,200 subscribers.
- Electrocentro: Expansion for distribution networks in María, for 400 subscribers.
- The "Alexander Von Humboldt" Peruvian German Cultural Association for the Promotion of Education: Construction of the Student Recreation Center.
- Ambev: Civil works for the construction of a brewery in Lima.

In 2003, the new Standard ISO 9001:2000 was implemented upon the company passing the audit by AENOR.

Abengoa Peru was a semi-finalist from among 84 companies that participated for the Best Human Resources Training Prize, which measures the impact of the Training given to a company's Human Resources to achieve an improvement in the Organizational Climate, with aspects such as Communications, Working Climate and Training being assessed.

Befesa Peru

Befesa Peru was established to provide integral industrial and hazardous waste management services. The company possesses the largest safety depot in



the country. Its customers include: Pluspetrol, Edegel, Luz del Sur, the Environmental Health Agency and Lima Airport Partners.

In 2003, an environmental management system was implemented in accordance with Standard ISO 14001:1996, and the certification process got under way.

The company organized several seminars and participated in the Expo-Environmental Fair 2003. It also organized guided tours of its facilities.

Bargoa (Brazil)

2003 was an extremely important year for Bargoa, a company dedicated to manufacturing components for the telecommunications, the automobile industry and other sectors. In spite of the fact that the investment crisis continued in the telecommunications sector, the company's activity increased 252%, with 50% of the total sales volume being attributable to exports.

It enlarged and improved its production plants and increased its volume of engineering development equipment; all this enabled it to put new products on the traditional market.

It obtained the Quality Certificate in accordance with Standard ISO 9001:2000 and commenced activities to certify the ISO TS-16.949 and ISO 14.000.

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Telvent Brazil (previously Sainco Brazil)

Customers and Projects Carried Out:

- ONS Operador dos Sistema Eléctrico: Monitoring and Control System for the Brazilian Interlinked Electrical System. Maintenance works.
- General Electric do Brasil: Equipment and components supply for the emergency control plan (ECE's).
- Electronorte: Control, protection and telecommunications systems.
- Vatech. Expansion of the Serra da Mesa emergency control plan (ECE's).
- CBTU Companhia Brasileira de Trens Urbanos: Real time traffic control system in Belo Horizonte – Minas Gerais.
- Centrovías Sistemas Rodoviários: Supply of the ITS system for roadway operation monitoring and control.
- Prefeitura Municipal de Salvador: Salvador-Bahia city real time traffic control system (UTC).

The company obtained the IQNET and AENOR quality certificates and won the "Top Execelencia Empresarial" prize awarded by Companhia Nacional de Eventos e Pesquisas Ltda., in the Information Technology section.

Abengoa Brasil

During this financial year, Abengoa Brasil continued to be one of the leading companies in the HV transmission lines market in Brazil. It constructed and operated lines, as a concessionary, through BOOT contracts with ANEEL (Agencia Nacional de Energia Eléctrica). From a total of 1,932 km of contracted lines, 961 km are now in operation (Expansión and NTE), 601 km are under construction (STE and ETIM.), and 370 km have been contracted recently.

The size and qualification of Abengoa Brasil, guarantee its presence in the market for forthcoming years.

Customers and Projects Carried Out:

- ANEEL: Nordeste Transmisora de Energia NTE: Construction and operation of the 200 km long, 500 kV Xingó-Angelim Line and the 186 km long, 230 kV Angelim-Campina Line. They came into service on 22.12..03.
- ANEEL: Sul Transmisora de Energia STE: Construction and Operation of the 389 km long,



230 kV Uruguaiana-Maçambara-Santo Angelo-Santa Rosa Line.

- ANEEL: Expansión Transmisora Itumbiara-Marimondo ETIM.: Construction and Operation of the 212 km long, 500 kV Itumbiara-Marimondo Line.

New Contract:

- ANEEL: Transmisora de Energia ATE: Construction and Operation of the 370 km long, 525 kV Londrina-Assis-Araraquara Line.

Befesa Brazil (previously MTC Engeharia)

During the financial year, Befesa Brasil changed its activity and company name to dedicate itself to environmental subjects in Brazil, and provide solutions for the market through advanced technology and practical solutions in the Industrial Waste Management, Industrial Cleaning and Hydrocarbons, Industrial Waste Management and Treatment sectors, and for anything else related to the environment.

Thus, the implementation process for a Safety Depot to manage and treat Class I and II Industrial Wastes (called CAPRI, Industrial Waste Environmental Processing Center), commenced in Rio de Janeiro.

Abengoa Branch in Ecuador

Loja Municipality: Works continued under the Potable Water Master Plan for Loja.

Telvent Abengoa Branch in Colombia

In 2003, work continued on consolidating Telvent's presence (previously Sainco) with the company carrying out, for Ecopetrol: The renovation of the Scada System for the Remote Control of the country's oil pipelines. For Electricaribe-Electrocosta: the company commissioned 10 remote stations for substation tele-control and was awarded a new contract to supply 13 new systems.

