

Abengoa in 2004

Social Performance. Focus-Abengoa Foundation

Internal Social Action

External Social Action

Economic Performance

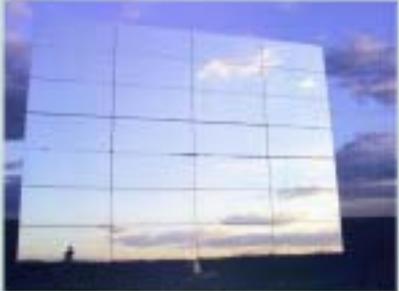
Environmental Performance

Dialogue with Interested Parties

Abengoa in 2004



ABENGOA



El proyecto PVH, promovido por Iberdrola Solar, consiste en una planta de energía solar fotovoltaica de 11 MW que se está construyendo en la finca Santa Catalina, en Santolaria (Murcia, España) (Fig. 33)

The PVH project, promoted by Iberdrola Solar, is an 11 MW photovoltaic energy plant that is being built on the Santa Catalina estate, in Santolaria (Murcia, Spain) (Fig. 33)

Abengoa es miembro de Iberdrola
Iberdrola es miembro de Iberdrola

Abengoa - 2004
100 años - 1904

Social Performance

Since its founding in 1941, Social Action has been an important program in Abengoa. It can be seen through specific action which is linked to company growth, being increased and adapted to meet the demands of the different sectors of the population, by connecting with people in the broadest way possible and listening to their interests.

Since the 1980s, social responsibility has been channelled through the Focus-Abengoa Foundation, a not-for-profit institution run for purposes of general interest. From this base, intense structured efforts are focused on three areas: education, assistance and culture; enabling Abengoa to get involved in the generation of social wellbeing. The present social report, proof of another year's work, will highlight our backing of new educational focuses, materializing in the Focus-Abengoa Grants Programme which has been implemented with the collaboration of a large number of Spanish universities and a smaller number of foreign universities: University Schools the Baroque and Technology; Menéndez Pelayo International University; the "Javier Benjumea Puigcerver Prize for Research", University of Seville; and the "Javier Benjumea Business and Economics Ethics" Chair, Comillas Pontificate University.

In parallel, the year has been marked by the continuance of the task that was undertaken over two decades ago. There is a renewed desire to maintain and raise the quality of the activities developed. Given that the task is not specific or of an isolated nature, efforts are sustained over time.

In structuring our efforts and reaching out, we centre our attention on two types of social action: internal social, which takes place inside the company, and external social action, which benefits society.

Internal Social Action

At the end of 2004, the Abengoa workforce stood at 9,318 people, 5.57% up on 2003.

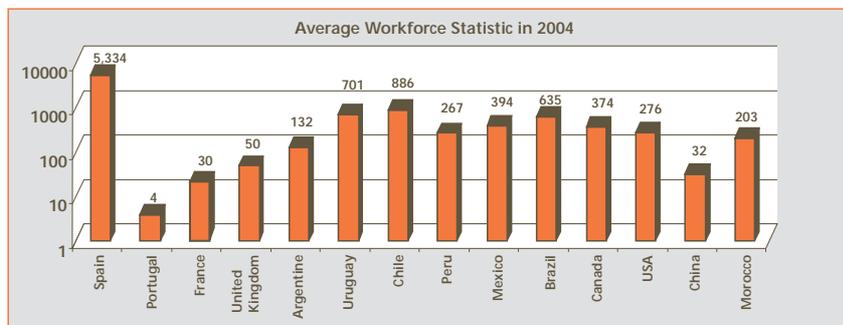
The workers are distributed among the Business Units as follows:

- Bioenergy 369
- Environmental Services 1,249
- Information technologies 2,124
- Engineering and industrial construction 5,576

The distribution by geographical areas of Spain and abroad: in Spain the company has 5,579 workers, accounting for 55.22% of the total workforce, while abroad it has 4,524 (the Americas, Asia, Africa and the rest of Europe).

Abengoa 2004	Employees	%
Spain	5,334	57.2
Abroad	3,984	42.8

Workforce breakdown by country



Abengoa in 2004

Social Performance
Focus-Abengoa Foundation

Contract type by Continent	Permanent	Job contract	Temporary
Total Europe	2,868	1,760	790
Total America	1,091	1,742	832
Total Asia	2	-	30
Total Africa	15	-	188

All Abengoa employees are subject to the application of supra-business occupational regulations, in accordance with the nature of their activities and the countries in which they are carried out. In addition to the legal framework in each country, special importance is given to Sector and Regional Collective Agreements, or in-house company agreements signed with the employees, their unit representatives or trade unions, as the case may be.

In the current setting of innovation and change, professional conduct and the capacity to attract, develop and retain talent is key to any business project. Aware of this situation, Abengoa has opted to lend its solid backing to human resources with a twin objective:

- To strengthen, capitalise on, convey and manage knowledge supplied by experienced top-level professionals and to guide skill development
- To allocate adequate means to the organisation of human resources, both in quality and in quantity and on a permanent basis, so that Abengoa strategy is developed and implemented.

To this end, a management system based on skills has been introduced. At 2004 closing, the system had been introduced or was in the process of introduction in 74% of the main companies making up Abengoa, and implementation was scheduled for the remaining companies.

This management system is designed to develop, strengthen and financially reward human resources so as to encourage optimum performance; they are the means by which Abengoa rises to its challenges. Through constant improvement Abengoa develops and maintains a sustained competitive edge, aligning human resources with strategy and pursuing optimum performance.

Company managers have a remuneration scheme under which some of their salary (different depending

on the activity in question, the position held and other variables) is linked to the meeting of specific financial objectives, fulfillment of activity, management or similar objectives. These objectives are reviewed annually.

As to its organisational model, Abengoa opted to create its own specialist service company (Integral Human Resource Management "GIRH") with a well defined mission: to offer efficient, effective, innovative and quality solutions for human resource management, leading the way to improved functioning and competitiveness in the different companies.

Training

The Abengoa training programme in 2004 comprised three large areas, dictated by the teaching material and desired result:

Corporate Training: the means of conveying common culture, namely, corporate identity, financial models, internal standards, strategy and values.

General Training: further professional training of employees, centred on knowledge relating to new work tools, new technologies, updated profiles, management modes and languages, as well as other themes.

Training in Occupational Health and Safety: training in hygiene and safety in the workplace, and in collective and individual measures of protection. In addition, people were given basic, intermediate and advanced training to become accredited occupational health and safety officers. In addition to the above, these workers were specifically trained in current standards and rules for their interpretation. With their training completed, they were empowered to carry out certain responsibilities in this area.

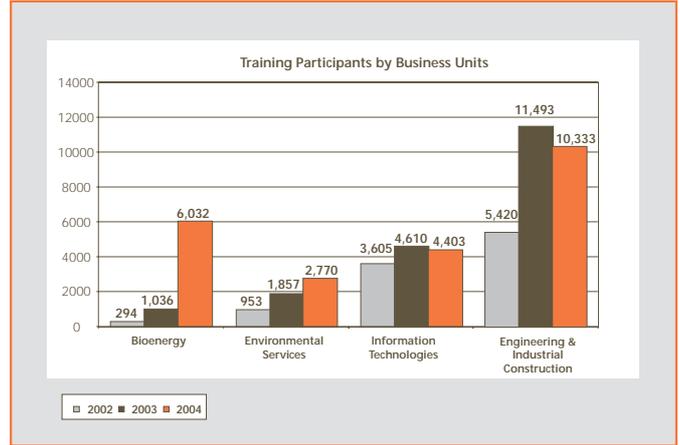
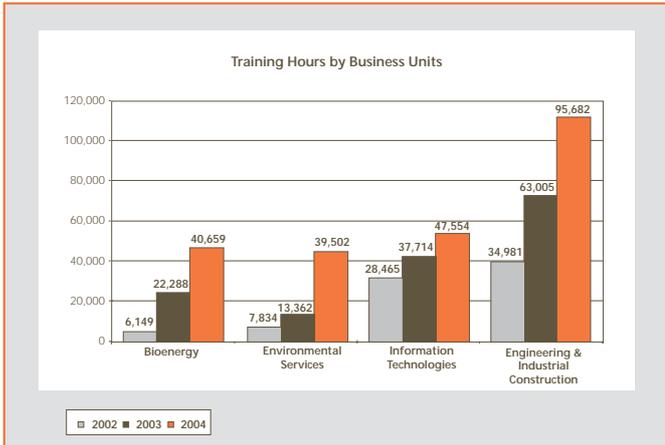
2004 training objectives have been surpassed. In view of the company's strategic objectives, training activity has been complete and balanced. The following table shows the hours of training per worker over the last three years:

Training Hours per Person	2002	2003	2004
Bioenergy	18.3	66.3	22
Environmental Services	6.6	11.3	28.4
Information Technologies	17.3	21.9	23.2
Engineering and Industrial Construction	12.4	12.7	18.3

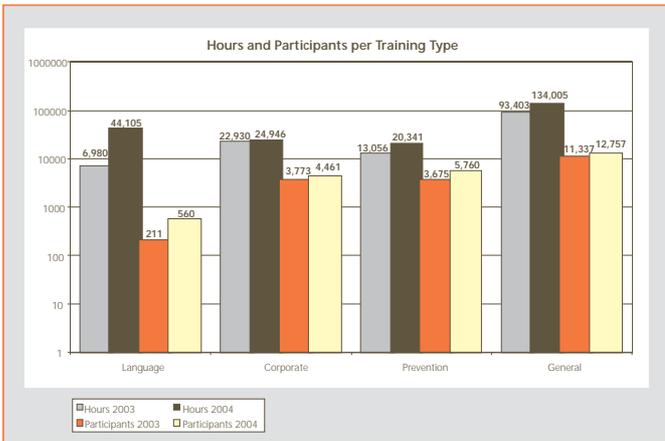
Abengoa in 2004

Social Performance Focus-Abengoa Foundation

The following graphs illustrate the comparative evolution of training hours and number of participants by Business Unit over the last three years.



The following graph compares the hours and participants per training type of the last two years.



School Funding Programme

Human resource training probably creates the most interest in the company, internally as well as externally. The School Funding Programme is coordinated by the Focus-Abengoa Foundation. The objectives behind this broad programme are to promote study, fund research and recognise activities linked to these fields. It also serves to reduce the cost of education borne by families. For the academic year 2003-2004, 1,561 study grants were awarded, at different teaching levels, to 922 families in Spain and Latin America, with an emphasis on special education.

Further awards have been created to stimulate youth training. They include end of studies awards, work pools, grants for studies abroad, grants for further studies for students who have followed Vocational Training, awards-based results from further training courses, and a research grant.

The formal awards ceremony is singular in character and holds special meaning for Abengoa and its Foundation. It has been an annual event since 1982 and meeting the prize winners prompts us to renew our commitment every year to this on-going social action.

Life Quality

Last year, a substantial number of initiatives were set in motion in Abengoa. They were designed to render the working environment more rewarding and agreeable, by increasing quality of life at work and facilitating reconciliation of work and family life.

The following initiatives are worthy of mention:

Installation of a gymnasium in the Valgrande (Madrid) and Tamarquillo (Seville) buildings, adding to the one already in existence in our offices in Calgary (Canada). The gymnasiums are

fully fitted and open at times which are compatible with work. At present, another gymnasium is being installed in the building located in Avda. de la Buhaira (Seville), bringing this policy closer to a large number of people in Abengoa.

Smoke-free buildings - 2004 saw the commencement of the initiative to declare Abengoa work centres as smoke-free.

The Nursery Service is another project under the Abengoa Quality of Life Culture and a further measure of reconciliation of work and family life. Housed in Valgrande building in Madrid, it is subsidised for workers of this building with children up to the age of three. Over the next few fiscal periods, this measure will be extended to other Abengoa work centres in the company.

In addition, there are a number of other initiatives, some already underway, and others which are in development, which are designed to improve the quality of life of Abengoa workers, which include:

Individual employee attention - This service builds interpersonal relationships. Employees, with all their complex life circumstances, can use this service for different purposes: to receive support and guidance, to obtain information, or follow up on specific financial challenges such as negotiating terms of bank loans, requesting social funds for extraordinary expenses owing to sickness... or if they simply want somebody to listen.

Occupational health - In view of the impact on their families, members of staff having been sick or involved in incidents may receive a personal check-up with special emphasis on economic, personal and psychological issues, without affecting medical treatment. The Collective Life Insurance Policy is worthy of mention; the company now holds a much improved version.

Under the heading of stepping up employee coverage, two new medical services have been set up; one in the Tamarguillo building in Seville and the other in the Valgrande building in Madrid. All Abengoa buildings holding over 300 employees now have their own medical service, manned by specialised staff and equipped with sufficient healthcare material. Alongside surgery hours (9.30am to 11.30am) and medical examinations required under healthcare surveillance, both run an emergency service throughout the working day; a telephone extension has been designated in each building for this purpose.

25th Anniversary - The Company hosted an emotional celebration to thank employees of 25 years unbroken service in the main offices in Seville, Chile, Brazil and Argentina. This year the celebration in Seville took place in the church of the Hospital de los Venerables, headquarters of the Focus-Abengoa Foundation. It served as a backdrop for the recognition of the effort made by people to collaborate and partake in the growth and development of the company.

La Antilla Residence - Acquisition, in 1972, of an attractive complex in the sea side resort of La Antilla, Lepe (Huelva) consolidated the so-called summer holiday operation. Commenced in the 70s, the purpose of the operation remains unchanged, that is, the use and enjoyment of the Residence for relaxation, which is a shared living space for Abengoa workers. The remodelling plan for the site for compliance with current fire safety standards is pushing ahead. Elevators, a kitchen and access points are also being added. Users will be able to enjoy the improved quality and comfort afforded by the different rooms, enhancing the wellbeing of the numerous families who are planning to visit, and the growing number who request to do so. In 2004, 3,283 people visited the complex, 290 of

them were retired Abengoa workers at the invitation of Abengoa.

Activities in the Hospital de los Venerables - Concern for the human resource development of current and retired employees, and pension holders of the Abengoa companies has prompted the design of a cultural programme exclusively for them, so they may partake and benefit from the many cultural events held in the headquarters of the Foundation. This program includes complementary visits to monuments and temporary exhibitions, special rates and discounts on entry fees to concerts and organ recitals held at the Foundation, and on books in its collection.

Occupational Health and Safety

In accordance with occupational health and safety standards applicable in the different countries and the Abengoa occupational health and safety, important steps were taken over 2004 in the constant improvement of the occupational health and safety system introduced in the Abengoa companies.

An occupational health and safety culture is unfolding in the companies. This is explained by objectives planned throughout the year in the companies being developed, worker integration and participation in occupational health and safety awareness, management follow-up and control of the system control and advice on health and safety organisation in the companies. This culture significantly lessens work-related accidents and occupational disorders, and enhances constant improvement in safety at work.

All Abengoa companies have designated people, on a part or full-time basis, to develop, manage

and control the occupational health and safety system. The organisational models relative to occupational health and safety comply with the legal requirements of each of the countries where Abengoa operates. Abengoa has chosen to have its own occupational health and safety services, manned by in-house officers specialised in the area.

Following the Abengoa occupational health and safety policy and the common management standards, occupational health and safety committees have been set up in all the companies to control and follow-up on the occupational health and safety system. The occupational health and safety committee is formed by the company management, the chiefs of each area and the occupational health and safety officers of the service. Convened periodically, the committee approves, does follow-up, analyses the evolution of the work-related accident rate and statistical indicators, draws up the annual planning of occupational health and safety activities (POHSA) in accordance with results of the health and safety evaluation, the Problem Solving (IRP) and Improvement Actions (AM), internal auditing reports, published laws, etc. Finally, the results are analysed to initiate once again the cycle of constant improvement.

As set out in the occupational health and safety policy, the training in health and safety, is a basic pillar of the occupational health and safety management system. The training programs are designed to encourage people to identify occupational risks in their workplace and to explain the prevention, protection and emergency implemented for the purposes of control or elimination. Priority and special emphasis is given to staff exposed to especially serious risks and new employees.

In Abengoa, our initial work-related accident rate is very low. The 2004 rate was also very low,

taking into account the danger and risk factors of most of the companies and the official data on accident rates of similar companies in the sectors: construction (rate: 173.15 and seriousness: 2.18) and industry (rate: 105 and seriousness: 1.37).

During 2004 as a result of an accident an employee from Abengoa Chile died due to an electrical discharge.

Notification of work-related accidents and occupation disorders occurring in the Abengoa companies is managed by the company integral human resource management through the Delta System and in accordance with the criteria and directives of the standards set by Work Ministry.

In addition, each company monitors the work-related accidents and occupational disorders occurring in their work centres (official report, certificates relative to commencement and conclusion of the period of absence, etc.) as well as the investigative reports prepared by the health and safety officers of the service or other components of the health and safety organisation, in compliance with the internal management standard and the general procedure of the occupational health and safety system PGP-00/08. On a monthly basis, this information is communicated to the integral human resource management for the preparation of the relevant indicators, by company and the consolidated figures.

In accordance with the management standard mentioned earlier, serious accidents are immediately communicated to the Chairman, Business Unit Manager, Human Resources Manager and the Occupational Health and Safety Officer.

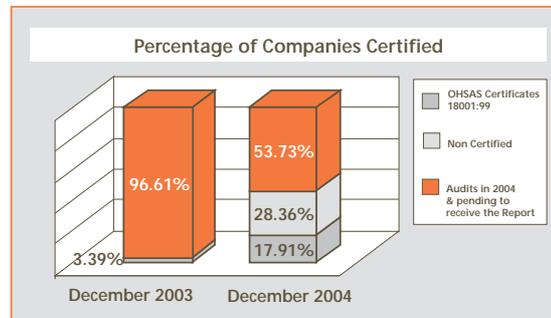
In 2004, the total percentage of absenteeism in Abengoa (penalty, sickness, accident and

absences with and without justification) stands at 2.61%. Absenteeism stemming exclusively from sickness and work-related accidents is 2.08%. This same year the number of work-related accidents warranting leave of more than one day on doctor's orders was 593 of which 26 occurred on the way to and from work. 7,186 working days were lost through these accidents, of which 313 were due to accidents through travel.

Encouraging participation, personnel or group initiative, proactively, in short the involvement of all in the constant improvement of the occupational health and safety system in each of the Abengoa companies, continues to be one of the great objectives, representing a change in the formal, traditional, vertically-operating system.

The computer applications for management, problem-solving (IRP) and processing improvement actions (AM) are strategic tools to facilitate attainment of this objective. Everyone in Abengoa has access to these applications and responsibility lies with management to reinforce their use throughout the organisation. Furthermore, a computing application has been made operational which is very useful for the companies and the occupational health and safety services as it supports and manages all documentation of the occupational health and safety system (SGPRL). It is administered by the joint occupational health and safety service..

Abengoa common management standards set implementation and certification of occupational health and safety management models in accordance with OHSAS 18001:1999 as a strategic objective for all the companies. The following graph illustrates the percentage of companies certified, audited in November and December pending reception of certification and pending audits and certification at the end of 2004.



In order to check the safety conditions in which activities are developed in the work centres and sites, 644 visits have been made. In relation to observed deficiencies and anomalies the corresponding reports have been opened: Problem Solving (IRP) and Improvement Actions (AM).

The system is further strengthened by checklists, which allow chiefs of work centres and sites to discover the shortcomings of the occupational health and safety system in place.

1,078 Problem Solving Reports (IRP) were prepared and 279 Improvement Actions (AM) distributed among the different companies and Business Units of Abengoa.

Furthermore, the companies Bioetanol Galicia and Ecocarburantes Españoles, from the Bioenergy Business Unit have been certified according to OHSAS Specifications 18001, in this case with the auditing entity Bureau&Veritas. They have an integrated environment, quality, and occupational health and safety system.

In accordance with the objective and scheduled programme, the joint occupational health and safety service officers have performed 129 audits on the companies and organising units

within its area of responsibility. In relation to cases of non-compliance and recommendations, the corresponding PSR and IA have been opened in the companies.

901 taught modular training sessions, with 8.832 participants, 40.273 teaching hours and 130 distance learning training sessions, a 50 hour basic course approved by the National Institute for Safety and Hygiene in the Work Place have taken place.

External Social Action

The Company's commitment to society also finds expression in different forms through the Abengoa-Focus Foundation. Since its founding in 1982 by Abengoa, this commitment to society has formed part of the very essence of the company, and has been a successful instrument to promote education, culture and science. The institutional bridging, as indicated by its name, means high aspirations can be set encouraging specific but innovative strategies to flow, important actions beneficial for society. Correspondingly, their impact is favourable and extends to the very values and purposes of business.

The objective of the Foundation is to promote culture in its diverse artistic and cultural manifestations. Prime concerns are the preservation, diffusion and development of Seville's cultural heritage and reaching out to Latin America.

Since 1991, the Foundation has had its headquarters in the Hospital de los Venerables Sacerdotes in Seville, an artistic, historical monument from the 17th century, ceded by the Fraternity de los Venerables and the Archbishopric of Seville. Following costly and protracted restoration, not only of the

architecture but also of its paintings, sculptures, gold work, fine cutting etc., Focus-Abengoa has returned this rare building to the city and its future generations. From that date, it has become one of the most complete and best preserved testimonies of Spanish baroque heritage. Additionally, it has become a lively centre, and focal point for active learning, through the multiple foundation-laced actions.

Preservation and Upkeep of the Hospital de los Venerables

The most stable asset guarded by the Foundation is the Hospital de los Venerables building, which intrinsically implies watching over its intangible values and authenticity. Given this responsibility, upkeep and repair play an essential role in the preservation of this piece of heritage. Each year, the most prominent actions consist, on one hand, of foreseeing possible deterioration of the architecture and artistic components, and on the other, the improvement or substitution of its technical installations permitting access, use and enjoyment of the monument; in short, achieving social empathy.

Training and Education

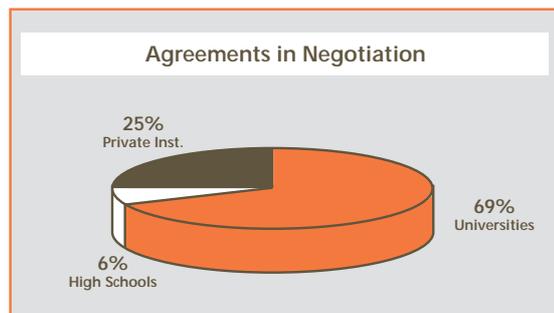
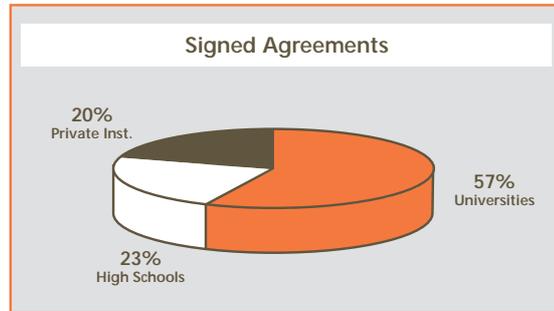
Focus-Abengoa Grants Programme

With a view to promoting and complementing student training and integration into the world of work, Educational Cooperation Agreements have been arranged with different national and international teaching institutions to support the incorporation of students into the Abengoa companies. The beneficiaries of these practical apprenticeship grants acquire their first professional experience as well as the possibility of becoming future Abengoa employees, while providing the company with a highly skilled and innovative work force for the development of its activities.

Abengoa in 2004

Social Performance
Focus-Abengoa Foundation

In 2004, a total of 196 grant holders completed their training in the different Abengoa companies. To this end, 44 Cooperation Agreements had been set up with different teaching centres, and talks with another 16 institutions were in the final stages. The following tables summarise the information:



Main Collaboration Agreements signed between Focus-Abengoa and the different educational Institutions:

Universities
Alfonso X "El Sabio" (Madrid)
Alcalá de Henares (Madrid)
Autónoma (Madrid)
Antonio Nebrija (Madrid)
Camilo José Cela (Madrid)
Carlos III (Madrid)
Complutense (Madrid)
Europea (Madrid)
Francisco de Vitoria (Madrid)
Politécnica (Madrid)
Pontificia Comillas (Madrid)
Rey Juan Carlos (Madrid)
San Pablo-CEU (Madrid)
UNED (Madrid)
Universidad de Sevilla
Pablo de Olavide (Sevilla)
Facultad CC. Físicas (Sevilla)
Universidad Politécnica (Barcelona)
Centro de Estudios Jovellas (País Vasco)
Universidad Politécnica (Cartagena)
Universidad de Huelva
Universidad de Zaragoza
Universidad de Castilla-La Mancha
Universidad Politécnica (Valencia)

High Schools
Santa María del Castillo (Madrid)
Heliópolis (Sevilla)
Lucus-Solis (Sevilla)
Jesuitas (País Vasco)
Salesianos (País Vasco)
San Juan Bosco (Cartagena)
Carlos III (Cartagena)
Politécnico (Cartagena)
Vázquez Díaz (Huelva)
Vicente Blasco Ibáñez (Valencia)

Private Institutions
Esc. de Finanzas Aplicadas (Madrid)
C. Formación Empresarial (Madrid)
ESIC (Madrid)
C. Estudios El Monte (Sevilla)
Conf. Empres. Andaluces (Sevilla)
SAFA
Esc. Organiz. Industrial (Sevilla)
San Pablo-CEU (Sevilla)
CES San Valero (Zaragoza)

The following are among the main Collaboration Agreements in negotiation:

Universities
Autónoma (Barcelona)
Universidad de Murcia
Universidad de Córdoba
Universidad de Málaga
Universidad de A Coruña
Univ. Santiago de Compostela
Universidad de Valladolid
Univ. de Washington (EE.UU.)
Univ. de Saint Louis (EE.UU.)
Univ. San Marcos (Perú)

High Schools
El Bohío (Cartagena)

Private Institutions
Cesma (Madrid)
IU Ortega y Gasset (Madrid)
CF Garrigues (Madrid)
Forja XXI (Sevilla)

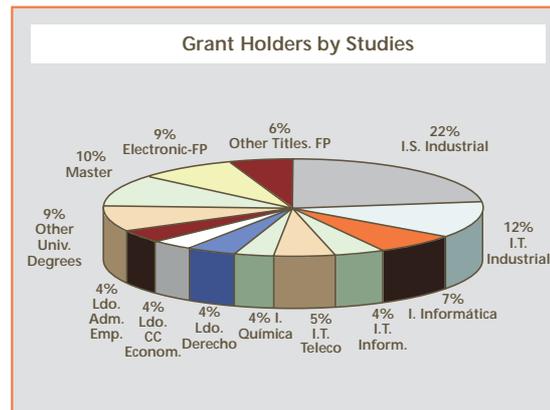
Abengoa in 2004

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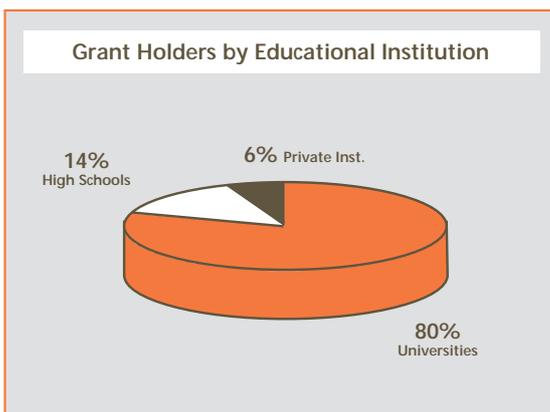
Grant Holders

Grant Holders 2004	
Grant Holders incorporated in December 2003	69
N° of Incorporations 2004	127
Total N° of Grant Holders	196
N° dismiss 2004	133
Contracts	54
% Contratactos over dismiss	41%
Grant Holders Average per month 2004	71
Grant Holders Incorporated in December 2004	63
Grants Total Cost 2004	382 Tho.€

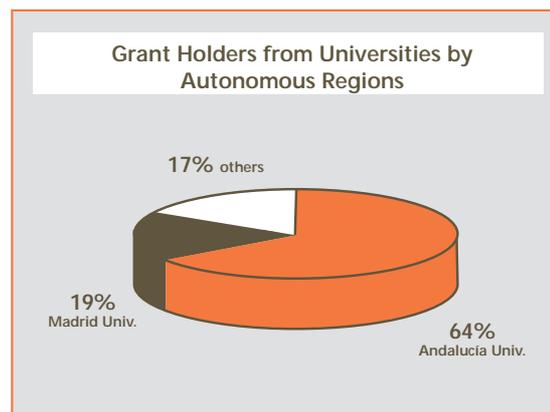
Grant Holders by Studies



Grant Holders by Educational Institution



Grant Holders from Universities by Autonomous Regions



Focus-Abengoa Prize for Painting

This international award, of long tradition and recognised prestige, allows us to renew our commitment to contemporary art. Through the concerns and zeal of the creators, we can contribute to generating an exchange in artistic experience beyond our frontiers. It also entails public recognition for the artists involved, spurring them on in their professional challenge.

In its 21st session, the Jury of specialists, of unquestionable objectivity and rigour, had to select from the two hundred and eighty paintings received from the European Union and the Americas; the works were later exhibited in the Hospital de los Venerables. The First Prize of 24,000 euros was awarded to David López Panea, with an untitled piece, and the two consolation prizes of 6,000 euros went to Chus Garcia-Fraile París for her piece *Ubicuos 30* (Ubiquitous 30) and María José Ruiz López for her work *¿Por qué?* (Why?). The three pieces have been added to the Focus-Abengoa art collection.

Prize for the Best Doctoral Thesis on a Sevillian Theme

Created in 1983, the prize enjoys enormous and steady prestige. In addition to the 3,000 euros in prize money, the decision was made in 1987 to publish the work so as to promote greater diffusion and penetration. In this session, it was awarded to María de los Ángeles Barral Muñoz for her thesis "Estudio Geoarqueológico de la Ciudad de Sevilla. Antropización y Reconstrucción Paleogeográfica durante el Holoceno Reciente (últimos 2.500 años)" (Geo-archaeological Study of the City of Seville. Anthropization and Paleogeographic Reconstruction during the Recent Holocene (last 2,500 years)).

Javier Benjumea Puigcerver Prize for Research

The Social Board of the University of Seville and the Focus-Abengoa Foundation created this prize last year. Its purpose is to recognise work done by members of the university community in their desire to participate in projects which may satisfy the needs of companies and entities, insofar as research and development. This prize carrying a 9,000 euro

reward was born from a true desire to support science, and above all, to encourage dedicated researchers. In the first session, the prize was awarded to Professor of the University of Seville, Miguel Ángel de la Rosa Acosta, for his work "Applications of photosynthesis and other biological photo processes to problem solving for agricultural and industrial interests".

Javier Benjumea Chair of Economic and Business Ethics

Barely two years ago, the Pontificate University of Comillas and the Focus-Abengoa Foundation created the Javier Benjumea Chair of Economic and Business Ethics. Its purpose is to promote a new channel of education capable of contributing, through coordinated and persevering actions, to unravel what has come to be known as Corporate Social Responsibility. One of its objectives is to build and diffuse, via research and teaching, theoretical and practical knowledge in the area of business ethics, which may help to institutionalise these applications in businesses and organisations. This year several initiatives have been worked on. In the area of teaching a doctorate course worth 4 credits under the title of "Ethics and Corporate Social Responsibility" has been offered, and in the area of research, various doctoral theses are being directed. The sessions of the permanent seminar "Business Cultures and Global Market" continue to run, and the seminar under the title of "CSR communication" is planned to be continued. The seminar "CSR of Organisations: Ethics, Image and Communication" is held in the framework of the Autumn Cycle of the Complutense University. The Chair has also been invited to take part in the work groups of the Global Compact – World Pact (UN), in the so-call Square Table, a forum bringing together representatives of different spheres within the framework of the World Pact in Spain.

School Grants and Funding

To further the educational task and favour development of communities in marginalized areas with high rates of poverty in Latin America, Abengoa is cooperating in the construction of schooling centres. Among other measures, they

have been fitted with a drinking water network, electric installations and a solid structure. Worthy of mention is the culmination of a sports centre, and above all, of several cafeterias to facilitate student meal times, without which class would be difficult to follow. In the medium term, these school children will generate development alternatives in these countries.

Seminars and Conferences

University Schools of the Focus-Abengoa Foundation

One of the challenges that faced the Focus-Abengoa Foundation in 2004 was the conception of a new teaching strategy concerning issues of special importance and developed by teachers and researchers of international standing. The strategy had to be capable of attracting the young, university-going public, concerned with fundamental topics of interest and current affairs.

On account of its singular characteristics and recognised national and international prestige in the world of academia, the Foundation has found in the Menéndez Pelayo International University (UIMP) the academic institution to materialise this project, turning it into a reality. The two institutions have reached a collaboration agreement for the setting up of two University Schools, each with a three-year program, one dedicated to technology and the other to baroque. Both will be included in the academic programme of the UIMP in Seville, and the courses will be given in the Hospital de los Venerables in Seville.

The themes of the Schools have been carefully and purposefully selected, as the aim is to cover two areas which hold particular meaning in the immediate setting. It is where the Foundation carries out its tasks: the first, scientific-technology, in a contemporary world transformed each day by innovation and technological change in its most diverse facets, including economic, technical, social and cultural aspects; and the second having a cultural-humanistic nature, centred on the world of baroque, with wide repercussions in the world of

European and Latin American culture, under the perspectives of art, politics, literature, theatre and religion, among others.

Focus-Abengoa Foundation School of the Baroque
2004: Baroque, Rhetoric and Art of Persuasion
2005: The Europe of Cities. The Baroque Moment
2006: Baroque, Religion and Popular Piety

Focus-Abengoa Foundation School of Technology
2005: Technology, Globalisation and Competitiveness
2006: Technology, Productivity and Information Society
2007: Technology, Looking to the Future

Insofar as their teaching content, the curricula of both Schools will be validated by the University of Seville and the Pablo de Olavide University, as well as by all those with which the UIMP has subscribed validation agreements.

The School commenced the week running from 22nd to 26th November, and was led by the lecturers Irving Lavin Emeritus from the Institute for Advanced Study of Princeton, and Vicente Lleó Cañal, professor from the University of Seville. It was backed with the participation of important, well-known academics, such as the lecturers Stoichita from the University of Fribourg and Fagiolo from La Sapienza University in Rome; and national speeches by recognised lecturers specialists in the subjects Bonaventura Bassegoda, professor of the Autonomous University of Barcelona, Delfín Rodríguez, professor of the Complutense University of Madrid, the lecturer Fernando Rodríguez de la Flor from the University of Salamanca, and the lecturers Luisa Elena Alcalá and María José del Río Barredo, both from the Autonomous University of Madrid.

The sessions, held in the very Hospital de los Venerables, have been very satisfactory; considerable student participation was achieved in the debates, and two educational visits were made during the course, one to the church de los Venerables and the other to the Jesuit Novitiate of San Luis. The ease, greater than usual, in teacher-student relations was a positive point made by both groups.

2004 World Conference on Biofuels

Within the framework of the "Thought Forum on the Environment and Sustainable Development", conceived by the Foundation to give itself an instrument of reflection and to promote knowledge and public awareness of this essential matter, the 2004 World Conference on Biofuels was held for the third year running. Hosted in the Hospital de los Venerables last Spring, the event prompted a debate among the most important role players in the biofuels sector at world level. Composed by representatives from governments, industry, agriculture, the world of petroleum, the automobile industry and technology, they furthermore analysed the position of the markets, their long-term horizons, jointly exploring different openings for this sector.

Celebration of the 50th Anniversary of the European Centre for Nuclear Research (CERN)

Focus-Abengoa, in collaboration with the Energy, Environmental and Technologies Research Centre (Ciemat), held a short cycle of conferences under the title of "The CERN: Past, Present and Future" in the Hospital de los Venerables for the 50th anniversary of the founding of the European Centre for Nuclear Research (CERN). Carlo Rubbia, Nobel Prize Winner for Physics in 1984, the ENEA president (Ente per le Nuove Technologie, L'Energie e L'Ambiente) and former director general of the CERN, Juan Antonio Rubio, the director general of Ciemat and former chief of the division of Education and Technology Transfer of the CERN, and Manuel Aguilar, director of the Basic Research Department of the Ciemat and vice-president of the CERN council, participated.

For 50 years the CERN has not only played an important role in its scientific mission and in fostering international cooperation, but it has also procured important social spin-offs thanks to practical application of discoveries made over these years, and which have successfully reinforced, even further, scientific and technological activity in Europe.

Music

Again in 2004 diverse musical activities were developed around the organ, the instrument incorporated into the chapel of the Hospital de los Venerables by the Foundation in 1991. Since then it has turned our headquarters into a centre for the organ and organ music diffusion in Seville, a key city in Spanish organ history, and throughout Latin America. From Focus-Abengoa we are endeavouring to educate different social communities. Through specifically designed actions, we pursue the promotion of young musicians, the furthering of studies for organ teachers and students, and in a special way, the stimulation of musical interest of students in Secondary Education and Conservatories. This pedagogical focus is materialised in the series of recitals by new organists, a Master Organ Course taught by an international figure, and a Series of Didactic Recitals led by scholars.

The Recitals by Novel Organists centred on Francisco Correa de Arauxo (1584-1654), the distinguished figure of the Sevillian organist on the 350th anniversary of his death. They were under the charge of Miguel González (Lleida), Ignacio Ribas (Andorra) and Susana García Lastra (Seville), who completed their programmes with works from other European composers from the same period as Correa de Arauxo.

The Didactic Recitals have been increased this season. Extending action has not only targeted students from advanced Secondary Education, but also students from Elementary Conservatories in Seville. Close to 1,500 students have benefited from this educational activity from different teaching centres in Seville. Students enrich their musical and artistic training through knowledge of the organ, its nature and sound, and that is why these recitals constitute one of the carefully prepared and anticipated activities.

In the same vein, the Master Organ Course went ahead for the fourth year running. On this occasion, it was titled "The German Masters of the North Preceding Juan Sebastián Bach", and directed by the German Harald Vogel. Over the three consecutive days, 24 organ players and students from all over Spain followed the course with great interest and professional benefit. It has the backing of the Advanced Music Conservatory of Seville.

In parallel, presenting the best organists of our time in Master Concerts responded to the demands of organ music fans. This year we were given the chance to listen to the Belgium organist Jean Ferrard, organ professor of the Royal Conservatory of Brussels; to Harald Vogel, director of the Organ Academy of North Germany; Jozef Sluys, organist of the Saint Michael Cathedral in Brussels; José Enrique Ayarra, titular organist of los Venerables and the Cathedral of Seville; together with the Chamber Orchestra of the Royal Symphony Orchestra of Seville; or the concert given by our representative accompanied by the cellist Luiza Nancu, for the religious ceremony of the day of Saint Ferdinand, patron of the chapel de los Venerables.

We should point out that all the concerts were broadcast by the Spanish national radio station, Radio Nacional de España, on its classical radio station. This body said we were the only organisation in Spain to hold an organ concert, described as extraordinary, for the Euro-Radio Special Day. With the central theme "Music in Europe during the Reign of Louis XIV" and interpreted by José Enrique Ayarra, it was broadcast live by European public radio-television entities on 22nd February last.

Exhibitions

"See Seville. Five perspectives in a hundred engravings". The Foundation's own collection was featured in the exhibition rooms of the Hospital de los Venerables. The title "See Seville. Five perspectives in a hundred engravings" served as an introduction to the bulk of the collection of etchings that has been formed over twenty years. The sample was divided into five independent

sections, with particular slants: the perspective of a geographer, a stroller, a festive view, an archaeologist and a romantic. Through the images etched between the 16th and 20th centuries, it promises an artistic cum historical stroll through the city of Seville and its Kingdom, bringing a novel vision of the city. The lecturer Alberto Oliver delivered the exhibition speech and the artist Gustavo Torner was responsible for the arrangement of the museum. The Foundation has developed a programme of didactic visits geared to all the educational centres in Andalusia. University students in their final year and recent graduates in History of Art volunteer their services to give guided tours of the exhibition. As in previous years, over fourteen thousand people have enjoyed these visits. Specific audio guide services in several languages also continue to be available. The exhibition is open to the public every Sunday afternoon free of charge.

Under the same heading, we should point out the exhibition showing thirty paintings, short listed for this session, from a total of two hundred and eighty, presented by artists from Spain, the European Union and all over the Americas. The three winning pieces along with other acquisitions from the paintings displayed in the rooms de los Venerables have entered the Art Collection of the Foundation.

Focus-Abengoa Foundation Art Collection

This year, a donation made by Abengoa of a set of twenty-five canvasses has added to the assets of the collection. Their valuation has been accepted and entered into the Foundations Register of Andalusia. Benjamin Palencia, José García Ramos, Andrés Cortes, Carmen Laffón are among the artists represented in the donation through a total of nine pieces of magnificent execution, as well as other young creators.

To date, the Focus-Abengoa Foundation Art Collection contains 112 pieces. This is fruit of activities developed, including the Painting Prize and exhibitions promoting outstanding figures from today's art world, such as Fernando Botero, Antonio López, Gustavo Torner, among others. Some of

these works are temporarily on loan and exhibited in different premises of the Abengoa companies in Spain and the United States, forming part of company culture.

Library with a Sevillian Theme

With the restoration of the present headquarters finished, the book heritage, held by the Foundation since 1981 when the Library with a Sevillian Theme was opened, was installed on the premises which were formerly the refectory and head room of the Hospital de los Venerables. Here is where over six thousand books are kept, ranging in date from the 16th century to our days, all with a common thread, their relevance to the history of Seville and its Kingdom, or having been written by Sevillian authors. Each year the enrichment process continues by way of new acquisitions of documents and books. The Library, open to researchers and scholars, has extended its access to all volumes through the Biblio 3000 online application, allowing transmission and diffusion of this live cultural heritage.

Bureau of Engraving

The Foundation, since its creation in 1982, had a large number of etchings and decided that this delicate graphic art heritage was to have facilities which would ensure its preservation and use for scientific ends. The singular aspect of this Collection is that it is specialised in iconography of Seville; it is the only one in its class, both in Spain and abroad. It is made up of three hundred engravings, ranging in date from 16th to 20th century. Scholars and researchers may access the collection for specific purposes.

Publications

"Aires Barrocos en el Órgano de los Venerables"
(Baroque Aires on the Organ los Venerables)

It is a musical offering of a supreme recording of the organ of the chapel of los Venerables, bearing the seal of Radio Television Española. This is only recording of the piece of music the Foundation commissioned the Sevillian composer Manuel Castillo to write in 1993. It is accompanied by a study on "The Organ in Seville and its Projection to the New World". This unique edition was given as an Abengoa institutional gift at Christmas to close to six thousand people, nationally and internally. As a result, the music of the organ de los Venerables has transcended beyond the walls of the old church sheltering it.

"Solis Theatre" Its rebirth in the 21st century"

True to the primary objective of contributing to the preservation, diffusion and development of Sevillian cultural and historical heritage and its projection into Latin America, Focus-Abengoa has not hesitated in offering a highly informative publication on the Solis Theatre in the city of Montevideo (Uruguay). It tracks its milestones, changes and transformation with the passage of time up to the present, highlighting the last action rendering its reopening possible on 25th August 2004. A company of the Teyma group has executed this peculiar project with a human interdisciplinary team. It has effectively solved the need to reconcile the demands of progress and the safeguard of heritage, making tradition, technology and innovation compatible.

Collaborations and Agreements

On a yearly basis, Abengoa channels its effort and assistance in different ways towards other diverse and plural institutions which perform services of general interest for the Companies:

Association of Spanish Foundations
Association of Andalusian Foundations
Spanish Centre for Solidarity, Mankind Project
Fighting Drug Addiction Foundation
Spanish-United States Council Foundation
Foundation for Development Cooperation and Assistance Promotion
Business and Society Foundation
Cotec Foundation
Foundation for Applied Economics Studies
Euro-American Foundation
European Energy Foundation
Sociological Studies Foundation
Forge XXI Foundation
Integra Foundation
Prince of Asturias Foundation
Pro-Royal Spanish Academy Foundation
Valencian Advanced Studies Foundation
Catholic Art and Industry Institute– I.C.A.I.
Regional Development Institute
Musical Youths
World Pact Platform
Royal Academy for Fine Arts “ Saint Isabel of Hungary”
Royal Academy of Medicine
Royal Sevillian Academy of Literature
Pontificate University of Salamanca
University of Seville

The Investiture Ceremony of the Cardinal of Seville, Carlos Amigo Vallejo, into the Academy of Social Sciences and the Environment of Andalusia
The Cardinal of Seville, Mr. Carlos Amigo Vallejo, was appointed an Hounorary Academic Member of the Academy of Social Sciences and the Environment, in a formal ceremony which took place in the church of the Hospital de los Venerables, which was attended by numerous personalities from all spheres. The event was chaired by Manuel Chaves, President of the Council of Andalusia, accompanied by Antonio Pascual Acosta and Santiago Herrero León, President and Secretary of the Academy, as well as by the Presidents of the Foundation and Chairmen of Abengoa, Felipe and Javier Benjumea Llorente.

Agreement with the Council of Seville. The Focus-Abengoa Foundation and the City Council of Seville have signed a framework agreement whereby both entities undertake to jointly carry out different cultural activities to promote and drive endeavours relating to social action for the benefit of the city of Seville. In the development of its aims to foster, diffuse and develop the cultural and historical heritage of Seville, as an initial action, fruit of this agreement, Focus-Abengoa has undertaken to publishing a book gathering together the events of the last “ 25 years of the Flamenco Biennial (1979-2004)” The importance of this form of artistic expression will be made clear on its 25th anniversary.

Special Olympics. In its headquarters, the Hospital de los Venerables, the Focus-Abengoa Foundation hosted the gala for sponsors and collaborators of the National Special Olympic Games, which were held this year between the 8th and 12th October in Seville. Focus-Abengoa did not hesitate in offering its headquarters for the event to be held in recognition of funding efforts made by sponsors and collaborators of the VII Spanish National Special Olympic Games. These National Games are an international not-for-profit movement, whose main objective is to promote personal development and the integration of mentally handicapped people.

San Rafael Elderly Residence. Taking in and caring for the elderly is a key issue in today's society. This concern prompted the creation of a residence which came into being in 1989 in order to respond to the shortage of specialised centres for the elderly. The strong demand in this segment of society, rarely listened to and in possession of few economic resources, led to the commitment to erect the San Rafael Residence for the Elderly, which was inaugurated in November, 1991. The building, located in the district of Dos Hermanas, Seville, currently takes in sixty people who find in this setting the warmth of a home in their last days. Abengoa, involved in the initiative right from its conception, renews its commitment each year to contributing to the maintenance, improvement and modernisation of the centre's facilities which reflect the quality of life enjoyed by these people and family members.

Economic Performance

In 2004, Abengoa obtained a consolidated Net Income of 51.8 million euros, which represents an increase of 10.1% on last year.

Abengoa's Profit and Loss Statement, forms part of the Abengoa Legal and Financial-Economic Report 2004. We would like to draw your attention to the incoming amount recognised in the sales and

services rendered item, in the last two years, data in millions of euros :

2003 = 1,635.3 M euro

2004 = 1,687.1 M euro

Besides the exhaustive economic and financial information within the Legal and Economic Financial Report 2004 we also add in this chapter some indicators of the impact that Abengoa causes in its interested parts, as well as the local, national and international economic systems in which it operates.

Products or range of products in which the national market share per country exceeds 25%.

Products or range of products in which the national market share per country exceeds 25%	2003	2004
Ethanol for use as fuel in Spain	100%	100%
Electric energy transport lines in Spain	40%	40%
Control of road traffic in Spain	30%	30%
Control of substations in Spain	40%	40%
Control of petroleum and gas pipelines in North America	60%	60%
Control of petroleum and gas pipelines in Latin America	62%	62%
Weather assistance in airports in Spain	90%	90%
Production of secondary aluminium in Spain	40%	40%
Treatment of salt slag in Spain	100%	100%
Treatment of salt slag in United Kingdom	100%	100%
Decontamination of equipment with PCB in Spain	40%	40%
Transformation of greenhouse plastics in Spain	40%	40%
Treatment of steel plant dust in Spain	100%	100%

Cost of all raw materials and procured commodities, and all contracted services

Cost of raw materials (M €)	2003	2004
Consumable and other costs	1,019.7	1,046.9
Consumable and other operating costs	253.7	272.2

Percentage of contracts settled under terms of agreement, excluding stipulated penalties

The volume of purchases made by each Business Unit is as follows:

- Bioenergy	233.1 €M
- Environmental Services	209.6 €M
- Information Technologies	108.6 €M
- Engineering and Industrial Construction	495.6 €M

Total salary expenses broken down by country or region.

Salary expenses for the last two years were as follows:

Salary Expenses (Thous. €)	2003	2004
Salaries and wages	195.2	222
Social charges	48.1	49.6
Total salary expenditure	243.3	271.6

Distribution among capital providers, broken down by interest on debt and loans, and dividends on shares of any description, with specification of any arrears on the preferred dividends.

- Dividends:
During the 2003 and 2004 periods Abengoa distributed to its shareholders an annual dividend of €12.7M in each period at the rate of €0.14 per share.
- Distribution of bank loans:

The breakdown of the debts with credit institutions is as follows:

Debts with Credit Institutions (Thous. €)	2003	2004
LT Debt with credit institutions	545,754	532,662
ST Debt with credit institutions	62,330	61,978
Temporary financial investments	(161,800)	(300,806)
Cash and banks	(264,471)	(252,145)
Total Net Debt	181,813	41,689
LT financing without recourse	176,203	204,370
ST financing without recourse	93,480	163,069

Shareholder's Fund Movements (thous. Euro)	Balance at 31.12.03	Distributed Results 2003	Other Movements	Balance at 31.12.04
Share Capital	22,617			22,617
Share Premium	110,009			110,009
Reserves in Parent Company				
- Distributable	107,417	674		108,091
- Non-Distributable	4,523		1	4,524
Revaluation Reserve	3,679			3,679
Reserves in Fully and Proportionally Consolidated Companies	87,696	31,443	998	120,137
Reserves in Companies Consolidated by Equity Method	2,788	2,266	(70)	4,984
Cumulative translation adjustments				
- In Subsidiaries Consolidated by line-by-line or Proportional Method	(49,542)		(7,581)	(57,123)
- In Companies Consolidated by Equity Method	(5,454)		(637)	(6,091)
Dividend for the Year 2003	0	12,666	(12,666)	0
Subtotal	283,733			310,827
Consolidated Profit for the Year	47,810	(47,810)	58,330	58,330
Profit Attributable to Minority Interests	(761)	761	(6,546)	(6,546)
Profit Attributable to Holding Company	47,049	(47,049)	51,784	51,784
Total Shareholders' Equity	330,782			362,611

Financial assistance received, broken down by country

Financial assistance (M €)	2003	2004
Subsidies in capital transferred to results	3,8	3,6
Operating subsidies	3,4	5,3
Total	7,2	8,9

Donations to community, professional company and other groups, in cash and in kind broken down by group kind

Social Responsibility		
(Thousands €)	2004	2005 (E)
Internal Social Action: Abengoa	979.2	1,517.7
External Social Action: Society in general	2,588.0	2,871.2
Total	3,567.2	4,388.9

Internal Social Action: Abengoa		
(Thousands €)	2004	2005 (E)
Education	171.8	225.5
Human Relations	123.2	123.2
Social well-being	554.0	1,034.0
Culture	130.2	135.0
Total	979.2	1,517.7

External Social Action: Society in general		
(Thousands €)	2004	2005 (E)
Hospital de los Venerables	679.2	718.7
Training and Teaching	671.2	571.2
Seminars and Conferences	101.8	186.8
Music	38.7	39.6
Exhibitions	54.4	729.5
Focus-Abengoa Foundation Art Collection	595.1	30.0
Publications	200.8	325.1
Collaborations & Agreements with other Companies	246.8	270.3
Total	2,588.0	2,871.2

Environmental Performance

Abengoa activity, via its four Business Units, makes an important contribution to sustainable development in the areas where it operates, which we would like to highlight.

Bioenergy

Abengoa manufactures and markets bioethanol, a renewable product obtained from cereals and a substitute for gasoline. Bioethanol production avoids the consumption of fossil fuels and the emission of many tonnes of CO₂ into the atmosphere, as the level released by the vehicles has been previously set by cereals through the chlorophyll function. During manufacture other coproducts of high environmental value are also produced, such as DGS, compounds with a high protein content for animal feed. Bioethanol contributes positively to air cleanness in cities, as it is an oxygenated fuel it prevents the formation of combustion CO₂. Furthermore, as the octane rate is raised, it is of great interest for lead-free gasolines. Bioethanol also makes great demands on agriculture, creating much work in the rural world and helping population settlement. It also plays a part in reducing energy dependence, by substituting imports.

Abengoa is the leading bioethanol producer in the European Union and the fifth producer in the United States, as well one of the major world players.

The summary of the contribution to sustainable development of this business in 2004:

- Bioethanol produced 487,968 t
- Eco-protein produced 448,714 t
- Crude substituted 314,818 t
- Tonnes of CO₂ avoided 1,332,641 t
- Direct jobs 287
- Indirect jobs mainly in rural areas in agriculture 4,880

Environmental Services

Through its different companies, Befesa carries on an industrial activity which is designed to favour environmental protection and recovery, with technological advances and financially profitable operations.

Its activities are integrated into the following business areas:

- Recycling of waste aluminium
- Recycling of salt slag
- Recycling of zinc waste and desulphurisation
- Management of industrial waste
- Industrial cleaning and hydrocarbons
- Environmental engineering

These businesses have very positive environmental results, as they save raw materials and energy, reduce CO₂ emissions, and protect the environment by recycling, eliminating and controlling waste. Environmental engineering also devotes considerable effort to infrastructures and water cycle management.

For reference purposes and without being exhaustive, we will comment on the contribution made by secondary aluminium to the environment. This recycled aluminium prevents the consumption of primary aluminium. Production of one kilogram of primary aluminium consumes approximately 12 kWh, while obtaining one kilogram of recycled aluminium only consumes 0.5 kWh. In addition to energy savings, savings are also made in raw materials and CO₂ emissions are prevented. Most secondary aluminium is destined for the automobile industry. Every kilogram of aluminium that is incorporated into a vehicle prevents approximately 20 kilograms of CO₂ emissions, on average over its useful life, and an equivalent reduction in biofuel consumption, and at the end of its life 95% will be recycled.

We must also highlight desalination activity. Abengoa has built a desalination plant in Carboneras, the largest in the European Union. Desalination is the best promise for sustainable

development. Desalination of seawater is energy consuming and this consumption accounts for the bulk of the cost. However, technological development is pushing this cost down reasonably quickly to its lowest technical levels. In 1998, desalination of one litre of seawater consumed 6 kWh. The desalinators of Carboneras consumes 4 kWh and probably during this decade the consumption level will manage to be reduced to 2 kWh. This is important news for developing countries, as cheap desalinated water will contribute extraordinarily to agricultural development, population settlement and healthier cities.

Engineering and Industrial Construction

The contribution made by this Business Unit to sustainable development is materialised in avoided CO₂ emissions, through its cogeneration plants, renewable energy plants, development of hydrogen technologies, and infrastructures in developing countries.

Abengoa owns eleven cogeneration plants.

- Electric energy generated 2,142,048 MWh
- Steam delivered to host industry 1,270,441 t
- Net CO₂ emissions: 1,069,316 t
- Avoided CO₂ emissions: 942,458 t**

** Estimation of emissions avoided in accordance with the substitution criteria of electric energy generation in coal-fired thermal power stations.

This Business Unit promotes and constructs renewable energy plants, especially solar and biomass plants. It also builds biofuel plants.

It builds energy infrastructures preferably in the electric sector: generation stations, and transport and distribution infrastructures. A fair number of these infrastructures are built in developing countries.

It also contributes to sustainable development in the social results, as it contributes to the development and modernisation of Latin American countries,

especially through the creation of electric, environmental, industrial and telecommunications infrastructures among others. The first permanent Abengoa installation was in Argentina in 1968.

Information Technologies

Telvent is the holding company of a group of technological companies, largely geared to control systems that design and construct infrastructures for the information and knowledge society. The basic technologies are digital electronics, real-time computing, modern telecommunications and Internet technologies and contents and management systems.

They contribute to the improvement and rationalisation of the management of services and public administrations and highly industrial companies. They are at the base of modernisation and socio-economic progress.

Environmental Indicators

In order to calculate the indicators of environmental performance included in this report, all the work centres managed by Abengoa have been taken into account, without considering the facilities belonging to customers, and where there is no responsibility for management. To have a clearer idea of how the environmental impact of all the companies is distributed, it should be taken into account that 55% of the workers are based in Spain and the remaining 45% abroad (The Americas, Asia, Africa and the rest of Europe).

In accordance with Abengoa environmental policy and common management standards, the introduction and certification of an environmental management system in all its companies is an objective strategy. In this framework it is compulsory for all the companies to set their objective for reducing the consumption of natural resources or waste generation.

All indicators cited below have been defined and calculated with the idea of tracking evolution in successive years.

Raw Materials: Owing to the nature and variety of Abengoa activities, it is virtually impossible to provide an exhaustive list of raw materials used. That is why data available in groups which facilitates the understanding of all parties interested in our environmental impact has been added and consolidated.

In a group whose most important activity is engineering, paper is usually one of the most highly consumed raw materials. In order to reduce its environmental impact different measures have been introduced: the use of recycled paper, printing of documents on both sides, and above all, the extensive use of a corporate network so that all the staff from the different companies, and spread out over more than seventy countries in four continents, may share information, drastically reducing paper consumption.

Paper consumption in offices (tonnes)

	2004	%
Total paper consumption	481	100
Consumption of recycled paper	n.d.	n.d.

An important group of raw materials at global level stem from agriculture and farming: pigs slurry for treatment and disposal, grain for the production of bioethanol and eco-proteins for animal feed, vinous alcohol surpluses also for the production of bioethanol as a component of ecological fuels.

Raw materials from an agricultural and farming source (tonnes)

	2004	%
Pig slurry	105,000	7.3
Grain	1,228,756	85.9
Vinous alcohol	96,682	6.8
Total	1,430,438	100

In the process for producing bioethanol from grain, different substances are used. Enzymes and antibiotics are important on account of their consumption:

Substances of etanol production (tonnes)

	2004
Enzymes	1,248
Antibiotics	1,508

Below, some of the controlled chemical substances of major consumption in the different productive processes of the companies of the group are listed. As mentioned earlier, owing to the wide variety of activities and customer requirements, the number of substances used is very wide and most in non-representative amounts.

Different chemical substances used in the productive processes (tonnes)

	2004
Sodium bicarbonate	2,637.20
Sulphuric acid	1,216
Hydrochloric acid	817
Caustic solution	216
Sodium Hypochlorite	123

Among all the metallic products consumed, we have emphasized the most important in terms of quantity. Iron is mainly used to build metallic structures for electric energy transportation lines. Silicon is a component of aluminium alloys, and the zinc is used to galvanise metal structures.

Metals (tonnes)

	2004	%
Iron	22,210.03	45.93
Silicon	3,447	7.13
Zinc	1,056.70	2.19
Cooper	449.45	0.93
Other metallic products	21,639	43.82
Total	48,353.25	100

Abengoa in 2004

Environmental Performance

The Abengoa companies devoted to the recycling of industrial waste contained in the table below, through treatment, utilization and recovery, obtain products such as secondary aluminium, concentrated blocks of aluminium, Waeltz oxide with 65% zinc, secondary zinc and zinc oxide.

Recycling of industrial waste (tonnes)		
	2004	%
Salt slag	140,632	30.76
Steel plant and casing dust	105,100	22.99
Desulphurisation waste (sulphur)	104,000	22.75
Metallic waste and aluminium slag	104,531	22.86
Concentrated zinc waste	2,950	0.64
Total	457,213	100

The activity area of Environmental Services includes the companies devoted to waste management and treatment. The considered waste is presented according to their classification of hazardous or not and to the treatment they receive.

Waste for management and processing (tonnes)	
	2004
Hazardous	
Chemical physical waste treatment	7,722
Energy utilization waste treatment	37,090
Inerting waste treatment	233,244
Regeneration recovery waste treatment	2,495
Hazardous deposit waste treatment	132,414
Thermal waste treatment	7,651
Evapocondensation waste treatment	8,596
PCB waste treatment	19
Reactive separation waste treatment	612
Subtotal	429,843
Non-hazardous	
Non-hazardous deposit waste treatment	71,030
Inerting deposit waste treatment	8
Non-hazardous energy utilization waste treatment	105
Non-hazardous recycled / reutilization waste treatment	1,319
Non-hazardous chemical physical waste treatment	397
Subtotal	72,859
Total	502,702

In addition to this waste, all that treated in our plants, another 31,638 tonnes are managed for treatment in outside plants.

Abengoa in 2004

Environmental Performance

Also within the area of Environmental Services equipment contaminated with PCB is managed for its disposal, recovering reusable materials.

PCB (tonnes)	
2004	
Electric equipment contaminated with PCB	2,675

Most consumption of plastic as a raw material comes from the recycling of film used to cover greenhouses. The remainder comes from very different activities.

Plastics (tonnes)		
	2004	%
Plastic waste from agricultural activity	12,770	96
Processed plastics	531.93	4
Total	13,301.93	100

Energy: Data on electric energy consumed from the network matches the data provided by the different Abengoa work centres.

In the hydrocarbons section, gasoline consumption basically corresponds to the consumption by the fleet of vehicles. The proportion of gasoline that is not consumed by vehicles is consumed in the different productive processes. Gas is mainly used in the cogeneration activities.

Energy	
2004	
Electricity from the network (GJ)	740,191
Hydrocarbons (GJ)	
Total gasoline	224,036
Automotive gasoline	119,293
Gasoline	27,762
Gas	18,485,947

Water: Water taken from the sea corresponds to the open circuit refrigeration system with two cogeneration plants which return approximately 95% of the entry flow to the sea in the conditions which are detailed in the section on discharge.

Water consumption (m ³)		
	2004	%
Process water	8,407,007	92
Sea	7,239,000	
Sanitation	51,022	1
Refrigeration and irrigation	690,251	7
Total	9,148,280	100

Abengoa in 2004

Environmental Performance

Biodiversity: There is no owned, administered or rented soil in habitats rich in biodiversity. No significant impact on biodiversity stemming from group activities has been identified either.

Emission, Discharge and Waste: The data indicated refers to direct emissions from sources in Abengoa's possession or under its control.

Water returned to the sea has a slightly higher temperature (2 or 3 degrees) and slightly higher salinity because 5% of the total seawater is desalinated to be delivered to the host industry of the cogeneration plant.

Emissions (tonnes)		2004	
Greenhouse Gas Emissions		NO _x , SO _x and other Atmospheric Emissions	
CO ₂	1,164,075	NO _x	18,162.75
CH ₄	0.19	Particles	76.19
N ₂ O	47.16	SO _x	891.17
HFC	0.00		
PFC	0.00		
SF ₆	0.00		

Discharge to water (m ³)		
	2004	%
Discharge to public network	151,669	2
Discharge to sea	7,296,189	98
Total	7,447,858	100

There are no significant emissions of substances which reduce the ozone layer.

Significant discharge of chemical substances, oils or fuels have not occurred. As a result, there has been no discernable negative impact on the environment.

Without taking into account the waste treated by the environmental services area, which have been included in the section on raw materials, Abengoa, in its normal activity, produces a great variety of waste, most of which is monitored through the different environmental management systems implemented in each company. The most important data in terms of quantity and impact are below:

Products and Services: Almost all Abengoa activities are found under an environmental management system as required under the standard ISO 14001. Therefore as a fundamental prerequisite of these systems, all significant environmental impacts are identified in accordance with the internal procedures of each company. The significant environmental impacts (IA14 and IA15) are described at the beginning of the chapter.

Enforcement: There is no episode or fine worthy of mention in relation to breaches of agreements / treaties / declarations concerning the environment, in any of the countries where Abengoa operates.

Other waste (tonnes)		
	2004	Destino
Paper	109	Recycled
Metal scrap	2,705	Recycled
Plastics	106	Recycled
Waste impregnated with hydrocarbons	26	Recycled
Used oils	21	Recycled
Sludge	5,600	Recycled
Aluminium oxide	31,085	Recycled
Ammonium sulphate	2,208	Recycled as fertiliser

Dialogue with Interested Parties

Abengoa attaches great importance to the relationship with social groups with an interest in the activity and management of the company being transparent and balanced, and it having communication channels to respond to the requests for information that have been described throughout this report. Additionally, there are other channels both in the area of internal and external communication which are detailed below:

Internal Communication

Communication is an essential component in Abengoa philosophy while being key for the involvement of people forming Abengoa, and for fulfilment of mission, objectives and customer-focused culture. Among the most important means for the communication's function are the following:

Abengoa Portal for the Employee In 2003, the Abengoa Portal was launched. It distributes internally, quickly and universally, all the information and knowledge referring to the Business Units, companies and people making up the organisation.

The portal is an element of communication and internal information, which aims to be the professional desktop of all employees, where, apart from having dynamic and statistical information from the Business Units and companies, all necessary management systems can be accessed for professional performance as well as different processes of human resources from a management and employee point of view.

It is divided up by business areas, in each of which there are sections with information relative to organisation charts, history, important events, quality and environment, innovation projects and activities of each of the companies. There is also

a virtual notice board, a meeting place for the different employees (news of special interest for employees, announcements and suggestions).

It includes a work area where we can directly access all Abengoa corporate applications used on a daily basis, converting it into a quick and agile entrance to the work tools used by all employees.

Moreover, the portal is an element of communication, capable of communicating and generating knowledge, making human capital structural and conveying corporate values.

Welcome and Integration Handbook Abengoa has prepared welcome and integration plans for its business groups for the purpose of welcoming new employees, facilitating their adaptation and offering them a global vision.

These welcome handbooks offer useful and valuable information for new employees, as they introduce the company, its activities, structure and internal regime in a brief and simple way.

To enable easy and updated access to the content of these handbooks of the different companies, a new section has been created within the area of human resources of the Abengoa portal.

Employee Self-service In 2004, a new interactive option for employees was introduced in the Abengoa portal. This new tool, called "employee services", is another step forward in the area of human resources management, as through this automated process a highly efficient and immediate service redounding in quality is achieved.

In this initial phase, the implemented processes are as follows:

- Viewing and printing off pay slips
- Viewing of work calendars
- Option of modifying bank data
- Option of distributing pay over several bank accounts

- Viewing of company insurance with the option of amending beneficiaries
- Viewing of personal income tax, issuance of certificates and the possibility of increasing the legal rate
- Frequently asked questions service (FAQ) in all areas

Internal Newsletter. Abengoa publishes a bi-monthly newsletter which gathers together not only the main activities of the business groups and companies, but also technical articles, news on quality, the environment and Human Resources. The newsletter is based on collaborations between employees and is published in Spanish and English with a print run reaching 15,000 copies. This internal publication is also available to all employees in the employee portal and on the corporate website (www.abengoa.es).

Project Zero CV on Paper Another of 2004's significant projects was the backing of communication tools for improving human resource management. On this occasion the objective was to provide potential candidates with a work pool so as to receive their CVs and applications for membership to our organisation. In addition to this, the employment offers corresponding to each company or Business Unit were made available to candidates so they could follow up on their employment applications.

External Communication

The main channel of communication of Abengoa with its external public is the corporate website. In addition each Business Unit has its own website.

Abengoa Website Abengoa put its first website on the Internet in 1995 and since then it has been continually updated to adapt to the group's new activities, as well as new techniques and trends in design and navigation, which are increasingly adapted to surfers' needs.

The Abengoa website www.abengoa.com presents transparent information geared to investors. It has three main sections: who we are, legal and financial information and news

- Who we are. It is a commercial introduction to Abengoa activities, structured into its different Business Units: Bioenergy, Environmental Service, Information Technologies and Engineering and Industrial Construction. In addition, there are comparisons with previous years, consolidated financial data, activity in Spain and abroad.
- Legal Information. Information on corporate governance, capital structure, structure of governing bodies, information transferred to the National Commission of the Securities Market (CNMW), annual general meetings of shareholders and a section on shareholder services.
- Financial information. It provides access to the annual reports of the last three years, information on share listings, financial calendar, quarterly /half-year financial information on dividend distribution.
- News. Reports on Business Units activities, new contracts, on the progress and conclusion of projects, alliances, actions.

There is a subscription service to news items published on the Abengoa website, in financial-legal matters and news and also contact addresses: for general matters, communication issues and for shareholders.

On the Abengoa website there are links to the websites of the Business Units. We wish to point out that this year the Bioenergy Business Unit was awarded the prize "Best Energy Website" (the best website in the energy area) by the Website Marketing Association in the United States. www.abengoabioenergy.com

This year 2004, Abengoa has published its annual report in three separate books: Activities Report, Corporate Social Responsibility Report, and Legal and Economic-Financial Report.

Abengoa in 2004

Dialogue with Interested Parties

2004 is the first year we have published a corporate social responsibility report as part of the annual report publication.

Shareholder Services Department In order to facilitate the existence of permanent contact with the shareholders of the company, Abengoa has established a Shareholder Services Department, headed by the Secretary General. The objective is to establish fluid and transparent communication with shareholders and permit their access to information, in time and form, together with the institutional investors who are ensured of equal treatment. Special care is taken to communicate accurate and useful information on significant events, press releases and period economic-financial information.

On the website (www.abengoa.com) there is also a shareholder services box.

Investors Relations Department With the exact same purpose as shareholder services but in relation to investors, the company has an Investors Relations and Market Analysts Department, headed by the director of management information systems, in coordination with the financial director, who is responsible for design and implementation of the communication program with the national and international financial markets so as to disclose the main dimensions and strategic actions of the company.