

Latin America





Teyma Abengoa (Argentina)

In 2005, the Argentine market began to recover and Teyma Abengoa participated therein.

Teyma Abengoa is actively participating in the Federal Plan for the 500 kV Gran Mendoza-San Juan HV Line; Puerto Madryn-Pico Truncado and Rincon Santa Maria-Rodriguez sections.

Customers and Works:

- CTI Móvil – Interior Telephone Company: Radio-link Project – 600 site plan: Construction of new link points for the installation of cellular telephone antennae, in the provinces of Cordoba, La Pampa, and Buenos Aires.
- Entidad Binacional Yaciretá: Pumps, valves and different devices for fish transfer facilities – Contract Y-E3, in Ituzaingo (Corrientes).

In Progress:

- Aluar Aluminio Argentina: Supply and stringing of 132, 34.5 and 6.6 kV dry insulation single pole cables in Aluar's facility, in Puerto Madryn (Chubut)

Teyma Abengoa had its Environmental Management System certified according to ISO 14001:1996.

Befesa Argentina

Facilities in Pacheco and Campana. Industrial Waste Carrier and Operator.

Customers and Works:

- Conditioning, Consolidation, Exportation and Final Disposal of PCB-contaminated materials: Exportation and treatment of 80 drums (9,050 kg) of Thallium Sulfate and Lindane from the Ecological Reserve of the Government of Buenos Aires.
- New contracts with: Repsol YPF – Comodoro Rivadavia, Sacan, Mar del Plata and Alpargatas Treatment Works.



- Operation of Alfa Laval Plant and US Filter Plant, Slop Oil Unit Hydrocarbon Recovery Plant, Tank 265. Transportation and treatment of waste from the Catre area in La Plata Refinery, for Repsol YPF.
- Transportation, incineration, inerting and final disposal in safety deposit for: Daimler Chrysler, Ford, Peugeot-Citroen, Toyota Argentina and Volkswagen (Automobile Industry), Esso, Repsol YPF and Shell CAPSA (Oil Industry), Bayer Argentina, Lanxess, Raffo, GlaxoSmithKline Argentina, Cardinal Health (Pharmaceutical Laboratories), Rohm & Hass, TFL, Procter & Gamble (Chemical Industry).

In 2005, Befesa Argentina continued to work on improving its ISO 9001 and ISO 14001-based Integral Management Systems, on which the 2nd Monitoring Audit was carried out by TÜV Rheinland, on December 12 and 13.

Permits and Authorizations obtained and/or renewed in 2005:

- Pacheco Plant: Annual Environmental Certificate.
- Operator/Exporter: Annual Operator/Exporter Certificate
- Carrier: Annual Environmental Certificate, Industrial and Hazardous Waste Carrier, Special Authorization Certificate, Hazardous Industrial Waste Carrier and Special Authorization Certificate, Non-Hazardous Industrial Waste Carrier.





Abengoa Chile

Towards year-end 2005: GE Energy Financial Services, continuing with its growth strategy through investments in energy projects in the international markets, purchased 80% of the equity of the Transam consortium formed by three Abengoa companies operating the Huepil, Abenor and Araucana transmission lines. Abengoa retained the remaining 20% and will continue its social responsibility of running the three-company consortium.

The Abengoa Chile Company, Palmucho S.A. was established towards year-end. Its objective is to develop the project of the same name contracted with Endesa.

Customers and Works:

- Codelco División El Teniente: Installation and commissioning of the ventilation system for the Diablo Regimiento Project being executed in the El Teniente underground mine.
- Compañía Minera Doña Inés de Collahuasi: Rosario Sur Area electricity distribution system.
- Codelco División Norte: Installation of the third 220/110 kV auto-transformer in consortium with Siemens Chile, Siemens Brasil and Siemens AG.
- Codelco División Norte: Relocation of 100 kV feeders, line 4 Tocopilla – km 6, and the Chuquicamata – Calama line.
- Codelco División Norte Consultor Bechtel – Ara: Electricity substation, 13.8 kV distribution system, and the Mine loop.
- Hqi Transelec Chile S.A.: Supply, construction and installation of the 1x220 kV Charrúa – Chillán line.
- Hqi Transelec Chile S.A.: Repair of the Tarapacá Lagunas line.
- Chilectra S.A.: High-voltage line maintenance and works in the Metropolitan Area for five years.

During the year, the following projects were contracted and are currently in progress:

- Endesa Chile S.A.: CPL-70 Palmucho 13.2/66/220 kV Substation, Caída Region, 220 kV line for interconnection with SIC and 66 kV line. This project corresponds to a 30-year toll contract.



- Minera Los Pelambres: MCC 023 El Mauro Project, 220/23 kV substations, and 220 and 23 kV lines.
- Empresa de Obras Sanitarias del Bío-Bío: Construction of two served water treatment plants for the localities of Coelemu and Chimbarongo.

The following projects, on which work will commence in 2006, were contracted:

- Codelco División Norte: Relocation of 220 and 100 kV feeders in the Botadero 95 sector in Chuquicamata.
- Hqi Transelec Chile S.A.: Construction and installation of the Reactive Static Trim (CER) at Puerto Montt substation, in consortium with Abb Chile.

Quality, Environment, and other certificates

Abengoa Chile has renewed its Quality Management (ISO 9001:2000), Environment (ISO 14001:2004) and Occupational Health and Safety (OHSAS 8001:1999) System certificates.

R&D&I Activities

During the year, the study was completed on the key variables of the hydrolysis and fermentation process for ethanol production. The study was carried out by the University of Concepción and was financed by the Technological Innovation Fund of the Bío-Bío Region and Abengoa.





The study has enabled the obtaining of important background information on the availability of biomass and the main characteristics of the species that exist in the region.

Prizes awarded

Abengoa Chile received a four-star mention in the Chilean Chamber of Construction for its achievements in Risk Prevention Management, and for the same concept, it received recognition from Bara Proyectos for the Codelco Norte works: Mia Sur North Expansion Project in Minerale Pila Treatment Plant.

Befesa Chile

Design and operation of integral mining and industrial waste management systems

During 2005, work continued on the Solid Waste Integral Treatment Contract, Household and Industrial, Hazardous and Non-Hazardous, inside the Altonorte Foundry belonging to Falconbridge Chile Ltda. (formerly Noranda).

Hazardous and non-hazardous waste treatment center in Antofagasta. (CMR Norte)

Befesa Chile Gestión Ambiental Limitada is currently executing, in Antofagasta, CMR Norte's Hazardous Waste Treatment Center construction and operation project, which will be installed in the municipality of Sierra Gorda. It will be the first solid hazardous and non-hazardous waste management company that will meet the needs of the mining companies, industries and, in general, the companies of the northern Segunda Región, while also favoring protection of the environment.

Teyma Uruguay

In 2005, the Uruguay construction market grew substantially, consolidating the process that commenced in 2004. The company took full advantage of this growth and consolidated its position as market leader in the year in which it celebrated its twenty-fifth anniversary.

Customers and Works:

- M'bopicia Free Trade Zone (Ence): Teyma executed the works required to provide the Free Trade Zone with the necessary operating infrastructure: earth moving, fencing, warehouses, lighting, etc.
- Los Piques (Weyerhouser): Concrete structures and pavements for its wood board manufacturing plant in Tacuarembó. In addition, it was awarded the Buildings and Office constructions work contract for the same plant.
- Abiatar (Sites for Movistar, Telefónica): A contract was executed for Movistar for the civil work and installation of sixteen 100-meter high braced masts in the interior region of the country.
- The Pasteur Institute Foundation of Montevideo: Construction of the Institute's new headquarters in Montevideo. The project consists of a new headquarters building for offices, laboratories and other appurtenances.
- Botnia: Civil works for Botnia's cellulose manufacturing plant in Fray Bentos. It is the most important industrial project in Uruguay's history, with a total foreseen investment of more than 1,000 million dollars.
- Raghsa: Seafront luxury apartment tower in the country's main spa. It is the 24-storey "Le Parc" tower.
- Intendencia Municipal de Montevideo (IMM): Sewage system restoration and recovery works; reinforcing of collectors, profile modifications and replacement of piping on the Arteaga system. Road patching and paving works in Montevideo. Cerro Norte wastewater and rainfall system works.
- Through Consorcio Ambiental del Plata (CAP), the household rubbish collection, street cleaning and waste transportation services, to the final deposit, continue to be provided.
- Obras Sanitarias del Estado (OSE): Liquid waste treatment plant for the city of J.P. Varela, with three pumping stations and their respective drive lines. Treatment plants for the cities of Melo and Canelones.
- Montevideo Shopping Center: Av. L. A de Herrera expansion project.
- Gaseba Uruguay: Design and installation of polyethylene pipes, residential connections with their respective regulating systems.





- Under a joint venture, LV, MV and HV Distribution Network Improvement Works in the management area of the Central Distribution Sector.
- Banco Hipotecario de Uruguay (BHU): works continue on the construction of the new façade of its head-office building.
- Servicios Forestales: Through Teyma Uruguay's subsidiary Pandelco, crop services were provided for the country's main operators.

Teyma Uruguay and its subsidiaries Pandelco and CAP are the only companies in Uruguay to simultaneously hold the ISO 9001 Quality, ISO 14001 Environment, and UNIT 18001 Occupational Health and Safety certificates.



Abengoa Mexico

24 years after its arrival in Mexico, Abengoa is still one of the main Transmission Line and Electricity Substation integrator companies for the Federal Electricity Commission (CFE) and of Electromechanical Works for Petróleos Mexicanos.

In 2005, works were completed on the following Financed Investment Projects:

The Federal Electricity Commission (CFE): 104 SLT 706 Sistemas Norte (1st Phase), execution of all the works required for the construction and installation of: eleven 230, 138 and 115 kV Transmission Lines, total length approximately 432.8 km, and ten inductive type 400, 230, 138 and 115 kV voltage transformation substations, overall capacity 1,533.33 MVA, 18.0 Mvar, and thirty feeders in the States of Coahuila, Chihuahua, Durango y Baja California Norte. Contracted value: \$US 86,240,989.84.

The following projects are in progress:

Mitsui de México: Substation for Combined-Cycle Plant in Valladolid, Yucatan. For the combined-cycle 500 MW power plant Mitsui – Toshiba – ICV are constructing for the CFE in the city of Valladolid (Yucatan, Mexico); the electric substation that connects the Power Plant to the CFE's own electric substation was constructed.

Pemex: Light Crude Oil Heating System: Project for the supply and installation of the Light Crude Oil Heating System for Dos Bocas maritime terminal, within the facilities of Pemex Exploración y Producción in Paraíso, in the Mexico State of Tabasco. Telvent México, S.A. de C.V. is participating in this project as the company responsible for the instrumentation, control and security systems. The contract execution period is 425 days and the contract value exceeds 21 million euro.

In addition, the Federal Electricity Commission has awarded contracts for the following projects, to be executed in 2006:

- Contract PIF-017/2005 "54 LT 615 – 3rd Phase Peninsular Sub-transmission", the objective of which is the execution of all the works required for the construction and installation of an approximately 2.96 km, 115 kV transmission line and two distribution substations, 115 and 13.8 kV, with an overall capacity of 30 MW, 1.8 Mvar, and seven feeders to be located in the State of Quintana Roo, United Mexican States.
- Contract PIF-024/2005 "59 SE Sub-transmission Baja California – Northwest 1st Phase, 2nd Notice", the object of which is the execution of all the works required for the construction and installation of an approximately 0.8 km, 230 kV transmission line and nine transformation substations with voltages of 230, 161, 115, 34.5 and 13.8 kV and an overall capacity of 300 MVA, 18.0 Mvar, and forty-seven high and medium

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voltage feeders in the States of Baja California, Sinaloa and Sonora, United Mexican States.

Renewed certificates: ISO 9000 - ISO 14000 - OHSAS

Befesa México

It continues its establishment process developing all its business activities in the country.

Comemsa (Mexico)

The factory is running at full production capacity having increased its expected performance ratios noticeably.

Customers and Works:

- Transmission Tower Customers: Siemens S.A. de C. V. (TL 709), E. C. Instrumental S. A. de C. V. (Rehabilitation of the Chicoasén-Juile line), Techint S.A. de C. V. (TL Louisiana-La Higuera/TL Mazatlán-Tepic), ABB México S.A. de C. V. (TL 710 Altamira V associated transmission network), Control y Montajes Industriales CYMI, S.A. de C.V. (64 TL center line), Southern California Edison (Sylmar Gould Relocation Project), CFE (supply of structures to replace those damaged by hurricane Emily), and Abengoa México S.A. de C.V. (TL Mexicali).
- Substation Structure Customers: Distran/ Mitsubishi (Tuxpan V), Abengoa México S.A. de C.V. (Valladolid III substation), Siemens S.A. de C. V. (TL 709. Aguascalientes, Cañada, Yautepec, San Martín and Tuzania substations), Abener México S. A. de C. V., Distran (Project 132/400 kV Khor Al Zuair), Inabensa S.A. (Cóbano, Palmar, Cahuita, Paos and Tarbaca substations).
- Telecommunication Tower Customers: Mexsemi, S.A. de C.V. – 3,900 tons of telecommunication towers to develop the telephone network of Telefónica Móviles de México
- Galvanized Product Customers for third parties: A total of 1,400 tons of different type structures were galvanized for several customers, the main ones being Postes de México and Tubos y Postes, for whom 650 and 450 tons, respectively, of



conic-trunk type posts for transmission lines were galvanized.

Works in Progress

Transmission Towers

- Areva T & D S. A. de C. V. - Project: 126 TLS 801 Altiplano, 1st Phase. Manufacturing and supply of thirteen types of 115, 230 and 400 kV towers totaling an estimated 2,600 tons. The project will be approximately 65% completed at year-end 2005.
- Actividades de Montajes y Servicios S. A. de C. V. (Cobra). - Project: 130 TLS 806 Bajío, 2nd Phase. Manufacturing and supply of nine types of 115, 230 and 400 kV towers totaling an estimated 3,500 tons. The project will be approximately 85% completed at year-end 2005.
- Sademex S. A. de C. V. - Project: 811 Northwest. Manufacturing and supply of a 115 kV type tower, totaling an estimated 50 tons. This project will be approximately 40% completed at year-end 2005.
- CFE - Project: Supply of structures to replace those damaged by hurricane Wilma. Manufacturing and supply of loose sections and complete towers for 2 types of towers, totaling an estimated 620 tons. The project will be 100% completed at year-end 2005.

Substation Structures

- Areva T & D S. A. de C. V. - Project: 126 TLS 801 Altiplano, 1st Phase. Manufacturing and supply of major and minor structures totaling an estimated 920 tons. This project will be 65% completed at year-end 2005.





- Areva T & D S. A. de C. V. - Project: 122 Substation 811 Northwest. Manufacturing and supply of major and minor 115 and 400 kV structures totaling an estimated 170 tons. This project will be 100% completed at year-end 2005.

Contracted Works

Transmission Towers

- Sademex S. A. de C. V. - Project: 102 TLS 703 Northeast - North. Manufacturing and supply of 6 types of 115 and 230 kV towers totaling an estimated 1,500 tons.
- CFE - Project: Supply of towers to replace those damaged by hurricane Emily. Manufacturing and supply of 230 kV towers totaling an estimated 320 tons.
- Minera Barrick Misquichilca S.A.: Electric and instrumentation works for the Alto Chicama mining project.
- Ministry of Energy and Mines: Unit I of the Electric Frontier Expansion Program.
- Cementos Pacasmayo: Jointly with Befesa Peru, the design and construction of a safety deposit was executed.



Abengoa Peru

In 2005, in a highly competitive market, Abengoa Peru increased its customers and activities by augmenting its capacity to bid and execute projects through partnerships with other local companies and Abengoa. This situation allows it to look to 2006 with good perspectives.

Executed Works

- Ambev Peru: Civil works at the Ambev Peru brewery. This project was executed jointly with Teyma Uruguay.
- Lima Airport Partners: Electric substation civil works for the Jorge Chavez International Airport.
- Codistil Dedini: Effluent treatment plant at the Ambev Peru brewery.
- Electronorte S.A.: Rehabilitation of medium voltage feeders for the Chiclayo, Cajamarca and Sucursales business units – 2nd Stage.
- Electronoroeste S.A.: The 60 kV Piura – Sullana transmission line.
- Electronoroeste S.A.: Remodeling of the 33 kV Zorritos - Cabeza de Vaca transmission line.
- Hidrandina S.A.: Unit VI: Feeders and connections in Chimbote, Casma, Huaraz, Caraz, Paján and Chepén

Works in Progress

- Cementos Lima: Civil construction works on the Atocongo – Conchan ecological conveyor belt project, consisting of 6.5 km of tunnel using prefabricated concrete and the construction of 8.5 km of track.
- Banco de Materiales: Edification of 1,512 single-family dwellings, sewage and paving works for the Mirador de Pachacutec pilot project.
- Edegel: Relocation of 60 kV lines – II Stage.
- Electrocentro S.A.: Remodeling of the Valle del Mantaro MV and LV networks.
- Electrocentro S.A.: Remodeling of the city of Huamanga historic zone MV and LV networks; conditioning of the AP System to the NTCS sector type II – Part II, and Quality Enhancement (Observaciones de Osinberg) Part I.
- Electronoroeste S.A.: Remodeling and expansion of the Piura and Tumbes networks.
- Empresa Térmica de Ventanilla S.A.: Supply and installation of the raw water drive pipeline, electric conduits and sundry related works; this is part of the construction work being carried out on the Ventanilla Thermal Combined-Cycle Power Plant.
- Huancavelica Municipal Drinking Water and Sewage Company: Collector, pipeline, water treatment plant, storage and conduction rehabilitation and enlargement works.



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- Praxair Peru: Construction of an oxygen plant in the city of Pisco.

Furthermore, in 2005, the ISO 9001:2000 Quality Certificate was renewed and the scope thereof was widened to include civil works.

Befesa Peru

In 2005, Befesa Peru increased its customer portfolio by more than 50% compared to the previous year and currently has more than 113 customers on its books. This number is expected to continue its upward trend in 2006.

During the year, more customers were gained from the industrial sector, and they now number 68.

We have observed a growing interest from the market operators (Generators, Administration, Managers), through the number of orders received, in having their wastes managed properly.

Main Customers: Repsol, Pluspetrol, Antamina, Yanacocha, Petroperú.

In June 2004, the company's Environmental Management System was UNE EN: ISO 14001 certified. We obtained the annual revalidation of said certificate this year.

The objective for 2006 is to have our Quality Management System certified according to ISO 9001.

The Community Relations Plan was put into practice this year. This support service was reflected in our collaboration with the area's State College. We would also mention that Befesa also supports the Municipality of Chilca by participating as sponsors of Regional Public Festivities and the walk organized by the Environment Health Department (DIGESA) to celebrate World Environment Day.



Bargoa (Brazil)

In 2005, Bargoa greatly exceeded its estimated billing figures and achieved an increase of more than 140% on the previous year.

Telemar and Telefónica de Sao Paulo were our most active customers throughout the year. As regards the external market, the company continued its steady presence in Argentina and also maintained its sales volumes in other countries such as the US, Korea, Japan, and Latin America.

During the year, the ISO 9001:2000 Quality certificate was renewed and works continued on the ISO 14000 implementation processes, the object being to obtain the corresponding certificate in 2006.





We would especially mention the investments made in Development Projects during the year which have enabled us to incorporate 35 new products, more than 50% of which are for the ADSL and protections sector.

Also of note is the increase in equipment and machinery, for welding in electronic circuits, and assembly of connectors and connection blocks.

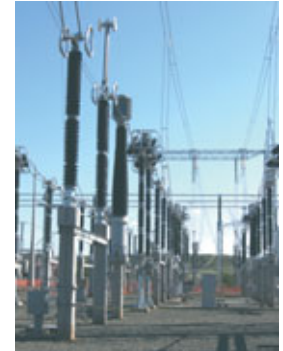
Abengoa Brasil

The year 2005 will go down as a landmark in the history of Abengoa in Brazil. During the year, there were three events that will go down as the before and after in the Electric Transmission Concession business in Brazil:

- In March 2005, the concession contract for the 500 kV North – Northeast electric interconnection project was signed. The project consists of a 937 km line that will join the substations of Colinas in the State of Tocantins with that of Sobradinho in the State of Bahia. Its route will take it through the new Ribeiro Gonzalez substation in the State of Piauí, and through the existing San Joao de Piauí substation in the same State. The total investment in this project exceeds 1,000 million reales (440 million dollars), and it is scheduled to be brought into commercial operation early in 2007.
- In October, works were completed, four months ahead of schedule, on the construction of the ATE installations and the line was brought into commercial operation that same month. The total investment in the works came to more than 500 million reales. This project is of strategic value given that it interconnects, through the Asís substation, the National Grid's 500 kV network and the State of San Pablo's 400 kV network. The line inauguration ceremony, which was held in early November, was attended by the President of the Republic, Mr. Lula da Silva, who was accompanied by the Minister for Energy and Mines, Mr. Silas Rondeau.
- In November, Abengoa was awarded package A of the Aneel 01/2005 call for bids for the

construction and operation of the North – South Interconnection, section 1. The contract was awarded under a public bidding process that took place in the Rio de Janeiro stock exchange building. The competition in the bidding process included numerous Brazilian companies, state-owned and private, and from other countries.

With this latest contract, Abengoa is now participating in Brazil in seven Electricity Transmission Concession Projects with different percentages and which are now at the situation indicated here-below:



Project	Length	Investment (R\$)	Participation	Situation
Expansion	575 km	260 million	25 %	Operation Dec '02
ETIM	212 km	132 "	25 %	" Jun '04
NTE	386 km	245 "	50 %	" Jan '04
STE	389 km	155 "	50 %	" Jul '04
ATE	370 km	512 "	100 %	" Oct '05
ATE II	937 km	1,050 "	100 %	Construction
ATE III	459 km	600 "	100 %	Awarded
Total	3,328 km	2,954 million		



Prior to January 2005, four of the concessions in which Abengoa is participating were brought into service and are operating normally and efficiently, and each one is more than meeting its business plans and expectations.

Befesa Brasil

The company is in the process of analyzing projects and documentation. In 2006, it will establish its activity framework for the country.

