

Telvent, the holding company of Abengoa's businesses in the Information Technology sector, provides high value-added solutions in four industrial sectors (Energy, Traffic, Transport, and the Environment). Its technology allows companies to make real-time business decisions utilizing data control and acquisition systems, as well as leading-edge operational applications that provide companies with secure and efficient information.



With Information Technology... we transform data into knowledge, providing effective operational and business real-time decision making for traffic, transport, energy and environment

International leader in the energy, traffic, transport and environment sectors

Energy

Oil and Gas

In 2006, the energy markets worldwide were spending at extremely high levels to keep up with increasing consumer demand. This demand has subsequently driven the price of energy products to record levels. This trend, which is expected to carry forward and increase momentum, has resulted in a significant increase in capital budgets for energy sector participants in 2007. This factor, combined with the anticipated continuing rapid pace of mergers and acquisitions has created new opportunities for technology solution providers such as Telvent.

During the past year, energy companies have been targeting infrastructure growth, given the high energy prices. This rapid growth has placed a focus on cost reduction and better decision making, enabling companies to better cope with growth and ongoing business changes. Given the need for cost management, combined with a shrinking experienced work pool and increased regulatory pressures, energy companies have come to realize that automation and information management technology is the most efficient way of achieving these goals. Based on product and services demand, and customer feedback, Telvent's solutions have clearly demonstrated their ability to meet those customer requirements.

In 2006, Telvent continued to focus on transitioning from a data acquisition and control application supplier into an enterprise level integrated solution provider of business applications and IT infrastructure, a focus which has been highly supported by our Energy customers. This in turn has enabled Telvent's oil, gas and electric utility customers to transition their operations into a secure, truly RealTime IT enabled business. This strategic shift was made possible not only through continuous improvements in Telvent's products and services, but also the added strength and flexibility contributed by the strategic alliances that Telvent has developed with SAP, ESRI, Symantec, OS/soft and other technology partners.



It is quite evident that the global energy industry continues to look at the direction, initiatives and projects of the North American energy sector as a blueprint for their future investments and success. Telvent's strong performance in North America and abroad during 2006 signifies an increasingly important role for this company in terms of leveraging the energy infrastructure investments for existing and new customers.

Electricity

In 2006, Telvent achieved exceptional results in the Spanish electric sector, as we continued to capitalize on the ongoing investments being made by the main electric utilities in both distribution and transmission. Renewable energy also took on considerable importance during the year, with special emphasis on biomass plants and solar power stations.

Focusing on the rest of Europe, attention should be drawn to the major progress made on the Automated Meter Reading (AMR) project, commissioned by Vattenfall (Sweden) in 2005. The start-up, pilot tests and initial results from the system's deployment all met the client's expectations. Vattenfall's high level of satisfaction with Telvent's efforts resulted in a year-end signing of two new extensions of the contract for an additional 200,000 meters. This will result in the total number of residential consumers using Telvent technology to increase to 500,000 by early 2008.



In Latin America, we maintained our market share in both Mexico and Brazil, winning major contracts, particularly in the transmission sector. Our success in new sectors of the Mexican energy market, including hydroelectric power and traction, which are projected to experience significant growth in coming years, was particularly noteworthy. In the rest of Latin America, we remained active with new projects in Chile, Bolivia, Costa Rica and Venezuela, where the project to modernize the state utility Cadafé's distribution network is already underway. This particular project is especially important, as it will include use of our Electric Suite of applications, which unifies and integrates all Telvent products for the electrical power distribution sector: ArcFM, Responder, Telvent DMS and OASyS DNA.



In North America, the Telvent SAGE 3030 substation automation platform has gained rapid acceptance in the electric utility community. The SAGE 3030 is designed to facilitate the integration of (Intelligent Electronic Devices) IEDs within the substation, while providing a robust platform for the development of operational applications within the substation environment. As an indication of the increasing popularity of the SAGE 3030, sales in the North American substation automation sector during 2006 have increased 20% over the previous year. The client base for the ArcFM Solution continued to grow as well with an addition of 44 new accounts during this past year, with the majority of these coming from the international market, resulting from the combined efforts of Telvent's distributor network and Telvent's global office network.

Most Relevant Projects

Within the Energy segment, the most significant project awards during 2006 include the following:

In Europe:

- Project for Adif, in Spain, for the supply, installation and commissioning of the telecontrol equipment for the substations that supply electricity for the Madrid-Segovia high-speed rail line. This equipment was developed entirely with Telvent technology, based on more than 20 years of experience in the railway transport business.

- Project for REE, for the design, engineering, supply, installation and commissioning of the Integrated Control System for the Benejama Substation. This system was developed entirely with Telvent technology in accordance with the demanding functional and electromagnetic compatibility standards that were mandated for this system implementation.
- Project for Endesa in Spain for the supply, installation and commissioning of the integrated control and protection systems included in the Tramontana Plan. This plan entails the modernization and construction of over 40 substations in the distribution zone administrated by Fecsa Endesa.
- Contract with Sodean (the Energy Agency of Andalusia) in Spain for the implementation of the SINEA (Andalusian Energy Information System) installation. This project will be carried out as a joint venture with Sadiel and Isotrol and includes the tools necessary for the Andalusian provincial government to manage its regional energy resources.
- Contract with Abener for the supply, installation and commissioning of a distributed control system for the bioethanol facility that Abener is constructing in Lacq, France.
- Contract with Abener for the supply, installation and commissioning of a distributed control system for managing the electric energy generated from a biomass production plant in the province of Salamanca, Spain.
- Contract with Abeinsa, in Spain, for the supply of a delegated dispatch for the Abengoa-





owned Generating Plants. With this system, the management of these plants is guaranteed pursuant to the recently published legislation. The contract is financed by Telvent and will be repaid by system operational revenues produced over a ten year period.

- Telvent was awarded a contract with CEZ in the Czech Republic for ArcFM licenses to support their electric distribution system. CEZ has 7 million customers and serves the majority of the country.
- Telvent's ArcFM product was selected by several large gas distribution utilities in the United Kingdom, including Wales and West Utilities, Ltd., Scotia Gas Networks Ltd., and Northern Gas Networks. Thames Water also selected ArcFM to help manage their water distribution network.
- Consumers Energy, a utility in Michigan serving 1.8 million customers, awarded Telvent a contract for the implementation of Responder OMS to support their outage management operations. The project will interface with various systems including SAP, SCADA, and workforce management.
- Georgia Power, the largest of five electric utilities that make up Southern Company, selected Designer, a GIS-based design application from Telvent. The implementation of Designer, which includes embedded ArcFM tools for asset and facilities management, will assist the investor-owned utility in more efficiently providing electricity to their 2.1 million customers in the state of Georgia.
- Public Service Company of New Mexico (PNM) and Texas-New Mexico Power (TNMP), both wholly owned subsidiaries of PNM Resources, Inc., selected Telvent's ArcFM Solution for their Texas and New Mexico operations. The companies chose ArcFM and Designer to replace their existing GIS systems for facilities management and graphic work design.
- Pepco Holdings, Inc. chose to standardize their graphic design solution on Designer and implement it for Atlantic City Electric (ACE) and Delmarva who, combined, serve over 1 million customers in the New Jersey and Delaware area.
- Contact with TXU Energy to provide SAGE RTUs for substations in the Greater Dallas / Fort Worth Texas Area. This is part of an ongoing plan for TXU to upgrade their existing substation infrastructure.
- Contract with Conectiv to replace their existing CDC remotes with Telvent SAGE RTUs. Conectiv provides electricity and telecommunications to southern New Jersey, Delaware, Maryland, and Virginia, as well as natural gas to northern Delaware.
- Contract with National Grid to provide SAGE RTUs as part of a multi-year initiative to upgrade and retrofit old Landis and Gyr RTU installations. National Grid provides electricity to 3.4 million customers in a four state area of the northeastern US.
- Contract with Grand River Dam Authority (GRDA) to provide SAGE RTU retrofits of existing Harris and Westronics M3 RTUs. GRDA maintains approximately 2,000 miles of electric transmission lines and 200 electric substations across its service

In North America:

- Contract with EPCOR Transmission Inc. to upgrade its existing SCADA system from OASyS 6.0UX to OASyS DNA.
- Contract with Southern California Gas Company (SoCal), in Los Angeles, California, to upgrade the SCADA system at the utility's transmission control center.
- Enterprise agreement with Pembina Pipeline Corporation to deploy SimSuite Pipeline for three natural gas liquids pipelines and up to five additional crude lines.
- Contract with Buckeye Partners, LP to upgrade their OASyS 5.2.2 system, commissioned in 1997, to OASyS DNA.
- Contract with Hydro Ottawa to upgrade their existing SCADA system to OASyS DNA.

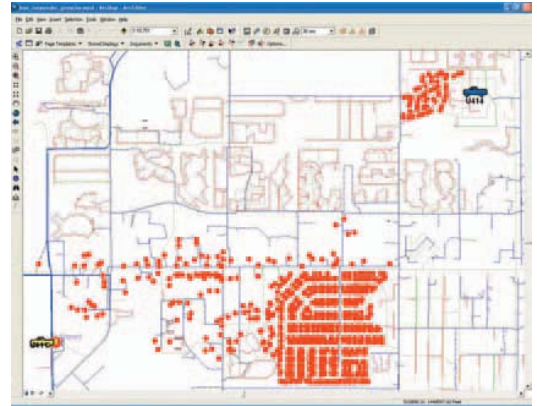
area, which includes 24 counties in Northeast Oklahoma.

- Contract with CenterPoint Energy to provide a large quantity of SAGE RTUs for pole-mounted feeder automation installations in the greater Houston, TX area, which will result in improved overall reliability of the distribution system. CenterPoint Energy is the nation's third largest combined electricity and natural gas delivery company, with more than 5 million metered electric and natural gas customers.

In Latin America:

- Contract with Trinidad & Tobago Electric (T&TEC) to upgrade their existing SCADA system to OASyS 6.3UX. The project includes upgrading T&TEC's LAN speed and the eventual installation of an off-site back-up system.
- Contract with the Grand Bahama Power Company to upgrade their existing SCADA system to OASyS DNA and their current RTUs to SAGE 2300 and SAGE 1350 models.
- Contract with Cadafe, in Venezuela, for the supply, installation and commissioning of an integrated operation system for the national electricity distribution network of Venezuela, including the functions of incident management and electricity grid management.
- Contract with CAF for the data telecontrol and management applications integration project for the suburban metro section between Buenavista and Cautitlan, in Mexico FD, to be constructed by a consortium of Spanish companies, of which CAF is a member.
- Contract with Abengoa Chile for the supply of control and protection systems for the San Luis substation belonging to Endesa in Chile. The project scope includes engineering, panel construction, system configuration and commissioning.
- Contract with Inabensa for the telecommand project for the new suburban metro section between Buenavista and Cautitlan, Mexico. The project includes the supply, integration and testing of the system, which provides coverage from the control center to the catenary remotes.
- Contract with Abener México to supply the Distributed Control System (DCS) for the Baja California Sur II Power Plant. This project, the

end-customer for which is the Comisión Federal de Electricidad (CFE), includes the control engineering, supply, testing and commissioning of the system that will control the power plant's different subsystems, which will help ensure dependable and efficient overall operations.



In Asia-Pacific:

- Contract with the PetroChina Pipeline Company (PetroChina) to upgrade the existing SCADA system, controlling the Shanshan-Lanzhou oil pipeline, to OASyS DNA. The 1,500 km pipeline runs from the city of Shanshan in the western region of China, to the city of Lanzhou in the northwest.
- Contract with Taiwan Power Company to enlarge the Lungmen Nuclear Power Plant.

Transport

Telvent has continued to strengthen its leading position in national and international markets for the traffic and transportation sectors, providing a large offering of products, applications and services for the Intelligent Traffic Systems (ITS), both in urban and interurban settings. In addition, the company is providing global solutions for urban traffic management, as well as the control, surveillance and management of highways, aimed at maximizing traffic flow efficiency, increasing vehicular safety, and optimizing bus and train transit management.

During 2006, Telvent increased its presence in key strategic areas in China and the USA, through the acquisition of two leading companies in the traffic market. In addition, a third company, located in Spain and possessing extensive expertise in bus ticketing systems, was also purchased.

- Beijing Blue Shield, in China, was acquired in March 2006, providing Telvent with a significant presence in that market, as well as a highly skilled group of traffic and software engineers focused on urban traffic systems.
- PB Farradyne, in the USA, was acquired in July 2006, providing Telvent with extensive expertise in consultancy, systems development and projects in the U.S. and Canada, with a local presence in 23 states.
- Maexbic, in Spain, was acquired in November 2006, providing Telvent with significant expertise in equipment and solutions for bus ticketing management systems, along with important references in the Spanish market.

With the integration of these three companies, Telvent strengthens its leadership in products and geographies, consolidating itself as a global market leader.

In the international traffic sector, the year 2006 has included contracting and execution of a high number of projects, strengthening Telvent's presence in North American and European areas, and also including the updating and extension of systems previously installed in Latin America, China and south-east Asia.

The Spanish market has maintained its consolidation with a number of recurring projects, based on operational and maintenance services, as well as important projects in new road infrastructures.

In public transport and ticketing systems, 2006 saw the consolidation of Telvent solutions, applications and equipment, for which extensive investments in technology have been made during previous years. It also confirmed Telvent's road to future growth established for this business area.

Telvent has put in action the "e-trans" platform, as the payment platform for transport systems, providing the market with products such as Mobifast and Web.Park, positioning them as the leading solutions for the Spanish and international markets.

In Spain, the sales volume with recurring customers such as Metro de Madrid, Metro de Bilbao, FEVE, Adif and Cintra has increased through new products and solutions for station and railway signaling control systems, access control systems and automatic transport ticket vending machines, and parking lot control systems.



In the railway control and signposting industry, the development of a new applications line for the automatic regulation of trains (SAREF Project) continues in collaboration with specific strategic customers. This is in addition to, and complements, the current line of products for Railway Traffic Control Centers and Telecontrol of equipment and stations.

In the international market, the completion of passenger information systems and fixed equipment management provides new opportunities and additional references for future projects. Also, the successful inauguration of ticketing systems for Tianjin Metro and the new railway from Caracas to Cua positions Telvent as a leader in TSC technology.

The previously mentioned acquisition of Maexbic consolidates and complements the available products and services for the on-board ticketing for bus and light-train applications, allowing the development of a complete product line for tariff integration in multimodal transit, which has become a requirement for this marketplace.

Most Relevant Projects

Within the Transport segment, the most significant project awards during 2006 include the following:

In Europe:

- Completion, for Oresund concessionaire, of the upgrade for the SCADA system controlling the



tunnel and bridge, between Sweden and Denmark, using OASyS-DNA technology.

- Contracts with the Spanish Traffic Authority for:

- New equipment and system adaptation for the Spanish Speed Limit Violation Network, complementing the system provided in 2005.
- Technical services and maintenance of systems and equipment for the Traffic Control Centre in Seville.
- The migration of system hardware and software and the installation of the new Madrid Traffic Control Centre.
- The maintenance of mobile traffic counting equipment.

- Completion, for the Madrid City Council, of the SICTRAM project, including the integration of traffic data and a top-level GIS-based information system.

- Completion, for the Catalan Government, of the Tunnel Control Center in Vic, and the upgrading of the tunnel control systems

- Completion, for the Tabasa-Cadi concessionaire, of the new Tunnel control system in Tabasa.

- Inauguration, for Metro de Madrid, of the security and control center for lines 3 and 5, together with the extension of ticket vending machines.

- Contract, with MINTRA, for the supply and installation of 57 new ticket vending machines, 20 of which, featuring electronic payment.

- Contract, with MINTRA, for the supply and installation of vending machines and toll access control to be used in light-trains in Colonia Jardin-Pozuelo and Colonia Jardin-Boadilla.

- Contract, with RENFE Cercanías, for the supply and installation of access control solution in the Recoletos, Parla and Las Rozas stations, including combined use of magnetic and contact-free technologies.

- Completion, with FEVE, of the updated Railway CTC system in Santander, based on TR3000 solutions.

- Contract, with Inabensa, for the supply of a Passenger Information System and a Trains Identification System to be implemented in the new Metro Norte of Metro de Madrid, including 57 message signs and 15 beacons.

- Contract, with Electrans, for the supply and installation of fixed equipment control system for the new light-train of Alicante.

- Contract, with Cobra Instalaciones y Servicios S.A., for the supply and installation of the parklot management system in Santiago de Compostela Airport.

- Completion, for the Guipuzcoan Interurban Bus consortium, of the ticketing and tariff integration center, using contact-free and 'ultralight' cards.

In North America:

- Contract with the Chicago Skyway Concession, in the United States, for the implementation of the latest generation technological solution for integral toll management (SmartTOLL), which will enable real-time monitoring of traffic flow and traffic incidents.

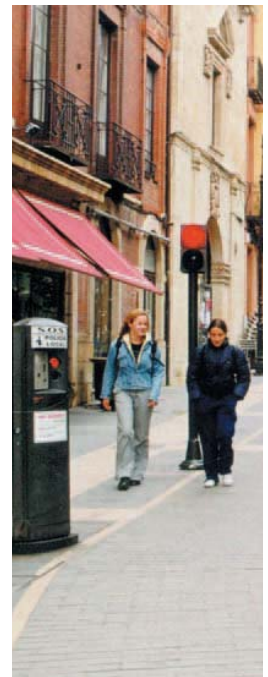
- Contract with the Traffic Department of the State of Virginia to provide operation and consultancy services for the Smart Traffic Control Center in northern Virginia, for a five year period.

- Contract with the Department of Transport for the State of Missouri, United States, to provide operation management support for its traffic control system, known as "Gateway Guide", in Saint Louis, Missouri, United States. Over a maximum of four years, Telvent will provide system operation and monitoring personnel, and continuous training on incident management techniques, basic procedures and advanced operational techniques to enhance the techniques employed in the Traffic Control Center.

- Completion of the San Francisco Bay Area's Metropolitan Transportation Commission's TravInfo® 511 traveler information system, and a two-year extension of the contract to operate and enhance the system. The system features travel information, including drive times, via a public website and a 511 interactive voice response telephone system.

- Delivery of a regional traveller information sharing system for the New York City metropolitan region through the TRANSCOM organization. This system features use of Telvent's SmartNET software platform. It also serves a 16 state region through the I-95 Corridor Coalition.

- Delivery of a fog warning system for the Pennsylvania Turnpike Commission. This system features Telvent's MIST® software platform, and received the Best New Product or Service



award at the 2006 ITS America Annual Meeting.

- In a key subcontracting role, awarded the development of enhancements to the Maryland State Highway Administration's CHART Software, continuing Telvent's relationship with this client and support of this system, which began in 1997.
- Awarded contracts to operate traffic management centers in Hudson Valley, NY; Northern Virginia; and St. Louis, Missouri. Telvent is now providing traffic management system operations services in 10 locations across the US.
- Awarded a contract by the Michigan Department of Transportation to install a traffic management system in eastern Michigan. This project extends the array of services that Telvent offers its clients to include field installation and integration.

In Latin America:

- Contract, with the Transport Secretariat of Sao Paulo, in Brazil, for the upgrade of the traffic control system in zones CET3 and CET4, including management of 300 critical intersections, based on ITACA traffic control system.
- Completion, for the Rosario City Council, in Argentina, of the red-light and speed enforcement system, together with the urban traffic control maintenance contract.
- Completion, for the City Council of Belo-Horizonte, in Brazil, of the new ITACA traffic control system, with 270 intersection, cameras and message signs.
- Contract, with Centrovias, in Brazil, for Phase II of the Traffic Management System, including new equipment and facilities.
- Contract, with Rodovia das Colinas, in Brazil, for Phase II of the Traffic Management System, including new equipment and facilities.
- Operational start-up of the ticketing system, with contact-free technology, and implementation of the passenger information system for the railway line Caracas-Cua, in Venezuela.
- Inauguration of the TR3000-STA system for Metro de Valencia, in Venezuela, allowing lift/escalator control, energy, ventilation and video-monitoring in stations, based on Telvent's OASyS DNA software solution.
- Contract, with Siemens AG, in Mexico, for the supply and installation of a complete ticketing solution in the Metro of Monterrey L2, and

implementation of contact-free solutions for the L1 and L2 zones.

- Contract, with Metro de Sao-Paulo, Brazil, for the supply and installation of a complete digital communications solution in Line C, including, access control, telephony, and radio.

In Asia – Pacific:

- Contract, with the JinCheng City Council, in China, for the new urban traffic control system, based on the ITACA adaptive solution.
- Completion, for the Fushun City Council, in China, of the new ITACA adaptive urban control center, and camera monitoring and red-light enforcement system.
- Extension of the access control, video-monitoring and inspection systems for the Shenzhen International Airport, in China.
- Contract with Nava Thai Kruang Sanam Co. Ltd, of Thailand, for the implementation of a latest-generation system for detecting red traffic light infractions, in Bangkok.
- Completion, in Kuala-Lumpur, Malaysia, of the Integrated Traffic Control System, based on the ITACA solution.
- Contract, with Bayannur City Council, for the provision of an ITACA adaptive traffic control system, video-monitoring, red-light enforcement and GPS monitoring.
- Inauguration, for Tianjin Metro L1, in China, of the ticketing management system, with contact-free cards, including tariff integration for intermodal transport companies (bus, light-train, metro and taxis).

Environment

In 2006, in the Environmental Area, Telvent managed to consolidate its international presence, strengthen its position in new markets and ensure the loyalty of its main Spanish clients.



Accumulated sales were up 50% from the previous year.

Among the most important projects awarded in the area of aeronautical meteorology were the modernization of the Spanish and Moroccan weather radar networks and the contracts for the supply of weather observation systems for eleven of the largest airports in Venezuela and five of the largest airports in Argentina. Attention must likewise be called to the supply of a weather data extraction system in the Netherlands, as it is the first reference of its kind for Telvent.

Another flagship project awarded in 2006 was the contract for the supply of an information system to manage and guarantee the drinking water supply in the Turkish city of Bursa. In the same vein, the Catalan Water Agency awarded Telvent a contract for maintenance of the regional water control system it manages, which marks Telvent's entrance into the Catalan water market.

With regard to environmental protection, attention should be called to the major contract awarded for maintenance of the Andalusian environmental quality monitoring networks, both for its scope and economic importance.

Finally, as regards the integration of the company Almos Systems, acquired in 2005, it should be noted that Telvent rose to the challenge, transforming the company into one of its main competitive advantages in the aeronautics sector. It was thus able to enlarge its market both geographically and strategically, increasing its presence in Europe and penetrating such attractive emerging markets as Asia.

Most Relevant Projects

Within the Environmental sector, the most important project awards in 2006 include:

In Europe:

- Contract with the General Directorate of the Bursa Water and Sewerage Administration (BUSKI) in Turkey to provide an information system that will manage and guarantee the supply of drinking

water to the city. Telvent will install, operate and maintain an information and communications system for the water supply network that serves the metropolitan area of Bursa, an important agricultural and industrial city located 100 kilometers from Istanbul. The project will significantly improve the quality of drinking water in Bursa.

- Contract with the Spanish National Meteorological Institute (INM) to modernize its radar observation system. The project involves the supply, installation and commissioning of the hardware and software systems for the control and processing of data from INM's fifteen weather radar sites in Spain. The project moreover includes the supply of a National Center to concentrate the data from all radars and other information sources (satellites, etc.) and generate enhanced meteorological products. It is the most important project and largest outlay made by the INM in its Observation Network in recent decades and consolidates Telvent's position as leader in Weather Information Systems.
- Contract with the Government of Andalusia's Department of the Environment in Spain for maintenance of the Andalusian Environmental Quality Monitoring and Control Network (2006-2008). Telvent was awarded the contract for Andalusia's Air and Water Quality Monitoring Network (RVCAH), the largest and best-equipped environmental quality monitoring network in Spain. In strategic terms, the contract affords Telvent the key reference of overseeing the maintenance of the country's foremost RVCAH.
- Contract with LVNL (the Dutch ATC) for the implementation of a weather data extraction system. The system will receive data through the meteorological information channel, process them and deliver the information to a PC. This is the first time Telvent has provided such a system, and the reference thus opens up a new array of opportunities for similar projects.
- Contract with the Catalan Water Agency in Spain for maintenance of the Muga, Fluviá and Bajo Ter river basin water control systems. The services include preventive, corrective and evolutionary maintenance of the comprehensive stations used to measure water levels, flow rates and other water management data. The contract marks



the start of work on a new service model for hydrometeorological networks. This SLA-based outsourcing model, which Telvent has used with other projects in the past, is geared toward the purchase of quality-certified data rather than payment for the infrastructure and related maintenance services.

- Contract with the Spanish National Meteorological Institute for the installation of two weather information systems at Madrid-Barajas Airport. The new equipment, which incorporates the latest technological advances and meets all World Meteorological Organization (WMO) and International Civil Aviation Organization (ICAO) operating recommendations, will optimize aircraft landing and take-off maneuvers even in conditions of extremely low visibility. It moreover enables the display of information in the control towers. The project is one of the largest investments ever in such a system in Spain and makes Madrid-Barajas one of the best equipped airports in Europe.
- Contract with Systems Interface Ltd. for the supply and installation of the double-base RVR systems for Robin Hood Airport in Doncaster-Sheffield and John Lennon Airport in Liverpool, England. Both airports will be equipped with systems comprised of one server and 2 clients to show the data supplied by the RVR. Telvent will provide the systems, see to the commissioning, hold training courses and conduct acceptance testing. This is a major contract, as it is one of the first references for Revolver in Western Europe.
- Contract with AENA for the supply, installation and commissioning of an air quality control center and three emission monitoring stations at Barcelona airport. The control center's management system will provide information on air quality in the airport's proximity directly to the Catalan government's Directorate General for Environmental Quality.
- Contract with Aeropuertos Españoles y Navegación Aérea (AENA) in Spain for the supply and turnkey installation of an automatic VOLMET (Meteorological Information for Aircraft in Flight) system. The system collects the meteorological data from airfields and generates voice messages that are broadcast automatically by radio to aircraft en route within the air space controlled by the Air Traffic Services.
- Extension of the contract for maintenance of the Spanish National Meteorological Institute's (INM's) weather radar network until December 31, 2006. Telvent has been providing this service continuously since 1997. The service includes maintenance of the fifteen radar sites that comprise the INM's current network, as well as the radar information systems at the regional meteorological centers and national headquarters in Madrid.
- Contract with the Spanish National Meteorological Institute (INM) for the supply and installation of aeronautical meteorology equipment for the replacement and enhancement of airfield weather observation systems. With this project, INM will standardize and upgrade the instruments and weather observation systems at all forty airfields.
- Contract with the U.K.-based System Interface Ltd. for the installation of an AWOS at the American Al Rasheed Air Force Base in Iraq. Al Rasheed Air Force Base is eleven kilometers southeast of Baghdad and 8,300 feet long. The AWOS supplied by Telvent will be comprised of a weather station, basic sensors and a combined server/client system.
- Contract with the Swedish Meteorological and Hydrological Institute (SMHI) for the supply of the new central data acquisition software (Project Nemo).
- Contract with the Dutch Air Force in Holland for the supply, installation and commissioning of an airport information system (ATIS) at Eindhoven airport, used for both civilian and military traffic. The contract includes the provision of maintenance services for 15 years and hardware upgrades at 7 and 12 years.

In North America:

- S331 Pumping Plant for South Florida Water District, through the Corps of Engineers. This job will see Telvent work with the Corps of Engineers to design, build and install the first of several pumping plant control systems for the water district. The system will be used as a prototype for the future plants and will integrate with the present OASyS system while providing new functionality.
- City of Calgary upgrade for the water control system. Telvent continues its long relationship with the City of Calgary by being awarded a contract



to upgrade the distribution system for the new treatment plant distribution system. This system is being installed in the new plant to handle the expanding distribution system and also be available for back-up emergency operations of the other Telvent control system should there be a major power failure.

In Latin America:

- Contract with the Ministry of the Environment and Natural Resources of the Bolivarian Republic of Venezuela within the framework of the National Hydrometeorology Forecasting System Modernization Program (Project Venehmnet) for the supply of weather observation systems to eleven of the country's largest airports. The systems will be installed at Barcelona, Barquisimeto, Maracaibo, Porlamar, Puerto Ordaz, Maiquetía, Valencia, El Vigía, Charallave and San Cristóbal airports, as well as at Libertador Air Force Base (Palo Negro–Maracay, Aragua State). For Telvent, this project, along with the recent opening of Telvent Venezuela, reaffirms its commitment to growth and reinforces its South American presence.
- Contract with the International Civil Aviation Organization (ICAO) in Argentina for the supply of automated weather observation systems (AWOS), with visibility and runway visual range (RVR) measuring, to the Argentine Aeronautics Authority. Under this contract, Telvent will equip Argentina's five largest airports (Mar del Plata, Mendoza, Córdoba, Resistencia and Eizeiza) with state-of-the-art weather observation systems. The contract allows Telvent to enter the Argentine meteorology sector and reaffirms its position as the sector's leading provider.
- Contract with Furnas Centrais Eléctricas S.A. in Brazil for the supply, operation and maintenance of an air quality and weather data monitoring station. This is the first contract awarded to Telvent in the Brazilian air quality sector and is thus a major opportunity for growth in a market that has yet to be tapped.

In Asia-Pacific:

- Contract with FESA (Fire Emergency Services Authority) in Australia for the one-year renewal of the service outsourcing contract. Telvent Australia

and FESA have once again renewed, for one year, the contract for maintenance and enlargement of the SCADA fire alarm system deployed throughout the state of Western Australia, as well as for the related administrative management and customer billing. This service began in 1998 with a 5-year contract that has been renewed for three additional, consecutive years, offering proof of the trust placed by clients in Telvent Australia and allowing us to retain a major reference for our service outsourcing strategy.

- Contract with Melbourne International Airport in Australia for the supply, maintenance and guarantee of six Revolver transmissometers for its installations.
- Contract with the India Meteorological Department (IMD) in India for the supply of an automated weather observation system (AWOS), a terminal information system (ATIS) and three RVR systems at Mumbai airport. This contract forms a part of a major project for the installation of AWOS systems at seven Indian airports.

Middle East and Africa:

- Contract with the Directorate General of Civil Aviation (DGCA) in Kuwait to extend the current contract for the supply of a meteorological data-processing (MDP) system. The contract signed by Telvent Australia with the DGCA for the supply of an MDP system was extended to include the provision of specialized training for DGCA personnel in order to familiarize them further with the settings and technical design of the solution we are developing.
- Contract with the Directorate General of Civil Aviation (DGCA) in Kuwait to provide operation and maintenance services for the low-level wind-shear alert system (LLWAS) at Kuwait City International Airport for one year.
- Contract with the Border Guard's Department of Aviation Affairs in Saudi Arabia for the supply of four automated weather observation systems (AWOS) and the RVR system at four Saudi Arabian airports: Batha, Shabitah, Ardah and Thabaloten.
- Contract with the Direction de la Météorologie Nationale (National Meteorology Office) in Morocco for the modernization of its weather radar network. The contract includes the supply,



installation and commissioning of the control and data-processing hardware and software systems for the five weather radar sites comprising the Moroccan National Radar Network, equipping them with the latest technology on the market. This project is one of the largest contracts to be awarded to Telvent at international level for the upgrade of a full weather radar network.

Public Administrations

Through its projects in the field of e-Government, Telvent carved out a strategic position for itself in 2006 in relation to the technological evolution and development initiatives being undertaken by the different Spanish public authorities. These are major projects with high social impact and entail a decisive step forward for these institutions. The transition from the traditional model of government to an e-Government model will allow them to enhance the efficiency of their relationships both among themselves and with citizens.

With projects such as the development and implementation of the corporate e-signature and authentication system for the Central Administration (currently the only platform able to authenticate the electronic version of the Spanish ID document (DNI)) and "Avanza Padrón" (Advance Census—a single integrated information system covering all functions involved in local census management), Telvent has consolidated its position as a leading technology provider for Public Administration in the development of comprehensive solutions tailored to current needs—that is, closer, more agile and more efficient services for citizens and other administrations.

In 2006, Telvent also entered several new market niches. One such niche is that of information systems relating to statistics management. Through the large-scale project for the replication of statistical data deemed critical by the Spanish National Institute of Statistics (INE), the doors have been opened to similar implementations in the future with high potential for diversification overseas.

Telvent likewise improved its positioning in the market for information systems applied to citizen

security and defense, specifically in the border checkpoint sector. The project for the Spanish Directorate General of Police, entitled "Document Authentication System," will be submitted to the European Union by the Directorate itself. Its current deployment means Spain will spearhead the European Union in this field, making it leader in a border-control systems applicable to all of Europe.

With regard to Health, thanks to its TiCares product strategy, Telvent has strengthened its presence in the Spanish market. In 2006, Telvent developed projects to provide internationally acclaimed, high-level, global solutions in the sphere of healthcare information and management systems, and it continues its work in this field today. The company has likewise built up the hospital applications park in Andalusia through the Andalusian Health Service (SAS), thereby consolidating a line of infrastructure in which it is already the regional leader. Through its PACS Radiology Imaging system, Telvent will make it possible for the SAS to manage the medical imaging of over seven million people, making it one of the largest such systems in terms of storage volume worldwide. Finally, mention must be made of the Cantabrian Health System, where TiCares will be used to manage regional residents' complete medical records, from check-ups to surgery, in addition to all multimedia records (sound, graphics, images and video) contained in their clinical history.

Through these and other projects designed in keeping with the new philosophy of e-Government, Telvent positioned itself in 2006 as a reliable technological partner for the Public Administration's digital processes.

Most Relevant Projects

Within the Public Administration sector, the most important project awards in 2006 include:

In Europe:

- Contract with Curia Bética de la Orden Hospitalaria de San Juan de Dios (Hospital Order of St. John, Bética Curia) in Spain for the upgrade of the Hospital Management Systems at 14 hospitals in Andalusia. This project marks the first comprehensive implementation of Telvent's TiCares solution for integral hospital management.



- Contract with the Andalusian Health Service (SAS) in Spain to provide support to Telvent hospital applications through the global TiCares suite at 16 Andalusian hospitals. Among the systems to be maintained, three key areas stand out: PAS, the Patient Administration System; CIS, the Clinical Information System; and DIS, the Departmental Administration System. The project further establishes Telvent's hospital applications park in Andalusia.
- Contract with Virgen del Rocío Teaching Hospital to supply the new center with information and communication technologies, wiring and backbone. This contract entails the complete renovation of the hospital's technological infrastructure, affecting all current services and enhancing the communications network and data-processing center, which will become Andalusia's largest communications network and data-processing center at the hospital-wide level.
- Contract with the Cantabrian Health Service for the development of an Outpatient Management System in Cantabria, Spain. Through this project, which entails the provision of global healthcare information system solutions in the Autonomous Community of Cantabria, Cantabria seeks to become a national and international leader in the implementation of healthcare information and management systems.
- Contract with the Guadalquivir River Basin Authority (CHG) in Spain for enlargement of the online public regional information system: "Geoportal al Ciudadano." The contract includes the design and commissioning of CHG's spatial information infrastructure and the development of a geo-portal to facilitate access by citizens and other public and private bodies to the basin's regional and geo-spatial data and applications. This contract extends and consolidates Telvent's first major reference in the area of Geographical Information Systems for the Spanish River Basin Authorities.
- Contract with the Spanish Ministry of Public Administration for the creation of a nationwide corporate e-signature platform for future implementation in all Autonomous Communities. The leap to the European Union is expected to be made in 2007. The platform is the result of an agreement signed between the Andalusian

Government and the Ministry of Public Administration (MAP). Telvent's e-signature platform is already in place at the corporate level in the Andalusian Government. In light of its success, it will begin to be implemented in the MAP and may be extended to the Central Administration and the rest of the Autonomous Communities. Currently, it is the only platform capable of authenticating the electronic version of the Spanish national ID document (DNI).

- Contract with the Innovation and Employment Agency of Seville in Spain to develop a joint Geographical Information System for those of the city's municipal companies that participate in the provision of municipal services to citizens (EMASESA, EMVISESA, LIPASAM and TUSSAM). The development of specific geographical information solutions for each member company of the Seville Economic Interest Grouping will likewise be sought.
- Contract with the Spanish National Institute of Statistics (INE) for replication of those statistical data deemed critical for the INE. This project opens the door for similar implementations in the future and has high potential for diversification in the foreign market.
- Contract with the Ministry of Industry, Technology and Science in Spain for the study, design and development of the "Avanza Padrón" (Advance Census) project. This project includes the development of a single database to allow the Spanish National Institute of Statistics (INE) to manage the census at the national level, as well as a local census application.



Outsourcing

One of the most important acts of 2006 was the integration of all outsourcing services into an outsourcing and consultancy only business. In this way, a strategic segment for Telvent was concentrated, consolidated and promoted as a single unit.

Telvent has now a more fully-developed outsourcing services structure that will enable the company to provide better services and a fully integrated technology outsourcing experience over the whole life cycle of the service. This is possible due to the full development of the consulting and technology integration services, which are now central in Telvent's portfolio.



Most Relevant Projects

Within the Outsourcing segment, the most significant project awards during 2006 include the following:

In Europe:

- Contract with Ferrovial, in Spain, for the outsourcing of its computer systems. The project lies in moving one part of the computer systems from Ferrovial to the facilities that Telvent has in Madrid so that the customer can perform his usual activities using bigger and better quality systems than currently. This contract allows Telvent to continue its introduction into the building market with Ferrovial being one of the main infrastructure groups in the world, due to profitability and stock-market compounding.
- Contract with ING Group, S.A. in <, for platform accommodation to offer contingency services and in this way be able to provide continuity to the systems' business and jobs contingency. This project is dependent on Telvent having one of the main banks in its installations, once again proving the confidence that the financial sector is putting in Telvent.
- Contract with Rabobank in M2 for platform accommodation to give contingency services and in this way be able to provide continuity to the systems business and jobs contingency.
- Contract with Electronic Trade Transactions in Internet (TICE, S.A.) to offer a global outsourcing service of the technologic architecture that gives support to "entradas.com" business. The project necessitates that the customer switch from its current supplier and represents an example of the kind of global outsourcing projects that Telvent is doing.
- Contract with University Cooperation Office, in Spain, to install the computing platforms of the Polytechnic University of Madrid, Alcalá de Henares, Juan Carlos King, Carlos III and Pablo Olavide in Valgandre centre.
- Contract with Huawei Technologies Spain, in Spain, for the accommodation of a laboratory and a technical centre.
- Contract with Seville City Council in Spain for the Support and Continuity Centre BRS to house Seville City Council computer teams and technical assistance.
- Contract with Business Public Organization Red.es in Madrid for operation and management services for the systems that allow Red.es to optimize and improve the quality of the services rendered to the citizens. These services along with others that Telvent renders to this organization prove the confidence that Red.es has in Telvent for the outsourcing of its operation.
- To these projects we can add the ones carried out with Skandia STC AIE, Autonomous IT Entity of the Regional Government of Madrid, Randstad, The National Energy Commission, National Security Commission, Maroc Connect and Minister of Interior.

