Consolidated Analytical Report

The objective of the analytical information, outlined as follows, is to provide interested parties with further details of the different Business Divisions that make up Abengoa. In certain cases, in order to facilitate the detailed internal analysis, the information follows "aggregate" criteria instead of consolidation criteria.

With the goal of improving the comparability and understanding of the financial information shown in this report, the figures corresponding to the balance sheets and the income statement of the years 2008 and 2007 are presented excluding the Information Technologies business unit, as stated in Note 14 (Non Current Assets and Liabilities held for sale) of the Consolidated Financial Statements of Abengoa.

Relevant items

In 2008 financial year, Abengoa reached growths in its main items of the Income Statement. All Abengoa's Business unit increased their sales and Gross Operating Flow figures over the 2008 financial year.

On 19 November 2008, Abengoa, S.A. published a Significant Event that was notified to the Spanish National Securities Market Commission (CNMV), which stated that as a result of the interest expressed from certain entities, the company had begun a process to potentially sell its stake in Telvent GIT, S.A.

Taking into account the significant relevance of the activities belonging to Abengoa's information technology business, the sale of this shareholding is considered as a discontinued activity to be reported as such, in accordance with the terms and requirements of IFRS 5.

With the goal of improving the comparability and understanding of the financial information shown in this report, the figures corresponding to the balance sheets and the income statement of the years 2008 and 2007 are presented excluding the Information Technologies business unit, as stated in Note 14 (Non Current Assets and Liabilities held for sale) of the Consolidated Financial Statements of Abengoa. It is important to point out thtat the eventual sale of Telvent G.I.T., S.A. does not assume the transfer by Abengoa of all its share holdings and activities associated with the Information Technology business unit which are undertaken through other entities, and would retain part ownership of these in its name.

Sales

Abengoa's consolidated Sales to December 2008 were 3,114.5 M€ a 17.3% increase on the previous year (2,655.8 M€).

Consolidated Sales (M€)	2008	% Var. (07-08)	2007
Solar	65.0	266.6	17.7
Bioenergy	830.1	35.3	613.7
Environmental Services	873.4	13.5	769.7
Information Technologies	696.9	16.7	597.2
Industrial Engineering and Construction	1,993.5	28.9	1,546.6
Eliminations in Industrial E&C works (**)	(689.7)	-	(330.5)
Total Pro-forma Consolidated Sales	**3,769.2**	**17.3**	**3,214.5**
Interrupted activities	(654.7)	17.2	(558.7)
Total Consolidated Sales	**3,114.5**	**17.3**	**2,655.8**

(*) Include corporate activity and consolidation adjustments
(**) Eliminations in Industrial Engineering and Construction for the internal works of not concessional proyects

All Abengoa's Business unit increased their sales over the 2008 financial year.

Gross Cash Flows

Gross Operating Flows (*) (M€)	2008	%Var. (07-08)	2007
Solar	40.6	326.2	9.5
Bioenergy	111.6	39.8	79.8
Environmental Services	157.8	27.4	123.8
Information Technologies	81.0	44.8	55.9
Industrial Engineering and Construction	236.3	28.9	183.3
Total pro-forma Gross Operating Flows	**627.2**	**38.7**	**452.4**
Interrupted activities	(81.9)	34.7	(60.8)
Total Gross Operating Flows	**545.3**	**39.3**	**391.5**

(*) Earnings before interest, tax, depreciation and amortization, adjusted by the works flows done for own fixed assets.
(**) Include corporate activity and consolidation adjustments

The Gross Cash Flows from Operating Activities figure is 545.3 M€, which is a 39.3% percent increase on the previous year's figure.

Gross Operating Cash Flows, excluding companies without recourse, totalled 297.4 M€, representing an increase of 48.4% compared to 2007. Including discontinued activities the amount would be 370.4 M€

EBITDA

EBITDA (M€)	2008	%Var. (07-08)	2007
Solar	9.2	-8.6	10.1
Bioenergy	90.7	67.0	54.3
Environmental Services	157.8	27.4	123.8
Information Technologies	81.0	44.8	55.9
Industrial Engineering and Construction (*)	236.3	28.9	183.3
Eliminations in Industrial E&C works (**)	(33.8)	-	(43.7)
Total pro forma EBITDA	**541.2**	**41.0**	**383.7**
Interrupted activities	(81.9)	34.7	(60.8)
Total EBITDA	**459.3**	**42.2**	**322.9**

(*) Include corporate activity and consolidation adjustments
(**) Eliminations in Industrial Engineering and Construction for the internal works of not concessional proyects

EBITDA for 2008 increased by 42.2% to 459.3 M€ compared to 322.9 M€ in 2007.

The contribution of the different business units to the formation of the main items of Abengoa´s Income Statement is as follows:

	Solar	Bioenergy	Environ. Services	Information Technologies	Industrial E & C	Adjustments (*)	Total Pro Forma	Interrupted Activities	Total
Sales (M€)	65.0	830.1	873.4	696.9	1,993.5	(689.7)	3,769.2	(654.7)	3,114.5
Var. % o / 2007	266.5%	35.3%	13.5%	16.7%	28.9%		17.3%	17.2%	17.3%
Gross Operating Flows (M€)	40.6	111.6	157.8	81.0	236.3	-	627.2	(81.9)	545.3
Var. % o / 2007	326.2%	39.8%	27.4%	44.8%	28.9%		38.7%	34.7%	39.3%
% Gross Operating Flows o/ Sales	62.5%	13.4%	18.1%	11.6%	11.9%		16.6%	12.5%	17.5%
EBITDA (M€)	9.2	90.7	157.8	81.0	236.3	(33.8)	541.2	(81.9)	459.3
Var. % o / 2007	-8.6%	67.0%	27.4%	44.8%	28.9%		41.1%	1.0%	42.3%
% EBITDA o / Sales	14.2%	10.9%	18.1%	11.6%	11.9%		14.4%	12.5%	14.7%

(*) Eliminations in Industrial Engineering and Construction for the internal works of not concessional proyects

Net Income

The earnings after tax attributable to the parent company reached 140.4 M€, which is a 16.6% percent increase on the previous year's figure of 120.4 M€.

Earnings per share for 2008 were 1.55 €/share distributed in the following way:

- Earnings per share from continuous operations: 1.26 €/share
- Earnings per share from discontinued operations: 0.29 €/share

Analysis of the Consolidated Income Statement

A summary of the Consolidated Income Statement of Abengoa at the closing of 2008 and 2007, with the main variations per item, is given below:

Summary of Income Statement (M€)	2008	%Var. (07-08)	2007
Net Turnover	3,114.5	17.3	2,655.8
Operating expenses	(3,182.1)	42.6	(2,232.0)
Other operating Income and Expenses	363.7	n.a.	(190.4)
Operating Profit	**296.1**	**26.9**	**233.4**
Financial Profit	(293.9)	130.2	(127.7)
Participation in Profits of Associated Companies	9.4	121.2	4.2
Consolidated Profit Before Tax	**11.7**	**-89.4**	**109.9**
Corporation Tax	115.2	-1.244.5	(10.1)
Profit fot the year from continuous operations	**126.9**	**27.0**	**99.9**
Profit for the year from discontinued operations	38.9	8.3	36.0
Profit attributable to minority interest	(25.4)	64.6	(15.4)
Profit attributable to Parent Company	**140.4**	**16.6**	**120.4**
Earnings per share (€)	1.55	16.6	1.33

The following comments are made concerning the main variations in the income statement.

- 17.3% increase in net turnover, reaching a sum of 3,114.5 M€. All of Abengoa's business areas increased their sales during the year, although the start of operations of the ATE III transmission line concession in Brazil, the ethanol plants in France and Nebraska and the construction of solar projects for third parties were all especially significant.

- The increase in other revenues and operating expenses was mainly due to the greater volume of work carried out on fixed assets as a result of the construction of the internal projects for ethanol plants (mainly Indiana, Illinois, Rotterdam and France) and solar plants (PS 20, Solnova 1, Solnova 3 and Solnova 4).

- At the end of 2008 provisions of 58 M€ were recorded against operating income to provide sufficient coverage for specific risks associated with the evolution of business outside of Spain in the industrial construction and engineering activity, primarily in Brazil. Some 68 M€ was recorded as a deduction for export activities against Other Operating Revenues, in accordance with IAS 12 (for more details see note 20.2 in the report).

- Operating income totalled 296.1 M€, representing a margin over sales of 9.5% and an increase compared to the 233.4 M€ (8.8% over sales) of the previous year. It is important to note that the operating results include the investments made by Abengoa in R&D & i recorded, excluding interrupted activities, as 44.5 M€ in the income statement, as against 21.0 M€ in 2007 (112.2% increase).

- Financial income went from -127.7 M€ in 2007 to -293.9 M€ in 2008 primarily due to the increase in the benchmark interest rates during the year and the increase in financial expenses from projects financed with non-recourse financing arrangements. It is important to highlight that the depreciation in the Brazilian Real during the year against the US Dollar has led to higher book financial expenses (which is not a cash outgoing), as a result of the conversion of the Dollar denominated debts into local currency in the transmission lines business, which increased financial expenses by 90 M€. This devaluation has been partly offset by hedging through the sale of Brazilian Real options. In addition to all of the above, provisions of 65 M€ were recorded against financial income for the negative valuation of financial instruments related to interest rate and exchange rate derivatives that do not meet all the requirements of IAS 39 in order to be classified as hedging instruments.

Financial Results detail (M€)	2008	2007
Brl Exchange options sale	56.3	
Brl Devaluation	(90.0)	18.2
Derivative Instruments negative valuation	(64.9)	(3.1)
Other Financial Results	(195.3)	(142.8)
Net Financial Loss	**(293.9)**	**(127.7)**

- The consolidated result before tax (11.7 M€) is understandably affected by the adjustments mentioned in the previous paragraphs and other items which are detailed in the following table:

Profit before income tax (M€)	2008	Var. (07-08)	2007	Note	Cash or Non-cash effect
Profit before income tax (M€)	11.7	-89.4%	109.9		
Other income (DAEX)	68.4		-	20.2	Non-cash
Non-cash provision for risks	(58.1)		(48.7)	18.1	Non-cash
Stock compensation plans	(16.6)		(9.7)	2.20.2	Non-cash
R&D effort	(44.5)		(21.0)	4.2	Cash
Brl / $ Fx option profit	56.3		-	33	Cash
Non-cash Fx loss ($ debt in Brazil)	(90.0)		18.2	33	Non-cash
Non-cash charge for derivatives	(64.9)		(3.1)	11	Non-cash
Profit from discontinued activities	46.5		40.2	14	Non-cash
Contribution from new projects	(45.3)		(13.6)		Cash/Non-cash.
Total homogeneous adjustments	(148.2)		(37.7)		
Homogeneous profit before tax	**159.9**	**8.3%**	**147.6**		

- An important aspect in relation to corporate income tax is the application of the Export Activity Deduction (Deducción por Actividad Exportadora; DAEX) in 2008 as a result of investments abroad by Abengoa; the investment and dedication to R&D&i activities (Abengoa is the 7th ranked Spanish company for R&D investment according to a report by the European Commission); the contribution to Abengoa's profit of income from other countries; as well as prevailing tax legislation.

- Profit attributed to the parent company grew by 16.6% in financial year 2008 to 140.4 M€, which means earnings per share of 1.55€ (16.6 % increase on 2007).

For further information, please see the Consolidated Income Statement and the Notes to the Consolidated Annual Accounts.

Analysis of the Consolidated Balance Sheet

A summary of Abengoa's Consolidated Balance Sheet at the end of the 2008 and 2007 financial year, with the main variations in the Balance Sheet, is shown below:

Summary of Balance Sheet (M€)	2008	%Var. (07-08)	2007
Intangible Assets	1,942.6	-0.5	1,952.2
Tangible Fixed Assets	2,399.1	50.1	1,597.9
Financial Investments non-currents	765.7	102.2	378.8
Current Assets	3,654.8	3.8	3,522.6
Assets of interrupted activities	1,032.3	56.7	658.7
Total Assets	**9,794.6**	**20.8**	**8,110.2**
Equity	627.5	-21.3	797.5
Non-current Liabilities	4,775.0	18.9	4,017.1
Current Liabilities	3,635.3	29.1	2,815.8
Liabilities of Interrupted activities	756.8	57.8	479.7
Total Liabilities	**9,794.6**	**20.8**	**8,110.2**

- Fixed assets increased primarily from the construction of solar and biofuel plants.

- The increase in financial investments is mainly derived from the figure for higher deferred taxes due to the application of the Export Activity Deduction (Deducción por Actividad Exportadora), deductions for the R&D&i carried out by the Group and other tax credits. The contribution of financial derivatives was also significant (99.8 M€ in 2008 vs. 0.7 M€ in 2007).

- Shareholders' equity has fallen by 21.3% to 627.5 M€, mainly due to the impact of exchange rate differences from the depreciation of the Brazilian Real and the negative evolution of exchange rate derivatives.

- On the liabilities side of Abengoa's consolidated balance sheet, it is worth noting the 18.9% increase in Non-current liabilities resulting mainly from the increase in long term non-recourse financing. There was also an increase in provisions for other liabilities and expenses that rose from 124.2 M€ in 2007 to 184.6 M€ in 2008, primarily due to the aforementioned provision of 58 M€ to cover specific risks in the evolution of the businesses outside of Spain.

- At consolidated level, Net Debt amounted to 486.4 M€, compared to a net debt position of 285.2 M€ on 2007.

For further information, refer to the Consolidated Balance Sheet and the Notes to the Consolidated Annual Accounts.

Analysis of the Consolidated Cash Flow Statement

Net cash flows from operations increased by 62% to 705.1M€ compared to 436.2 M€ the year before. The management of working capital during the year is a key aspect in producing these flows and in 2008 it generated 475.2 M€ in cash (168.0 M€ in 2007).

Consolidated Cash Flow Statement (M€)	2008	%Var, (07-08)	2007
Cash generated by operations	229.9	-14	268.2
Variations in Working Capital	475.2	183	168.0
Net Cash Flow from Operating Activities	**705.1**	**62**	**436.2**
Investments	(1,745.8)	40	(1,247.8)
Divestments	167.8	23	136.2
Net Cash Flow from Investment Activities	**(1,577.9)**	**42**	**(1,111.6)**
Net Cash Flow from Financing activities	547.7	-59	1,329.1
Net increase / reduction in cash and equivalents	(325.2)	-150	653.8
Cash or cash equivalent at the start of the year	1,658.9	65	1,005.1
Cash in Banks at the Close of the Year	**1,333.7**	**-20**	**1,658.9**

In terms of net cash flows from investment activities, the most significant investments were in the construction of ethanol plants in Europe and the U.S.A.; in solar thermal and photovoltaic plants in Spain; and in the construction of desalination plants and high-voltage lines in Brazil.

In terms of net cash flows from financing activities, it is worth noting that Abengoa managed to arrange financing for 902.1M€ under difficult financing conditions, taking the figure for net cash flows from financing activities to 547.7 M€.

Performance of business unit

Analysis of the Solar business unit Income Statement

During 2008 Abengoa Solar put three new photovoltaic plants into operation with a total of 9.5 MW of capacity in addition to the 11 MW with solar thermal tower technology (PS 10) and the 2.2 MW with photovoltaic technology (Copero and Sevilla PV) that we had in 2007.

Furthermore, under construction Abengoa Solar has 170 MW in 4 solar heating plants (one of 20 MW, with tower technology, and three parabolic trough collectors plants) in the Solúcar platform located in Sanlúcar la Mayor (Sevilla). On the other hand, construction of a 150 MW hybrid gas-solar plant is under way in Algeria.
It is worth highlighting that in the current highly complex financial environment Abengoa has managed to arrange long term financing for six solar plants worth more than 750 M€ over the last 12 months.

The Solar business unit reported the following results:

Solar (M€)	2008	%Var. (07-08)	2007
Consolidated Sales	65.0	266.6	17.7
Gross Operating Flows	40.6	326.2	9.5
Gross Flows / Sales Margin (%)	**30.3**		**23.8**
Ebitda	9.2	-8.6	10.1
EBITDA / Sales Margin (%)	**14.2**		**57.0**

Aggregate sales in this Business unit correspond to:

- Revenues from electricity generation totalled 7.5 M€ from the 22.7 MW that we have operational using solar thermal and photovoltaic technology.
- Solar technology sales, amounting to 71.4 M€. In this section, we may draw particular attention to the income from industrial systems for heat generation, with various applications such as air conditioning, water or industrial processes and components for solar plants.
- The solar energy developments which we are carrying out within the framework of our Strategic Plan and the completion of the works for several photovoltaic plants, amounting to 66.9 M€.

The business unit's workforce has doubled during the year, reflecting Abengoa's commitment to solar energy. At 31st December we had 292 professionals. In fact, in 2007 the average staff was 104 employees. In 2008 the business unit invested more than 500 M€ in the construction of solar thermal and photovoltaic plants, as well as participating in projects to develop solar technologies. At the end of 2008 Abengoa Solar's assets exceeded 1,000.2 M€. Revenues from energy sales will grow considerably as the plants under construction come online during 2009 and 2010.

We would also highlight the investment in R&D&i, which came to 28.8 M€, including projects in Europe and the United States in conjunction with leading solar energy institutions and universities.

Analysis of the Bioenergy business unit Income Statement

Despite the adverse raw materials scenario, Bioenergy improved on the results reported in 2007, with the following figures:

Bioenergy (M€)	2008	%Var. (07-08)	2007
Consolidated Sales	830.1	35.3	613.7
Gross Operating Flows	111.6	39.8	79.8
Gross Flows / Sales Margin (%)	**12.9**		**12.5**
EBITDA	90.7	67.0	54.3
EBITDA / Sales Margin (%)	**10.9**		**8.9**

Sales by Abengoa Bioenergy increased by 35.2% to 829.5 M€ compared to 613.7 M€ in 2007. Ethanol sales accounted for 79% of this growth thanks to higher prices in the U.S.A. and the higher volume of ethanol sold in the U.S. and Europe. Sales from Brazil should also be added to this figure, which were still not consolidated in 2007.

Gross operating cash flows increased by 33.0% compared to the previous year, rising from 79.8 M€ in 2007 to 106.1 M€. The increase essentially comes from the incorporation of Brazil into the consolidation, stronger ethanol prices in the U.S.A. and grain prices in the E.U., offset by a rise in grain prices in the U.S.A. and a modest decrease in ethanol in Europe.

The inclusion of Brazil has not affected EBITDA margin in business operations which remain at similar levels to the previous year. Once the effect of the higher business volume from trading has been excluded, the expenses associated with our investment in technological innovation and the organic growth in new production capacity.

Performance in Europe:

- The volume of ethanol sold increased to 492.3 ML (32.1% more than 2007), primarily due to nearly a whole year of operations from Salamanca and the entry into production of the cereals plant in Lacq (France).

- Ethanol prices fell slightly from 0.606 €/L in 2007 to 0.602 €/L due to the fall in oil prices, especially in the latter part of the year.

- However, these effects were offset by the decrease in the cereal price, which in 2008 had an average price of 172.2 €/t (183.1 €/t in 2007).

- Also of note is the effect of the increases in the cost of natural gas, from 20.4 €/MWh in 2007 to 26.8 €/MWh in 2008.

- Construction on the new plant in the Netherlands with an estimated annual capacity of 480 ML continues. The new San Roque plant, which is designed to produce 200,000 t/year of biodiesel and 19,000 t/year of glycerine is due to come into operation in Q1 2009.

Performance in the United States:

- The volume of ethanol sold reached 153.6 Mgal, 14.3 % more than in 2007. The start-up of production in the Nebraska plant was the main reason for this increase (74.3 Mgal sold 2008 vs 31.9 Mgal sold 2007).
- The ethanol price also rose, and reached 2.3 $/gal (2.1 $/gal in 2007).
- The cereal price has increased a 32.3%, to 4.5 $/bsh in 2008 (3.4 $/bsh in 2007).
- Also of note is the effect of the decreases in the cost of natural gas, from 8.4 $/MBTU in 2007 to 7.1 $/MBTU in 2008.
- Works continuous for the construction of two new plants, one in Illinois and another in Indiana, each with a planned capacity of 88 Mgal.

Performance in Brazil:

- Abengoa Bioenergy Brazil has been included in the consolidation for the first time in 2008, which we gained control of at the end of 2007. The main products sold in Brazil were:
- Ethanol (141.0 ML at 0.730 Brl/L for hydrated ethanol and 17.2 ML at 0.850 Brl/L for anhydrous ethanol).
- Sugar (215.0 Mt at a price of 454 Brl/t for the domestic market and 265.0 Mt at 530 Brl/t on the external market).

Analysis of the Environmental Services business unit Income Statement

In financial year 2008, Environmental Services reported its best results ever.

Environmental Services (M€)	2008	%Var. (07-08)	2007
Consolidated Sales	873.4	13.5	769.7
Gross Operating Flows	157.8	27.4	123.8
Gross Flows / Sales Margin (%)	**18.1**		**16.1**

The integration of the aluminium business has been completed with the incorporation of Aluminio Catalán (Alcasa), creating the third largest aluminium recycling unit in the European aluminium waste recycling market.

The sale of the land where the operational desulphurisation plant is located was also agreed in 2008 for more than 44 M€ as part of the Sefanitro Interior Reform Special Plan of the municipality of Baracaldo (Vizcaya). The sale contract includes the hand over of the land within a time frame that guarantees the transfer of the activity to a new location, allowing the existing plant to continue to operate fully along side the urban development that is going to take place in the area. Thanks to the maintenance of Befesa's existing plant, it will not have to be shut down with the consequent repercussions for employees. Befesa already has a piece of land in the Port of Bilbao for which it is currently applying for the corresponding environmental authorisation.

The reached an agreement to acquire 51% of the US firm NRS Consulting Engineers through Befesa's subsidiary Befesa Agua. NRS is one of the leading engineering companies in Texas in the sector for desalinating underground and brackish water, where it has designed around 30% of the facilities that exist in the state for treating these types of water. This acquisition represents Befesa's entry into the United States, one of the most promising water markets, through a company that is highly specialised in desalination.

Performance by business unit is as follows:

- Aluminium Waste Recycling. Accumulated sales during 2008 totalled 252.4 M€ compared to 218.1 M€ in 2007. This increase was principally driven by the incorporation of Alcasa into the aluminium unit. Some 420,603 tonnes of aluminium containing waste was treated during the period, an increase of 18.2%.

- Steel Waste Recycling and Galvanisation. In 2008, sales amounted to 253.6 M€, compared to 251.8 M€ for the same period of the previous year. Over this period, 645,757 tons of steel powder and powder from the galvanisation industry were treated, a decrease of 5.0%.

- Industrial Waste Management. This division reported sales of 136.9 M€, compared to 124.3 M€ the previous year, representing an increase of 10.1%. During 2008, 1,425,561 tons of hazardous and non-hazardous industrial waste were treated, meaning a 3.4% growth compared to the previous year.

- Water. This division reported a cumulative turnover of 230.8 M€ in 2008, 31.5 % up on the previous year's 175 M€, as a result of the execution of the desalination contracts abroad. At the end of the financial year, the order book stood at 514 M€.

There has been an increase in Gross Operating Flows, compared to 2007, of 34 M€, (+27.4%), due mainly to the positive evolution demonstrated in the aforementioned business areas.

The Operating Cash Flow margin has increased notably to 18.1% as a consequence of the modification to the "mix" of the Group's sales.

Analysis of the Information Technologies Business Unit Income Statement

During financial year 2008, our turnover grew by 17.4% compared to the figure for the previous year. We closed the year with sales of 701.0 M€.

Information Technologies (M€)	2008	%Var. (07-08)	2007
Consolidated Sales	696.9	16.7	597.2
Gross Operating Flows	81.0	44.8	55.9
Gross Flows / Sales Margin (%)	**11.6**		**9.4**

This business unit has managed many achievements in 2008 producing double digit sales growth, improved operating margins and unprecedented figures for new contracts and the order book, giving it excellent prospects going into 2009 in the current economic environment.

The year also witnessed a very important milestone in the history of Information Technologies following the strategic acquisition of DTN, which will expand and strengthen Telvent's presence in the North American market and consolidate its position in the information services sector. DTN strengthens Telvent's leadership in the energy and meteorology markets in the USA as well as contributing agriculture, a key segment to the economy and sustainability of any country. This new addition to the group not only strengthens the quantity and quality of critical information that Telvent will be able to offer its clients, but also expands the alternatives for accessing that information. Finally, DTN's financial profile, with a business model based on subscriptions with retention levels above 90% allows Telvent to improve the recurrent nature of its sales and cash flow generation.

As in previous years, the Group continues to believe that the world is facing two huge problems, perhaps two of the most important issues to be tackled by our civilisation: sustainability and security. Telvent's technological solutions help to achieve a safer and more sustainable world and the company's clients, who place their trust in Telvent, recognise that. In 2008, approximately 85% of sales came from existing clients, while some 30% were generated by recurrent annual contracts, which demonstrates the excellent relationship with its clients, which are increasingly being offered new solutions and services with greater added value.

The increase in sales in 2008 is primarily the result of significant growth in the transport segment and the contribution of the latest two acquisitions, Matchmind and DTN. During 2008 operating margins were also improved, increasing the profitability of gross operating cash flows from 9.4% to 10.0% as a result of improved margins, improved operating efficiencies being implemented and a better operating profile following the incorporation of DTN.

As previously stated, clients continue to trust Telvent. In 2008 new contracts were worth 795 M€ compared to 685 M€ the previous year, an increase of 16%. The order book at 31 December 2008 (contracted jobs pending execution) totalled 861 M€, an increase of 24% compared to the end of 2007, which provides an excellent basis for tackling the challenges that may arise in 2009.

Following the incorporation of DTN in 2008, a new structure has evolved based on five business activities or segments: Energy, Transportation, Environment, Agriculture and Global Services. Telvent continues to offer high value added products and technological solutions in each of these areas, expanding its presence in key geographical locations and laying the foundations for new business opportunities.

- Energy accounted for around 27% of total business in 2008 with sales of 192 M€, of which some 6 M€, came from DTN activities related to the refined products sector. Important growth has been achieved during the year in the oil and gas sector, especially in North America, Asia and the Middle East. In the electricity sector in 2008, the innovative strategy of "Smart Grid", which had an outstanding reference in the project completed for Vattenfall in Sweden, allowed it to make numerous proposals for large scale "Smart Metering" projects (automatic readings) in North America, Europe and the Middle East, which has given it some promising prospects in this sector in the future.

- Transport was the segment that contributed the most to growth in 2008, representing approximately 39% of our business for the year. Revenues grew by 25% to 276 M€, while the leadership achieved in this segment, supported by spectacular growth, has been wholly organic. The regions with the highest growth were the Middle East and Latin America where important projects were undertaken, such as the automatic management and control of traffic offences in Saudi Arabia as well as the supply, installation and launch of the SmartToll system on three federal highways in Brazil. Spain and North America continue to be the most important and strategic transport regions and are where the majority of the activity occurred in 2008. Our leadership in the development, integration and maintenance of the complete cycle of toll management and collection systems has allowed us to win some highly significant projects such as the maintenance of the E-ZPass electronic toll system in New York and the installation of an electronic toll system on the Newport-Pell bridge in Rhode Island.

- Environment performed strongly during the year recording sales of 48 M€, a jump of around 30% compared to the previous year. Organic growth accounted for 18% while the remainder came from the contribution of DTN's activities related to meteorological information services. This activity means that the Environment segment has a leading meteorological observation and forecasting solution in the market and strengthens its presence in North America. In 2008 Environment increased its water management activity in Europe and in Africa in particular, where in Q3 2008 it was awarded the contract for the Great Man-Made River (GMMR) project, sponsored by the government of Libya, to supply water to the whole of the Libyan coast in order to guarantee an uninterrupted supply to the population, even in times of drought.

- Agriculture, the new segment contributed by Telvent's acquisition of DTN, is a key part of its strategy to provide solutions that help to develop a more sustainable world. With more than 700,000 subscribers and revenues in excess of 80 M€ for the whole year, the Agriculture segment supplies real time information that helps to optimise the production and distribution of agricultural products and offers services and information that help to increase the transparency of broker transactions in organised agricultural markets. DTN is the leader in this market in the USA and has opportunities to grow internationally. Two months of DTN have been consolidated into 2008 and the Agriculture segment ended the year with sales of more than 15 M€ and an approximate gross margin of 77%.

- Similarly, Global Services has grown significantly during the year, both organically and inorganically. Sales for this segment surged by 51% to 167 M€, driven in part by the contribution of Matchmind, a company that was incorporated into the Group in the last quarter of 2007. This segment meets the technological needs of Telvent's clients in an efficient way, offering information and communication technology services, mainly in Spain, which are capable of covering the whole of the business technology life cycle, The incorporation of Matchmind in 2008 strengthened the process and technology consultancy area for this segment, which provides solutions for the design, management, transformation and evolution of client's business processes and technologies.

Analysis of the Engineering and Industrial Construction business unit Income Statement

Within this Business unit's positive performance, we would particularly highlight the positive contributions of the constructions of biofuel and solar heating plants by Abener, the new hospital and administrative building concessions in Inabensa, and, finally, the high voltage line concessions in Brazil, with the start-up of the new concession for the Colinas–Sobradinho transmission line (ATE II) being particularly noteworthy.

Engineering an Industrial Constuction (M€)	2008	%Var. (07-08)	2007
Consolidated Sales	1,993.5	28.9	1,546.6
Gross Operating Flows	236.3	28.9	183.3
Gross Flows / Sales Margin (%)	**11.9**		**11.9**

This growth in business and international development has enabled us to become world leaders in the business sectors in which we are present. In fact, according to a recent report in the Engineering New Records magazine, Abeinsa is the global leader in international contracts relating to the construction of electrical transmission and distribution infrastructures, and is ranked third in the construction of energy-related infrastructures.

By divisions:

- In Energy, we would highlight the positive performance of Abener Energía, achieved through the "turnkey" construction of internal development plants for Bioenergy (245 ML bioethanol plant in Lacq-France, the 200,000-ton biodiesel production plant in San Roque-Algeciras, three plants with capacity to produce up to 480,000 m^3 of bioethanol based on corn or wheat, in the Netherlands and Abengoa Solar (construction of the second tower-technology solar heating plant with 20 MW power of the Sanlúcar La Mayor Solar Platform, Sevilla, and starting construction of the two 50 MW cylinder parabolic plants

- Our expertise, providing a solid guarantee for Abener in the "turnkey" construction of solar heating technology plants, proved to be instrumental in our being awarded the world's first combined solar-cycle hybrid plant of 150 MW (in Hassi R'Mel, Algeria), and the 470 MW Ain-Beni-Mathar plant (Morocco), which will use combined cycle technology integrated with a solar field of cylinder parabolic collectors. Investment for the two projects will amount to approximately 800 M€.

- The incorporation of new companies for the international development of Abener's business (Abencs, EPG, AG and AEPL) has also been important.

- In Facilities, we consolidated the figures reported in 2007, due to the correct execution of our projects during 2008.

- We would particularly highlight the execution of Lot 2 of the Siepac project (Sistema de Interconexión Eléctrica de Países de América Central), which consists of a 230 kV electrical transmission line and the 400 kV Misurata-Surt-Ras Lanouf-Agdabia simple circuit line to 400 kV and 575 km long.

- New contracts achieved during the year include: construction of the catenary and systems associated with the Montilla del Palancar-Valencia and Montilla del Palancar-Albacete high speed railway (AVE) section in Spain; construction of three electricity traction substations and their transformer stations for the Madrid-Zaragoza-Barcelona-French border high speed line; construction of the new headquarters of the Andalusian Energy Agency; extension of the electricity network of western Abu Dhabi, and many more.

- In facilities, it is important to draw attention to the development of the concessions business in Inabensa, by means of taking part in the construction of special buildings, and the subsequent management of the concessionary company. In 2008, within this line of business, we completed the construction of three courts for the Government of the Autonomous Community of Cataluña. Furthermore, Inabensa has been awarded the concession for the new hospitalisation and out patients building of the Costa del Sol Hospital in Marbella (Málaga).

- There was a 25% sales increase in Commercialisation and Auxiliary Manufacturing compared to 2007, which was consistent across all companies in this business line, both for sales agents and Eucomsa. Manufacturing for the solar energy parabolic trough collector plants is particularly important for the latter.

- In Telecommunications, Abeinsa has continued to develop its traditional telecommunications network integration and turnkey projects activity throughout the year.

- In Latin America the activity has grown significantly by 26% compared to 2007. Operations in Brazil included the construction of 1,027 km of high voltage lines. In the transmission line concessions business, Abeinsa recorded annual EBITDA of approximately 115 M€.

Transmissions Lines (M€)	2008	%Var. (07-08)	2007
Consolidated Sales	130.9	22.1	107.2
Gross Operating Flows	114.7	25.9	91.1
Gross Flows / Sales Margin (%)	**87.6**		**85.0**

- In Latin America, Abeinsa was awarded new high voltage concessions in Brazil and Peru, consolidating its concession activity. In Brazil it was awarded the contract for a 500 kV electricity transmission line between the Brazilian municipalities of Oriximiná, Itacoatiara and Camiri, 586 km long with direct current, which will carry the energy produced by the power stations of the Río Madeira hydroelectric complex to Sao Paulo, the country's principal consumption area. The line will have a capacity to transport 3,150 MW at 600 kV over a distance of 2,275 km.

- In Peru, Abeinsa was awarded the concession to operate the 200 kV Carhuamayo-Carhuaquero transmission line over a distance of 670 km.
- The progress of Teyma Uruguay has been very important this year with the establishment of Teyma Internacional and Teyma España, with works in Europe and Africa and its consolidation as the leading Uruguayan construction company.

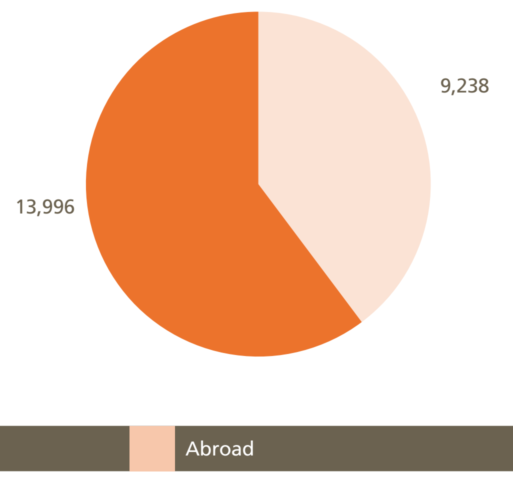
- In the Environment segment, Abeinsa New Horizons has continued to develop its commitment to sustainability, significantly increasing its investment in R&D&i in fuel and hydrogen cells through its subsidiary Hynergreen Technologies, as well as in new energy efficient and renewable energies through the R&D division of Instalaciones Inabensa.

- ZeroEmissions Technologies encompasses the coal "trading" activities and CDM projects associated with the Kyoto protocol. We have signed contracts for carrying out CDM (clean development mechanisms) projects with companies in various countries, such as China and India.

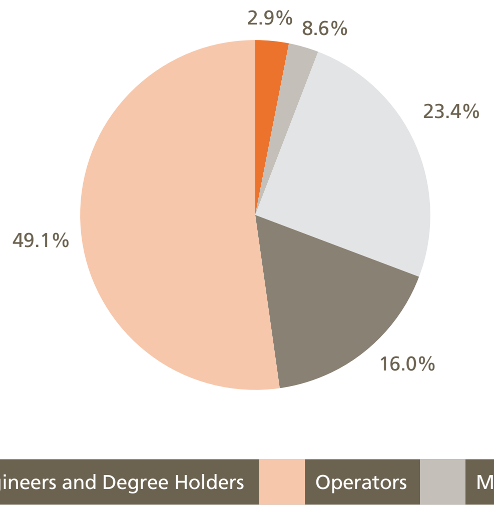
Evolution of the workforce

The average workforce of Abengoa in 2008 23,234, a 34.7% increase on the previous year figure (17.245)

Geographical Distribution



Profession Groups

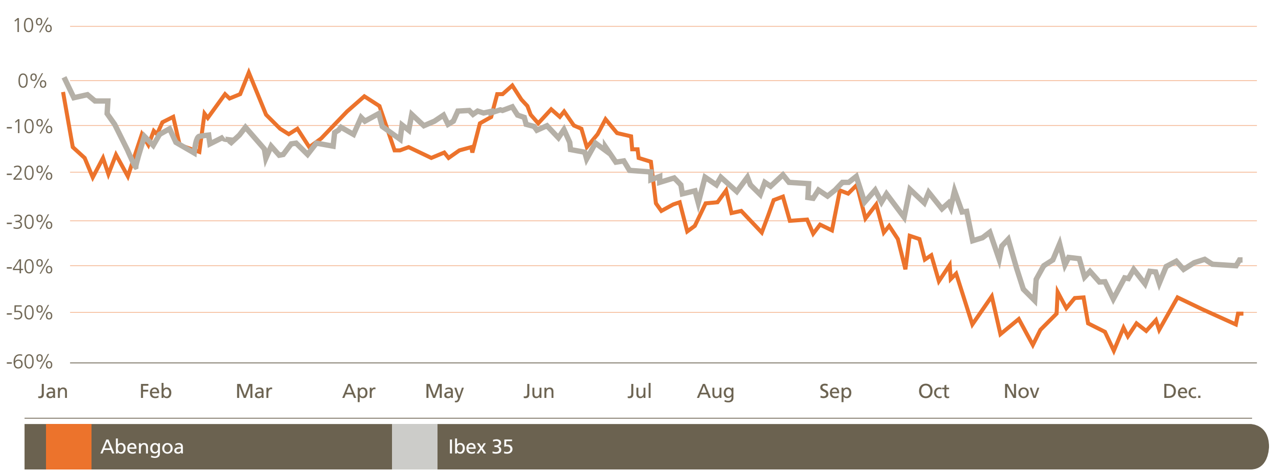


Stock Exchange Evolution

According to the figures supplied to the company by Sociedad Rectora de la Bolsa de Valores de Madrid (Governing Body of the Madrid Stock Exchange) 115,637,519 shares were traded in 2008. The average volume of daily trading over the year was 455,266 shares.

The final listed price of Abengoa's shares in the third quarter of 2008 was 11.80€, which is a 51.2% decrease on the closing price for the previous year (24.18 €) and a 454.4%. Minimum, maximum and average listed share prices in 2008 were 10.08€, 24.45€ and 17.87€. respectively.

Evolution on the Stock Exchange during 2008



As a historical reference, since Abengoa's Initial Public Offering on November 29, 1996, the company's shares have revalorized 454.4% which is more than 5 times the initial price. During this same period, the select IBEX-35 has revalorized 97.0%.

Evolution since Abengoa Initial Public Offering (29.11.1996)