

Letter from the Chairman



Few people today would deny that climate change is a serious consequence of industrial activity, or question the effects on society of the rapid rate at which resources are being consumed. This has led to growing social awareness of the urgent need to achieve a degree of sustainability that will enable our descendents to enjoy the same resources that we ourselves enjoy today.

Given that the activities involved in energy production, transformation and consumption account for over eighty percent of the greenhouse gas emissions in the world today, in order to combat climate change, the development of clean energies and fuels is key to achieving a reduction in these emissions. We need, then, to promote a new energy blueprint based on the use of renewable energies, one in which the prices of goods and services include their manufacturing and environmental costs.

Renewable energies are not only an environmental necessity, but also constitute a tremendous opportunity for any country, especially in light of the circumstances brought on by the current worldwide economic situation. Encouraging renewables entails significant industrial and technological development, which will also enable countries to decrease their energy dependency. We need to make the most of the sun, the wind, and the earth to drive our cars and run our factories. The transition from the current fossil energy-based economic model to a New Deal for energy, based on renewable energies, is vital in building a sustainable future and demands considerable innovative effort.

At Abengoa we channel a great number of human, material and economic resources into innovation in the area of renewable energies. This year we received funding and support from the U.S. Department of Energy (DOE) to continue innovation of solar power storage technologies, and we have made progress in developing thermal solar technologies with the capability of producing electricity at a price that is competitive with fossil fuels. We have also made inroads into the development of second-generation biofuels, as well as more efficient technologies for desalinating water and recycling waste.

At Abengoa we ended the year with a team made up of more than 21,000 people located in over 70 countries around the world. The diversity of our people enriches us and enables us to understand, value and integrate their special characteristics into our corporate culture. Abengoa could never thrive without the talent and dedication of the people who form part of our company.

Furthermore, we fulfill our commitment to today's and tomorrow's society through the Focus-Abengoa Foundation, which, since its creation in 1982, serves as the instrument for channeling our social action. We adapt to social and cultural diversity of the countries in which we conduct our business by promoting community-based policies that contribute to human and social progress. In 2008, Abengoa allocated more than 10 M€ to undertakings in social responsibility in the areas of healthcare, education, culture, science and research, and technological development.

In a similar vein, our desire to strengthen the relationship with our stakeholders has spurred us on to create an executive plan for Corporate Social Responsibility (CSR), which will be unveiled in 2009. This plan will integrate the expectations of our stakeholders into Abengoa strategy, and will aid us in mapping out specific actions that will help to bring them closer to the company. In concert with Abengoa's mission, and as a product of our leadership, we have also started up an inventory of greenhouse gas emissions, and in 2009 we will implement a system of environmental sustainability indicators. Both initiatives will enable us to quantify and compare the sustainability of our activities and to define goals for improvement.

By means of this report, prepared in accordance with the G3 Guidelines of the GRI Framework, we wish for our stakeholders and the rest of society to know about Abengoa's performance in 2008, our successes and our mistakes, and the goals and objectives we have set for ourselves in 2009. Through the CSR mailbox (csr@abengoa.com), our website (www.abengoa.com), and our corporate blog (blog.abengoa.com), we would welcome the chance to analyze any ideas or opinions that might help us to reach our goals in our commitment to sustainability.

Felipe Benjumea Llorente