Annual Report 2009

ABENGOA

Notes to the Consolidated Annual Accounts

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Notes to the Consolidated Financial Statements for the Year Ending 2009

Note 1.- General Information and Business Overview

1.1. General information

Abengoa, S.A. is the parent company of the Abengoa Group (referred to hereinafter as “Abengoa”, “the Group” or “the Company”), which at the end of 2009 is made up of 630 companies, being: the parent company itself, 582 subsidiaries, 23 associates and 24 joint ventures. Additionally, the companies of the Group at this time were participating in 335 temporary consortiums. Additionally, the Group has a number of shareholdings, of less than 20%, in various further entities.

Abengoa, S.A. was incorporated in Seville on 4 January 1941 as a Limited Partnership and was subsequently changed to a Limited Corporation (“S.A” in Spain) on 20 March 1952. Its registered office is at Avenida de la Buhaira, no. 2, Seville (Spain). On 25th January 2010, the Board of Administration agreed on the transfer within the same township of Seville, entering the new address into the Company Registry as Campus Palmas Altas, Parcela ZE-3, 41012 Sevilla, and subsequently modifying Article 2 of the Corporate Bylaws.

The corporate purpose of the Group is set out in Article 3 of the Articles of Association. The objectives cover a wide range of activities, although Abengoa is principally an applied engineering and equipment manufacturer, providing integrated project solutions to customers in the following sectors: Engineering, Telecommunications, Transport, Water Utilities, Environmental, Industrial and Service Sectors.

Abengoa shares have been listed since 29 November 1996 and are currently in the Ibex-35 index.

These financial statements were authorised for issue by the board of directors on 24th February 2010

It is possible to view all public information regarding Abengoa on the Group’s web site, at www.abengoa.com.

1.2. Business overview

Abengoa is a company specialized in technology that looks to develop innovative solutions in sectors such as infrastructure, environment and energy, contributing long term merit to their shareholders due to management based on enterprising, social responsibility, accountability, and rigor

Abengoa’s main head office is in Seville (Spain) and the company is present, through its subsidiaries and other companies in which it holds shares, installations and offices, in over 70 countries, operating through the following five business groups which constitute the operation segments in accordance with IFRS 8:

1. Solar

   Abengoa Solar is the holding company of this Business Unit. Its activity is focused on the development and application of solar energy technologies in the struggle against climate change, in order to ensure sustainability through its own solar thermal and photovoltaic technologies.

2. Bioenergy

With Abengoa Bioenergía as its holding company, this operating segment is dedicated to the production and supply of biofuels for transport (bioethanol and biodiesel amongst other products) which use biomass (cereals, cellulosic biomass, oleaginous seeds) as a raw material. Biofuels are used in the production of ETBE (a gasoline additive) or can be mixed directly with gasoline or diesel. As a renewable energy source, biofuels reduce CO2 emissions and contribute to the diversification of and the guarantee of ongoing energy supply, reducing levels of dependence upon traditional fossil fuels as a source of energy as well as collaborating and complying with the Kyoto Protocol.

3. Environmental Services

With Befesa Medio Ambiente as the holding company, the group is an international business specialising in the integrated management of industrial waste as well as the management and generation of water, which is a key social responsibility for the creation of a sustainable world.

4. Information Technologies

The parent company is Telvent GIT, S.A. and it is the service and Information Technologies company engaged in working for a safe and sustainable world through the development of high-value-added integrated systems and solutions in Energy, Transport, Agriculture, the Environment, Public Administrations and Global Services.

5. Industrial Engineering and Construction

With Abeinsa as its parent company, the industrial and technology group offers integrated solutions in the energy, transportation, telecommunications, industry, services and environmental sectors. These innovative solutions, geared towards sustainability, enable value creation for the customers, shareholders and employees, ensuring an international profitable future with an international dimension for its investors.

Note 2.- Summary of Key Accounting Policies

Below are set out the key accounting policies adopted in the preparation of Abengoa's Consolidated Financial Statements.

2.1. Bases of presentation

The Consolidated Financial Statements for the year ending 31 December 2009 have been prepared in accordance with International Financial Reporting Standards (herein, IFRS), as adopted for use within the European Union.

Unless stated otherwise, the accounting policies as set out below have been applied consistently throughout all periods shown within these Consolidated Financial Statements.

The Consolidated Financial Statements have been prepared under the historical cost convention, with the exception of the revaluation of certain fixed assets in accordance with IFRS 1, and certain cases in which IFRS allow for the assets to be valued at its fair value.

The preparation of the Consolidated Financial Statements under IFRS requires the use of certain critical accounting estimates. It also requires that Management exercises its judgement in the process of applying Abengoa's accounting policies. Note 3 provides further information on those areas which involved a greater degree of judgement or areas of complexity for which the assumptions or estimates made are significant to the financial statements.

The figures included within the schedules which together make up the Consolidated Financial Statements (Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement and these notes herein) are, unless stated to the contrary, all expressed in thousands of Euros (€).

Unless stated otherwise, any percentage shareholdings shown include both direct and indirect ownership.

The IASB recently approved and published certain Accounting Standards, modifying the existing standards as well as IFRIC interpretations from which the Group adopted the following measures:

a) Standards, modifications and interpretations with validity date set as 1st January 2009 applied by the group:

- Modification to IFRS 2, "Share-based payments-conditions of irrevocability (or consolidation) of concession and cancellations".

- Modification to IFRS 7, "Financial Instruments: Disclosure".

- Modifications to IAS 32 and to IAS 1, "Financial Instruments with put option and liabilities deriving from the liquidation.

- Modification to IAS 1, "Presentation of Financial statements". The modification clarifies that the potential liquidation of a liability through the issuance of equity is relevant when classifying it as current or non-current.

- Modification to IAS 27, "Consolidated and Separate Financial Statements".

- IAS 1 (Revised), "Presentation of financial statements" (valid from 1st January 2009 onwards). The revised standard prohibits the presentation of incomes and expenses (that is, "changes in non-proprietary net equity") in the statement of changes in the net equity, requiring that such items be presented separately in an overall income statement statement. Consequently, the group presents all changes in the statement of changes in equity derivative transactions in the statement of changes that occurred in the consolidated net equity, such that all the changes in the non-proprietary net equity derivative transactions are shown in the overall income statement. The comparative information is re-stated in accordance with the revised standard. Since the modification only affects aspects of the presentation, there is no impact on the per-share profits.

- IAS 19 (Modification) "Employee Benefits" (valid from 1st January 2009 onwards).

- IAS 28 (Modification) "Investments in Associates" (and corresponding changes to IAS 32 "Financial Instruments: Disclosure") (valid from 1st January 2009 onwards).

- IAS 39 (Modification) "Financial Instruments: Recognition and Measurement" (valid from 1st January 2009 onwards).

- Modification to IAS 38, “Intangible Assets”. The modification provides some patterns for evaluating the fair value of an intangible asset acquired in a business combination and allows the gathering of intangible assets in a single asset if each of them has a similar useful life.

- IFRIC 16 “Hedges of a Net Investment in a Foreign Operation” (valid from 1st October 2008 onwards).

- Modification to IAS 36, “Impairment of assets”. The modification clarifies that the largest cash-generating unit (or group of units) to which goodwill may be assigned for the purpose of impairment tests is an operative segment such as defined in paragraph 5 of IFRS 8, “Operating Segments”.

- Modification to IFRIC 9, “Reassessment of Embedded Derivatives”. This modification changes the scope paragraph to clarify that it is not applicable, in possible evaluations subsequent to the date of acquisition, of embedded derivatives in contracts acquired in a business combination between companies or businesses under common control or in the creation of a joint business.

- Modification to IFRIC 16, “Hedges of a net investment in a foreign operation”. The modification establishes that in the net investment of a foreign operation, the qualified hedging instruments may be maintained by an entity or entities within the group, which includes the very operation abroad, as long as the conditions of designation, documentation and effectiveness set forth in IAS 39 are met.

The application of these modifications and this revision bear no significant effect on the consolidated financial statements of the Group.

b) Standards, modifications and interpretations that have not yet become valid and which the Group has not adopted in advance:

At the date this consolidated financial statements were being prepared, the IASB and IFRIC had published the standards, modifications and interpretations outlined below and which are binding for the exercise starting as from 1st January 2010,

- IAS 27 (revised), “Consolidated and Separate Financial Statements”. The revised standard requires that the effects of all transactions with non-dominant shares be registered in the equity if no change occurs in the control, such that these transactions cease to give rise to goodwill or profit and/or loss. The standard also establishes an accounting procedure applicable in the event control is lost. Any remaining share kept in the company must be re-evaluated at its fair value, and a profit or loss entered in the outcome.

- IFRS 3 (revised), “Business combinations”. The revised standard retains the method of acquisition of business combinations, although it introduces significant changes. For example, all payments made for the acquisition of a business are entered at its fair value on the date of the acquisition, and the contingent payments which are classified as liabilities are evaluated on each date of close at the fair value, registering the changes in the outcome or income statement. It introduces an accounting policy option, applicable during each business combination, consisting of evaluating the non-dominant shares at their fair value or at the amount proportional to the net assets and liabilities of the acquired. All costs of the transaction are applied to expenses.

- IFRIC 17, "Distribution of non-cash assets to owners". This interpretation sets patterns for entering agreements by virtue of which a company may distributes non-cash assets to its owners, such as distribution of reserves or dividends.

- IFRIC 18, "Transfer of assets from customers" (valid for financial years starting on 1st July 2009). This interpretation provides a guide on how to account for elements of fixed assets received from clients, or cash received and then used to acquire or create some specific assets. This interpretation is only applicable to assets used to connect the client to a network or to provide it a continuous access or an offer of goods or services, or for both.

- Modification to IFRS 2, "Share-based Payments". This modification confirms that, in addition to the business combinations defined by IFRS 3 (revised), "Business Combinations", contributions of a business in the creation of a joint business and transactions under common control are excluded from IFRS 2. (Applicable in yearly financial exercises starting on 1st January 2010).

- IFRIC 15 "Agreements for the Construction of Real State" (valid from 1st January 2010 onwards)

- IFRS 5 (Modification), "Non-current Assets held for sale and discontinued operations" (and corresponding modification to IFRS 1 "First-time Adoption of International Financial Reporting Standards") (valid from 1st July 2009 onwards).

- IAS 32 (Modification) "Classification of Rights Emissions" (applicable in yearly financial exercises starting on 1st February 2010).

- IFRIC 12 "Service Rendering Agreements" (valid from 1st January 2010 onwards). This interpretation affects public-private service concession agreements if the grantor regulates the services to which the grantee must assign the infrastructure, to whom the services must be rendered and at what price, and if it controls any significant residual shares in the infrastructure at the time the agreement expires. The Group will apply the IFRIC 12 from 1st January 2010 onwards.

2.2. Principles of consolidation

With the objective of providing information on a consistent basis, the same principles and standards as applied to the parent company have been applied to all other entities.

All subsidiaries, associates and joint ventures included within the Consolidation Perimeter that forms the basis of these 2009 (2008) consolidated financial statements are set out in Appendixes I (VI), II (VII) and III (VIII), respectively.

a) Subsidiaries

Subsidiaries are those entities over which Abengoa has the power to control and implement financial and operational policy to obtain benefits from their operations.

It shall be assumed that a company has control if it directly or indirectly (through other subsidiaries) holds more than half of the voting rights of another company, except in exceptional circumstances in which it may be clearly demonstrated that such possession does not entail control.

Control shall also be said to exist if a company holds half or less of the voting rights of another and holds the following:

- power over more than half of the voting rights, by virtue of an agreement with other investors;
- power to manage the financial and operation policies of the company, by virtue of a legal provision, a bylaw or some kind of agreement with the aim of obtaining benefit from operations;
- power to appoint or dismiss the majority of the members of the board of administration or equivalent governing body that is actually in control of the company; or
- power to cast the majority of the votes in meetings of the board of administration or equivalent governing body that is actually in control of the company.

Subsidiaries are accounted for on a Full Consolidation Basis as of the date upon which control was transferred to the Group, and are excluded from the consolidation as of the date upon which control ceases to exist.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. The excess of cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets acquired, the difference is recognised directly within the Income Statement.

Intercompany transactions and unrealised gains are eliminated and deferred until such gains are realised by the Group, typically in both cases via third party transactions.

Intercompany balances between entities of the Group included within the Consolidation Perimeter are eliminated during the consolidation process.

Appendix I and VI of these accounts identifies the 63 and 90 subsidiaries which were included within the consolidation in 2009 and 2008, respectively.

The following table shows those subsidiaries which during 2009 and 2008 were no longer included within the Consolidation Perimeter:

Company Name	Year of Exit	% Share	Motive
Abecom, S.A.	2009	100	Wind up of the company
Abengoa Bioenergy Belgium	2009	97	LIquidation of the company
Alugreen S.L.	2009	100	Merged Absorption
Befesa Aluminio Catalán SL	2009	100	Merged Absorption
Befesa Aluminio Valladolid, S.A.	2009	100	Merged Absorption
BUS Holding Germany GmbH	2009	100	LIquidation of the company
BUS Stahlwerkstaub Freiberg GmbH	2009	100	LIquidation of the company
Desarrollos Eólicos El Hinojal	2009	100	Wind up of the company
Donsplav	2009	51	Sale of the company
Lanceolate Company Ltd	2009	100	LIquidation of the company
Procesos Ecológicos Carmona 3, S.A.	2009	100	LIquidation of the company
Proyectos de Inversiones en Infraestructuras. S.A. De C. V.	2009	100	LIquidation of the company
Abentey, S.A.	2008	100	Wind up of the company
Befesa Fluidos, S.A.	2008	100	Merged Absorption
Maexbic,S.A.	2008	100	Merged Absorption
Sniace Cogeneración, S.A.	2008	90	Sale of the company

The sales and outcome contribution to the consolidated figures for the 2009 and 2008 exercises of companies that are no longer part of the Consolidation Perimeter were not significant.

On 27th May 2009, Abengoa S.A., through its subsidiary company, Telvent Corporation, executed a sales agreement for the sale of 3,576,470 ordinary shares of the company traded on NASDAQ, Telvent GIT S.A., representing 10.49% of the stock, amounting to a cash inflow of € 45M and an outcome of € 16.5M.

In addition to the above, on 28th October 2009, it executed another sales agreement for the sale of 4,192,374 ordinary shares, representing 12.30 % of the stock belonging to Telvent GIT S.A., amounting to a cash inflow of € 74M and an outcome of € 39.8M.

Upon the conclusion of the two aforementioned sales operations, Abengoa, S.A. now holds 40% of the stockshares in Telvent GIT, S.A. as at the time of the close of the 2009 exercise. It remains the main shareholder with full *de facto* control over said company consolidated by total integration consequence of the framework of the relationship existing between Abengoa S.A. and Telvent GIT S.A. through which it is availed the power to direct the financial and operation policies of Telvent with the aim of obtaining benefits from its activities such as set forth in IAS 27. Among the evidence obtained in the inclusion the following can be stated:

- the substantial control in management systems and control of the Company;
- that there be Shareholder Agreements that show evidence and ratify Abengoa's support to the proposal as consequence of the exercise of "de facto control" over the company.
- the profile and degree of market activity of the other reference investors of the company in question, as well as of the shares transactions of said investors and the statements and communiqués from the reference shareholders on their intention to not take control of the company;
- the company's free float, daily business volume of shares and on the % of shares held by Abengoa.
- the absence of agreements/pacts between other shareholders.
- the behaviour aligned with Abengoa of the other investors in the company's Shareholders Assembly;
- the composition of the Board of Administration and analysis of its voting results.
- the structure of financing and guarantees that Abengoa provides to the company.
- etc.

On the other hand, and in June 2009, a company reorganization process within the Aluminium business belonging to the environmental services business group culminated into the simplified merger of the companies, Befesa Aluminio Bilbao (doing the takeover), Befesa Aluminio Valladolid (taken over), Aluminio Catalán (taken over) and Alugreen (taken over). The new company that emerged from said merger changed its corporate name to Befesa Aluminio, S.L. but retained the corporate address and CIF (Tax identification code) of the company that did the takeover, Befesa Aluminio Bilbao, S.L.

b) Associates

Associates are entities over which Abengoa has a significant influence but does not have control, which typically consists of a shareholding which represents between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The investment by the Group in associates includes goodwill identified on acquisition (net of any accumulated impairment loss).

The share in Income Statement after the acquisition of the associate companies is recognized in the Income Statement and their participation in subsequent movements is recognized in reserves. The accumulated movements subsequent to the acquisition are adjusted against the book value of the investment. When the share in the losses of an associate company is equal to or higher than the holding itself, including any other uninsured accounts receivable, additional losses are not recognized unless there have been obligations or payments assumed or made on behalf of the associate company.

Gains between the Group and its associates are eliminated to the extent of the Group's holding in the associate. Additionally, unrealised gains are eliminated, unless the transaction provides evidence of impairment to the asset being transferred. The accounting policies of the associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Appendices II and VII of these Accounts set out the details of 5 and 7 entities which in 2009 and 2008, respectively, entered the Consolidation Perimeter and have been consolidated applying the equity method.

The table below sets out those associate companies which ceased to be associates within the Consolidation Perimeter in 2009 and 2008:

Company Name	Year of Exit	% Share	Motive
Concentrix Solar, GmbH	2009	21	Sale of the company
Consorcio Teyma M&C	2009	50	Liquidation of the company
Cogeneración del Sur, S.A.Cogesur	2009	45	Liquidation of the company
Intersplav	2009	40	Others
Deydesa 2000, S.L.	2008	40	Sale of the company
LSN, Lineas Sistema Nacional, SA de CV	2008	33	Liquidation of the company

The impact upon the Group consolidated results of entities leaving the Consolidation Perimeter as associates was not significant in either 2009 or 2008.

c) Joint business

Such arrangements reflect a minority holding in a company which is jointly managed and owned in an equal share by an Abengoa company as well as by third parties external to the Group. Such arrangements are based upon an agreement between all parties that no single investor exercises greater control over the management and policies of the jointly owned business than any other investing party. Holdings in joint business are consolidated under the equity accounting method.

The Group consolidates on a line by line basis the assets, liabilities, income and costs and cash flows of the jointly owned business with similar lines in the Group accounts.

The Group recognises its share of gains and losses arising from the sale of Group assets to the jointly owned business for the part of the other invested entities. In contrast, the Group does not recognise its participation in any gains and losses made by the jointly owned business as a result of the purchase of assets by a Group company from the jointly owned business until such assets have been realised through the final sale of such assets to a third party entity. Any losses from the transaction are recognised immediately if there is evidence of a reduction in the net realisable value of the current assets, or an impairment of its value. Where necessary, the accounting policies of the joint ventures are adapted so as to ensure consistency with those adopted by the Group.

Appendix III of these Notes to the Financial Statements identifies the 4 entities which in 2009 have been incorporated within the consolidation perimeter.

The incorporation of the rest of the businesses into the consolidation, in the 2009 exercise, did not amount to significant incidence on the overall consolidated figures of December 2009.

d) Joint Venture

Joint Ventures (or Temporary Associations of Companies (UTE) as they are referred to in Spain), are entities which, while are not legally separately identifiable, form a basis of collaboration between businesses over a period of time, determined or otherwise, for the provision of works, services or supplies.

The proportional element of the Financial Statement and UTE's Income Statement are integrated within the Income Statement of the participating company in proportion to its interest in the joint venture.

The total sum of operational financing provided by Group companies to the 122 joint ventures excluded from the consolidation perimeter, is € 281 thousand (€ 144 thousand in 2008) and is included under "Financial Investments" within the consolidated balance sheet. The net operating profit of the joint ventures accounts for 0.32 % of the Group consolidated operating profit (0.41% in 2008). The net proportional aggregated earnings were € 2,163 thousand in 2009 (€ 1,533 thousand in 2008).

During 2009 a further 72 joint ventures have been incorporated within the perimeter which commenced their activity and/or have started to undertake a significant level of activity in 2009. Such joint ventures made up € 64,190 thousand of net turnover (€ 289,170 thousand in 2008).

During 2009 56 joint ventures ceased activity or have become insignificant with regards to overall Group activity levels. The net profit in 2009 of such ventures was € 19,797 thousand ((€ 166,443 thousand in 2008).

e) Transactions and minority holdings

The Group applies the policy of considering transactions with minority shareholders as transactions with third parties. The holding of minority shareholdings entails gains and/or losses for the Group which are recognised within the income statement. The acquisition of minority interests generates goodwill, being the difference between the consideration paid and the proportion of the book value of the net assets acquired.

2.3. Tangible fixed assets

2.3.1. Presentation

For the purposes of preparing the Financial Statements, tangible fixed assets have been divided between the following categories:

a) Tangible fixed assets.
b) Tangible fixed assets in Projects.

a) Tangible fixed assets

This category includes tangible assets of companies or project companies which have been self-financed or financed through external arrangements facilities with recourse.

b) Tangible fixed assets in Projects

This category includes those tangible assets of companies or project companies which are financed through non-recourse project finance (for further details see Notes 2.4 and 6 on Fixed Assets in Projects).

2.3.2. Valuation

In general, items included within tangible fixed assets are valued at historical cost less depreciation and net impairment losses, with the exception of land, which is presented at cost less any impairment losses.

The historical cost includes all expenses directly attributable to the acquisition of fixed assets.

Subsequent costs are recorded in the fixed asset register against the asset's carrying amount, or as a separate fixed asset only when it is probable that future economic benefits associated with that asset may be separately and reliably identified.

All other repairs and maintenance costs are charged to the income statement in the period in which they are incurred.

Group internal work is valued at the cost of work and is shown as ordinary income in the income statement of the company which undertook the work. Such gains are eliminated upon consolidation so as to arrive at the cost of acquisition of the asset. Net proceeds of production sold during the installation period are also capitalized.

In accordance with that established in the relevant accounting standard for construction projects which are carried out by the Group, financing expenses accrued during the construction phase are considered as an increase in the cost and value of the asset, both with regards to financing achieved specifically for each project, as well as non-project-specific third-party financing from financial entities. Such capitalisation of financing costs ceases at the moment in which, as a result of delays or inefficiencies, the process is either stopped or has a greater duration than initially planned.

Costs incurred during the construction period may also include gains or losses from foreign currency cash flow hedging instruments for the acquisition of fixed assets in foreign currency which have been transferred directly from reserves.

With regards to fixed asset investments upon land belonging to third parties, an initial estimate of the costs to dismantle the asset and to repair the land site to its original condition is also included within the book cost of the asset. Such costs are recorded at their net present value in accordance with IAS 37.

Real estate investments entail proprietary office buildings retained for the purpose of obtaining long-term incomes and which are not occupied by the Company. The elements included in this section are shown by the costs of their acquisition or production less their corresponding accumulated amortization and losses caused by deterioration suffered.

The annual depreciation rates of tangible fixed assets (including Fixed Assets Material in Projects) are as follows:

Elements	Coefficient
Construction	2% - 3%
Installations	3% - 4% - 12% - 20%
Machinery	12%
Tools and Equipment	15% - 30%
Furniture	10% - 15%
Works equipment	30%
Information processing equipment	25%
Transportation-related elements	8% - 20%

Secure waste deposits and similar assets are depreciated on the basis of the volume of waste in the deposit.

The assets' residual values and useful economic lives are reviewed, and adjusted if necessary, at the close of the accounting period of the company which owns the asset.

When the book value of an asset is greater than its estimated realisable value, its value is reduced immediately to reflect the lower net realisable value.

Gains and losses upon the disposal of tangible fixed assets, calculated as proceeds received less the asset's carrying net book value, are recognised in the Income Statement. Upon the disposal of re-valued assets, amounts recorded within the revaluation reserve are transferred to the profit and loss reserves.

2.4. Tangible fixed assets in projects

This category includes tangible and intangible fixed assets of companies within the Consolidation Perimeter for which their overall corporate objective is the development of an integrated product. Such projects are financed via Project Finance loans which are raised specifically and solely to finance individual projects as detailed in the terms of the loan agreement.

Integrated product development typically consists of the design, construction, financing, application of and maintenance of a Project (typically a large-scale complex operational asset such as a power station) which is owned by the company or is under concession for a period of time. The projects are initially financed through medium term bridging loans (typically being 2 years) and later via "Project Finance" loan agreements.

In this regard, the base of the finance agreement between the company and the bank lies in the allocation of the cash flows the project generates to the repayment of the financing and to satisfying the financial load, with exclusion or quantified payment of whatsoever other asset resource, in such a way that the recovery of the investment by the bank is exclusively through the cash flows of the project financed, with subordination to whatsoever other debt to which the non-Recourse Financing Applied to Projects is derived as long as the said finance has not been fully repaid.

Entities undertaking such projects may typically be in consortium with other third parties as well as an interests being held by Abengoa, S.A. or its subsidiaries.

Non-recourse project finance typically includes the following guarantees:

- Shares of the project developers are pledged;
- Assignment of collection rights;
- Limitations upon the availability of assets relating to the project.
- Compliance of debt coverage ratios
- Shareholders providing that these ratios are achieved.

On occasions, the shareholders hold an option to purchase the installations at a pre-agreed price, which is taken into account in determining the accounting treatment of the project. If considered necessary, a provision is made to reflect the difference in value between the net consolidated assets and the pre-agreed value of the purchase option, thereby avoiding the occurrence of losses in the event of the option being exercised.

Fixed assets in projects are valued depending upon their nature, with the following two types being considered:

- Tangible fixed assets: the remaining fixed asset belonging to the group entity undertaking the Project which do not fall within the parameters of the concession agreement.
- Intangible assets: assets assigned to companies under concession which, under IFRIC 12, are considered to be intangible. On this basis, there are a wide number of assets belonging to entities funded via Project Finance arrangements which may be classified as intangible assets within Project Fixed Assets.

Once the Project Finance has been cancelled or repaid, assets belonging to that entity are reclassified from Project Fixed Assets to tangible or intangible assets according to their nature on the consolidated balance sheet.

2.5. Intangible assets

a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the subsidiary or associate acquired at completion. Goodwill in relation to the acquisition of subsidiaries is included within Intangible Assets, while goodwill relating to associates is included within investments in associates.

Goodwill is carried at cost less accumulated impairment losses (see Note 2.7). Goodwill is allocated to Cash Generating Units (CGU) for the purposes of impairment testing; with CGU's being units which are expected to benefit from the business combination which generated the Goodwill.

Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

b) Computer programs

Program licences are capitalised as part of the cost base of the original program, being purchase costs and preparation/installation cost directly associated with the program. Such costs are depreciated over their estimated useful life. Development and maintenance costs are expensed to the income statement in the period in which they are incurred.

Costs directly related with the production of identifiable computer programmes adapted to the needs of the Group and which are likely to generate financial benefits that surpass the costs for over a period of one year are recognized as intangible assets if they fulfil the following conditions:

- It is technically possible to complete the production of intangible asset in a manner such that it may be available for use or sale;
- Management intends to complete the intangible asset in question, for its use or sale;
- The company is able to use or sell the intangible asset
- There is availability of appropriate technical, financial or other resources to complete the development and to use or sell the intangible asset; and
- Disbursements attributed to the intangible asset during its development may be reliably evaluated.

Costs directly related with the production of computer programmes recognized as intangible assets amortize during their useful lives estimated to be below 10 years.

Expenses that fail to meet the criteria above are recognized as expenses the very moment they are incurred.

c) Research and development costs

Research costs are generally recognised as an expense in the period in which they are incurred, analysing the cost between the various specific projects undertaken.

Development costs (relating to the design and testing of new and improved products) are recognised as an intangible asset when:

- It is likely the project will be successful (taking into account its technical and commercial viability).
- The costs of the project/product may be estimated in a reliable manner.

The capitalised costs are amortised once the product goes to market on a straight line basis over the period in which the product is expected to generate profits.

Any other development costs are recognised as an expense in the period in which they are incurred and are not recognised as an asset in later periods.

Amounts received as grants or subsidy loans to finance research and development are released to trading results on a percentage completion basis of the project which they part fund. Such monies are capitalised or expensed on the same basis as the project costs to which the funds relate.

d) Emission rights for own use

This heading recognizes greenhouse gas emissions allowances obtained by allocation for own use in the compensation with emissions while executing its production activities. The emission allowance acquired is valued at its cost of acquisition deregistering it from the balance sheet as a result of its delivery or of its expiry under the National Allocation Plan for the Allocation of Greenhouse Gas Emission Allowance.

Appropriate impairment tests are undertaken to establish whether the acquisition cost of the rights is greater than their fair value. If their fair value reduces, with the impairment being recognised in the financial statements, and their market value then subsequently recovers, it is also allowable to record the subsequent gain in the income statement, although the resultant carrying value may not be over and above the original cost of the rights.

Upon emitting greenhouse gases into the atmosphere, the Company provides for the tonnage of CO_2 emitted at the average purchase price per tonne of rights acquired. Any emissions over and above the value of rights purchased in a given period will give rise to a remaining provision valued at the cost of such rights as at that time.

In the event that the emission allowance is not for own use but intended to be used for bargaining on the market the indications of note 2.12 will be strictly adhered.

2.6. Interest costs

Interest costs incurred upon the construction of any qualifying asset are capitalised throughout the period required to complete and prepare the asset for its intended use (at Abengoa a qualifying asset is defined as an asset for which the production or preparation phase is greater than one year).

Costs incurred relating to non-recourse factoring, when the accounting treatment requires the asset which being factored to no longer be recognised on the balance sheet, are expensed as costs at the point in which the factoring transaction is completed with the financial entity.

Remaining interest expenses are expensed in the period in which they are incurred.

2.7. Impairment of non-financial assets

At the close of each financial year, Abengoa reviews its non-current assets to identify any indications of impairment to the carrying book value. Additionally, at the end of each financial year, goodwill and other intangible assets which have not yet come into operation or have an indefinite useful life, are also reviewed to determine whether there has been any impairment to their carrying book value.

To establish if there has been any impairment to an asset's carrying value it is necessary to calculate the asset's recoverable amount. The recoverable amount is the greater of its market value less sales costs and value in use, being the current value of future cash flows generated by the asset. In the case that the asset does not generate cash flows independently to other assets, Abengoa calculates the recoverable amount of the cash generating unit to which the asset belongs. To calculate its value in use, the assumptions include a discount rate, growth rates and projected changes in both sales prices and costs. The discount rate is estimated by the directors, pre-tax, to reflect both changes in the value of money over time and the risks associated with the specific cash-generating unit. Growth rates and movements in prices and costs are projected based upon internal and industry projections and management experience.

In the event that the recoverable amount is less than the carrying value in the balance sheet, the corresponding impairment charge is made to "Impairment and Provisions" on the consolidated income statement. With the exception of Goodwill, impairment losses recognised in prior periods which are later deemed to have been recovered are charged as an income to the same income statement heading.

2.8. Financial Investments (short-term and long-term)

Financial investments are classified into the following categories, based primarily on the purpose for which they were acquired:

a) Financial assets at fair value with changes in the income statement;

b) Loans and receivables;

c) Financial assets held to maturity; and

d) Financial assets available for sale.

Management determines the classification of each financial asset upon initial recognition in the accounts, with their classification subsequently being reviewed at the close of each financial period.

a) Financial assets at fair value through profit and loss

This category includes the financial assets acquired for trading and those recorded at fair value with changes in results at the beginning. A financial asset is classified in this category if it is acquired mainly for the purpose of sale in the short term or if it is so designated by management. Financial derivates are also classified as acquired for trading unless they are regarded as hedges. The assets of this category are classified as current assets, except if they are held for trading or they are expected to be realized in more than 12 months after the closing date of the accounts of each company; in that case they are classified as non-current assets.

This are accounted for at fair value, not including transaction costs. Subsequent changes in fair value are accounted for in the income statement for the period.

b) Loans and accounts receivable

Loans and accounts receivable are considered to be non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included as current assets except in cases in which they mature more than 12 months from the balance sheet date.

In certain cases, and applying IFRIC Nº 12, there exist material assets under concession which are considered to be financial asset debtors (see Note 2.24.c).

These are initially recognised at fair value plus transaction costs, later depreciating the asset in accordance with the effective interest rate method. Interest calculated using the effective interest rate method is charged to the income statement under "Other Income".

c) Financial assets held to maturity

This category includes those financial assets which are expected to be held to maturity and which and are not derivatives, with fixed or determinable payments.

These assets are initially recognised at fair value plus transaction costs, later recognising its repayment under the effective interest rate method. Interest expenses calculated under the effective interest rate method are charged to the income statement within “Other Income”.

d) Financial assets available for sale

This category includes non-derivative financial assets which do not fall within any of the previously mentioned categories. For Abengoa, these primarily comprise shareholding investments in other entities which do not fall within the consolidation perimeter. They are classed as non-current assets, unless management anticipates the disposal of such investments within 12 months following the date of the balance sheet being reported.

Financial investments are held at fair value plus transaction costs. Subsequent changes in fair value are recognised as changes in net reserves, with the exception of changes in conversion rates of monetary assets, which are charged to the income statement. Dividends from financial assets available for sale are recorded as “Other Income” in the income statement at the point at which the right to receive the income is established.

When financial assets available for sale are sold or are impacted by a fall in value or impairment, such changes in their fair value are recorded in the income statement. To establish whether the assets have been impaired, it is necessary to consider whether the reduction in its fair value is significantly below cost and whether it will be for a prolonged period of time. The accumulated loss is the difference between the acquisition cost and the current fair value less any impairment losses. In general, impairment losses recognised in the income statement are not later reversed through the income statement.

Acquisitions and disposals of financial assets are recognised on the date of trading, that is to say, the date upon which there is a commitment made to purchase or sell the asset. The investments are written off when the right to received cash flows from the investment has matured or has been transferred and when the Group no longer enjoys largely all risks and rewards associated with owning the financial asset.

The fair value of listed financial assets is based upon current purchase prices. If the market for a given financial asset is not active (and for assets which are not listed), the fair value is established using valuation techniques such as considering recent free market transactions between parties, reviewing the value of instruments of a substantially similar nature which have recently been traded, analysing the discounted cash flow of such assets and option price fixing models, using to the greatest extent possible, information available in the market.

At each balance sheet close it is considered whether there is any objective evidence as to whether the value of any financial asset or any group of financial assets has been impaired.

2.9. Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date that the derivative contract is entered into, and are subsequently measured at fair value. The basis of recognising the resulting gain or loss depends upon whether the derivative is designed as a hedging instrument and, if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between the hedging instrument and the item being hedged as well as its risk management objectives and strategy for undertaking various transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in the fair value of or cash flows of the hedged items.

On this basis there are three types of derivative:

a) A fair value hedge of recognised assets and liabilities

Changes in fair value are recorded in the income statement, together with any changes in the fair value of the asset or liability that is being hedged.

b) Cash flow hedge against anticipated transactions

The effective portion of a change in the fair value of derivatives is recognised in equity, whilst the gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Accumulated amounts in equity are transferred to the income statement in periods in which the hedged item impacts profit and loss. However, when the forecast transaction which is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in reserves are included in the initial measurement of the cost of the asset or liability.

When the instrument expires or is sold, or when the hedge instrument no longer meets the required criteria of a hedge, accumulated gains and losses recorded in reserves remain as such until the forecast transaction is ultimately recognised in the income statement. However, if it becomes unlikely that the forecast transaction will actually take place, the accumulated gains and losses in equity are recognised immediately in the Income Statement.

c) Net overseas investment hedging

Hedges of net investment in a foreign business operation, including the hedging of a monetary item considered part of a net investment, shall be entered in a similar way to cash flow hedges:

- The part of the loss or profit of the hedging instrument that is determined to be an efficient hedge shall be directly recognized in the net equity through the statement of changes in the net equity (see IAS 1); and

- The part that is inefficient shall be recognized in the Income Statement of the exercise.

  The profit or loss of the hedging instrument in relation to the part of the hedge that is directly recognized in the net equity shall be entered under the outcome of the exercise at the time of the sale or disposition through another channel of the foreign business

The total fair value of hedging instruments is recorded as a non-current asset or liability when the hedged item is to mature in more than 12 months and as a current asset or liability if less than 12 months. Trading derivatives are classified as a current asset or liability.

Changes in the fair value of derivative instruments which do not qualify for hedge accounting are recognised immediately in the Income Statement.

Contracts held for the purposes of receiving or making payment of non-financial elements in accordance with expected purchases, sales or use of goods (own-use contracts) of the Group are not recognised as financial derivative instruments, but as executory contracts. In the event that such contracts include implicit derivatives, they are registered separately to the original contract, if the economic characteristic of the implicit derivative is not directly related to the economic characteristics of the original principle contract. The contracted options for the purchase or sale of non financial elements which may be cancelled through cash outflows are not considered to be “own-use contracts".

2.10. Fair value estimates

The fair value of commercial instruments which are traded on active markets (such as officially listed derivatives, investments acquired for trading and those instruments available for sale) is determined by the market value as at the balance sheet date.

The fair value of financial instruments which are not listed and do not have a readily available market value, is determined through applying various valuation techniques and through assumptions based upon market conditions as of the balance sheet date. For long-term debt the market price of similar instruments is applied. For the remaining financial instruments other techniques are used such as calculating the present value of future estimated cash flows. The fair value of interest rate exchanges is calculated as the present value of future estimated cash flows. The fair value of exchange rate contracts to mature at a future date are valued based upon market values as at the balance sheet date for similar products which mature at the same time.

The nominal value of accounts receivable and payable, less estimated credit adjustments are assumed to be similar to their fair value due to the short-term nature of the items. The fair value of financial liabilities is estimated as the present value of contracted future cash outflows applying the current market interest rate applicable to the Group were it to obtain a similar financial instrument.

Detailed information on the fair values is contained in the common note for all the financial instruments (see Note 9.2).

2.11. Inventory

Stock is stated, generally, at the lower of cost or net realizable value. In general, cost is determined by using the first-in-first-out (FIFO) method. The cost of finished goods and work in progress includes design costs, raw materials, direct labour, other direct costs and general manufacturing costs (assuming normal operating capacity). Interest costs are not included. The net realizable value is the estimated sales value in the normal course of business, less applicable variable selling costs.

Costs of inventories includes the transfer from reserves of gains and losses on qualifying cash flow hedging instruments relating to the purchase of raw materials, as is also the case for foreign exchange contracts.

2.12. Carbon emission credits (CER’s)

Various Abengoa´s entities are involved in a number of externally run schemes to reduce CO2 emissions through participation in Clean Development Mechanisms (CDM) and Joint Action (JA) programs with those countries/parties which are purchasing Carbon Emission Credits (CER’s) and Emission Reduction Credits (ERU’s), respectively. CDMs are projects in countries which are not required to reduce emission levels, whilst JA’s are aimed at developing countries which are required to reduce emissions.

Both projects are developed in two phases:

1. Development phase, which in turn has the following stages:

   - Signing an ERPA agreement (Emission Reduction Purchase Agreement) which incurs certain related costs.

   - PDD (Project Design Document) development.

   - Obtaining certification from a qualified third party regarding the project being developed and submitting the certification to the United Nations where it remains registered.

Thus, the group currently holds various agreements for the rendering of consultancy services undersigned within the framework of the execution of Clean Development Mechanisms (CDM). Costs incurred in the rendering of said consultancy services are recognized by the group as long-term receivables.

2. Annual verification of reductions in CO2 emissions from which the company receives Carbon Emission Credits (CEC), which are registered at the National Register of Emission Rights. Its rights are treated as stocks and valued at its market value.

   Furthermore, there are carbon fund holdings aimed at financing the acquisition of emissions from projects which contribute to a reduction in greenhouse gas emissions in developing countries through CDM's and JA's, as discussed above. Certain Abengoa companies have holdings in such carbon reduction funds which are managed by an external Fund Management team. The Fund directs the resources of the funds to purchasing Emission Reductions through MDL and AC projects.

   The company with holdings in the fund incurs a number costs (ownership commissions, prepayments and purchases of CER's). From the start, the holding is recorded [on the balance sheet] based upon the original Carbon Emission Credit (CER) allocation agreement, however this amount will be allocated over the life of the fund. The price of the CER is fixed for each ERPA. Based upon its percentage holding, and on the fixed Price of the CER, it receives a number of CER's as obtained by the Fund from each project.

   In both cases, both involvement in CDM and AJ projects and in the carbon funds, the CER is recorded as inventory by the company receiving the CER including, as an increase to book value, all costs incurred by the company in obtaining.

   These contributions are considered as long-term investments and are recognized in the Balance Sheet asset under the heading of Other Financial Investments.

   Likewise, the company may hold various Emission Allowances assigned by the competent EU Emission Allowance Authority (EUA) which may also be valued at their market price if held for their marketing. In the event that the EUA are held for purpose of own use, see note 2.5.

2.13. Biological assets

Abengoa recognises biological assets as tangible fixed assets, being sugar cane in production, from preparing the land to sowing the seedlings until the plant is ready for harvest and production. It is recognised at its fair value, being market value less estimated harvesting and transportation costs.

The agricultural products harvested from the biological assets, which in the case of Abengoa is cut sugar cane, is classified as inventory and is valued at the point of sale or at harvest based upon a reasonable estimated future sales value less expected sales costs.

The market value of biological assets and agricultural products typically used as a reference for the projected cane crop price in April is provided monthly by the Cane, Sugar and Alcohol Producers Board (Consecana).

Gains or losses arising as a result of changes in the fair value of such assets are recognised in the Income Statement.

According to the directors of the parent company, the assets are recorded at cost which is a reasonable approximation to its cost.

To obtain a fair valuation of the sugar cane, a number of assumptions and estimates have been made in relation to area of the farmed land, an estimated TRS (Total Recoverable Sugar contained within the cane) amount per ton to harvest the crop as well as the average amount of agricultural product growth in the various areas which are farmed.

2.14. Debtors and other trade accounts receivable

Trade receivables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest rate method less a provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due as per the original terms of the receivables.

The amount of the provision is the difference between the asset carrying amount and the present value of estimated future cash flows discounted at the effective interest rate.

When a trade receivable is uncollectable, it is written off against the bad debt provision. The subsequent recovery of debts which were previously written off is credited against "selling and marketing costs" in the income statement.

Trade debtors and other accounts receivable which have been factored with financial entities are only removed from the Company's accounting records and excluded from assets on the balance if all the conditions as required by IAS 39 have been met (See Note 9).

2.15. Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash in bank and other short-term investments which are highly liquid in nature with an original term of three months or less.

On the Statement of Financial Position, bank overdrafts are classified as borrowing within short-term liabilities.

2.16. Parent company shares

The parent company shares are classified as net equity.

Additional costs directly attributable to issuing new shares are shown as a reduction, net of taxes, to the monies obtained from the issue. Any amounts received from the sale of own shares, net of costs, are included within reserves attributable to shareholders of the Parent Company.

2.17. Grants

Non-refundable capital grants are recognised at fair value when it is considered that there is a reasonable chance of the grant being collected and that the necessary qualifying conditions as agreed with the entity providing the grant will be adequately fulfilled.

Operating grants are deferred onto the Statement of Financial Position and are recognised in the Income Statement over the life of the costs to which the grant provides financial support.

Grants provided in relation to the acquisition of fixed assets are recorded as a reduction in the carrying value of the subsidised asset and are recognised in the profit and loss on a straight line basis over the estimated useful economic life of the subsidised asset.

2.18. Loans and borrowings

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds initially received (net of transaction costs incurred obtaining said proceeds) and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method.

Subsidised loans with no interest charge, granted for research and development projects, are not specifically covered by IFRS, making it possible to apply either IAS 20 or IAS 39. Abengoa considers such financial instruments as indicated in IAS 39.

Fees paid for obtaining credit lines are recognized as debt transaction costs as long as it is probable that a part or the entire credit line will be granted. In such a case the fees are differed until the granting occurs. Insofar as it becomes clear that part or the entire credit line may not be granted, the fees may be converted into an advance payment for liquidity services, thus amortizing it in the period of credit availability.

Loans and borrowings are classified as current liabilities unless an unconditional right exists to defer its repayment by at least 12 months following the balance sheet date.

2.18.1. Convertible bonds

On 24th July 2009, Abengoa S.A. completed the process of issuing Convertible Bonds to qualified investors and institutions for the amount of € 200 M which are due to mature within five (5) years.

Pursuant to the Terms and Conditions, Issuer may decide to issue Company's shares or give the combination of the nominal cash value with shares for the difference, in the event that investors decide to exercise their right of exchange.

Following the stipulations of IAS 32 and 39 and in accordance with the Terms and Conditions of the issuance, since the bond grants the parties the right to choose the form of liquidation, the instrument gives rise to a financial liability. The right the contract grants to Abengoa to select the type of payment and with one of the possibilities of payment being the issuing of a varying number of shares and an amount of cash classifies the option of conversion as a liability embeded derivative. Thus, the instrument that emerges from the contract may be characterized as a hybrid instrument, which includes an element of liability for financial debt and a liability implicit derivative in relation to the conversion options held by the bondholder.

In the case of the convertible bonds that give rise to hybrid instruments, from the initial moment, the Company determines the value of said implicit derivative at a fair value and enters such value under the heading of liability derivative. At the close of each accounting session the value of the implicit derivative should be updated and the variations in the value should be entered through the Income Statement. The debt of the financial liability of the bond is calculated at the initial moment due to the difference between the nominal value received for said bonds and the value of the aforementioned implicit derivative. From then onwards said financial debt must be entered following the amortized cost method until its liquidation at the time of its conversion or maturity. The costs of the transactions are generally classified in the Balance Sheet as the lesser value of the debt, thus reverting as part of its amortized cost.

2.18.2 Ordinary bonds

On 24th November 2009, Abengoa S.A. completed a process of issuing Bonds to qualified investors and institutions for the amount of € 300 M which are due to mature within five (5) years.

From the very beginning the Company entered the financial debt at its net fair value, without any extra costs incurred in the transaction. This is followed by the application of the amortized cost method until its liquidation at the moment of its maturity. Any other difference between the net funds obtained (without any extra costs necessary for the obtaining process) and the value of reimbursement is recognized in the Income Statement Account during the existence of the debt. Ordinary bonds are classified as non-current liabilities except if they mature within the 12 months following the date of the Balance Sheet.

2.19. Current and deferred taxes

Tax amounts for the period comprise current and deferred taxes. Tax is recognised in the income statement, except to the extent that the tax relates to items recognised directly in reserves. In such a case, the tax cost/asset is also recorded directly in reserves.

The current income tax charge is calculated on the basis of relevant tax laws in force as of the date of the balance sheet in those countries in which the subsidiaries and associates operate and generate income which is subject to tax.

Deferred income tax is calculated, in accordance with the balance sheet liability method, based upon the temporary differences arising between the accounting treatment of assets and liabilities and the tax treatment assets and liabilities. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either the accounting or taxation profit and loss. Deferred income tax is determined using tax rates and regulations which are enacted or coming into force at the balance sheet date and, as such, are expected to apply and/or be in force at the time when the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences may be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group, and it is likely that the temporary difference will not reverse in the foreseeable future.

As of 1/01/07 a variation in the Spanish corporation tax regulation was introduced relating to the corporate tax rate payable. The taxable rate in 2007 was 32.5% but and as of 2008, has changed to 30%.

As a result of this change, all Spanish companies (with the exception of companies registered and domiciled in the Basque Country) are subject to, and have applied, a corporation tax rate of 30% in 2009. Those domiciled in the Basque Country are subject to a corporation tax rate of 28% in 2009.

2.20. Employee remuneration and benefits

a) Share schemes

Certain Group companies are participating in a series of share-based incentive schemes for directors and employees. Such programs are linked to the achievement of certain agreed upon management objectives for the following years. When there is not an active market for the shares of the scheme, the proportional personnel cost is based upon the price identified in the scheme. In the case where the share price exists, the cost recognises as the quoted element of the fair value of the financial asset at the date of being granted. In either case, the impact of these share schemes upon the accounts of Abengoa is not significant.

Additionally, Abengoa, S.A. has implemented the following described share purchase plan for the Directors of the Group, which was approved by the board of directors as well as by shareholders at an extraordinary shareholder meeting on 16 October 2005:

- Available to: Up to 122 Abengoa directors (Directors of business groups, directors of business units, technical and R&D management and those responsible for corporate services) covering their subsidiaries and business groups, existing and future, which voluntarily wish to participate in the plan. The Plan is not applicable to any member of the Abengoa main board. The remuneration plan is linked to the achievement of certain management objectives.

- Number of shares: Up to 3,200,000 Abengoa shares, making up 3.53% of the share capital of the company.

- Those who benefit from the plan have been granted access to a bank loan facility, guaranteed by Abengoa and free of personal liability, for the purchase of Abengoa shares already in issue at market value, in accordance with the Stock Exchange rules, for an amount of € 87 million (including costs, commissions and interest). The repayment date of the loan is 7 August 2011. The plan sets out certain requirements to be achieved such as individual annual objectives for each director, as well as their continuation as an employee of the Group [during the course of the scheme].

  Based on the specific conditions of the Plan, the operation is considered a transaction with payment in shares, settled in cash based on IFRS 2, by means of which the company acquires the services provided by the executives, incurring a liability for an amount based on the value of the shares.

  The fair value of the executive services received in exchange for the granting of the option is recognized as a personnel expense. The total amount charged to expenses during the accrual period is determined by reference to the fair value of a hypothetical option to sell ("put") granted by the company to the executive, excluding the effect of the accrual conditions that are not market conditions, and included in the hypotheses on the number of options that it is expected will become exercisable. In this regard, the number of options it is expected will become exercisable is considered in the calculation. At close of each financial year, the company revises the estimation of the number of options it is expected will become exercisable and recognizes the impact of this revision of the original estimates, where appropriate, in the income statement

The fair value of options conceded during the year as calculated using the Black-Scholes valuation model was € 18,744 thousand (€ 30,021 in 2008). The key data required for the valuation model was share price, the estimated return per dividend, an expected option life of 5 years, an annual interest rate and share market volatility.

b) Bonus schemes

On 24 July 2006 and 11 December 2006 the main board of directors approved an extraordinary variable pay scheme for directors (Plan Two), as proposed by the Remuneration Committee. This plan includes 190 beneficiaries at a cost of € 51,630 thousand over a five year period from 2007 to 2011 and requires the achievement, on an individual level, of objectives as set out in the Strategic Plan as well as the individual's continued ongoing service throughout the period of the plan.

In addition to that previously mentioned, and given that the acquisition of B.U.S. Group AB was completed only shortly following the establishment of the plan, on 22 October 2007 the main board of directors approved that the directors of B.U.S. Group AB (10 directors) will also enter the plan under the same conditions to a total amount of € 2,520 thousand.

The accounting treatment of this variable remuneration scheme is to recognise an annual cost in the income statement, being the creation of an accrual representing a percentage of completion of the objectives to be achieved [over the duration of the plan]. The expenses recognized during the exercise amounted to € 8,087 thousand, with the accumulated amount being € 21,566 thousand.

2.21. Provisions

Provisions are made when:

- There is a current obligation, being legal or substance, as a result of past events;
- There is more likelihood than not that there will be a future outflow of resources to settle the obligation; and
- The amount may be reliably estimated.

Where there are a number of similar obligations, the likelihood that there will be a required settlement is determined by considering the class of obligations as a whole. The provision is recognised even if the likelihood of an outflow with respect to any one item included within the same class of items is small.

Provisions are measured at the present value of the expected expenditure required to settle the obligation, recognising any increases in the provision over time as an interest expense.

Contingencies reflect possible obligations to third parties and known obligations which are not recognised due to the low probability of a future transfer of economic resources being required so as to settle the obligation or, that the potential future value of such a settlement cannot be reliably estimated. Such contingencies are not recognised on the balance sheet unless they have been derived from an onerous commitment in the context of a business combination. The balances disclosed in the notes to the accounts reflect the best estimate of the potential exposure as of the date of the accounts.

2.22. Suppliers and other payables

Trade payables are recognised initially at fair value and are subsequently valued at their amortised cost using the effective interest method.

Distributable income from advanced customer billing, as well as advances received from customers, are recognised as liabilities within "Other Liabilities". This balance additionally includes grant income received which has yet to be charged to the income statement as of the balance sheet date.

2.23. Foreign currency denominated transactions

a) Functional currency

The components of the financial statements of each of the companies within the Group are valued and reported in the local currency as commonly used in that economic forum (the functional currency).

b) Transactions and balances

Transactions denominated in overseas currencies are translated into the functional currency applying the exchange rate in force at the time of the transaction. Gains and losses which arise upon later settlement of such transactions and upon translating monetary assets and liabilities upon the balance sheet which are denominated in foreign currencies are recognised in the profit and loss account. The exception is if the gains or losses are deferred to reserves as a result of a gain or loss arising from a qualifying hedging instrument.

c) Translation of the financial statements of overseas entities within the Group

The trading results and the balance sheet of all Group companies with a non-Euro (the Group reporting currency) denominated functional currency, are converted on the following basis:

1) All goods, rights and obligations are converted to the reporting currency using the exchange rate as at the closing date of the financial period, i.e. the balance sheet date of the companies within the Group.

2) The components of the income statement of each overseas entity are converted into the reporting currency using the average exchange rate of the period, calculated as the average exchange rates as of the close of the 12 monthly periods.

3) The difference between reserves, translated at historical rates, and net reserves resulting from the translation of the assets, rights and liabilities as per number "1)" above, is registered as a positive or negative adjustment, accordingly, to reserves under the heading "Exchange rate differences".

The translation of the results of those entities within the Group which are consolidated using the equity accounting method, applies the average exchange rate for the period, as calculated in point "c.2" above.

Adjustments to goodwill and to fair values that arise upon acquiring an overseas entity are treated as assets and liabilities of the overseas entity and are translated at the closing balance sheet exchange rate.

2.24. Revenue recognition

a) Ordinary income

Ordinary income comprises the fair value of consideration received for the sale of goods or services excluding any related charges resulting from the operations, before any discounts or returns and excluding sales between Group entities.

Ordinary income is made up of the following:

- Income from the sale of goods is recognised upon the Group delivering of the product to the customer, the customer accepting the goods and that it is reasonably likely that the related account receivable will be received from the customer.

- Income from the sale of services is recognised in the period in which the service is provided, based upon the contractually agreed rates and the percentage of completion of the service being provided.

- Income from interest is recognized by using the effective interest rate method. When a account receivable undergoes loss through impairment, the book amount is reduced to its recoverable value, discounting estimated future cash flows at the original effective interest rate of the instrument and the discount is recorded as a reduction in interest income. Income from interest on loans that has undergone loss impairment is recognized when the cash is collected or on the basis of the recovery of the cost when the conditions are guaranteed.

- Dividend income is recognised when the right to receive payment is established.

b) Construction contracts

Costs incurred in relation to construction contracts are recognised at point in which they are incurred. When the eventual gain or loss of a construction project cannot be reliably estimated, revenues are only recognised up to the amount of the costs incurred to date, on the basis that such costs are anticipated to be recovered.

When the financial gain or loss of a construction project may be reliably estimated and it is likely that it will be profitable, income is recognised upon the contract throughout the period of the project. When it is probable that the costs of the project will be greater than the income, the full anticipated project loss is recognised immediately as a cost. To determine the appropriate amount of income to be recognised in any period, the percentage to completion method is applied. The percentage to completion method considers, at the balance sheet date, the actual costs incurred as a percentage of total anticipated costs for the entire contract. Costs incurred in the period which relate to future project activities are not included when establishing the percentage of completion. Prepayments and certain other assets are recognised as stock, depending upon their specific nature.

Invoices emitted yet to be received and customer retention payments are recorded within debtors and other trade receivables.

Gross amounts owed by clients for ongoing works in which the costs incurred plus recognized benefits (minus recognized losses) exceed partial invoicing are presented as assets in the heading of “clients, finished construction pending certification”.

In contrast, amounts outstanding from customers for work in progress for which the billing to date is greater than the level of costs incurred plus recognised gains (less losses recognised), are shown as a liability.

c) Concession contracts

Integrated Products (see Note 2.4) are long-term projects awarded to and undertaken by Abengoa's entities (in conjunction with other companies or on an exclusive basis) typically over a term of 20 to 30 years. Such projects typically include both the construction phase of certain infrastructures as well as the provision of future associated maintenance services throughout the concession period.

Revenues are obtained during the concessional period via an annual charge payable by the body which granted the concession which, in certain cases, is adjusted for inflation. Typically the annual charge is updated based upon the official pricing index of the country and in the currency in which the cannon is denominated, with fluctuation in local currency being assessed against a currency basket.

In general, the accounting of this type of projects follows the interpretation of IFRIC Nº 12 Service Concession Agreements with assets constructed being treated as Intangible Assets (Concessions) as per the following criteria:

1) Total construction costs, including associated financing costs, are registered as a tangible asset. Profits attributable to the construction phase are recognised on a grade of completion basis, based upon the fair value assigned to the construction and the concession.

2) Upon completing the construction phase of the concession and entering the service phase, the construction costs are moved from tangible to intangible assets.

3) The intangible asset is amortised, in general, on a straight line basis over the period of the concession.

4) The charges to the Income Statement during the period of the concession are as follows:

   - Ordinary income: The annual updated concession fee income is recognised each in period.

   - Operating costs: operating and maintenance costs and general overheads and administrative costs are charged to the income statement in accordance with the nature of the cost incurred (amount due) in each period. Fixed assets are amortised as per point 3) above.

   - Financial costs: Financing costs and exchange rate differences arising from debt repayable which is denominated in foreign currencies are charged to the income statement.

5) At the end of the period, each project is reviewed to determine whether it is necessary to recognise any impairment to its value due to the non-recuperation of costs, as long as the amount may be calculated.

However, in those cases where it is the responsibility of the party which granted the concession to make good the payment of the operator's expenses and retain substantially all the risks associated with the concession requirements, the asset arising from the construction of phase of the project is reported as a long-term debtor as long as the amount may be calculated. The long-term debtor is gradually reduced during the life of the contract by matching against it the annual fees received from the customer.

2.25. Rental contracts

The leasing of fixed assets in which a group company is the lessee and substantially conserves all the risks and advantages resulting from the ownership of the assets is classified as financial leasing.

Finance leases are recognised upon entering into the contract at the lower of the fair value of the leased asset and the present value of the minimum leasing payment throughout the contract term. Each lease payment is analysed between debt and financing costs, in a way which establishes a constant rate of interest upon the outstanding debt at any time. The amounts to be paid throughout the lease term, net of financing charges, are recognised as long-term and short-term creditors, as appropriate. The implicit interest cost element of the rental payments is charged to the income statement throughout the period of the leasing agreement applied the implicit interest rate constantly throughout the contract to the remaining creditor on the balance sheet. Fixed assets capitalised through finance lease agreements are depreciated over the lower of the lease agreement term period or the anticipated useful economic life of the asset.

For leasing agreements undertaken by the Group in which the entity entering into the agreement does not substantially take on the risks and rewards of ownership are recorded as operating leases. Payments made under operating leases are charged to the income statement (net of any incentives received from the lessor) on a linear basis over the term of the contract.

2.26. Dividend distribution

Dividends paid to the shareholders of the parent company of the Group are recognised as a liability in the period in which the dividend payment is approved by the shareholders of the company.

2.27. Financial information by segment

Information upon the business segments of the Group are presented on the same basis as internal information as provided to key decision-makers within the Group. Key decision-makers are identified as being those responsible for assigning resources and evaluating the performance of the various Business Segments, the Strategy Committee. The Strategy Committee is made up of The Executive Chairman, the Executive Vice-Chairman, the Directors of the Business Units, the Director of Organization, Quality and Budgets, the Technical Secretary, the Human Resources director, the Corporate Strategy and Development director, the Finance Director, the director of Investor Relations, the Director of International Institution Relations, the Sustainability Director and the Secretary General.

The Strategy Committee analyses the business on a product and geographical basis. On the product level, management has identified 5 strategic business units: Solar, Bioenergy, Information Technologies, Environmental Services and Industrial Engineering and Construction.

Geographically, the 5 regions analysed for reporting and management purposes are Spain (home market), the US and Canada, the European Union, Central and South America and Other (the remaining overseas markets).

For detailed information on the operating segments and by geographical market, see Note 38 of this report.

2.28. Electric activities

Law 54/1997 of 27 November, of the Spanish Electricity Sector, and its subsequent legal developments, regulate the various activities in relation to the supply of electricity: generation, transportation, distribution, sales and inter-community and international exchanges, as well as the economical and technical management of the Spanish electrical power grid. This area of activity also includes own-use generation and other special electricity generation cases which are also covered by this law.

Royal Decree 437/1998, of 20 March 1998, which approved the adapted GAAP for entities within the electricity sector, set out certain information requirements to be included within the financial statements, which are also applicable to the Consolidated Financial Statements of groups which include one or more activities which fall under the influence of these laws.

Appendices IV and IX list those entities within the Consolidation Perimeter of the Group which operated in the electricity sector in 2009 and 2008, respectively.

2.29. Environmental assets

Equipment, installations and systems used in relation to the elimination, reduction or control of detrimental factors to the environment. Such assets are recognised in the accounting records on a similar basis to other fixed assets of a similar nature.

The provisions made for environmental restoration, costs of restructuring and litigations, are recognized when the Company is faced with an obligation, whether legal or implicit, as a result of passed events, when it becomes probable that the disbursement of resources may be necessary to liquidate the obligation and the amount may be reliably estimated.

Note 39 gives additional information on the Environment.

2.30. Redundancy costs

Redundancy payments are made to employers in the event that the company terminates their employment contract prior to the normal age of retirement or when the employee voluntarily accepts redundancy under the terms offered by the employer. The Group recognises such redundancy costs when it is demonstrably committed to undertake against third parties to terminate the terms of employment in accordance with a detailed approved plan, without the possibility of withdrawing from the action to be taken.

2.31. Non-current Assets as held for sale and interrupted business activities

The Group classifies as non-current tangible assets for sale those assets, tangible and intangible subject to disposal (groups of assets to be disposed directly with their related liabilities) for which, as at the Statement of Financial Position closing date their sale has either been initiated or the sale of which is anticipated within the coming twelve months.

The Group considers as discontinued assets those business lines which have been sold or have been otherwise disposed off or those that meet the conditions so as to be treated as assets for sale, including, as appropriate, those assets which together with the business line form a part of the same business plan. Similarly, those assets acquired specifically for the purposes of resale are also considered to be discontinued assets.

These assets or groups subject to disposal are valued at the lower of their net book value or the estimated sales proceeds less costs required to effect the sale, and are no longer depreciated as of the point of classifying such assets as non-current assets held for sale.

Non-current assets held for sale and the components of groups subject to disposal classified as for sale are presented in the Statement of Financial Position on the following basis: Assets are grouped within the single line “Assets held for sale and interrupted business activities” with liabilities also grouped within one line "Liabilities held for sale and interrupted business activities"

The results after tax of discontinued operations are presented in a single line within the Consolidated Income Statement under the heading “Results for the year from Interrupted activities net of tax”.

Note 3.- Accounting Estimates and Opinions

The preparation of financial statements under IFRS requires certain assumptions and estimations to be made which have an impact on the recognition of assets and liabilities on the Statement of Financial Position and incomes and costs within the Income Statement, as well as information regarding the existence of contingencies. As such, for the preparation of Abengoa’s 2009 and 2008 Consolidated Financial Statements it has occasionally been necessary for Management of the Group and its consolidated entities to make certain estimates – which were subsequently approved by the directors – so as to be able to quantify certain assets, liabilities, incomes and costs and other commitments. Basically, such estimates relate to:

- Impairment losses on certain assets (see Notes 2, 4, 5 and 6).
- The useful economic life of certain tangible and intangible assets (See Notes 2, 4, 5 and 6).
- The amount of certain provisions (see Note 18).
- Valuation of certain goodwill (see Note 4).
- The fair value of biological assets (see Note 2.13)
- The fair value of non-listed assets (see Note 10).
- The fair value of assets and liabilities for purchase price allocations (see Note 4).
- Tax Income (see Note 20).
- The recoverable value of deferred income tax assets (see Note 20).
- Losses on certain financial assets held for sale (see Note 10)
- The fair value of certain Financial Instrument Derivatives (see Note 11)
- Degree of advancement in the execution of certain critical projects.
- Estimations on the probability of flows in relation to the hedging of certain derivatives
- Consolidation through *de facto* control (see Note 2.2).

All assumptions and estimates are based upon circumstances and expectations as of the close of the financial period. The most realistic assessment is considered in relation to the global economic situation of the sectors and regions where the Group operates, taking into account the anticipated future development of the businesses. The estimates made may change in the event of changes in matters which impact upon the valuations made. In such cases, the assumptions and the accounting values of assets and liabilities are adjusted.

As of the date of preparing these Consolidated Financial Statements, no relevant changes are anticipated in the estimations made and, as such, no significant changes in the value of such assets and liabilities as at 31 December 2009 are expected.

Despite such estimates being made based upon the use of the best available facts and information as of the date of each accounting close, it is possible that events may occur in the future which require Management to amend the estimates (either at higher or lower) in the following financial periods; which will be done, in accordance with IAS 8, in a prospective way recognising the change in the accounting estimate within the Consolidated Income and Loss Statement.

Note 4.- Intangible Assets

4.1. The following table sets out the movement in the main classes of intangible fixed assets between 2009 and 2008, analysed between those which are generated internally and other intangible assets:

Cost	Goodwill Fund	Development Assets	Others	Total
Balance as of 31 December 2007	1,114,388	25,973	110,629	1,250,990
Increases	7,252	15,631	19,160	42,043
Decreases	(26,037)	-	(25,178)	(51,215)
Other movements and Transfer to Discontinued operations	(127,945)	-	(45,155)	(173,100)
Total cost as of 31 December 2008	**967,658**	**41,604**	**59,456**	**1,068,718**
Increases	15,637	38,570	60,957	115,164
Decreases	(12,828)	-	-	(12,828)
Conversion Diferences	100,414	-	775	101,189
Other movements	260,500	24,474	20,624	305,598
Total Cost as of 31 December 2009	**1,331,381**	**104,648**	**141,812**	**1,577,841**

Accumulated Depreciation	Goodwill Fund	Development Assets	Others	Total
Balance as of 31 December 2007	-	-	(23,968)	(23,968)
Increases (changes)	-	-	(28,721)	(28,721)
Decreases	-	-	23,339	23,339
Other movements and Transfer to Discontinued operations	-	-	17,523	17,523
Total Amort. as of 31 December 2008	**-**	**-**	**(11,827)**	**(11,827)**
Increases (changes)	-	(10,309)	(25,461)	(35,770)
Decreases	-	-	-	-
Conversion Diferences	-	-	(418)	(418)
Other movements	-	(45,549)	6,607	(38,942)
Total Amort. as of 31 December 2009	**-**	**(55,858)**	**(31,099)**	**(86,957)**
Net Balance at 31 December 2009	**1,331,381**	**48,790**	**110,713**	**1,490,884**

“Other Movements” amounts generally reflect the transfer of assets in progress, changes in the consolidation perimeter, various reclassifications, exchange rate movements, and the transfer of assets held for sale relating to Information Technology business unit (see Note 14).

The most significant variations in the 2009 exercise generally occurred in the incorporation of the Goodwill (see Note 4.3.a) and of the intangible asset relating to the business segment of Information technologies previously classified as non-current assets held for sale, as well as in the increase in the Assets under Development relating to the Solar Business Segment activity (see Note 4.2).

These amounts relate only to Intangible Assets which do not relate to Project companies, an analysis of which is included in Note 6 on Intangible Assets in Projects.

4.2. Assets under development

During the 2009 exercise, Abengoa has made significant R&D&I investment effects, investing a total of € 89,715 thousands through the development of new technologies in the various Business segments (Solar Technology, Biofuels, hydrogen, emissions management, energy efficiency and new renewables)

The following table summarises the total investments made in R&D in 2009:

	Assets as of 31.12.08	Investment during the Fiscal Year	Other movements	Assets as of 31.12.09
Development Assets (Note 4.1)	41,604	38,570	24,474	104,648
Development Assets in Projects (Note 6.1)	51,845	-	(209)	51,636
Spending on Research in the 2009 fiscal year (see Note 30)	-	51,145	(51,145)	-
Total Investment in R&D&i in 2009 fiscal year	**93,449**	**89,715**	**(26,880)**	**156,284**

The amounts for "Other Movements" generally reflect the variations of the perimeter of Consolidation and various reclassifications.

4.3. Goodwill

a) The table below shows the breakdown of Consolidation Goodwill by subsidiaries as of 31 December 2009 and 2008:

Goodwill Fund	Balance as of 31.12.09	Balance as of 31.12.08
From consolidated companies on a Full / line by line basis		
AB Bioenergy France, S.A.	1,510	1,510
Abener Engineering and Construction Services, PLC	24,521	13,201
Abener Ghenova Ingeniería S.L.	1,582	998
Abengoa Bioenergía Sao Paulo, S.A.	454,762	355,117
Abengoa Bioenergy Corporation	30,894	31,978
Asa Bioenergy of Nebraska, PLC	3,790	3,924
BUS Group AG	263,442	263,442
Befesa Aluminio Catalán SL	19,901	19,901
Befesa Aluminio Valladolid, S.A.	422	422
Befesa Aluminio S.L.	18,230	18,230
Befesa Argentina,S.A.	514	514
Befesa PCB	180	180
Befesa Gest. Res. Ind, S.L.	47,508	47,508
Befesa Medio Ambiente, S.A.	176,848	176,848
Befesa Waterbuilt GP, Inc.	467	467
Befesa Zinc Amorebieta, S.A.	4,460	4,460
Befesa Zinc Aser, S.A.	4,268	4,268
Befesa Zinc Sondika, S.A.	1,228	1,228
Beijing Blue Shield High & New Tech. Co., Ltd	1,866	-
Caseta Technologies, Inc	4,051	-
Construcc Metalicas Mexicanas, S.A. De CV	439	453
Construcciones y Depuraciones, S.A.	3,006	3,006
Data Transmission Network	181,857	-
Energoprojekt-Gliwice S.A.	2,906	2,901
Geida Skikda, S.L.	-	-
Geida Tlemcen, S.L.	3,270	3,270
Limpiezas Industriales Robotizadas, SA	2,756	2,156
Maexbic,S.A.	1,681	-
Matchmind Holding, S.L.	25,756	-
NRS Consulting Engineers	4,611	4,611
Servicios de Ingenieria IMA S.A	2,606	-
Telvent Australia Pty Ltd	(130)	-
Telvent Canada , Ltd.	17,562	-
Telvent Farradyne Inc.	8,576	-
Telvent Miner & Miner , Inc.	6,634	-
Telvent Netherlands BV	126	-
Telvent USA, Inc.	1,781	-
Trinacria Spzoo	3,748	3,748
Tratamiento y Concentración de Líquidos	3,317	3,317
Xwave	434	-
Total	**1,331,381**	**967,658**

The most significant changes in the 2009 exercise mainly affect exchange rates caused by the appreciation of the Brazilian Real against the Euro and by the incorporation of the Goodwill for the Information Technologies business segment previously classified as non-current assets held for sale (see note 14).

Said Goodwill of the Information Technologies business segment must show what arose from the 2008 exercise acquisition of 100% of the DTN Holding Company Inc., a company belonging to Telvent GIT S.A., dedicated to providing business information services in the fields of Agriculture, Energy and the Environment, amongst others.

At the close of the 2009 exercise and pursuant to IFRS 3 on business combinations, the Administrators analyzed the assets and liabilities acquired and their subsequent assignment of their acquisition price for evaluation purposes, for which reason they considered the value of all the assets and liabilities, tangible and intangible, as well as contingent, as far as they may be objects of accounting recognition in accordance with the international accounting standards.

Thus, the assignment of the acquisition price entailed the consideration of all the factors taken into account when determining the acquisition price, the most important of which is the assignment of value (€ 160.4 M) to the intangibles associated with subscriber relationships, trademarks and IT applications (see Note 6.1).

On 31st December 2009, the difference between the acquisition price and the fair value of the assets and liabilities net acquired had been entirely assigned to goodwill as detailed below:

	Book value	Fair Value
Non-current assets	52,226	221,912
Current assets	24,933	24,933
Current and non-current liabilities	(206,442)	(268,532)
Fair value of net assets acquired	-	**(21,687)**
Cost of Acquisition of Net Assets Acquired	-	**187,656**
Excess Cost of Acquisition - FV of Net Assets Acquired	-	**209,343**

The variation between the previous amount and the recognized goodwill at the close of the exercise (€ 181,857 thousand) is completely a result of the conversion difference generated by the depreciation of the Dollar against the Euro.

b) As indicated in Note 2.7, Abengoa undertakes year-end procedures to identify potential goodwill impairment.

The recoverable amount is the greater of its market value less related sales costs and its value in use, being the present value of estimated future cash flows.

To calculate the value in use of the major goodwill balances (Environmental Services, Bioenergy and Information Technologies), the following assumptions were made:

- Projected financial cash flows of the entity basis on the financial protections of the own Company at ten years, calculating a residual value based upon of the final year projected cash flow, but only on the basis that the cash flow of that final year fairly represents a normal flow for the business, in specific cases, applying a constant growth rate which in any case will be greater than that estimated for the market in which the entity operates.

- In main cases, the financial structuring of the entity is in some way linked to the global Group structure, a discount rate is utilised to calculate the present value of future cash flows based upon the weighted average cost of capital for that type of asset, with any necessary further adjustments if applies depending on the additional risk associated to some kind of activities.

- In any case, a further sensitivity analysis is performed, especially in relation to the discount rate, the constant growth rate, as the case may be, and the residual, with the objective to ensure that possible changes in the rates used do not impact on the possible recovery of the goodwill's recorded carrying value.

- In applying these valuation criteria, the discount rates used to perform the impairment tests of the main Goodwill Funds (Environmental Services, Bioenergy and Information Technologies) were between 6% and 10%.

According to the usage value calculations, the hypothesis indicated above, no evidence has been found to show deteriorations in any of the main existing Goodwill Funds since the recoverable amount is greater than their net book value.

With regards to the remaining Goodwill amounts, as of the close of the period, the recoverable amount was estimated for Cash Generating Units (CGU) in accordance with Note 2.7 with there being no needed to recognise any impairment to such assets.

Note 5.- Tangible Fixed Assets

5.1. The table below shows the movement in tangible fixed assets between 2009 and 2008 by main fixed asset categories:

Cost	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Balance as of 31 December 2007	272,902	729,658	122,183	236,058	1,360,801
Increases	55,405	46,023	59,368	2,350	163,146
Decreases	(15,889)	(2,945)	(1,231)	(1,245)	(21,310)
Other movements (Transfer to Discontinued operations)	3,098	(37,806)	62,010	(22,724)	4,578
Total Balance as of 31 December 2008	**315,516**	**734,930**	**242,330**	**214,439**	**1,507,215**
Increases	74,413	184,977	419,184	37,884	716,458
Decreases	-	(17,806)	-	(6,267)	(24,073)
Conversion Diferences	4,851	29,478	19,782	33,641	87,752
Other movements	(2,948)	188,670	94,128	16,379	296,229
Total Balance as of 31 December 2008	**391,832**	**1,120,249**	**775,424**	**296,076**	**2,583,581**

Accumulated Depreciation	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Balance as of 31 December 2007	(35,235)	(337,543)	-	(117,162)	(489,940)
Increases (changes)	(6,399)	(70,292)	-	(7,520)	(84,211)
Decreases	-	1,456	-	3,264	4,720
Other movements	9,344	62,936	-	24,998	97,278
Total Balance as of 31 December 2008	**(32,290)**	**(343,443)**	**-**	**(96,420)**	**(472,153)**
Increases (changes)	(7,987)	(56,851)	-	(123,805)	(188,643)
Decreases	-	-	-	-	-
Conversion Diferences	(1,905)	(20,649)	-	(11,553)	(34,107)
Other movements	323	(20,620)	-	(4,182)	(24,479)
Total Balance as of 31 December 2009	**(41,859)**	**(441,563)**	**-**	**(235,960)**	**(719,382)**
Net balance at 31 December 2009	**349,973**	**678,686**	**775,424**	**60,116**	**1,864,199**

The amounts belonging to "Other Movements" generally reflect the changes of the consolidation perimeter and various reclassifications as well as the incorporation of the fixed asset for the Information Technologies business segment, previously classified as non-current assets held for sale (see Note 14).

The most significant movements in the 2009 exercise primarily relate to an increase in the execution of new projects related to Solar and Bioenergy Activity, in the exchange rates caused by the appreciation of the Brazilian Real against the Euro and by the incorporation of the fixed asset for the Information Technologies business segment previously classified as non-current assets held for sale and the acquisition of 50 percent of the company Biocarburantes Castilla y León and the 100% of a set of productive assets specialized in the treatment and recycling of salt slag (see Note 37).

Shrinkings that occurred in the 2009 exercise should also be represented in the property, plan and equipments relating to Solar and Bioenergy Activities when reducing the book values of certain fixed assets down to its recoverable amount through the recognition of a loss in the Income Statement accounts in the amount of 115,182 thousand Euros, when evaluating the existence of a sign of depreciation of the value of said assets due to external incidents that may have occurred, or that may occur in an immediate future relative to the legal, economic, technological or market environment in which it operates, or even on the market to which they are destined.

These amounts relate only to assets not included within Project companies, an analysis of which is included in Note 6 on Project Assets.

5.2. Fixed assets not in use for operating activities as of the close of the period are not significant.

5.3. The companies' policy is to contract all insurance policies deemed necessary to ensure all fixed assets are suitably covered from potential risks.

5.4. The amount of capitalised interest in 2009 was € 29,844 thousand (€ 24,116 thousand in 2008).

5.5. Within the commitment of the Urban Cooperation Agreements between Gerencia de Urbanismo de Sevilla, Iniciativas de Bienes Inmuebles, S.A. (IBISA) and Abengoa, S.A. dated 1 March 2004, the Group company, Centro Tecnológico Palmas Altas, S.A. (CTPA) acquired at the end of 2005 an estate site belonging to IBISA for € 31 M. During 2007 the estate site was sold by Abengoa to an independent third party. On 21 December 2005, CTPA undertook a swap with the City of Seville which required the acquisition of 80.94% ownership of a plot of an estate in Palmas Altas, for the purposes of installing on that estate a Technological Centre in exchange for the estate development exploitation for 14,480.76 square meters of the aforementioned land site under its property. The valuation of the assets exchanged is € 17,940 thousand. As a consequence of this valuation, a capital gain of € 8,738 thousand (excluding the impact of tax) was recognised on the estate site exchanged during the 2008 exercise, being the transaction conveniently registered through of its incorporation in the Mercantile Register during said exercise.

The entity CTPA, as a result of the commitments undertaken by IBISA and Abengoa S.A. in the aforementioned Urban Cooperation Agreement, completed the construction on the Technological Centre within the minimum period of three years established, and was granted activity licence on 9th September.

Note 6.- Fixed Assets in Projects (Project Finance)

As indicated in Note 2.4 of these Notes to the Financial Statements, within the Consolidation Perimeter are several companies which engage in the development of integrated products including the design, construction, financing, operation and maintenance of owned projects as well as some concession projects.

This note provides a breakdown of the fixed assets within such projects as well as further relevant and related information upon such assets (excluding non-recourse financing applicable to such projects as disclosed in Note 15 of these Notes to the Financial Statements).

6.1. The following table shows the movements of such intangible assets between 2009 and 2008:

Intangible Assets	Balance as of 31.12.08	Increases	Decreases	Conversion Differences	Other Movements	Balance as of 31.12.09
Intangible Assets	951,885	59,292	(9,952)	250,015	346,212	1,597,452
Accumulated Depreciation	(66,182)	(48,133)	-	-	(20,065)	(134,380)
Net Balance of Intangible Assets	**885,703**	**11,159**	**(9,952)**	**250,015**	**326,147**	**1,463,072**

Intangible Assets	Balance as of 31.12.07	Increases	Decreases	Conversion Differences	Other Movements & Trans. Maint. Sale	Balance as of 31.12.08
Intangible Assets	911,602	19,324	(1,549)	(15,223)	37,731	951,885
Accumulated Depreciation	(50,338)	(32,135)	-	-	16,291	(66,182)
Net Balance of Intangible Assets	**861,264**	**(12,811)**	**(1,549)**	**(15,223)**	**54,022**	**885,703**

"Other Movements" amounts generally reflect the transfer of assets in progress, changes in the consolidation perimeter, various reclassifications, exchange rate movements, and the incorporation of the intangible assets of the Information Technologies business segment previously classified as non-current assets held for sale (see Note 14).

The most significant changes during the year are mainly in the ongoing transfer to Fixed Assets in Projects of fixed assets to the assets of the Brazilian companies of Electrical Transmission, ATE V, VI and VII through its commissioning in said exercise (see accounting treatment in Note 2.4), in the exchange rate mainly occurring as a result of the appreciation of the Brazilian Real against the Euro and the incorporation of the intangible assets of the Information Technologies business segment previously classified as non-current assets held for sale that includes intangible assets associated to the acquisition of DTN for an amount of € 160.4 M (see Note 4.3).

The most significant amount of Intangible Assets belongs to the concession projects relating to the activity of high voltage lines mainly in Brazil (see Notes 6.2 and 15.2) as well as the amounts.

On the other hand, Intangible Assets also include the amount invested in the project "Development of High Performance thermoelectric solar technology plants" which on 31st December 2009 totalled € 52 M (for more information on the investment in Development see Note 4.2).

6.2. The table below shows a breakdown of the movement in tangible assets in projects between 2009 and 2008:

Cost	Lands and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Balance as of 31 December 2007	51,029	211,455	514,589	118,729	895,802
Increases	38,136	139,274	383,903	28,211	589,524
Decreases	(41)	(1,583)	(116,785)	(7)	(118,416)
Other movement and Transfer to Discontinued operations	44,794	96,703	48,262	(17,879)	171,880
Total as of 31 December 2008	**133,918**	**445,849**	**829,969**	**129,054**	**1,538,790**
Increases	45,790	113,963	637,377	1,608	798,738
Decreases	-	(3,086)	(4,886)	-	(7,972)
Conversion diferences	236	4,144	(10,978)	(487)	(7,085)
Other movements	29,183	100,213	(90,978)	19,976	58,394
Total as of 31 December 2009	**209,127**	**661,083**	**1,360,504**	**150,151**	**2,380,865**

Accumulated Depreciation	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Balance as of 31 December 2007	(13,816)	(97,682)	-	(7,429)	(118,927)
Increases (changes)	(2,584)	(19,374)	-	(1,309)	(23,267)
Decreases	-	-	-	-	-
Other movements and Transfer to Discontinued operations	(2,931)	(25,502)	-	(4,093)	(32,526)
Total as of 31 December 2008	**(19,331)**	**(142,558)**	**-**	**(12,831)**	**(174,720)**
Increases (changes)	(3,938)	(34,783)	-	(3,029)	(41,750)
Decreases	-	-	-	-	-
Conversion diferences	(144)	(490)	-	317	(317)
Other movements	(4,295)	(3,421)	-	3,840	(3,876)
Total as of 31 December 2009	**(27,708)**	**(181,252)**	**-**	**(11,703)**	**(220,663)**
Net balance at 31 December 2009	**181,419**	**479,831**	**1,360,504**	**138,448**	**2,160,202**

“Other Movements” amounts generally reflect the transfer of assets in progress, changes in the consolidation perimeter, various reclassifications, exchange rate movements, and the incorporation of the intangible assets of the Information Technologies business segment previously classified as non-current assets held for sale (see Note 14).

The most significant changes during 2009 are mainly in the increase in the execution of new projects relating to Solar, Bioenergy and Environmental Services, the transfer of the assets of Brazilian companies of Electrical Transmission, ATE V, VI and VII through its commissioning in said exercise (see accounting treatment in note 2.4), the exchange rate mainly occurring as a result of the appreciation of the Brazilian Real against the Euro and the incorporation of the fixed assets of the Information Technologies business segment previously classified as non-current assets held for sale.

The amount of the interest expenses capitalized in 2009 totaled € 77,990 thousands (€ 32,292 thousand in 2008).

Note 7.- Investments in Associate Companies

7.1. The table below shows investments held in associate companies in 2009 and 2008:

Company	Balance as of 31.12.08	Year and Allocation	Other movements	Balance as of 31.12.09
Agua y Gestión de Servicios Ambientales, S.A.	9,725	443	-	10,168
Cogeneración del Sur, S.A.	49	(927)	878	-
Cogeneración Motril, S.A.	5,583	2,199	(1,565)	6,217
Ecología Canaria, S.A. (Ecansa)	1,279	-	286	1,565
Expansion Transmissao de Energía Eléctrica, Ltda.	9,514	5,016	47	14,577
Betearte (antigua ABG servicios medioambientales)	1,121	-	(1,121)	-
Chennai Water Desalination Limited	7,086	-	(7,086)	-
Hospital El Tajo	1,575	-	(257)	1,318
Expansion Transmissao Itumbiara Marimbondo, Ltda.	6,003	2,536	838	9,377
Inversiones Eléctricas Transam Chile Limitada	6,489	(1)	(92)	6,396
Redesur	3,350	569	(465)	3,454
ATE XIII, Norte Brasil Transmissora de Energía S.A	-	-	5,729	5,729
ATE XII, Porto Velho Transmissora de Energía SA	-	-	3,466	3,466
ATE XIV Estaçao Transmissora de Energia S.A.	-	-	9,127	9,127
Green Visión Holding BV	-	-	3,280	3,280
Cedisolar	-	-	2,496	2,496
Bioener Energía, S.A.	-	-	322	322
DMS	-	19	5,958	5,977
Other companies	(1,731)	1,392	(1,538)	(1,877)
Total	**50,043**	**11,246**	**20,303**	**81,592**

Company	Balance as of 31.12.07	Year and Allocation	Other movements	Balance as of 31.12.08
Agua y Gestión de Servicios Ambientales, S.A.	8,701	1,024	-	9,725
Cogeneración del Sur, S.A.	(298)	347	-	49
Cogeneración Motril, S.A.	3,993	1,590	-	5,583
Deydesa 2000, S.L.	-	-	-	-
Ecología Canaria, S.A. (Ecansa)	1,009	210	60	1,279
Expansion Transmissao de Energía Eléctrica, Ltda.	10,770	3,317	(4,573)	9,514
ABG Servicios Medioambientales, S.A.	1,051	-	70	1,121
Chennai Water Desalination Limited	3,036	-	4,050	7,086
Geida Tlemcen, S.L.	3,271	-	(3,271)	-
Hospital El Tajo	1,727	-	(152)	1,575
Expansion Transmissao Itumbiara Marimbondo, Ltda.	7,043	1,615	(2,655)	6,003
Inversiones Eléctricas Transam Chile Limitada	6,337	(2)	154	6,489
Redesur	4,834	398	(1,882)	3,350
Other companies	(1,329)	888	(1,290)	(1,731)
Total	**50,145**	**9,387**	**(9,489)**	**50,043**

The "Other Movements" amounts, in general, reflect changes in the consolidation perimeter as well as the effect of the conversion differences.

The most significant movement relates to the impact of appreciation of the Brazilian Real upon businesses within the industrial engineering and construction group (primarily power transmission lines in Latin America).

The amounts of subsidiaries related to entities located outside Spain was € 61,383 thousand (€ 32,442 thousand in 2008).

Note 8.- Inventories

8.1. Inventories as of 31 December 2009 and 2008 was made up of the following:

Concept	Balance as of 31.12.09	Balance as of 31.12.08
Goods for resale	24,271	20,914
Raw Materials and Other supplies	94,166	80,617
Work in progress and semi-finished products	2,246	3,034
Project in Progress	65,509	50,479
Finished Products	75,084	91,606
Agricultural Products	12,779	13,975
Advanced Payments	71,534	55,468
Total	**345,589**	**316,093**

Inventory amounts for entities located outside Spain were € 210,725 thousand (€ 159,224 thousand in 2008).

8.2. There are no restrictions regarding the availability of stock for use by the Group, with the exception of guarantees provided for construction projects in the normal course of business which are being released as the various contractual milestones of the project are achieved.

Note 9.- Financial Risk Management and Information on Financial Instruments

9.1. Financial risk

Abengoa's activities are undertaken through its Business Units and are exposed to various financial risks: market risk (including exchange rate, interest risk and pricing risk), credit risk, liquidity risk and capital risk.

The risk management model attempts to minimise the potential adverse impact of such risks upon the financial profitability of the Group. Risk is managed by the Group's corporate finance department, which is responsible for identifying and evaluating financial risks in conjunction with the Business Units operations, and quantifying such risks by project, region and company.

Internal written risk management policies exist for the overall management of risk, as well as for specific areas of risk such as foreign exchange, credit risk, interest rate risks, liquidity risk, and for the use of hedging instruments and derivatives and for the investment of surplus cash in hand.

In additional, there are official written management regulations regarding key controls and control procedures for each company, and the implementation of these controls is monitored through internal audit procedures.

The accounting policies regarding financial instruments are applied to the following:

a) Market risk

The Group activities fundamentally expose it to financial risk from foreign exchange, interest rates and changes in the prices of assets and commodities materials purchased (principally zinc, aluminium, grain, ethanol, sugar and gas). To cover such exposures, Abengoa uses options and swaps for exchange rate and interest rate contracts and futures contracts for the aforementioned mentioned products. The Group does not use derivatives for speculative purposes.

Foreign Exchange rate risks arise when the commercial transactions to be settled in the future, for which the assets and liabilities are not denominated in the functional currency of the entity.

To control foreign exchange risk, the Group purchases future currency sale/purchases options. Such contracts provide cover over the fair value of the future cash flows.

Approximately 95% of projected transactions which are not denominated in the functional currency of the Company are very likely highly transactions in regards to hedging account.

The main exchange rate exposure to the Group relates to the US Dollar, the Euro and the Brazilian Real.

Details of the financial hedging instruments and foreign currency payments as of 31 December 2009 are included in Note 11 of these Notes to the Financial Statements. The amount which is not covered is not significant.

The sensitivity of the fair values of the interest rate hedging derivative financial instruments against variations of 10% in currency exchange rates is not significant in the equity.

The following tables show a list of net assets and liabilities denominated in a currency which is not the denominated functional currency which is not covered by financial exchange rate hedging instruments, as well as the impact of a 10% movement in the exchange rate of the currencies:

Currency	Total not Covered	Sensitivity + 10 %
US Dollars	(232,475)	(23,248)
Liabilities in US Dollars	6,089	609
Euro	(2,906)	(291)
Other currencies	29,723	2,972
Total	**(199,569)**	**(19,958)**

The interest rates risks arise mainly from the financial liabilities at variable interest rates.

To control the interest rate risk, the Group primarily uses interest rate swaps and interest rate options (caps) which in exchange for a fee offer protection against a rise in interest rates.

A detail of the financial derivative instruments relating to interest rates as of 31 December 2009 is provided in Note 11 of these Notes to the Financial Statements.

The sensitivity of the fair values of the interest rate hedging derivative financial instruments against variations of 50 b.p. in market interest rates is not significant in the equity.

The following is a detail of financial debt with variable interest rates which are not covered by such interest rate hedges as well as the impact of a 50 basis point change in market interest rates:

Debt	Non-Cover Total Debt	Sensitivity + 50 b.p.
Solar	44,700	224
Bioenergy	150,843	754
Enviromental Services	179,252	896
Information Technologies	58,313	292
Industrial Engineering and Construction	881,419	4,407
Corporate Activity	690,362	3,452
Total	**2,004,889**	**10,025**

The risk of a change in commodities prices arises through both the sale of products of the Group as well as in terms of purchasing commodities for production processes. In general, the Group uses future purchase contracts and options as listed on open markets, as well as OTC (over-the-counter) contracts with financial entities, to mitigate the risk of fluctuations in market prices.

A detail of the financial derivative instruments for commodities prices as of 31 December 2009 are detailed in Note 11 of these Notes to the Financial Statements.

The sensitivity upon reseves of a 10% change in the fair value of these instruments would be approximately € 4 M.

In addition, and independently to these transactions, during the past exercise, certain companies of the Group began engaging in buying and selling operations on the grain and ethanol markets, fully in accordance with management policy regarding trading transactions. These operations reflect the implementation of a strategy (approved by Purchasing Group Management) for the purchase and sale of futures and swap contracts in grain and ethanol, over which daily control and communications is exercised, as per the procedures set out in the aforementioned Transaction Policies. To mitigate the risk, the company establishes certain limits "stop loss" daily for each strategy taking into account the market in which they are going to operate, the financial instruments purchased, and the defined risks of the operation.

These operations are valued in the income statement on a monthly "mark to market" basis. During 2009, Abengoa has registered gains of € 1,999 thousand, of which € 1,630 thousand relates to gains on liquid operations and € 369 thousand are potential benefits based upon open contracts valued at the year end.

b) Credit risk

The main financial credit risk exposure is the failure of the third party to comply with their obligations within the transaction, being trade debtors and other accounts receivable, current financial investments and cash.

The majority of accounts receivable relate to clients operating in a range of industries and countries with contract which require ongoing payments as the development project advances, upon the rendering of services or upon completion and delivering of the project. It is normal practice that the company reserves the right to suspend the project if there is a notable breach in the terms of the contract, in particular the non-payment of amounts owed.

Additionally, prior to this stage, generally, the company relies upon the written confirmation of a first level for the purchase, without recourse, of accounts receivable (Factoring). In these arrangements, the company pays a fee to the bank to assume the credit risk as well as interest charges for the financing component. The company assumes in all cases that the accounts receivable are valid.

In this regard, derecognising of factored amounts receivable is taken only when all the requirements of IAS 39 are met to take of the assets of the balance sheet. That is to say, it is considered whether or not the risks and rewards inherent in the ownership of the financial asset have been transferred, including a comparison of the risk to the company before and after the transfer, considering the amounts and timing of net cash payments to be received. Once the risk to the grantor company is eliminated or is considered to be substantially reduced it is considered that the financial asset in fact has been transferred.

In general, for Abengoa, the greatest risk to such assets is the risk of not collecting a trade account receivable. This is because, a) it may be a significant value in the development of a works or in the provision of services; b) it is not within the control of the company. However, the risk of customers being unable to make a payment in such contracts is considered to be low, and typically relate to problems characterised as technical matters, it's say relate to the own risk of the service rendered, which are within the control of the company. In either case, and to cover those contracts in which a risk could theoretically be identified, as a financial asset risk, the possibility of a delay in customer payment without the customer sighting trading causes, Abengoa states that, not only should it cover the risk of insolvency (or bankruptcy) right but also the fact or noted insolvency (as a result of a decision by the customer's treasury own management without resulting in "a general moratorium"). As such, and if the individual evaluation, as performed for each contract, concludes that the related risk to the contract has been passed to the financial entity, the account receivable is removed from the balance sheet at the time of passing the risks to the financial entity, as per IAS 39.20.

As indicated, it is Abengoa's policy to transfer the credit risk associated with customers and other accounts receivable through the use of non-recourse factoring. As such, with regards to considering risks inherent within debtors and other accounts receivable on the balance sheet, amounts should potentially be excluded relating to works completed awaiting certification for which Factoring contracts are in place, as well as amounts which could be factored which are outstanding to be submitted to the financial entity providing the Factoring and also those debtors included which are covered by an insurance policy. As such, under this policy, Abengoa minimises its exposure to credit risk.

A debtors ageing analysis as of 31 December 2009 is included within Note 12 of these Notes to the Financial Statements. The same Note also includes an analysis of movements in debtor provisions over the year.

c) Liquidity risk

The liquidity and financing policy of Abengoa has the objective of assuring that the company maintains sufficient funds available so as to meet its financial obligations as they fall due. Abengoa uses as its main sources of financing:

- Non-recourse Project financing, which typically is used to finance any significant investment (see Notes 2.4 and 15). The repayment profile of each project is established on the basis of projected cash generation of the entity in question, with a considerable range varying depending upon the visibility of future cash flows of each company or project. This ensures that sufficient financing is available with terms of repayment which mitigate to a significant extent the liquidity risk.

- Corporate Finance, used to finance the activities of the remaining companies which are not financed under the aforementioned financing model. This means of financing is managed through Abengoa S.A., which pools cash held by the rest of the companies so as to be able to re-distribute funds following the needs of the Group (see Notes 2.18 and 16).

  To ensure there are sufficient funds available for the repayment of debt with respect to its capacity to generate cash, Abengoa has put in place the following criteria and actions:

  1) Maintaining sufficient leverage headroom by not exceeding a given Net Debt/EBITDA ratio limit of corporate financing. The maximum headroom as per the financing contracts in 2009 and 2008 was 3,0 and 3.25, respectively. Net debt is calculated as all third party borrowings less cash and financial investments of current asset excluding the debt of operations financed without recourse. The denominator of the ratio is derived as the EBITDA of the entities which do not utilise non-recourse project finance and incorporating R&D&i expenses for the exercise.

     At the close of the 2009 and 2008 exercises, Abengoa fulfils the requirement related to said financial ratio.

  2) Each year a financial plan is prepared and approved by the Board of Directors which encompasses all financing requirements and the way by which those will be covered. The plan is prepared in close collaboration with the Corporate Finance Department and various Business Units.

  3) Ensuring the ability to meet financial obligations in the coming months. In this regard, in 2009 Abengoa Corporate Finance completed two operations through the issuance of bonds for the total amount of € 500 M.

  In accordance with the above, there is a diversification in the sources of finance, in the attempt to prevent concentrations that may affect the risk of working capital liquidity.

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  Management reviews the Group's liquidity reserves (made up of the availability of credit (Note 16) and cash or cash equivalents (Note 13) in comparison to the anticipated cash flows.

  The Group utilises factoring without recourse lines, contracted to finance normal business activities for € 1,800 M available as at the end of the financial period € 715 M. Besides, the Group has working capital overdraft facilities, from which € 7,574 thousand available from a total of € 170,550 thousand.

An analysis of financial liabilities of the Group shown by period until due, being the remaining time between the balance sheet date and the date of maturity of the various debt instruments, is included within the following table:

Current and Non Current	Memory Notes
Financial Debt	Note 15 Non-recourse financing and Note 16 Non recourse financing
Lease-Back	Note 16 Third-party Loans
Finance Lease	Note 16 Third-party Loans
Borrowings and Other Loans	Note 16 Third party Loans
Suppliers and Other Accounts Payable	Note 17 on Suppliers and Other Accounts Payable
Derivatives and hedging instruments	Note 11 Financial derivatives and hedging instruments

d) Capital risk

The Group manages its investments in capital to ensure that its subsidiaries are secure in terms of their continued activity from the point of view of their equity statement through maximising the return to the shareholders by optimising the structuring of the equity and third party debt financing on the entities balance sheets.

Capital management is undertaken by the Group strategy, whose focus is to increase the value of the business in the long term for both shareholders and investors, as well as for employees and customers. The objective is the attainment on an ongoing and sustained basis of the Group’s results through organic growth. To achieve these objectives, it is necessary to strike the correct balance between, on one hand, control over the financial risks of the businesses, and on the other, financial flexibility required to achieve those objectives.

9.2. Information on financial instruments

a) The financial instruments of the Group are primarily deposits, debtors and amounts receivable, derivatives and loans. Financial instruments analysed by balance sheet category are as follows:

Category	Notes	Loans and receivable accounts / to pay	Assets / Liabilities at fair value	Hedging Instruments	Investments held for sale	Held for sale	Total as of 31.12.09
Financing Assets held for sale	10	-	-	-	-	97,964	97,964
Assets at fair value	-	-	-	-	-	-	-
Hedging Instruments	11	-	41,039	29,703	-	-	70,742
Receivable financing accounts	12	574,928	-	-	-	-	574,928
Clients and other receivable accounts	12	2,002,169	-	-	-	-	2,002,169
Cash and cash equivalents	13	1,546,431	-		-	-	1,546,431
Total Financial Assets		**4,123,528**	**41,039**	**29,703**	**-**	**97,964**	**4,292,234**
Non-recourse Financing	15	2,933,367	-	-	-	-	2,933,367
Third-party loans	16	3,482,104	-	-	-	-	3,482,104
Suppliers and other payable accounts	17	3,775,306	-	-	-	-	3,775,306
Derived financial instruments	11	-	122,343	186,764	-	-	309,107
Total Financial Liabilities		**10,190,777**	**122,343**	**186,764**	**-**	**-**	**10,499,884**

Category	Notes	Loans and receivable accounts / to pay	Assets / Liabilities at fair value	Hedging Instruments	Investments held for sale	Held for sale	Total as of 31.12.08
Financing Assets held for sale	10	-	-	-	-	119,639	119,639
Assets at fair value	-	-	-	-	-	-	-
Hedging Instruments	11	-	16,054	158,520	-	-	174,574
Receivable financing accounts	12	673,852	-	-	-	-	673,852
Clients and other receivable accounts	12	1,343,305	-	-	-	-	1,343,305
Cash and cash equivalents	13	1,333,748	-	-	-	-	1,333,748
Total Financial Assets		**3,350,905**	**16,054**	**158,520**	**-**	**119,639**	**3,645,118**
Non-recourse Financing	15	2,132,727	-	-	-	-	2,132,727
Third-party loans	16	2,688,291	-	-	-	-	2,688,291
Suppliers and other payable accounts	17	2,868,376	-	-	-	-	2,868,376
Derived financial instruments	11	-	71,714	135,187	-	-	206,901
Total Financial Liabilities		**7,689,394**	**71,714**	**135,187**	**-**	**-**	**7,896,295**

b) On 1st January the group adopted the modification to IFRS 7 for Financial Instruments priced at fair value, which requires a breakdown of the fair value measurements based on the following classifications:

- Level 1: Assets or liabilities traded on the active market.
- Level 2: Valued based on prices on observable but not traded markets, whether based on direct prices or through the application of valuation models.

- Level 3: Valued based on non-observable market data.

Below is the detail of the assets and liabilities of the group at fair value at the close of the 2009 exercise (with the exception of those assets and liabilities with book values that are close to fair value, non-traded equity instruments valued at their costs and contracts with components that cannot be reliably evaluated):

Type	Level 1	Level 2	Level 3	Total
Loans and receivables/payables	-	-	-	-
Assets/liabilities at fair value	-	-	-	-
Derivative Financial Instruments	-	70,742	-	70,742
Financial Instruments held to maturity investments	-	309,108	-	309,108
Available for sale	38,558	-	59,406	97,964
Total	38,558	379,850	59,406	477,814

Below is a detail of the changes in the fair value of level 3 assets and liabilities at the close of the 2009 exercise:

Transactions	Amount
Initial balance	76,981
Level 3 transfer	8,058
P&L recognized in Outcome (see Note 10.1)	(12,440)
P&L recognized in equity (see Note 10.1)	4,497
Other transactions	(17,690)
Total	**59,406**

Note 10.- Financial Assets Available for Sale

10.1. The following table shows a breakdown of financial assets available for sale during 2009 and 2008:

Financial assets held for sale	Balance
At 31 December 2007	118,310
Entries	26,017
Gain/Losses tranferred to Net ownership equity	(3,195)
Discharges / Converision differences	(20,826)
Assets held for sale	(667)
At 31 December 2008	**119,639**
Entries	8,058
Gain/Losses transferred to Net ownership equity	3,364
Discharges / Conversion differences	(33,097)
At 31 December 2009	**97,964**
Minus: Non-current part	54,476
Current Part	43,488

The heading of Conversion Rate Differences contains the losses recognized during the exercise for losses caused by value depreciation in financial assets available for sale in the amount of € 12,440 thousand (see Note 9.2) for certain investments in the Bioenergy business segment, especially when reducing the book value down to the fair value.

10.2. The following table shows those entities which, in accordance with the standards in force, were not within the Consolidation Perimeter during 2009 and 2008 (see Note 2.2) and for which the shareholding in that company, both direct and indirect of the parent company, is between 5% and 20%. The net book value of these holdings is € 10,961 thousand.

Non-current financial assets	2009 % Share	2008 % Share
Dyadic Investment	10.00	10.00
Jeffco Partnership	-	5.00
Nextell Communication Solutions, S.A.	10.00	10.00
Norpost, S.A.	-	10.00
02 Diesel	13.66	13.00
Soc. Con. Canal Navarra	10.00	10.00
Soc. Coop. Provincial del Campo	-	10.00
Sociedad Valoración Biomasa	6.00	6.00
Suraval	10.00	10.00
S21 SEC Gestión	15.00	15.00
Viryanet, Ltd.	15.10	15.10
Zoar Eólica	-	5.00

Current financial assets	2009 % Share	2008 % Share
Banda 26, S.A.	10.00	12.00
BC International Corp.	9.90	9.90
Chekin	14.28	14.28
Comemsa	6.08	6.08
Mediación Bursátil, S.V.B., S.A.	8.00	8.00

10.3. All communications necessary have been made to the entities in which the Group has a holding of over 10%, as required under Article 86 of the Amended Text of Law of Anonymous Companies.

10.4. There are no events or circumstances known which impact the portfolio of such investments, such as litigations, trade restrictions, etc.

10.5. There are no agreements in place regarding the sale or purchase of these investments which for the purposes of the Group consolidated annual accounts could be considered as material.

10.6. The value of interest amounts accrued and not paid is not significant.

10.7. There are no fix yield securities in arrears. The average profitability rate of fix yield securities is in line with the market.

10.8. Abengoa, S.A. has a 3% holding in Xfera, S.A. recorded at a cost of € 33,275 thousand which is held in the Group under the ownership of Telvent Investments, S.A. (company owned 100% by Abengoa, S.A.). Additionally the shareholders of Xfera have granted this entity with various participative loans which will result in a total payment to Telvent of € 19,260 thousand (€ 15,210 thousand in 2008) being 3% of the total balance of the amount loaned by the shareholders.

To value the holding, as in prior periods, once Xfera's activies are commenced, under the trade name of Yoigo, the main reference points to value the holding were the projected future generation of cash (based upon the company's business plan) and an adequate discount rate for the sector in which the company operates.

The result of said method of evaluation does not significantly differ from the fair value at 31st December 2009, as no active listed market price exists.

As a result of the purchase of its holding in Xfera, Telvent GIT, S.A. from the start the company was required to provide guarantees to the Spanish Administration regarding compliance of the investment, commercialisation, employment and development of the red acquired by Xfera Móviles, S.A. together with other guarantees as mentioned in relation to the Radio-electronic Spectrum Rate which in relation to the Group, the guaranteed amount is € 12,085 thousand.

10.9. The Group applies IAS 39 to determine whether a financial asset available for sale has suffered any impairment to its carrying value. This process requires notable levels of estimation and judgment. To assess for impairment, the Group evaluates, amongst other factors, for how long and to what extent with the value of the investment be below its cost; considering the financial health and outlook for the business in the short term of the entity, including factors such as the performance of the industry and sector, changes in technology and operating cash flows and financing.

Note 11.- Derivative and Hedging Financial Instruments

11.1. The fair value of financial instruments and hedging instruments held as of 31 December 2009 and 2008 was as follows:

Concept	31.12.09 Assets	31.12.09 Liabilities	31.12.08 Assets	31.12.08 Liabilities
Swap/Cap interest contract – cash flow hedge	20,182	135,326	49,050	96,936
Swap/Cap interest contract – fair value hedge	28,599	43,350	1,609	13,149
Forward contract of currency – cash flow hedge	3,250	3,349	1,426	10,468
Forward contract of currency – fair value hedge	12,440	6,082	14,445	58,565
Forward contract of inventories– cash flow hedge	6,271	48,090	108,044	27,783
Forward contract of inventories – fair value hedge	-	-	-	-
Derivative contracts held for trading	-	-	-	
Items of convertible bank derivatives (see Note 16.3)	-	72,911	-	-
Total	**70,742**	**309,108**	**174,574**	**206,901**
Non-current part	45,458	213,101	99,798	141,040
Current part	25,284	96,007	74,776	65,861

The net amount of fair value transferred to the Income Statement of the 2009 and 2008 exercise for the derivative financial instruments designated as hedging instruments is € -2,512 and € -64,448 thousand respectively (see Note 23).

11.2. Foreign exchange hedging instruments

The following table shows a detail of the notional of the financial instruments as at the end of 2009 and 2008 relating to amounts receivable and outstanding in foreign currencies:

	Charge Hedging		Payment Hedging	
Exchange Rates	**2009**	**2008**	**2009**	**2008**
Dirhams (United Arab Emirates)	6,268	-	-	-
Dirhams (Morocco)	2,586	2,416	132	-
Dollar (Canada)	189	-	1,961	-
Dollar (USA)	122,926	199,996	91,566	35,435
Euro	258	-	12,010	5,477
Franc (Switzerland)	-	-	-	2,406
Pound Sterling (UK)	9,901	7,024	5,260	2,495
Real (Brazil)	-	-	5,993	-
Yuan (China)	-	-	38	-
Kuwaiti Dinar (Kuwait)	154	-	-	-
Mexican Peso (Mexico)	-	-	-	-
Peruvian Sol (Peru)	220	-	38,261	-
Australian Dollar	-	-	301	-
Total	**142,502**	**209,436**	**155,522**	**45,813**

The following table shows the due dates of the covered notional by foreign exchange rate financial hedging instruments as at the end of 2009:

Exchange Rates	Charge Hedging	Payment Hedging
Australian Dollar	-	39
Dinar (Kuwaiti)	78	-
Dirhams (United Arab Emirates)	190	-
Dirhams (Morocco)	21	(1)
Dollar (Canada)	(5)	22
Dollar (USA)	9,901	(226)
Euro	(4)	(95)
Mexican Peso	-	-
Pound Sterling (UK)	(152)	(70)
Peruvian Sol	(21)	(3,376)
Real (Brazil)	-	(40)
Yuan (China)	-	(2)
Total	**10,008**	**(3,749)**

At the close of 2009 and 2008 exercise, the fair value amount for the derivative financial instruments of the exchange rate directly recognized in the Income Statement because they fail to meet all the requirements specified by the IAS 39 that would enable its designation as hedging instrument is € -3,225 and € -53,576 thousand respectively (see Note 33).

The table below is a detail of the maturity of notionals insured through financial instrument derivatives of exchange rate as at close of the 2009 exercise:

Notional	1 year	1 to 2 years	More than 2 years	Subsequent
Collections	131,407	11,095	-	-
Payments	127,797	18,601	9,124	-
Total	**259,204**	**29,696**	**9,124**	**-**

The table below is a detail of the maturity of the fair values of the financial instrument derivatives of exchange rate as at close of the 2009 exercise:

Fair Values	1 year	1 to 2 years	More than 2 years	Subsequent
Collections	12,449	(4)	-	-
Payments	(3,739)	(1,189)	(1,258)	-
Total	**8,710**	**(1,193)**	**(1,258)**	**-**

11.3. Interest rate hedges

As referred to in Note 9 of these Consolidated Annual Accounts, the general hedging policy for interest rate is to purchase future call options for a fixed fee through which the company can ensure a fixed maximum interest rate cost. Additionally, in certain circumstances, the company also uses interest rate swaps with variable to fixed interest rates.

As a result, the various hedging instruments and terms of such instruments, reflecting the characteristics and nature of the debt which carries the interest charge with the instruments are hedging, are somewhat diverse:

a) Loans with financial entities; between 74% and 100% of the notional, with loan terms up to 2017 with average interest rates guaranteed between 3.58% and 4.75% for loans pegged to the 1-month and 3-month Euribor rates.

b) Non-recourse financing;

b.1) Non-recourse financing in Euros; between 70% and 100% of the notional, including loan terms until 2032 with average interest rates guaranteed of between 2.00% and 5.25%.

b.2) Non-recourse financing in US Dollars; between 51% and 100% of the notional, including loan terms until 2023 with average interest rates guaranteed of between 5% and 8%.

The table below shows a detail of the repayment schedule of the notional debt amounts covered by financial derivative instruments in the following 5 years:

Notionals	2010	2011	2012	2013	Subsequents
Swap	1,198,141	807,721	979,970	762,210	420,006
Cap	626,554	386,301	309,708	382,195	2,550,620
Total	**1,824,695**	**1,194,022**	**1,289,678**	**1,144,405**	**2,970,626**

The table below shows a detail of the maturity of the fair values of the financial instrument derivatives of exchange rate in the following 5 years:

Notionals	2010	2011	2012	2013	Subsequents
Swap	(34,503)	(17,689)	(19,399)	(21,244)	(85,840)
Cap	491	163	602	1,236	46,289
Total	**(34,012)**	**(17,526)**	**(18,797)**	**(20,008)**	**(39,551)**

At the end of 2009 and 2008, the net amount of the fair value of interest rate derivatives charged directly to the Income Statement, as a result of not fulfilling all the requirements of IAS 39 to be deemed a hedging instrument, supposed a loss of € -1,601 and € -18,664 thousands respectively (see Note 32).

Additionally, a series of interest rate Swaps and Caps were liquidated in June and July, generating a positive cash balance upon liquidation of the same amount. These contracts had been designated to hedge cash flows as a result of respective test of effectiveness expired. As such, applying IAS 39, when the hedge is considered to be interrupted and when the transaction being covered continues to be probable, the adjustments made to the cover within reserves until the most recent date in which the cover was effective, will remain in reserves. This amount will be taken to the Income Statement to the extent that the hedged instrument impacts the Income Statement. In this case, the Income Statement was impacted by the financial costs of the loan being covered. Abengoa has opted, on the basis of the aforementioned, to charge to results the benefits generated and charged to reserves, following the "swaplet" method. "Swaplet" refers to each calculation period of interest rate swaps. This method is based upon the principle that the balance registered in reserves will be equivalent to the sum of the current values of the cash flows of each "swaplet" (that's to say, the difference between the fixed and forward rate calculated for each "swaplet" as at the final date upon which the cover was effective, discounted to that date).

The balance calculated for each "swaplet" is registered in the Income Statement in the corresponding period of each "swaplet". The net gain transferred from reserves to the Income Statement in the 2009 and 2008 exercises amount to € 4,799 and € 4,474 thousand respectively, pending transfer to results in the following periods to the amount of € 26,904 thousand.

Finally, during the 2009 exercise, the amount of the fair value of the derivatives of interests recognized in the Income Statement due to the interruption of hedging assignments reached up to € -16,098 thousand.

11.4. Inventory purchase price hedging

As indicated in Note 2.9 of these Abengoa accounts, the various activities of Abengoa through its various business groups (Bioenergy, Environmental services and Industrial engineering and construction) expose the group to various risks regarding the fair value of assets and raw material prices, primarily being zinc, aluminium, grain, ethanol and gas.

To hedge such risks, Abengoa uses futures contracts for both assets and purchases.

The following table shows the amounts covered and the maturities for the financial instruments of commodities for the closing period 2009 and 2008:

2009	Ethanol (Gallons)	Gas (MWh)	Grain (Bushels)	Zinc (Tons)	Aluminum (Tons)	Others (Gallons)
Year 2010	6,000,000	16,654,986	10,963,602	60,892	2,175	-
Subsequent	-	-	-	70,026	11,103	554,900
Total	**6,000,000**	**16,654,986**	**10,963,602**	**130,918**	**13,278**	**554,900**

2008	Ethanol (Gallons)	Gas (MWh)	Grain (Bushels)	Zinc (Tons)	Aluminum (Tons)	Others
Year 2009	6,300,000	3,703,862	58,518,215	60,866	31,150	-
Subsequent	-	1,525,000	8,120,000	130,918	3,480	-
Total	**6,300,000**	**5,228,862**	**66,638,215**	**191,784**	**34,630**	**-**

The table below is a detail of the fair value of the financial instrument derivatives from raw materials as at close of the 2009 exercise:

Period	Ethanol	Gas	Grain	Zinc	Aluminium	Others
Year 2010	229	2,032	1,285	-	-	2,725
Following	(524)	-	(266)	(33,691)	(11,114)	(2,495)
Total	**(295)**	**2,032**	**1,019**	**(33,691)**	**(11,114)**	**230**

At the close of the 2009 and 2008 exercise, the amount of the fair value of the financial instrument derivatives of price of stocks directly recognized in the profit and loss accounts for failing to meet all the requirements specified by IAS 39 that would enable their designation as hedging instruments is -13,219 and € -1,267 thousand Euros respectively (see note 34).

Note 12.- Clients and Other Receivable Accounts

12.1 The breakdown of Other Receivable Accounts at 31 December 2009 and 2008, is as follows:

Concept	Balance as of 31.12.09	Balance as of 31.12.08
Clients for sales	587,868	515,892
Clients, project executed pending to certify	871,216	402,410
Bad Debt provisions	(21,377)	(11,027)
Civil Service	336,032	304,546
Others Debtors	228,430	131,484
Total	**2,002,169**	**1,343,305**

The market value of these assets does not vary significantly to the carrying book value.

12.2 The following table shows the maturity detail of the receivables accounts:

Maturity	Balance as of 31.12.09	Balance as of 31.12.08
Up to 3 months	468,366	411,265
Between 3 and 6 months	77,862	48,536
Over 6 months	41,640	56,091
Total	**587,868**	**515,892**

12.3 The company has non-recourse factoring lines for a sum of approximately € 1,800 M (€ 1,700 M in 2008) of which approximately € 1,085 M were factored at the close of the 2009 financial year (€ 700 M in 2008) and removed pursuant to the provisions of IAS 39.

The attributed amount in this financial year to these factoring lines has increased to € 24,819 thousand (€ 27,750 thousand in 2008).

In addition, there are live factoring covers in euros for between 80% of the amount, up to 2014 and with guaranteed rates of 3.75%.

12.4 The following table shows a detail of the financial amounts receivable as of 31 December 2009 and 2008:

Concept	Balance as of 31.12.09	Balance as of 31.12.08
Credits	94,641	68,643
Deposits	1,776	7
Down payments and Deposits	51,126	45,822
Other future accounts receivable	14,193	17,736
Total non-current part	**161,736**	**132,208**
Credits	4,720	49,570
Deposits	270,396	289,627
Down payments and Deposits	138,076	194,620
Other future accounts receivable	-	7,827
Total current part	**413,192**	**541,644**

This heading recognizes the credits and accounts receivable considered as non-derivative financial assets not listed an active market, with a maturity period of less than twelve months (current assets) or exceeding that period (non-current assets).

The market value of these assets is not substantially different to their book value.

12.5 The credit recovery rate of account receivable outstanding to be received, and which have not been impaired, may be considered in the following categorisation:

Clients and other receivable accounts	Balance as of 31.12.09	Balance as of 31.12.08
Clients and other receivable accounts factorizable without recourse by the bank	340,347	361,044
Clients and other receivable accounts factorizable with recourse by the bank	10,043	4,148
Clients and other receivable accounts covered by credit insurance	54,381	10,599
Clients and other receivable accounts without categorization	183,097	140,101
Total clients and other receivable accounts	**587,868**	**515,892**

12.6 The attributed movement in the provision for impairment in the amounts receivable as of 31 December 2009 and 2008 is the following:

Concept	Balance as of 31.12.09	Balance as of 31.12.08
Initial Balance	(11,027)	(23,839)
Provision for value impairment of chargeable accounts	(4,386)	(1,551)
Chargeable accounts paid off for being non-collectable	(1,472)	714
Reversion of unused amounts	3,415	17,855
Others movements	(7,907)	(4,206)
Final Balance	**(21,377)**	**(11,027)**

Note 13.- Cash and Cash Equivalents

As of 31 December 2009 cash and cash equivalents totaled € 1,546,431 thousand (€ 1,333,748 thousand in 2008), being cash and balances in credit to the Group which are liquid, are held in current accounts and are immediately available for withdrawal from banks and credit institutions.

The following breakdown shows the main currencies in which cash and cash equivalent balances are denominated:

Currency	31.12.2009		31.12.2008	
	Resident Companies	Non Resident Companies	Resident Companies	Non Resident Companies
Euro	671,837	275,912	637,957	112,124
US Dollar	54,344	260,000	145,488	119,538
Canadian Dollar	-	4,988	-	-
Swiss Franc	8,594	106	15,984	93
Pound Sterling	386	118	85	296
Argentinian Peso	-	-	-	2,506
Chilean Peso	-	6,886	-	3,378
Mexican Peso	713	2,014	-	2,048
Brazilian Real	15	168,327	-	266,045
Others	16,159	76,032	1,095	27,111
Total	**752,048**	**794,383**	**800,609**	**533,139**

The balance of cash and cash equivalents of entities with non-recourse financing (see Note 15) was € 402,780 thousand (€ 276,273 thousand in 2008).

Note 14.- Non-Current Assets and Liabilities Held for Sale

In conformity with the suppositions and requirements set forth in IFRS 5, during the 2009 exercise the discontinuation of the assets and liabilities of the Information Technologies business segment, previously classified as assets held for sale at the close of the 2008 exercise, has ceased due to circumstances previously deemed improbable and, as a result, the conclusion of the sale process and loss of control of the shares of Telvent GIT S.A. is not expected at end of period forecasted. As a result thereof, the 2008 information of exercise 2008 on the Income Statement, the Cash Flow Statement, the earnings per share and the segments information of exercise 2008 have been re-stated in a continued manner so as to compare them to the 2009 financial year.

Due to the aforementioned circumstances, the group opted for a partial reduction in the percentage of the shares in Telvent GIT S.A. which permits it to continue the *de facto* control in its investment and which, at the end of the 2009 exercise, amounted to a sale of 22.79% of the percentage in Telvent GIT S.A. as indicated in Note 2.2.a).

Considering the significant relevance of the activities of the Information Technologies business segments of Abengoa, and for the best comparability and understanding of the financial information, below is a consolidated pro-forma Balance Sheet of Abengoa dated 31st December 2008 without the assets and liabilities corresponding to said business segment within the Assets and Liabilities held for sale heading, consistent with the 2009 exercise balance sheet.

Concept	Total as of 31.12.09	Total as of 31.12.08
Asset		
Tangible Assets	4,024,401	2,479,609
Intangible Assets	2,953,956	2,356,272
Financial Investments	1,015,350	815,320
Current Assets	4,376,153	4,143,411
Total Assets	**12,369,860**	**9,794,612**
Liabilities		
Total Equity	1,170,976	627,487
Non-current Liabilities	6,157,740	5,076,605
Current Liabilities	5,041,144	4,090,520
Total Liabilities	**12,369,860**	**9,794,612**

Note 15.- Non-recourse Financing

As indicated in Note 2.4 of these accounts, within the Consolidation Perimeter there are certain entities for which, in general, the main commercial purpose is the long term development of integrated products which are financed through non-recourse project finance.

This note to these accounts seeks to provide further detail upon such non-recourse financing as well as any other relevant and related information upon these financing arrangements (excluding details of fixed assets financed through such project finance, which is set out in Note 6 to these annual accounts).

15.1. The balances, and movement between the periods, at the close of 2009 and 2008 of project finance are set out in the table below:

Non recourse financing applied to projects	Balance as of 31.12.08	Increases	Decreases	Other movements	Balance as of 31.12.09
Long Term	1,883,443	791,407	(98,935)	172,100	2,748,015
Short Term	249,284	72,161	(140,463)	4,370	185,352
Total Recourse financing	**2,132,727**	**863,568**	**(239,398)**	**176,470**	**2,933,367**

Non recourse financing applied to projects	Balance as of 31.12.07	Increases	Decreases	Other movements	Transfer to Discontinued Operations	Balance as of 31.12.08
Long Term	1,186,002	148,550	(134,281)	823,672	(140,500)	1,883,443
Short Term	503,161	22,598	(232,531)	(15,152)	(28,792)	249,284
Total Non recourse financing	**1,689,163**	**171,148**	**(366,812)**	**808,520**	**(169,292)**	**2,132,727**

"Other movements" in general reflects entities entering into the Consolidation Perimeter for the first time, the effect of the conversion differences and exchange rate earnings and losses, primarily being a strengthening of the Brazilian Real against the Euro, as well as the incorporation of the non-recourse financing relating to the business segment of Information Technologies previously classified as non-current assets held for sale (see Note 14).

Transfers held for sale includes liabilities in relation to the Information Technology business unit (see Note 14).

Within the assets on the Statement of Financial Position and within the del heading "Financial accounts receivable" of current assets, there are reserve accounts to service debt to the amount of € 18 M relating to project finance.

The fair value of non-recourse financing is in line with the book value, as the impact of discounting is not significant.

15.2. Projects as at the end of 2009 which are financed by non-recourse project finance are:

Project	Activity	Country	Status (*)	% Abengoa
Engineering and Industrial Construction:				
Abengoa Cogeneración Tabasco S. de R.L. de C.V.	Cogeneration	Mexico	(C)	100
Abengoa Trasnmisión Norte, S.A. (ATN)	Transmition	Peru	(C)	100
ATE II Transmissora de Energía, S.A.	Transmition	Brazil	(O)	100
ATE III Transmissora de Energía, S.A.	Transmition	Brazil	(O)	100
ATE IV Sao Mateus Transmisora de Energía, S.A.	Transmition	Brazil	(C)	100
ATE Transmissora de Energía, S.A.	Transmition	Brazil	(O)	100
ATE V Londrina Transmisora de Energía, S.A.	Transmition	Brazil	(O)	100
ATE VI Campos Novo Transmisora de Energía, S.A.	Transmition	Brazil	(O)	100
ATE VII Foz do Iguazu Transmisora de Energía, S.A.	Transmition	Brazil	(O)	100
Centro Industrial y Logístico Torrecuéllar, S.A.	Constrution	Spain	(O)	100
Centro Tecnológico Palmas Altas, S.A.	Constrution	Spain	(C)	100
Cogeneración Villaricos, S.A.	Cogeneration	Spain	(O)	99
Enernova Ayamonte, S.A.	Cogeneration	Spain	(O)	91
Hospital Costa del Sol	Constrution	Spain	(O)	50
Hospital del Tajo	Constrution	Spain	(O)	20
Inapreu, S.A.	Constrution	Spain	(O)	50
Linha Verde	Transmition	Brazil	(C)	26
Manaus Transmissora de Energía, S.A.	Transmition	Brazil	(C)	51
Norte Brasil	Transmition	Brazil	(C)	26
NTE Nordeste Transmissora de Energía, S.A.	Transmition	Brazil	(O)	50
Rio Branco	Transmition	Brazil	(C)	26
STE Sul Transmissora de Energía, S.A.	Transmition	Brazil	(O)	50
Teyma Forestal, S.A.	Transmition	Uruguay	(O)	100
Bioenergy:				
Abengoa Bioenergy France, S.A.	Ethanol	France	(O)	69
Abengoa Bioenergy of Illinois, Llc	Ethanol	USA	(C)	100
Abengoa Bioenergy of Indiana, Llc	Ethanol	USA	(C)	100
Environmental Services:				
Befesa Agua S.A.U. y Acciona Agua S.A.U. UTE	Desalination	Spain	(O)	100
Befesa Reciclaje de Residuos de Aluminio, S.L.	Aluminium Waste Recycling	Spain	(O)	60
Befesa Zinc, S.L.	Zinc Waste Recycling	Spain	(O)	100
Chennai Water Desalination ,Ltd	Desalination	India	(C)	25
Geida Skikda, S.A.	Desalination	Algeria	(O)	67
Geida Tlenclem, S.L.	Desalination	Algeria	(C)	26
Quingdao	Desalination	China	(C)	92
Shariket Tenes Lilmiyah Spa	Desalination	Algeria	(C)	51
Soluciones Ambientales del Norte	Waste Management	Chile	(O)	100
Solar:		Spain		
Casaquemada Fotovoltaica, S.L.	Solar Energy Generation	Spain	(O)	100
Copero Solar Huerta, S.A.(H1-H8)	Solar Energy Generation	Spain	(O)	50
Copero Solar Huerta, S.A.(H9-H10)	Solar Energy Generation	Spain	(O)	50
Fotovoltaica Solar Sevilla, S.A.	Solar Energy Generation	Spain	(O)	80
Las Cabezas Fotovoltaica, S.L.	Solar Energy Generation	Spain	(O)	100
Linares Fotovoltaica, S.L.	Solar Energy Generation	Spain	(O)	100
Rioglass Solar, S.A.	Solar Energy Generation	Spain	(O)	50
Sanlúcar Solar, S.A.	Solar Energy Generation	Spain	(O)	100
Solar Power Plant One	Solar Energy Generation	Algeria	(C)	66
Solar Processes, S.A.	Solar Energy Generation	Spain	(O)	100
Solnova Electricidad, S.A.	Solar Energy Generation	Spain	(C)	100
Solnova Electricidad, S.A. 3	Solar Energy Generation	Spain	(C)	100
Solnova Electricidad, S.A. 4	Solar Energy Generation	Spain	(C)	100
Solnova Solar Inversiones S.A.	Solar Energy Generation	Spain	(C)	100
Information Technologies:				
DTN Holding	Information systems	USA	(O)	100

(*) Operative (O); Construction (C)

15.3. Non-recourse financing projects completed, or financing cancelled in 2009 were:

Project	Location	Amount given	Amount provided
Abengoa Transimisión Norte, S.A. (ATN)	Peru	56	18
ATE IV São Mateus Transmisora de Energía, S.A.	Brazil	32	32
ATE Londrina Transmisora de Energía, S.A.	Brazil	28	26
ATE Campos Novos Transmisora de Energía, S.A.	Brazil	32	30
ATE VII Foz de Iguazú Transmisora de Energía, S.A.	Brazil	17	17
Total		**165**	**123**

15.4. The repayment schedule of non-recourse Project financing is forecast, as at the date of this report, is as follows, and is in accordance with the projected "cash-flows" of the related projects.

2010	2011	2012	2013	2014	Following years
185,352	202,451	216,682	435,329	269,298	1,624,255

Included within those amounts repayable in 2010 are balances relating to operations financed with non-recourse loans in process (see Note 15.5), which will be repaid upon being granted non-recourse long terms Project financing.

15.5. Non-recourse project finance applied to projects also includes Non-recourse Finance in Process. This relates to certain operations which are financed in a similar manner to non-recourse projects, generally by financial entities, and which are earmarked to be future development projects which typically will eventually be financed with non-recourse project finance. Receiving finance in process is in effect similar to receiving traditional customer prepayments during various early phases of construction or of a project; Non-Recourse Finance in Process varies slightly from traditional prepayments however in that it is not received from customers but from a financial entity. Such funding typically relates to financing transitional phases of a project (typically periods of less than 2 years) during the launch and construction phase of goods/projects which once completed and ready for operation become financed under the non-recourse project finance model (See Note 2.4).

However, if during the transitory period there is a risk of non-compliance with the debt repayment Schedule necessary for the formalisation of the Project Finance (or the construction which ultimately will requires financing), they would be re-classified to elsewhere on the balance sheet depending upon the nature of the arrangement, typically being Debt with Financial Entities.

The table below shows details of the projects in progress as of 31 December 2009 (€ thousands):

Concept	Manaus	Tabasco
Project Starting Date	October 2008	September 2009
Expected Ending Date	October 2011	September 2012
Contract Price (EPC)	364,336	323,427
Execution at 31/12/09	43,768	10,300
ST Financing Start Date	November 2008	September 2009
ST Financing Maturity Date	November 2010	May 2010
Expected LT Financing Start Date	June 2010	May 2010
LT Financing Duration	Up to 14 years	Up to 6,5 años
Total amount of LT Financing	163,876	319,401

Note 16.- Loans and Borrowings

16.1. A detail of loans and borrowings as of 31 December 2009 and 2008 is as follows:

Non current	Balance as of 31.12.09	Balance as of 31.12.08
Loans with financial entities	2,097,508	2,262,877
Bonds and Liabilities	442,397	-
Other non-current Liabilities	225,327	161,034
Liabilities for finance lease	33,971	10,084
Non-current Total	**2,799,203**	**2,433,995**

Current	Balance as of 31.12.09	Balance as of 31.12.08
Loans with financial entities	612,382	218,949
Bonds and Liabilities	5,958	-
Other non-current Liabilities	46,690	29,209
Liabilities for finance lease	17,871	6,138
Total current	**682,901**	**254,296**

Total loans/borrowings	**3,482,104**	**2,688,291**

16.2. Loans and borrowings denominated in foreign currencies

a) The amount of loans with current and non-current credit entities includes debts denominated in foreign currencies in the amount of € 119,786 thousand (€ 160,751 thousand in 2008), out of which, € 111,248 thousand are for companies resident abroad and € 8,538 thousand to companies resident in Spain. The most significant value of exchange for currencies of debts in foreign currencies owed by companies of the Group to credit entities is as follows:

Currency	31.12.09 Companies		31.12.08 Companies	
	Non-residents	Resident	Non-residents	Resident
Dirhams (Morocco)	-	-	4,225	-
Dollar (Canada)	1,971	-	-	-
Dollar (USA)	91,064	8,538	113,109	-
Peso (Argentina)	-	-	30	-
Peso (Chile)	10,957	-	10,163	-
Peso (Mexico)	5,794	-	1,942	-
Peso (Uruguay)	-	-	-	-
Real (Brazil)	-	-	31,282	-
Sol (Peru)	-	-	-	-
Yuan (China)	1,462	-	-	-
Total	**111,248**	**8,538**	**160,751**	**-**

As in the prior year and with the purpose of minimising the impact interest rate volatility on these debts, certain hedging contracts have been entered into by the Group (see Note 11).

b) The following is a detail of loans with financial entities:

Loan Detail	Granted Year	Granted Amount	Expiry
Sindicated Loan 2005	2005	600	July 2012
Sindicated Loan 2006	2006	600	July 2012
Sindicated Loan 2007	2007	600	July 2011
Loan with Official Credit Institute	2007	150	July 2017
Loan with the European Investment Bank (R&D&i)	2007	109	August 2014
Other Loans	Varios	651	Various
Total		**2,710**	

Like in previous exercises and with the aim of minimizing the volatility in interest rates of financial operations, specific contracts are signed to cover the possible variations that may occur (See Note 11).

The long term syndicated financing loans are raised for the purposes of financing investments and general financing requirements of the company, the first two of which are structured as lines of credit available to the Group, with the third being a multi-currency credit line. These loans are syndicated and financed by over 50 financial entities. The necessary individual guarantees have been provided by certain entities of the Industrial and Engineering Construction, Environmental Services and Bioenergy Business Groups.

The bilateral loans with the Official Credit Institute (ICO) and with Investment European Bank (BEI) are directed at financing specific investment programs, more notably overseas programs, and R&D programs.

Additionally, Abengoa, S.A. has available a total of € 170,550 thousand of short term borrowing facilities, of which € 162,976 thousand available as at the end of the period. These credit lines are primarily for financing short term working capital requirements of the Group, and are managed together with Group's cash pooling arrangement (see Note 9 upon financial risk management).

The fair value of non-current third party loans is in line with the book value recorded, as the impact of discounting is not significant.

c) The debt repayment calendar is set out in the following table:

	2010	2011	2012	2013	2014	2015	Following Years
Sindicated Loan	266,667	1,266,667	266,667	-	-	-	-
Financing EIB	-	-	-	-	109,000	-	-
Financing ICO	-	-	-	30,000	30,000	30,000	60,000
Other Loans	345,715	134,051	50,231	61,919	2,763	31,175	25,035
Total	**612,382**	**1,400,718**	**316,898**	**91,919**	**141,763**	**61,175**	**85,035**

The exposure to the Group to movements in interest rates and the dates at which prices are revised is detailed in Note 9 upon the management of financial risks. The fair value of the current third party loans is equal their book value, as the impact of discounting is not significant. The fair value is based upon discounted cash flows, applying a discount rate being that of the third-party loan (see Note 11.3).

d) The balance of interest accrued which has yet to fall due is € 1,706 thousand as of 2009 (€ 3,967 thousand in 2008) which is included within "Short term debt with financial entities".

e) Real estate pledged against mortgages as of 31 December 2009 is not significant.

f) The average interest rates associated with the debt facilities reflects normal levels in each of the regions and areas in which the facility was agreed.

16.3 Commitments and other loans

Convertible bonds

On 24th July 2009, Abengoa S.A. completed the process of issuing Convertible Bonds to qualified investors and institutions in Europe for the amount of € 200M including the right to exercise the option of increasing by € 50 M.

In summary, the final terms and conditions of the issuance are as follows:

a) The Bonds were issued for two hundred million Euros (€ 200,000,000) with maturity set to be in five (5) years.

b) The Bonds will accrue a fixed annual interest of 6.875% payable biannually.

c) The Bonds are exchangeable, at the choice of bondholders, for the Company's existing shares.

   Pursuant to the Terms and Conditions, the Company may decide to issue Company's shares or give the combination of the nominal cash value with shares for the difference, in the event that investors decide to exercise their right of conversion.

d) The price of the initial exchange of the Bonds (Exchange Price) is twenty one Euros and twelve cents of a Euro (€ 21.12) for each share of the Company.

   As defined in Note 2.18.1, and in accordance with what is set forth in the IAS 32 and 39, the fair value of the liability component of the convertible bonds as at 31st December 2009 amounts to € 187,717 thousand. In addition, the initial evaluation of the component of the liability implicit derivative generated in the issuance of the convertible bonds amounted to € 51,048 thousand and at the close of the 2009 exercise it was valued at € 72,911 thousand with an effect in the Income Statement of the 2009 (see Note 34) for the difference between the two previous values and which amounts to € -21,863 thousand.

Ordinary bonds

On 18th November 2009, Abengoa S.A. completed the process of issuing in Europe Convertible Bonds to qualified investors and institutions for the amount of € 250M, an amount that was increased up to € 300 M on 24th Novembre 2009 due to the existing additional demand.

In summary, the final terms and conditions of the issuance are as follows:

a) The Bonds were issued for three hundred million Euros (€ 300,000,000) with maturity set to be in five (5) years.

b) The Bonds will accrue a fixed annual interest of 9.625% payable biannually. Said interest rate may increase by 1.25% in the event that it does not obtain credit rating from at least two agencies 12 months after the aforementioned issuance.

16.4 Other loans

"Commitments and Other Loans" includes Sale and Lease back arrangements entered into by a subsidiary of Abengoa Bioenergy Corporation. These were:

- The Sale and Lease back of York's facilities. The initial balance was for US$ 56.8 M agreed with General Electric Capital Corporation (48.72%), and the Bank of America Leasing Corporation and Merrill Lynch Leasing (51.28%). The outstanding debt at the end of 2009 was US$ 24.1 M.

- Sale and Lease back of de Colwich's facilities for $ 27.7 M, arranged with the Bank of America Leasing Corporation (26.30%) and Merrill Lynch Leasing (73.70%). The debt outstanding at the end of 2009 was $ 16.6 M.

- Sale and Lease back of Portales's facilities for $ 27 M arranged with GATX Financial Corporation. The outstanding debt at the end of 2009 was $ 17.2 M.

In accordance with the accounting treatment adopted, despite complying with the mathematical requirements of comparable standards and as well as criteria in relation to negotiations with the financial entities and despite having transferred 100% of the assets at these facilities, the assets in question remain within fixed assets on the consolidated balance sheet at their net book value.

Although, for operating purposes, the operation was undertaken through the ABC subsidiary, from a consolidated Group perspective the transactions imply the transfer of the asset and a commitment to make regular payments over a set period of time. In this sense, Abengoa is committed to future rental payments over five years (York), seven years (Colwich) and eight years (Portales) so as to continue operations within these premises, which represents an average annual charge of approximately $ 10 M (€ 7.2 M), as well as ensuring the maintenance of the plants in good operational condition and remaining as the plant operator should the purchase option not be exercised.

The entity has the option, albeit not obliged to exercise the option, to repurchase the facilities during a fixed period or at the end of the term at market price. If ABC or the Abengoa Group decides not to exercise the option, the Group is obliged to comply with a solution by the lessor in which the latter is able to dispose of or transfer the assets to third parties or another form of management.

The board are of the view that not treating these arrangements as financing leases represents a true and fair reflection of the substance of the arrangement and the financial position of the consolidated Group, taking into account the corporate strategy, the driving reasons behind the arrangements with the financial entities and, in particular, that there is no commitment to exercise the re-purchase option. In fact, the conditions of the transaction suggest there is in fact reasonable doubt as to whether such an option would in fact be exercises.

Additionally within "Commitments and Other Loans" are long and short term amounts payable to official entities (the Ministry of Industry and Energy, amongst others) relating to the repayment of loans and grants, without interest, provided for R&D projects. As of the end of 2009 such balances amounted to € 13,531 thousands (€ 10,263 thousands in 2008).

16.5. Financial Lease Liabilities

Finance lease creditors as at the end of 2009 and 2008 were:

Finance Lease	Balance as of 31.12.09	Balance as of 31.12.08
Present Values paid made for finance lease	51,842	16,222
Liabilities: minimum payments for finance lease:	-	-
Between 1 to 5 years	51,373	19,232
More than 5 years	1,198	1,370
Net value in books:	-	-
Technical Installations and Machinery	60,507	11,433
Other tangible assets	12,732	8,324

Note 17.- Suppliers and Other Trade Accounts Payable

17.1. "Suppliers and Other Trade Accounts Payable" as of the close of 2009 and 2008 are shown in the following table:

Concept	Balance as of 31.12.09	Balance as of 31.12.08
Commercial suppliers	2,415,899	1,880,631
Creditors for services	547,976	304,506
Future Account receivable	419,294	301,293
Borrowings in short term	52,141	28,985
Other payable accounts	339,996	352,961
Total	**3,775,306**	**2,868,376**

The table above includes amounts payable of € 563 M as of 31 December 2009 (€ 382 M as at 2008) being "Confirming without recourse" relating to various such agreements entered into with a number of financial entities in which the Group receives "confirming" services thereby bringing forward the timing of cash receipts from receivables. There are deposit guarantees of € 255 M over said amount itemized in the heading "receivable financial accounts" of the Statement of Financial Position.

The fair value of "Suppliers and Other Amounts Payable" is in line with their book value, as the impact of discounting is not significant.

17.2. A detail of supplier ageing is provided in the following table:

Maturity	2009	2008
Until 3 months	1,108,852	520,809
Between 3 and 6 months	1,102,265	989,099
Over 6 months	204,782	370,723
	2,415,899	**1,880,631**

Note 18.- Provisions and Contingencies

18.1. Provisions for other liabilities and expenses

The following table shows the movement of the heading "Provisions for Other Liabilities and Expenses" between 2009 and 2008:

Concept	Balance as of 31.12.08	Increases	Decreases	Other Movements and transfer held for sale	Balance as of 31.12.09
Provision for others liabilities and expenses	184,649	16,377	(46,613)	(18,942)	135,471

Concept	Balance as of 31.12.07	Increases	Decreases	Other Movements	Balance as of 31.12.08
Provision for others liabilities and expenses	125,415	58,059	(15,318)	16,493	184,649

The amounts belonging to "Other Movements" generally reflect the changes of the consolidation perimeter, the conversion differences and various reclassifications as well as the incorporation of the provisions for other liabilities and expenses for the Information Technologies business segment previously classified as non-current assets held for sale (see Note 14).

As at the end of 2009 the net operating profits includes an amount of € -16,377 M relating to a necessary provision to cover specific risks regarding business trends that are mainly outside of the Spanish territories, primarily relating to Industrial Engineering and Construction activities, mainly in Brazil. During the period provisions were utilised to the amount of € 46,613 M (which were provided for in prior period) as suggested by IAS 37 as their nature was considered to be a remote contingent liabilities or because the risk for which they were created has materialised.

18.2. Provisions and contingencies

As at the end of 2009 Abengoa and its Group of companies are involved in certain claims and litigations both against and in their favour. Such matters are a normal part of its business activities and the technical and economic claims represent those which parties of a given contract may typically invoke. The most significant of such claims is currently abroad, and relates to a contract to repower electrical power stations. For various reasons, at right time the contract has been claimed by the Group company as they adjudged it impossible to comply with the contract. This view arose due to the failure of the customer to obtain, in time and nature, the necessary administrative licences and permissions so as to be able to complete the project.

As a result, the Group company mentioned above has reclaimed certain substantial economic amounts. However, these amounts are not recognised in these Financial Statements or those of prior periods, due to their nature as contingent assets. The claims were made in 2003 by the Group company including concepts such as intangible losses and indirect damages far over and above the value of the original contract (of approximately 200 M dollars). The Directors of Abengoa hope that this litigation will resolve itself within a reasonable time frame and as such do not believe it to be necessary to recognise a liability in the financial accounts.

This view has been corroborated by the legal advisors to the Group, especially due to the damage limitation clauses included within the contract, which exclude indirect damage claims and a cap direct damages claims.

Note 19.- Third-Party Guarantees and Commitments

As of the end of 2009 the overall value of guarantees granted from to third parties was € 1,150,886 thousands (€ 1,308,241 thousands in 2008), relating to guarantees to customers, financial entities, public bodies and other third parties.

There are also other guarantees provided by other Group companies regards to the financing of the diverse operations with financial entities (excluding the Syndicated loan with Abengoa, S.A. as commented on in Note 16) to the amount of € 2,188,688 thousands (€ 1,856,488 thousands in 2008), with € 1,334,393 thousands (€ 1,084,767 thousands in 2008) relating to operations outside of Spain, being both overseas entities as well as Spanish entities with overseas operations.

Note 20.- Tax Situation

20.1. Application of rules and tax groups in 2009

Abengoa, S.A. and 276 further Group companies (see Appendix V of these accounts) are taxed in 2009 under the Special number 2/97 Regime for Tax consolidation.

Telvent GIT, S.A. and 12 other companies (See Appendix V of these accounts) paid tax in 2009 under "Companies taxed under the Special Regimen for Tax consolidation number 231/05.

Similarly, Proyectos de Inversiones Medioambientales, S.L. and 11 further companies (see Appendix V of these accounts) are taxed in 2009 under the special regime 4/01B of the Basque country for Tax consolidation

Likewise, the 2009 exercise tax payment of Befesa Reciclaje de Residuos de Aluminio, S.L. and another company (see appendix V to this Report) fall under the Special Regime of Tax Consolidation of the Vizcaína Tax Regulation, with number 00109BSC.

The remaining Spanish and overseas companies that make up the Group are subject to corporation tax under the general tax regime.

The laws governing the Payment of Taxes on Companies within the Historical Territory of Vizcaya is that of Foral Law (*Norma Foral*) 3/1996 of 26th June, with the modifications incorporated by Foral Law 6/2007 of 27th March 2007, which is still valid although there are several appeals against it. In accordance with a ruling passed by the Court of Justice of the European Communities, the High Court of Justice of the Basque Country dismissed several appeals in December 2008 against the Foral Law on Company Taxation. Nevertheless, appeals have been filed at the Supreme Court against said decision. At the date of these financial statements, said appeals were still pending.

In order to calculate the taxable earnings of the consolidated tax Group and the individual entities which are within the consolidation perimeter, the accounting profit is adjusted to take into account the timing and permanent differences which may exist, giving rise to deferred tax assets and liabilities. Typically, deferred tax assets and liabilities arise as a result of making the valuations and accounting criteria and principles of the individual entities consistent with those of the consolidated Group, being those of the parent company.

The corporation tax payable, under the general regime or the special consolidated group regime, is the result of applying the applicable tax rate in force to each tax-paying entity, in accordance with the tax laws in force in the territory and/or country in which the entity is domiciled. Additionally, tax deductions and credits are available to certain entities, primarily relating to inter-company trades and tax treaties between various countries to prevent double taxation. Certain entities taxed under special regimes may receive given tax breaks and deductions due to the nature of their main commercial activity.

20.2. Deferred tax assets

With exportation as an integral element of its business, Abengoa, S.A. and various subsidiaries in Spain (belonging to the Industrial Engineering and Construction, Environmental Services, Bioenergy, Information Technologies and Solar business group) decided, in 2008, to reinitiate the application for tax benefits included in Article 37 of the Export Deductions (DAEX) of the Spanish Company Tax Law (LIS), for 2008 as well as previous periods that have not reached their expire date.

Despite the Export Activities Deduction (DAEX), for years, as a consideration with regards to investment decisions in certain projects, the Group, within the framework of tax position, did not consider it convenient to apply for such tax deductions (as done in 2001 and 2002), due to complications regarding the legal-taxation interpretations of the necessary requirements to be maintained so as to retain the rights described within said Article 37 of the LIS. For this reason, in certain cases, the Group chose to opt for alternative tax incentives for which the right to claim was not in question.

In the 2008 exercise, Abengoa deemed fit to carry out the deduction (DAEX), having met the conditions and requirements under which to apply the DAEX since in said exercise several Resolutions were published by the Tribunal Económico-Administrativo Central (central economic-administrative court, TEAC) sustaining the right to deduction by other groups of companies operating in environments and under circumstances similar to those of Abengoa, against the initial interpretation of the Public Tax Agency. Therefore, in the 2008 exercise the company did a comprehensive analysis of documents to back the right to the deduction, both for the 2008 tax period as well as for previous exercises that had not yet prescribed, for which the Group presented supplementary declarations for Company Tax based on the probability of an estimated recovery of those tax incentives.

Abengoa has re-estimated the probability of recuperating these tax incentives. As a consequence of this, the Group has included a deduction in its return to the amount of € 280 M (being both prior periods in which it was not applied for and the current period). However, due to tax planning requirements and taking into account the limit for the application of 10 years, as set out in the law, these fiscal benefits have still not been used through their reduction in quota of the Corporation Tax.

Considering the difficulty of the financial planning in the medium and long term in the present economic complex environment, as well as the complexity of its corresponding tax planning, the Group considers that, at this moment, and once taken into account the rest of the deductions and the applicable limits by the LIS, the recuperation of the tax credits could be probable to compensate in the amount of € 145 M, being this income recognised in the income statements of the current year results of € 18 M.

Regarding the accounting treatment of these reduction, both paragraph 4 of IAS 12 (which considers the accounting treatment corporate tax), as well as IAS 20 (which considers the accounting treatment of official grants in paragraph 2.b) exclude from their scope the accounting treatment of investment tax credits. In this sense, IAS 20.19 indicates the possibility that there exists the concept of a grant en certain tax packages with certain characteristics of an "investment tax credits" and recognises that on occasions it is complex to distinguish if the underlying components of an economic transaction are grants and what are their characteristics are.

The lack of specific guidance in either IAS 12 or IAS 20, regarding investment tax credits, makes it necessary for the Group to analyse on a case by case basis, the existing conditions so as to determine the appropriate accounting treatment in each event. From this analysis, the Group is of the view that there are cases in which the deduction is directly related to an investment in an asset, taking into account the concept of governmental assistance of the tax policy, thereby strengthening its character as a grant for accounting purposes. In this way, this treatment, considered as a grant, more reliably reflects the underlying economic attributes of the transaction. In such cases in which it is concluded, through an individual project by project basis, that the DAEX is a contributing factor in making the decision, of the investment, the Group registers the income in accordance with IAS 20, recognising such income as Other Operating Income. On the other hand, in those cases in which the aforementioned requirements are not met, the Group has considered that with regards to Art. 37 LIS it remains under IAS 12 and is registered as a tax on profits earned.

The movements in assets and liabilities between 2009 and 2008 due to deferred taxes were as follows:

Assets for diferred taxes	Amount
As of 31 December 2007	190,468
Increase / Decrease due to income statement	217,274
Increase / Decrease due to equity	54,745
Other movements	(31,767)
Transfer ot assets held for sale	(21,421)
As of 31 December 2008	**409,299**
Increase / Decrease due to income statement	97,762
Increase / Decrease due to equity	58,670
Other movements	106,357
Transfer ot assets held for sale	-
As of 31 December 2009	**672,088**

Liabilities for diferred taxes	Amount
As of 31 December 2007	139,180
Increase / Decrease due to income statement	23,746
Increase / Decrease due to equity	42,717
Other movements	(74,436)
Transfer ot assets held for sale	(7,775)
As of 31 December 2008	**123,432**
Increase / Decrease due to income statement	104,079
Increase / Decrease due to equity	8,033
Other movements	11,181
Transfer ot assets held for sale	-
As of 31 December 2009	**246,725**

With regards to assets held for sale (see Note 14).

The movement corresponding to the assets for deferred taxes charged to net equity during the 2009 and 2008 exercises basically corresponds to outcomes of the contracts of interest and exchange rate financial derivatives and raw materials for cash flow hedging operations.

The amounts stated in Other Movements for assets and liabilities of deferred taxes in the 2009 and 2008 exercises mostly correspond to the variations in the Consolidation Perimeter produced in said exercises, conversion differences, as well as the inclusion of deferred assets and liabilities relating to the business segment of Information Technologies previously classified as non-current assets held for sale for the approximate net amount of € 14 M (see Note 14).

The total balance of the assets for deferred taxes is basically tax credits for deductions yet to be taken with those generated by the outcomes of the contracts of interest, exchange and raw materials financial derivatives. Finally, it should be indicated that this amount includes assets for deferred taxes corresponding to deductions amounting to € 145 M for export-related activities by companies of the group in accordance with the valid laws.

The total balance of the liabilities for deferred taxes is, basically, with consolidation adjustments, business combinations (see Note 37) and applications of IFRS, basically through appreciation in applying the IFRS 1.

20.3. Tax on profit

A detail of the tax on profit in 2009 is as follows:

Concept	Amount as of 31.12.09
Current Tax	(51,741)
Deferred Tax	(6,317)
Total	**(58,058)**

Tax on the Group's earnings differs to the theoretical amount that would have been obtained by using the average weighted tax rate applicable to the consolidated profits of the Group. The difference arising between these two calculations in 2009 is set out in the following table:

Concept	Amount as of 31.12.09
Profit Before Taxes	260,796
Non deductible expenses and inadmissible earnings	(14,421)
Compensation of negative Tax Beases	(2,335)
Adjusted book results	**244,040**
Taxes calculated at the taxes rates for each country	(54,654)
Unllocated tax credits and deductions	2,913
Tax Expenses	**(51,741)**

The following may be highlighted amongst the reasons for such differences:

- The tax deductions earned through the efforts and dedication made to R&D&i activities: Abengoa's efforts of investment in R&D&i over the last two years surpassed € 180 M. Most of these projects have obtained the motivated report by the Ministry of Science and Innovation in Spain (*Ministerio de Ciencia e Innovación de España*) with R+D qualification. The criteria followed for the accounting recognition of the R&D&i deductions involved considering it under the scope of IAS 12 and registering it on the line of profit tax since it fulfils all the prerequisites outlined in said standard regarding deductions in general.

- Tax deductions earned through export-related activities: the internationalization of Abengoa, through it investing in foreign companies with the clear intention of increasing the activities of exporting goods and services, meant the generation of a significant amount of tax deductions granted to export-related activities. The accounting criterion set forth in Note 20.2 is the one followed for the accounting recognition of the deductions granted for exporting activities.

- Contributions made to Abengoa's profit from outcomes from other countries: 68.7% of Abengoa's sales for the 2009 exercise are from countries other than Spain where tax rates are normally different. Also in the 2009 exercise, Abengoa obtained Outcomes from export-related and foreign project execution operations, which were subject to benefits from specific tax regimes.

- Taxation in Spain under the special regime of Tax Consolidation: Since 1997 most of the Abengoa companies that operate in Spain have paid taxes under the Tax Consolidation System which, amongst other things, allows the offsets of the tax-losses of subsidiary companies, higher tax deductions from the quotas for investments carried out in R&D&i and other activities, the deferment of taxes in operations occurring between companies of the same tax group which sometimes, depending on the operation, end up neutralizing the tax effect.

Note 21.- Share Capital

As of 31 December 2009 the share capital of the company was € 22,617,420, made up of 90,469,680 ordinary shares of one class all with equal voting and economical rights, of € 0.25 nominal value allocated and paid up.

All shares are accounted for, and are listed on the stock exchanges of Madrid, Barcelona and the Network Stock Exchange System (Sistema de Interconexión Bursátil SIB) (a continuous stock market) since 29 November 1996.

In accordance with notifications received by the company and in compliance with reporting requirements to communicate percentage shareholdings and in accordance with information received from related parties, shareholders with a significant holding as at 31 December 2009 are:

Shareholders	% Share
Inversión Corporativa IC, S.A. (*)	50.000
Finarpisa, S.A. (*)	6.041

(*) Inversión Corporativa Group.

The Abengoa, S.A. Ordinary Shareholder Meeting of 5th April 2009, authorised the Board of Directors to:

1.- Increase the share capital, one or more times, up to € 11,308,710 Euros, being 50% more than the shares at the time of authorisation, during a period of 5 years.

2.- Authorize the issuance of simple or convertible and/or exchangeable bonds, warrants and other negotiable values, including, where appropriate, to exclude pre-emptive rights. The Board of Directors may use said authorization on one or many occasions and for a maximum period of five (5) years.

3.- Agree the emission of other titles which recognise or create a debt or application of capital, within the applicable legal limits of each case.

4.- Indirectly acquire own shares, within legal limits, at a price of between € 0.03 and € 120.20 per share within a period of up to 18 months.

The Extraordinary Shareholders Meeting for Abengoa dated 16 October 2005 gave permission to the Board of Directors to approve and enter into a Share Purchase Plan for the Executives of the Group (from here on in "the Plan"). These included directors of the Business Groups, directors of business units, key R&D and Technical managers those responsible for corporate services. The plan is open to all those executives across all subsidiaries and business groups, present or future, who wish to voluntarily join the scheme, excluding the Board of Directors of Abengoa. Those participating will have access to a bank loan so as to fund the purchase of Abengoa shares at market price, complying with article 81.2 of the Anonymous Company Law. The loan, in aggregate is up to € 87 M with a 5 year term to maturity. The number of Abengoa shares which may be purchased is up to 3,200,000, accounting for 3.53% of the total share capital of the company. The Plan was implemented as of February 2006.

Note 22.- Parent Company Reserves

22.1. The following table shows the amounts and the movements of the Parent Company Reserves in 2009 and 2008:

Concept	Balance as of 31.12.08	Distribution Results 2008	Other Movements	Balance as of 31.12.09
Share Premium	110,009	-	-	110,009
Revaluation Reserves	3,679	-	-	3,679
Other Reserves of the Parent Company:				
- Reserves	110,239	39,415	24,259	173,991
- Capital Reserves	4,607	-	-	4,607
Total Other Reserves	**228,534**	**39,415**	**24,259**	**292,286**

Concept	Balance as of 31.12.07	Distribution Results 2007	Other Movements	Balance as of 31.12.08
Share Premium	110,009	-	-	110,009
Revaluation Reserves	3,679	-	-	3,679
Other Reserves of the Parent Company:				
- Reserves	118,502	37,958	(46,221)	110,239
- Capital Reserves	5,199	-	(592)	4,607
Total Other Reserves	**237,389**	**37,958**	**(46,813)**	**228,534**

The amount corresponding to "Other Movements" for the 2009 exercise is part of operations carried out with own shares.

22.2. The Capital Reserves have been created in accordance with Article 214 of the Anonymous Company Law, which states that in all cases, an amount of at least 10% of the earnings of the period will be allocated to this reserve until at least 20% of the share capital is achieved and maintained. The Capital Reserves may not be distributed and if used to compensate for losses in the event that there are no other reserves available to do so, it should be replenished from future profits.

22.3. The Revaluation Reserve encompasses the net effect of updating balances for revaluations in accordance with the Royal Decree Law 7/1996; the balance is unavailable for distribution until it has been deemed available by the Spanish Tax Administration. Such approval is only within the first 3 years following the revaluation being performed. However, the revaluation reserve was created as at 31 December 1996, with such a window for approval therefore closing on 31 December 1999. Once the 3 years has passed, or approval has been granted, the balance of the account may be used to offset accounting losses, to increase share capital or, ten years following its creation in the accounts, into reserves freely available for distribution.

22.4. On 19th November 2007, the company undersigned an agreement with Santander Investment Bolsa, S.V. for the purpose of, without interfering in the normal development of the market and in strict compliance with the Stock market Regulations, backing the liquidity of the transactions involving the shares, the regularity in trading and the avoidance of variations caused by anything else other than the market trend. Although said agreement fails to meet the conditions set forth in CNMV Circular 3/2007 of 19th December, Abengoa has ensured the voluntary compliance with the requisites of information set forth in Circular 3/2007 to that effect. The CNMV has always been informed of the operations carried out under said Agreement on quarterly basis and said operations have always been published on the company Webpage.

As at 31st December 2009 own shares in the repurchased stock portfolio amounted to 145,455 in correspondence with the liquidity agreement.

Regarding the operations carried out during the exercise, the number of repurchased stock amounted to 14,704,779 and own shares transferred amounted to 16,754,272, with the positive accounting net outcome from said operations recognized in the equity of the Parent Company in the amount of € 776,378.18.

22.5 The proposed distribution of 2009 results and other reserves of the Parent Company as to be presented at the General Shareholders Meeting, as well as that approved for 2008, is set out in the following table:

Bases of distribution	Amount as of 31.12.09	Amount as of 31.12.08
Profit of the year	48,989	55,700

Distribution	Amount as of 31.12.09	Amount as of 31.12.08
Volunteer Reserves	31,800	39,415
To dividens	17,189	16,285
Total	**48,989**	**55,700**

Note 23.- Other Reserves

Other Reserves includes the impact upon reserves of the valuation of derivatives instruments, investments available for sale and the Stock Options Scheme at the end of the financial year.

The following table shows the balances and movements of other reserves by concept for and between 2009 and 2008:

Concept	Reserves Cover Op.	Reserves Inv.Held for sale	Stock Options Scheme	Total
Balance as of 31December 2008	16,007	(4,380)	(9,527)	2,100
- Profit for the reasonable value of the financial year	(150,288)	3,364	-	(146,924)
- Transfer to profit and loss	(2,512)	2,978	-	466
- Taxes over the fair values	51,491	(854)	-	50,637
- Other Movements	2,964	77	9,527	12,568
Balance as of 31 December 2009	**(82,338)**	**1,185**	**-**	**(81,153)**

Concept	Reserves Cover Op.	Reserves Inv.Held for sale	Stock Options Scheme	Total
Balance as of 31December 2007	28,715	(2,807)	(1,547)	24,361
- Profit for the reasonable value of the financial year	99,518	(3,195)	(13,367)	82,956
- Transfer to profit and loss	(64,448)	(1,506)	-	(65,954)
- Taxes over the fair values	(29,944)	959	4,058	(24,927)
- Other Movements	(17,834)	2,169	1,329	(14,336)
Balance as of 31 December 2008	**16,007**	**(4,380)**	**(9,527)**	**2,100**

For further information upon derivative activities, see Note 11.

Note 24.- Translation Differences

24.1. The amount of the translation differences of the companies in the Group and associate companies at the end of the 2009 and 2008 financial years is as follows:

Concept	Amount as of 31.12.09	Amount as of 31.12.08
Translation differences		
- Group	31,660	(249,631)
- Associated	2,778	(483)
Total	**34,438**	**(250,114)**

24.2. The details of the differences in conversion by consolidated company by Global / Proportional Integration and companies integrated by the Equity Method at the close of the 2009 and 2008 financial years is as follows:

Companies G.I. / P.I.	Amount as of 31.12.09	Amount as of 31.12.08
Abencasa-Abengoa Comer. y Administraçao, S.A.	563	575
Abener Engineering and Construction Services, PLC	(1,922)	(302)
Abener El Sauz, S.A. De CV	(705)	(637)
Abengoa Bioenergía Sao Paulo, S.A.	38,734	(93,969)
Abengoa Bioenergy Corporation	(25,512)	(23,516)
Abengoa Bioenergy Maple, PLC	(2,386)	(3,788)
Abengoa Bioenergy Meramec Renewable, Inc.	(1,466)	-
Abengoa Bioenergy New Technologies , Inc.	(568)	(863)
Abengoa Bioenergy of Illinois, PLC	986	4,683
Abengoa Bioenergy of Indiana, PLC	(393)	3,365
Abengoa Bioenergy Operations , PLC	(4,098)	(3,427)
Abengoa Bioenergy UK Limited	(6,093)	(8,517)
Abengoa Bioenergy US Holding, Inc	3,236	-
Abengoa Bioenergy Trading US, PLC	(95)	403
Abengoa Brasil, Ltda	(8,649)	8,257
Abengoa Chile, S.A.	2,365	903
Abengoa Concessoes Brasil Holding SA	(7,064)	(30,153)
Abengoa México, S.A. de CV	(1,646)	(1,430)
Abengoa Perú, S.A.	(287)	(340)
Abengoa Solar Inc	(10,018)	(7,114)
Abengoa Transmisión Norte S.A.	(4,162)	-
Abenor, S.A.	1,156	1,156
Aguas de Skikda	(571)	364
Asa Bioenergy Holding, AG	516	(537)
Asa Bioenergy of Nebraska, PLC	(7,192)	(6,097)
Asa E.& E.H., AG	6,329	6,294
Asa Investment AG	(1,898)	(761)
ATE II Transmissora de Energia, S.A.	21,146	(28,304)
ATE III Transmissora de Energia, S.A.	8,619	(22,459)
ATE Transsmisora de Energía, S.A.	16,840	(9,831)
ATE VII- Foz do Iguacú Transmissora de Energía, S.A.	2,372	-
Bargoa, S.A.	(1,703)	(446)
Befesa Argentina,S.A.	(1,577)	(1,342)
Befesa Chile Gestión Ambiental Limitada	(272)	(657)
Befesa México, S.A. De C.V.	(421)	(400)
Befesa Salt Slag, Ltd	(453)	(591)
Befesa Scandust AB	(828)	(1,156)
BUS Group AG	1,121	1,274
C.D.Puerto San Carlos S.A. De CV	(387)	(387)
ATE VI Campos Novos Transmissora de Energía ,S.A	3,229	-
Caseta Technologies, Inc	(362)	-
Construcc Metalicas Mexicanas, S.A. De CV	(1,828)	(1,682)
DTN, Data Transmission Network	(7,052)	(13,623)
Enicar Chile, SA	(4,001)	(4,001)
Huepil de Electricidad, S.L.	(333)	(333)
Inabensa Rio Ltda	1,332	-
Londrina Transmissora De Energía S.A,ATE V	4,042	-
Mundiland, S.A.	1,819	1,846
Myah Bahr Honaine, S.P.A.	(921)	-
Nicsa Mexico, S.A. de CV	(451)	(392)
NTE, Nordeste Transmissora de Energía, S.A.	10,164	1,204
Sao Mateus Transmissora de Energía , ATE IV	4,962	-
Solar Power Plant One	(2,914)	1,333
STE-Sul Transmissora de Energía, Ltda.	4,888	-
Telvent Australia Pty Ltd	(113)	(584)
Telvent Brasil, S.A.	1,692	(423)
Telvent Canada , Ltd.	2,386	(1,013)
Telvent Factory Holding AG	302	-
Telvent Farradyne Inc.	(2,835)	(2,363)
Telvent Miner & Miner , Inc.	(1,968)	(1,650)
Telvent Traffic North America Inc	827	937
Telvent USA, Inc.	(222)	(454)
Teyma Abengoa, S.A.	1,624	1,571
Teyma Internacional, S.A.	1,877	-
Teyma Uruguay Holding SA	102	513
Teyma Construcciones S.A	(1,064)	(2,051)
Other Positives < 300 thousands of €	6,507	2,654
Others Negatives < 300 thousands of €	(3,646)	(11,370)
Total	**31,660**	**(249,631)**

Companies M.P.	Amount as of 31.12.09	Amount as of 31.12.08
Expansion Transmissào de Energia Eletrica, Ltda.	3,095	(57)
Expansion Transmissao Itumbiara Marimbondo, Ltda.	2,277	297
Redesur	(2,344)	(2,360)
Other Positives < 300 thousands of €	14	2,392
Others Negatives < 300 thousands of €	(264)	(755)
Total	**2,778**	**(483)**

The attributed amount in this financial year has increased in € 284,525 thousands (decrease in € 265,508 thousands in 2008), due fundamentally to the appreciation of the Brazilian real.

Note 25.- Retained Earnings

25.1. The amount and movement of the accounts that form part of the Retained Earnings heading during the 2009 and 2008 financial years are as follows:

Concept	Balance as of 31.12.08	Result Dist. 2008	Results 2009	Other Movements	Balance as of 31.12.09
Reserves in Consolidated societies G.I ./ P.I.	258,796	85,805	-	16,256	360,857
Reserves in Societies in equivalence	4,454	(1,103)	-	-	3,351
Dividends and Reserves parent company	-	55,700	-	(55,700)	-
Total Reserves	**263,250**	**140,402**	**-**	**(39,444)**	**364,208**
Consolidated result of the financial year	165,777	(165,777)	202,738	-	202,738
Profit attributable to minority interest	(25,375)	25,375	(32,432)	-	(32,432)
Profit attributable to the Parent Company	**140,402**	**(140,402)**	**170,306**	**-**	**170,306**
Total Accumulated Profits	**403,652**	**-**	**170,306**	**(39,444)**	**534,514**

Concept	Balance as of 31.12.07	Result Dist. 2007	Results 2008	Other Movements	Balance as of 31.12.08
Reserves in Consolidated societies G.I. / P.I.	192,813	62,822	-	3,161	258,796
Reserves in Societies in equivalence	4,011	4,243	-	(3,800)	4,454
Dividends and Reserves parent company	-	53,338	-	(53,338)	-
Total Reserves	**196,824**	**120,403**	**-**	**(53,977)**	**263,250**
Consolidated result of the financial year	135,819	(135,819)	165,777	-	165,777
Profit attributable to minority interest	(15,416)	15,416	(25,375)	-	(25,375)
Profit attributable to the Parent Company	**120,403**	**(120,403)**	**140,402**	**-**	**140,402**
Total Accumulated Profits	**317,227**	**-**	**140,402**	**(53,977)**	**403,652**

25.2. The Reserves in Companies Consolidated by global/proportional consolidation and by the equity method are as follows:

	Balance as of 31.12.09		Balance as of 31.12.08	
	G.I. / P.I.	M.P.	G.I. / P.I.	M.P.
Solar	(21,957)	462	1,186	222
Bioenergy	(994)	-	46,452	-
Enviromental Services	145,804	4,971	91,614	3,737
Engeneering and Industrial Construction	157,622	(3,080)	86,805	1,338
Information Technologies	57,754	(35)	-	-
Corporative Activity and derivatives of the consolidation process	22,628	1,033	32,739	(843)
Total	**360,857**	**3,351**	**258,796**	**4,454**

Note 26.- Minority Interests

Minority Interests represent the proportion of Net Reserves of Group entities which are fully consolidated but which are attributable to investors other than the Group which have a minority holding in the company.

26.1. Minority interests in 2009 were:

Company	Balance as of 31.12.08	Other Movements	Attributed Profit. 08	Balance as of 31.12.09
AB Bioenergy France, S.A.	8,916	23,182	(496)	31,602
Abener Engineering and Construction Services, PLC	1,612	(1,612)	-	-
Abengoa Bioenergía, S.A.	7,088	(791)	(185)	6,112
Abengoa México, S.A. de CV	1,523	(33)	177	1,667
Abengoa Perú, S.A.	1	14	-	15
Abengoa Servicios S.A. De C.V.	2	-	2	4
Abentey Brasil, Lda	133	(92)	186	227
Aguas de Skikda	-	8,943	513	9,456
Alugreen S.L.	(2,216)	2,216	-	-
Aprovechamientos Energéticos Furesa, S.A.	(125)	-	(1)	(126)
Arbelux S.A	351	(351)		-
ATE XI, Manaus Transmissora de Energía	-	(156)	(1,538)	(1,694)
Befesa Aluminio S.L.	3,885	(2,872)	(1,372)	(359)
Befesa Argentina,S.A.	(66)	(4)	1	(69)
Befesa Desulfuración, S.A.	8,559	(22)	427	8,964
Befesa Escorias Salinas, S.A.	1,935	(1,927)	-	8
Befesa Medio Ambiente, S.A.	3,888	30	19	3,937
Befesa Plásticos, S.L.	246	(2)	(116)	128
Befesa Reciclaje de Residuos de Aluminio S.L.	29,080	(2,939)	(965)	25,176
Befesa Salt Slag, Ltd	(7,053)	110	307	(6,636)
Befesa Servicios S.A	-	601	48	649
Befesa Waterbuilt GP, Inc.	(123)	444	(298)	23
Beijing Blue Shield High & New Tech. Co., Ltd	-	-	1	1
Bioetanol Galicia, S.A.	2,451	334	1,106	3,891
Cogeneración Villaricos, S.A.	(3)	-	5	2
Construcc Metalicas Mexicanas, S.A. De CV	75	(648)	37	(536)
Copero Solar Uno-Diez	339	3	16	358
Ecocarburantes Españoles , S.A.	1,484	(13)	353	1,824
Energoprojekt-Gliwice S.A.	5	13	(10)	8
Enernova Ayamonte S.A.	(925)	58	48	(819)
Europea Const. Metálicas, S.A.	-	12	-	12
Fotovoltaica Solar Sevilla, S.A.	311	7	68	386
Galian 2002, SL	(10)	10	-	-
Geida Skikda, S.L.	5,389	(8,877)	(9)	(3,497)
Global Engineering Services PLC	343	(349)	423	417
Helios I Hyperion Energy Investments, S.L.	-	514	(2)	512
Helios II Hyperion Energy Investments, S.L.	-	501	(13)	488
Iniciativas Hidroeléctricas, SA (Ihsa)	1,034	49	37	1,120
Manaus Constructora Ltda	-	181	1,783	1,964
Matchmind Holding, S.L.	-	(191)	-	(191)
Myah Bahr Honaine, S.P.A.	-	8,085	(41)	8,044
Nordeste Transmissora de Energía, S.A.	29,081	5,263	8,272	42,616
NRS Consulting Engineers	195	(52)	54	197
Procesos Ecológicos Vilches, S.A.	(1,386)	-	587	(799)
Procesos Ecológicos, S.A.	614	-	4	618
Puerto Real Cogeneración, S.A.	(100)	5	(3)	(98)
Rede Eléctrica del Sur, S.A.	(6)	-	-	(6)
Residuos Ind. De la Madera de Córdoba, S.A.	342	(17)	46	371
Rioglass Solar, S.A	3,076	(3,076)	-	-
S.E.T Sureste Peninsular, S.A. De CV	(172)	-	3	(169)
Scios. Aux. Admon., S.A. De CV	35	-	36	71
Shariket Tenes Lilmiyah Spa	-	12,248	(228)	12,020
Sol3G	-	(289)	(475)	(764)
Solar Power Plant One	14,429	5,795	-	20,224
Solnova Electricidad Cuatro, S.A.	-	(2)	-	(2)
Solnova Electricidad Tres, S.A.	-	(3)	-	(3)
Solnova Electricidad, S.A.AZ-50	-	(3)	-	(3)
STE-Sul Transmissora de Energía, Ltda.	15,752	3,377	3,179	22,308
Tarefix S.A	-	(7)	(6)	(13)
Telvent GIT, S.A.	98,256	48,495	10,091	156,842
Teyma Construcciones S.A	52	161	332	545
Teyma Forestal SA	(11)	34	15	38
Teyma Gestión de Contratos de Construcción e Ingeniería	48	(315)	342	75
Teyma Internacional, S.A.	289	(57)	1,055	1,287
Teyma Uruguay Holding SA	351	74	(93)	332
Teyma Uruguay ZF, S.A.	3	2	(4)	1
Consolidated Befesa	11,720	(133)	1,436	13,023
Consolidated Bioenergy	(2,787)	(1,103)	(178)	(4,068)
Companies related to disconitnued operations	-	11,738	8,627	20,366
IFRS Eliminations	(17,211)	8,579	(1,171)	(9,803)
Total	**220,698**	**115,144**	**32,432**	**368,274**

26.2. Minority interests in 2008 were:

Company	Balance as of 31.12.07	Other Movements	Attributed Profit. 08	Balance as of 31.12.08
Abener Engineering and Construction Services, PLC	(565)	279	1,898	1,612
Abengoa Bioenergía, S.A.	4,120	(240)	3,208	7,088
AB Bioenergy France, S.A.	12,085	-	(3,170)	8,916
Abengoa Perú, S.A.	4	(2)	(1)	1
Abentey Brasil	-	(39)	172	133
Abengoa Servicios S.A. de C.V.	6	(3)	(1)	2
Alugreen	-	(1,808)	(408)	(2,216)
Aprovechamientos Energéticos Furesa, S.A.	(110)	-	(15)	(125)
Arbelux S.A.	353	36	(39)	351
Abengoa México, S.A. de C.V.	1,607	(128)	43	1,523
Befesa Medio Ambiente, S.A.	3,874	(30)	44	3,888
Befesa Agua	-	(343)	343	-
Befesa Aluminio Bilbao	-	3,279	1,196	4,475
Befesa Aluminio Catalán	-	(1,636)	22	(1,614)
Befesa Aluminio Valladolid	-	315	709	1,024
Befesa Argentina, S.A.	(62)	(7)	4	(66)
Befesa Desulfuración, S.A.	5,396	1	3,162	8,559
Befesa Escorias Salinas, S.A.	8	1,546	381	1,935
Befesa Plásticos, S.L.	243	-	3	245
Befesa Reciclaje de Aluminio	-	29,695	(615)	29,080
Befesa Salt Slag	-	(6,726)	(327)	(7,053)
Bioetanol Galicia, S.A.	2,698	(334)	86	2,451
Construcciones Metálicas Mexicanas, S.A. de C.V. (Comemsa)	55	(33)	53	75
Copero Solar Uno-Diez	-	409	(70)	339
Cogeneración Villaricos, S.A.	4	(6)	(1)	(3)
Ecocarburantes Españoles, S.A.	1,596	(227)	115	1,484
Energoprojekt-Gliwice, S.A.	13	-	(8)	5
Enernova Ayamonte, S.A.	(807)	(108)	(10)	(925)
Fotovoltaica Solar Sevilla, S.A.	254	1	57	311
Galian 2002, S.L.	49	(59)	-	(10)
Geida Skikda, S.L.	2,257	3,572	(440)	5,389
Iniciativas Hidroeléctricas, S.A.	1,026	12	(5)	1,034
NRS Consulting Engineers	-	222	(27)	195
NTE, Nordeste Transmissora de Energía, S.A.	37,459	(14,787)	6,408	29,081
Puerto Real Cogeneración, S.A.	(81)	(11)	(8)	(100)
Procesos Ecológicos Vilches, S.A.	(1,647)	(86)	347	(1,386)
Procesos Ecológicos, S.A. (Proecsa)	643	-	(28)	614
Redesur	-	(6)	-	(6)
Residuos Ind. de la Madera de Córdoba, S.A.(Rimacor)	277	-	65	342
Rioglass Solar	-	1,631	1,445	3,076
Servicios Auxiliares de Administración, S.A. de C.V.	18	(4)	22	35
SET Sureste Peninsular, S.A. de C.V.	(160)	2	(14)	(172)
Sniace Cogeneración, S.A.	1,622	(1,622)	-	-
Sol 3G	-	564	(564)	-
Solar Power Plant One (SPP1)	13,216	1,213	-	14,429
STE - Sul Transmissora de Energía, Ltda.	19,644	(5,784)	1,891	15,752
Tarefix, S.A.	-	1	(2)	-
Global Engineering Sevices PLC	-	17	326	343
Teyma Forestal (before Pandelco)	(3)	(10)	3	(11)
Teyma Gestión Contratos Construcción	-	(343)	391	48
Teyma Internacional, S.A.	281	(247)	255	289
Teyma Uruguay, S.A.	(69)	17	104	52
Teyma Uruguay Holding	-	345	6	351
Teyma Uruguay ZF, S.A.	94	(77)	(15)	3
Transportadora Cuyana, S.A.	1	(1)	-	-
Waterbuild	-	168	(291)	(123)
Consolidated Befesa	4,718	5,385	1,616	11,720
Consolidated Bioenergía	1,031	(862)	(2,956)	(2,787)
Consolidated Telvent	79,426	5,667	13,164	98,257
IFRS Eliminations	(10,072)	(3,988)	(3,151)	(17,211)
Total	**180,502**	**14,822**	**25,375**	**220,698**

Other Movements reflects changes in shareholding of the various entities with minority shareholdings and exchange rate movements impacting entities based outside of Spain.

26.3. The table below details the Companies and Entities external to the Group which have a shareholding of equal to or greater than 10% of a subsidiary of the parent company which is within the perimeter of consolidation:

Participation in Company	Partner	% Share
AB Bioenergy France, S.A.	OCEOL	30.94
Aguas de Skikda	AEC	49.00
ATE XI, Manaus Transmissora de Energía	Centrais Eléctricas do Norte do Brasil S/A	30.00
ATE XI, Manaus Transmissora de Energía	Companhia Hidro Elétrica do Sao Francisco	19.50
Befesa Desulfuración, S.A.	Fertiberia	10.00
Befesa Reciclaje de Residuos de Aluminio S.L.	Qualitas	38.00
Befesa Servicios S.A	Personas Físicas	49.00
Befesa Waterbuilt GP, Inc.	Personas Físicas	49.00
Bioetanol Galicia, S.A.	Sodiga Galicia, Sociedad Capital Riesgo, S.A.	10.00
Construtora Integração Ltda.	Eletronorte/Eletrosul	49.00
Copero Solar Huerta Uno - Diez	Emasesa	50.00
Cyprus Heliotec Ltd	Renagel Holding Ltd	34.00
Ecovedras SA	Discompor/ Individual Shareholder	20.00
Fotovoltaica Solar Sevilla, S.A.	IDEA	20.00
Geida Skikda, S.L.	Sadyt	33.00
Helios I Hyperion Energy Investments, S.L.	Hyperion Management, S.L.	10.00
Helios II Hyperion Energy Investments, S.L.	Hyperion Management, S.L.	10.00
Iniciativas Hidroeléctricas, SA	Suma de Energías, S.L.	45.00
Manaus Constructora Ltda	Eletronorte/Chesf	49.50
NRS Consulting Engineers	Individual Shareholder	49.00
NTE, Nordeste Transmissora de Energía, S.A.	Cymi Holding	49.99
Residuos Ind. De la Madera de Córdoba, S.A.	Aytos. Montoro, Lucena, Villa del Rio y Corporaciones	28.93
Shariket Tenes Lilmiyah Spa	AEC	49.00
Sol3G	Ricard	22.21
Solar Power Plant One	NEAL SPA / SVH	34.00
STE-Sul Transmissora de Energía, Ltda.	Cymi Holding	49.90
Telvent Beijing	CVIC / Shen Zhen Airport	20.00
Telvent GIT, S.A.	Free Float / Individual Shareholder	58.91

Note 27.- Gross Cash Flows from Operating Activities

IFRS's, as applied by Abengoa since the 2005 financial period, and specifically the interpretation IFRIC 12 of the International Financial Reporting Interpretations Committee (IFRIC) on service concession arrangements, which states, among other matters, that the construction contracts associated with this type of activities should be treated in accordance with IAS 11 (see Notes 2.24 b and c).

In addition to the service concession arrangements, the company undertakes a series of projects based on the integrated product (see Notes 2.4 and 6), which have a series of characteristics, which makes them comparable to service concession arrangements, these projects are outside of the scope of interpretation IFRIC 12, which refers exclusively to service concession arrangements. Such projects are financed through the Non-Recourse Project Finance model, in which a company of the Group undertakes the construction of the asset under a contract with agreed prices and timetables, which is analysed by an independent expert who reviews the contractual terms and the amount of the construction contract, verifying that they are carried out in market conditions.

Consequently, the results obtained of these operations which are mentioned in the previous paragraph cannot be recognized as accrued result until the assets are amortised or the transfer to third parties is effected. As such, neither profits nor operating cash flows from operating activities obtained in the construction of this type of asset are recognised within the financial statements.

Without prejudice to international guidelines, and for the purpose of offering the users of Abengoa's financial statements a fair view of the results and cash flows from operating activities, the Consolidated Cash Flows Statement as presented in these Financial Statements, includes the line Gross Cash Flow from Operating Activities which fairly reflects the cash flow generated from the operating activities, and whose details in financial years 2009 and 2008 were as follows:

Concept	Amount as of 31.12.09	Amount as of 31.12.08
Consolidated after tax-income	202,738	165,777
Taxes	58,058	(107,628)
Depreciation and debits for loss of value	319,436	178,371
Financial results	181,430	313,927
Share in profit/loss of associated companies	(11,246)	(9,244)
Work done for fixed assets	165,190	86,041
Gross cash flows from Operating activities from Business Units	**915,606**	**627,244**

The heading of work carried out for Fixed Assets reflects the balance of the net result to the construction contracts not subject to IFRIC 12 and the reversion of the amortization of the results attributable to such construction contracts which had previously been considered as an increase in the value of the asset.

Note 28.- Other Operating Income

"Other Operating Incomes" in the Income Statement includes subsidied income and all the other income not captured within other income lines. The following table shows a breakdown of the other operating income:

Concept	Amount as of 31.12.09	Amount as of 31.12.08
Income for various services	232,455	169,220
Works done for fixed assets	972,192	788,800
Subsidies	43,852	93,314
Other	27,128	9,014
Other operating income	**1,275,627**	**1,060,348**

As indicated in Note 20.2, Grants in 2009 include income in relation to export activity deductions as when it is considered appropriate to apply IAS 20 upon Grants (see Note 20).

Note 29.- Employee Benefit Expenses

Breakdown for Employee Benefit Expense at the close of the 2009 and 2008 exercises:

Concept	Amount as of 31.12.09	Amount as of 31.12.08
Wages	607,284	527,693
Social Security costs, et al	126,428	113,901
Stock plans and other Employee Retributions	2,315	24,754
Total	**736,027**	**666,348**

Note 30.- R&D&i Expenses

Below there is a detail of the R&D&i expenses at the closing of the 2009 exercise, classified by Business Units:

Business Segment	Amount as of 31.12.09
Solar	11,682
Bioenergy	11,841
Environmental Services	4,143
Information Tech.	18,342
Ind. Const. Engineering	5,137
Total	**51,145**

Note 31.- Other Operating Expenses

Breakdown of Other Operating Expenses at the close of the 2009 and 2008 exercises:

Concept	Amount as of 31.12.09	Amount as of 31.12.08
Leases and Fees	84,714	68,457
Repairs and Maintenance	60,229	57,462
Independent Professional Services	202,817	128,321
Transportation	39,726	31,883
Supplies	97,545	95,032
Other External Services	144,543	135,068
Taxes	51,553	52,555
Other Management Expenses	122,865	55,302
Total	**803,992**	**624,080**

Note 32.- Financial Income and Expenses

Breakdown of "Financial Income and Expenses" at the close of the 2009 and 2008 exercises:

Financial Income	Amount as of 31.12.09	Amount as of 31.12.08
Income from debt interests	5,916	30,890
Benefit from financial assets at fair value	-	-
Benefit from interest-rate contracts: Cash flow hedgings	3,221	-
Benefit from interest-rate contracts: Fair value hedging	4,987	-
Total	**14,124**	**30,890**

Financial expenses	Amount as of 31.12.09	Amount as of 31.12.08
Expenses due Interests:		
- Loans from credit entities	(152,703)	(214,297)
- Other debts	(34,481)	(43,720)
Loss from financial assets at fair value	-	-
Loss from interest-rate contracts: Cash flow hedgings	(169)	(18,664)
Loss from interest-rate contracts: Fair value hedging	(25,738)	-
Total	**(213,091)**	**(276,681)**

Net Financial Expenses	**(198,967)**	**(245,791)**

The most significant amounts of Financial Incomes and Expenses at close of the 2009 exercise are part of the incomes from financial investment benefits, debt interest expenses (corporate debt and without recourse applied to projects) and fair value losses on interest rate derivative financial instruments (see Note 11.3).

Note 33.- Net Exchange Differences

The following table sets out the Exchange Rate Differences in 2009 and 2008:

Financial Income	Amount as of 31.12.09	Amount as of 31.12.08
Profit in foreign exchange transactions	223,073	98,079
Profit in swap/cap contracts: cover of cash flow	-	-
Profit in swap/cap: covers at fair values	147	-
Total	**223,220**	**98,079**

Financial Expenses	Amount as of 31.12.09	Amount as of 31.12.08
Losses in foreign exchange transactions	(150,972)	(105,522)
Losses in swap/cap contracts: cover of cash flow	(3,225)	(53,577)
Losses in swap/cap: covers at fair values	(1,246)	-
Total	**(155,443)**	**(159,099)**

Exchange Net Exchange differences	**67,777**	**(61,020)**

The most significant amounts in the net exchange differences at the close of the 2009 exercise correspond to the exchange differences produced by the Brazilian Real.

Note 34.- Other Net Financial Income and Expenses

The following table sets out the “Net Other Financial Income and Expenses” in 2009 and 2008:

Other Financial Income	Amount as of 31.12.09	Amount al 31.12.08
Profits from the sale of financial investments	-	4
Income on shareholdings	59	8,403
Other financial income	72,940	70,953
Profits inventory contracts: Cash flow hedge	2	-
Profits inventory contracts: Fair value hedge	-	-
Total	**73,001**	**79,360**

Other Financial Expenses	Amount al 31.12.09	Amount al 31.12.08
Expenses from the sale of financial investments	(24,067)	(6,897)
Other financial losses	(85,953)	(79,579)
Expenses inventory contracts: Cash flow hedge	(13,221)	-
Expenses inventory contracts: Fair value hedge	-	-
Total	**(123,241)**	**(86,476)**

Other Net financial income/expenses	**(50,240)**	**(7,116)**

The significant balances within Other Income / Financial Expenses as at the close of 2009 primarily relate to the cancellation of certain derivative financial instruments as well as to the appreciation of the implicit derivatives of convertible bond (see Note 16.3).

Note 35.- Earnings per Share

35.1. Basic earnings per share

The basic earnings per share ratio is calculated by dividing the earnings of the Company attributable to the shareholders by the average number of shares in circulation during the period.

Concept	Amount as of 31.12.09	Amount as of 31.12.08
Continuous Activities Benefit Attributable to Shareholders	170,306	140,402
Weighted Average Number of Ordinary Shares in Circulation (thousands)	90,470	90,470
Income per basic share (€ per share)	**1.88**	**1.55**

35.2. Income from dilutive shares

Incomes from dilutive shares are calculated dividing the benefit attributable to the Company shareholders between the average weighted number of ordinary shares in circulation during the exercise, taking into account the inherent dilutive effects on the potential ordinary shares in circulation during the exercise. There are no other dilutive factors, different from the emitted bond during the exercise which modify the amount of per share basic earnings.

During this exercise, the diluted per share benefits exceed the basic per share benefits.

Note 36.- Dividends per Share

Dividends paid in july 2009 and 2008 were € 16,246 thousands (0,18 € per share) and € 14,988 thousands (€ 0.17 per share) respectively. In the next Ordinary Shareholder Meeting for the exercise 2010 a dividend will be proposed of € 0.19 for 2009, which will equate to a total dividend payment of € 17,189 thousands. These consolidated accounts do not reflect this proposed dividend.

Note 37.- Business Combinations

- On 21st May 2009, Telvent Outsourcing, S.A, a subsidiary to Telvent GIT, S.A, parent company of the Business Group specialized in Information Technologies, reached an agreement for the acquisition of 42% remaining of the company called Matchmind in the hands of the executive team and one of its founding members for a total of € 18.8M as part of an original agreement reached in October 2007 on the acquisition of 58%.

  Since the agreements for the acquisition of 42% of Matchmind were originally undersigned in October 2007, and pursuant to the stipulations of IFRS 3 on business combinations, the 31st October 2007 was admitted as the reference date of the actual acquisition of said percentage when determining the goodwill integrated in the consolidation perimeter in previous exercises.

  Had it been part of the Group from 1st January 2009 onwards, the contribution of 42% of Matchmind would not have amounted to a very significant variation with regards to the consolidated results after taxes for the 2009 exercise.

- On 2nd June 2009, the dependent company, MRH Residuos Metálicos, S.L., after creating two subsidiaries in Germany, Befesa Slazschlacke GmbH and Befesa Slazschlacke Sud, GMBH, acquired, for an amount of € 25.5 million, three productive plants located in the German towns of Hannover, Lünen and Töging, and specialized in the treatment and recycling of salt slag. They are equipped with the latest technology existing on the market, and with a combined treatment capacity of 380,000 tons of waste per year.

  Said acquisitions did not mean the acquisition of the companies that were the previous owners of the aforementioned assets but their direct acquisition while maintaining the personnel affected by said assets and with the aim of supplying the already existing market. Therefore, the Group considered said acquisition as a merging of businesses.

  To execute the operation, approval was obtained from the Competition German authorities.

  The whole external financing was provided by Commerzbank in the framework of non-recourse transaction.

The list of the net assets acquired and the resulting consolidation negative difference follow:

	Amount
Business fair value (net assets)	53,512
Adquisition cost	25,522
Consolidation negative difference	**(27,990)**

The consolidation negative difference arising from the transaction was entered under the heading of "Other operating income" of the Income Statement of the exercise.

In light of the calculation of the fair value of the acquired net asset, the Company went ahead and calculated the fair value of said businesses via cash flow discounts; said fair value is higher than the cost of the merging. In addition, said valuation was contrasted with the replacement value in use of an investment in plants of similar characteristics. Given that the value obtained in the calculation by cash flow discount was lower than the value of the replacement in use, the Management of the Group considered the least as the fair value of the businesses acquired and assigned said amount in its entirety as the greater value of the fixed property affected by business (Note 9).

In calculating said fair value we employed the most conservative hypotheses for estimating the cash flows. Thus, the Management of the Group does not think there will are negative distortions in future cash flows.

- On 24th September 2009, Biocarburantes de Castilla y León, S.A., a company, until then consolidated through the method of proportional integration, became consolidated through total integration when the remaining 50 percent of the shares held by third parties not connected to the Group were acquired for the amount of € 17M.

The company, Biocarburantes de Castilla y León S.A. was created at 50 percent each by Abengoa for the construction and operation of a two hundred million-litre bioethanol plant in Babilafuente (Salamanca), in operation since 2006.

This acquisition, which increases control over Abengoa's capacity of ethanol production by one hundred million litres, is strategic from the R&D&i point of view since it puts Abengoa in control of the operations of the demonstration plant that produces ethanol from lignocellulosic biomass and which is the step prior to the industrial commercialization of the second generation technologies.

Ministerial Order ITC 287772008 dated 8th October, which develops the obligation to mix biofuels in fuels for use in transportation in Spain, establishes a minimum consumption objective of 5.83 percent of biofuels, with a minimum of 3.9 percent for bioethanol on the consumption of gasoline, which means a minimum consumption of 450 million litres of bioethanol, representing a 50 percent increase on the same minimum objective in 2008. The full integration of this plant, with the rest of the plants owned by Abengoa Bioenergía in Spain (Cartagena and Curtis-Teixeiro, Galicia) and Europe (Lacq and Rotterdam) would permit the obtaining of considerable logistic and operational synergies.

According to the above and pursuant to IFRS 3 on business combinations, the Administrators analyzed the assets and liabilities acquired and their subsequent assignment of their acquisition price for evaluation purposes, for which reason they considered the value of all the assets and liabilities, tangible and intangible, as well as contingent, as far as they may be objects of accounting recognition in accordance with the international accounting standards.

Thus, the assignment of the acquisition price entailed the consideration of all the factors taken into account when determining the acquisition price, the most important of which is the assignment of value (70.8 million Euros) to the non-current assets associated with the future exploitation of the bioethanol plant acknowledging in the Income Statement an added value in the amount of 24 million Euros for the excess between the cost of the business combination and the fair value of the net assets and liabilities acquired.

The main impacts on the Statement of Financial Position dated 31st December 2009 are as follows (in thousands of Euros):

	Book value	Fair value
Non-current assets	138,069	208,919
Current assets	72,200	72,200
Current and non-current liabilities	(201,320)	(199,238)
Fair value of acquired net assets	**(8,949)**	**81,881**
Acquisition costs of acquired net assets	**-**	**(17,000)**
50% of the book value	**-**	**(4,474)**
Difference	**-**	**60,407**

From the difference shown in the chart above, € 24 M are registered in the Income Statement of the exercise for new acquisition and € 36 M directly against the equity for 50% of the stock shares that was held pursuant to IFRS 3.

Had it been part of the Group from 1st January 2009 onwards, the contribution of 50% of Biocarburantes de Castilla y León would not have amounted to a very significant variation with regards to the consolidated results after taxes for the 2009 exercise.

The incorporation of the rest of the subsidiary companies into the consolidation, in the 2009 exercise, did not amount to significant incidence on the overall consolidated figures of December 2009.

Note 38.- Financial Information by Segment

38.1. Information by business segment

The information by Business Segment is analysed between the five Business Groups which Abengoa operates (see Note 1.2). These segments are.

- Solar.
- Bioenergy.
- Environmental Services.
- Industrial Engineering and Construction.
- Information Technology.

a) The following table includes a detail of the Income Statement by Business Segment for the periods ending 31 December 2009 and 2008:

Concept	Solar	Bio.	Environ. Services	Inf. Tech.	Ind. Engin. & Const.	Corp. Activ and Adjust.	Total as of 31.12.09
Net Turnover	115,924	1,009,954	721,819	759,017	2,680,970	(1,140,369)	4,147,315
Operating Expenses	(192,044)	(907,849)	(534,483)	(532,656)	(2,182,853)	185,576	(4,161,863)
Other operating Income and Expenses	13,186	(68,498)	(103,357)	(87,054)	(214,670)	908,366	447,973
I. Operating Profit	(62,934)	33,606	83,980	139,307	283,446	(46,425)	430,980
II. Financial Profit	(43,300)	(37,027)	(31,076)	(44,802)	10,048	(35,273)	(181,430)
III. Associted Profit	189	-	729	19	10,498	(189)	11,246
IV. Consolidated Pre-tax Profit	(106,045)	(3,421)	53,633	94,524	303,993	(81,888)	260,796
V. Consolidated After-Tax Profit	(60,652)	(11,447)	40,244	74,840	243,876	(84,123)	202,738
VII. Profit attributed to the parent company	**(60,194)**	**(12,410)**	**40,865**	**53,559**	**229,453**	**(80,967)**	**170,306**

Concept	Solar	Bio.	Environ. Services	Inf. Tech.	Ind. Engin. & Const.	Corp. Activ and Adjust.	Total as of 31.12.09
Net Turnover	64,984	830,090	873,448	696,932	2,040,623	(736,875)	3,769,202
Operating Expenses	(141,327)	(784,529)	(673,875)	(532,288)	(1,685,975)	(45,252)	(3,863,246)
Other operating Income and Expenses	64,495	(8,887)	(84,621)	(100,985)	(172,161)	759,035	456,876
I. Operating Profit	(11,848)	36,674	114,952	63,659	182,487	(23,092)	362,832
II. Financial Profit	(15,138)	(102,047)	(32,662)	(23,617)	(112,083)	(28,380)	(313,927)
III. Associted Profit	240	-	1,234	(143)	8,153	(240)	9,244
IV. Consolidated Pre-tax Profit	(26,746)	(65,373)	83,524	39,899	78,557	(51,712)	58,149
V. Consolidated After-Tax Profit	(9,534)	12,109	62,744	32,575	103,000	(35,117)	165,777
VII. Profit attributed to the parent company	**(8,741)**	**14,748**	**58,708**	**18,403**	**91,249**	**(33,965)**	**140,402**

Benefits obtained through the reduction of stock shares in Telvent GIT, S.A. fall within the business segment of Information Technologies (see Note 2.2).

b) The following table shows a detail of assets and liabilities of the group by business segment as at 31 December 2009 and 2008:

Concept	Solar	Bio.	Environ. Services	Inf. Tech.	Ind. Engin & Const.	Corp. Activ. and Adjust.	Total as of 31.12.09
Assets							
Tangible Fixed Assets	919,677	1,915,245	469,077	81,540	654,414	(15,552)	4,024,401
Intangible assets	75,504	565,617	488,309	444,861	1,200,512	179,153	2,953,956
Financial Investments	125,036	176,431	166,892	144,252	288,852	113,887	1,015,350
Current Assets	457,103	860,759	444,714	619,367	2,401,683	(407,473)	4,376,153
Total Assets	**1,577,320**	**3,518,052**	**1,568,992**	**1,290,020**	**4,545,461**	**(129,985)**	**12,369,860**
Liabilities							
Net Ownership equity	(98,986)	262,720	375,825	338,815	589,891	(297,289)	1,170,976
Non current liabilities	1,212,412	2,217,630	656,980	322,230	1,913,474	(164,986)	6,157,740
Current liabilities	463,894	1,037,702	536,187	628,975	2,042,096	332,290	5,041,144
Total Liabilities	**1,577,320**	**3,518,052**	**1,568,992**	**1,290,020**	**4,545,461**	**(129,985)**	**12,369,860**

Concept	Solar	Bio.	Environ. Services	Ind. Engin & Const.	Corp. Activ. and Adjust.	Total as of 31.12.08
Assets						
Tangible Fixed Assets	679,104	1,250,262	353,219	369,293	(252,746)	2,399,132
Intangible assets	51,062	459,251	392,981	836,765	202,535	1,942,594
Financial Investments	80,533	178,954	211,300	190,333	104,584	765,704
Current Assets	404,030	737,999	523,348	2,317,029	(327,557)	3,654,849
Assets held for sale	-	-	-	-	-	1,032,333
Total Assets	**1,214,729**	**2,626,466**	**1,480,848**	**3,713,420**	**(273,184)**	**9,794,612**
Liabilities						
Net Ownership equity	(32,405)	63,840	434,588	207,543	(46,079)	627,487
Non current liabilities	649,588	1,781,585	460,305	878,510	1,005,017	4,775,005
Current liabilities	597,546	781,041	585,955	2,627,367	(956,600)	3,635,309
Liabilities held for sale	-	-	-	-	-	756,811
Total Liabilities	**1,214,729**	**2,626,466**	**1,480,848**	**3,713,420**	**2,338**	**9,794,612**

The underlying basis of preparation of the Income Statement by Business Segment is as follows:

1. The data is grouped together for each of the business segments on the same basis as used for the sub-consolidation under each segments' holding company.

2. The Corporate Activity and Adjustments column includes those income statement items and assets and liabilities arising in the normal course of business, but which are not allocated to other segments. These are predominantly items which are reported on the parent company balance sheet or are adjustments arising upon consolidation, which primarily relate to the elimination of intercompany transactions.

3. The Group additionally has auxiliary activities which do not fall within the main business segments, such as portfolio held companies and companies undertaking agricultural activities, although these activities account for less than 5% and are insufficient so as to warrant a further business segment. As such, these activities are grouped together within the most appropriate Business Segment column (Bioenergy and Corporate Activity).

c) The following table provides a detail of Net Debt by Business Segment as of 31 December 2009 and 2008:

Concept	Solar	Bio.	Environ. Services	Inf. Tech.	Ind. Engin. & Const.	Activ. Corp. and Adjust.	Total 2009
Long term Loans with credit entities	316,586	1,745,022	146,951	803,895	153,846	(8,055)	3,158,245
Long term Financing with non-recourse	885,637	262,555	499,660	117,908	1,079,950	87,657	2,933,367
Financial investments	(179,582)	(31,121)	(28,842)	(68,283)	(1,028,682)	854,546	(481,964)
Cash and cash equivalents	(79,840)	(518,025)	(101,318)	(88,688)	(293,258)	(465,302)	(1,546,431)
Total Net Debt	**942,801**	**1,458,431**	**516,451**	**764,832**	**(88,144)**	**468,846**	**4,063,217**
Long and short term Financing with non-recourse	(885,637)	(262,555)	(499,660)	(117,908)	(1,079,950)	(87,657)	(2,933,367)
Total Net Debt (excluding the Financing N/R)	**57,164**	**1,195,876**	**16,791**	**646,924**	**(1,168,094)**	**381,189**	**1,129,850**

Concept	Solar	Bio.	Environ. Services	Inf. Tech.	Ind. Engin. & Const.	Activ. Corp. and Adjust.	Total 2008
Long term loans with credit entities	109,576	1,346,794	156,554	-	153,585	715,317	2,481,826
Long term financing with non-recourse	580,887	203,962	382,262	-	922,596	43,020	2,132,727
Financial investments	(239,951)	(106,887)	(84,917)	-	(1,037,375)	807,427	(661,703)
Cash and cash equivalents	(24,315)	(336,018)	(98,954)	-	(334,401)	(540,060)	(1,333,748)
Total Net Debt	**426,197**	**1,107,851**	**354,945**	**-**	**(295,595)**	**1,025,704**	**2,619,102**
Long and short termFinancing with non-recourse.	(580,887)	(203,962)	(382,262)	-	(922,596)	(43,020)	(2,132,727)
Total Net Debt (excluding the Financing N/R)	**(154,690)**	**903,889**	**(27,317)**	**-**	**(1,218,191)**	**982,684**	**486,375**

The underlying basis of preparation of Net Debt by Business Segment is as follows:

1. The data is grouped together for each of the business segments on the same basis as used for the sub-consolidation under each segments' holding company.

2. The Corporate Activity and Adjustments column includes those items and assets and liabilities arising in the normal course of business, but which are not allocated to other segments. These are predominantly items which are reported on the Parent Company Statement of Financial Report or adjustments arising upon consolidation, which primarily relate to the elimination of intercompany transactions.

3. The Syndicated Debt as provided to Abengoa S.A. for the amount of € 2,059 M has been distributed among the business segments reflecting that the main purpose of the loan is to finance the investments and projects of companies which are expanding their operations.

4. In calculating Net Debt, financial investments should and have been included as a reduction to net debt on the basis that they are highly liquid in nature.

d) The following table presents the Group's net revenues and operating cash flows by business segmentfor for the years ending 31 December 2009 and 2008:

Concept	Solar	Bio.	Inf. Tech.	Environ. Services	Ind. Engin. & Const.	Corp. Act. and Adjust.	Total as of 31.12.09
Net Income	115,924	1,009,954	759,017	721,819	2,680,970	(1,140,369)	4,147,315
Gross cash flows from Operating Activities (Note 27)	73,067	188,219	172,692	118,716	322,307	40,605	915,606

Concept	Solar	Bio.	Inf. Tech.	Environ. Services	Ind. Engin. & Const.	Corp. Act. and Adjust.	Total as of 31.12.08
Net Income	64,984	830,090	696,932	873,448	2,040,623	(736,875)	3,769,202
Gross cash flows from Operating Activities (Note 27)	40,614	111,579	81,906	157,761	224,824	10,540	627,224

The underlying basis of preparation of Revenues and Operating Cash Flow by Business Segment is as follows:

1. The data is grouped together for each of the business segments on the same basis as used for the sub-consolidation under each segments' holding company. .

2. The Corporate Activity and Adjustments column includes both net revenues and cash flows which are not allocated to the main business segments, such as those adjustments arising upon consolidation.

3. The column "Corporate Activity and Adjustments" includes those adjustments arising upon consolidation which relate to operations undertaken between the business segments relating to Solar and Bioenergy fixed assets.

e) The following table shows a detail by Business Segment of the amounts related to the cost of acquisition or production of assets, amortisation and depreciation as well as costs which have not given rise to a cash outflow:

Information by Segments	Solar	Bio.	Inf. Tech.	Environ. Services	Ind. Engin. & Const.	Corp. Activ. and Adjust.	Total as of 31.12.09
Cost Assets	343,707	905,606	600,851	241,442	700,244	281,281	3,073,131
Amortization and charge for impairment of assets	84,507	89,783	33,385	34,736	38,860	38,165	319,436
Expenses without cash flow	7,047	10,620	19,685	14,590	63,598	76,627	192,167

Information by Segments	Solar	Bio.	Environ. Services	Ind. Engin. & Const.	Corp. Activ. and Adjust.	Total as of 31.12.08
Cost Assets	504,115	381,180	121,646	76,010	(200,072)	882,879
Amortization and charge for impairment of assets	21,092	54,031	42,809	42,337	2,888	163,157
Expenses without cash flow	(17,213)	(38,659)	37,856	3,450	5,869	(8,697)

38.2. Information by geographical region

a) The following table shows analysis of revenues by geographical region for the year ending 31 December 2009 and 2008:

Geographic area	Amount as of 31.12.09	%	Amount as of 31.12.08	%
- USA and Canada	836,724	15.5	761,955	16.5
- Latin America	1,177,950	21.8	896,675	19.4
- European Union (except Spain)	873,778	16.2	722,093	15.6
- Other countries	472,607	8.8	479,352	10.4
- Spain	2,036,122	37.7	1,755,186	38.1
Total aggregated	**5,397,181**	**100.0**	**4,615,261**	**100.0**
Eliminations	(1,249,866)		(846,058)	
Total consolidated	**4,147,315**		**3,769,203**	
Offshore amount	2,850,864	68.7	2,437,732	64.7
Spain amount	1,296,451	31.3	1,331,471	35.3

b) The following table shows analysis of the net book value of fixed assets (Intangible and Tangible) by geographical region (Intangible and material) as at 31 December 2009 and 2008:

Geographic region	Balance as of 31.12.09	Balance as of 31.12.08
Internal Market	1,707,279	935,149
- USA and Canada	717,062	487,547
- European Union	812,717	579,228
- Latin America	1,939,169	1,239,439
- Other Countries	470,749	266,665
Foreign Market	3,939,697	2,572,879
Discontinued Activities	-	(133.960)
Total	**5,646,976**	**3,374,068**

Note 39.- Other Information

39.1. Average number of employees

The average number of employees during 2009 and 2008 by category was:

Categories	Average 2009		% Total	Average 2008		% Total
	Women	Men		Women	Men	
Senior Manager	77	605	2.9	65	515	2.5
Middle Manager	299	1,746	8.8	290	1,553	7.9
Engineers and Uni. Graduaties	1,486	3,724	22.3	1,230	3,422	20.0
Skilled and Semi-Skilled	1,407	2,229	15.6	1,209	1,827	13.1
Laborers	590	11,160	50.4	709	12,414	56.5
Total	**3,859**	**19,464**	**100.0**	**3,503**	**19,731**	**100.0**

Regarding location, 41% of employees are based in Spain with 59% being based overseas.

In calculating these figures, all entities have been considered which fall within the perimeter of consolidation, being all subsidiaries which are fully consolidated or associates which are consolidated using the equity method.

39.2. Related party entities

The account held by Abengoa with Inversión Corporativa I.C., S.A., as at the end of 2009 and 2008 has a nil balance.

Dividends distributed to related party entities during 2008 amounted to € 9,059 thousands (€ 8,619 thousands in 2008).

Operations carried out during the 2009 and 2008 exercises involving significant shareholders are as follows:

- On 16th April 2009 Sanlúcar Solar, S.A., (company that owns the PS10 Solar Plant) issued partial renouncement of the right to 3.04 hectares surface area, a right signed on 15th January 2003 for an initial period of 30 years, on a plot measuring 69 hectares on a property owned by Explotaciones Casaquemada, S.A. (subsidiary of Inversión Corporativa, I.C., S.A., reference shareholder of Abengoa S.A.) situated within the municipal council of Sanlúcar La Mayor (Seville - Spain), retaining the remaining of the valid surface rights.

  For that renouncement, Explotaciones Casaquemada S.A. went ahead and returned € 43,384 to Sanlúcar Solar, S.A., a proportional amount calculated based on the price then paid, for the amount of days remaining for the validity of the surface rights and the portion of land hereof renounced.

  On the other hand, on 16th April 2009, the company, Solar Processes S.A (owner of the PS20 Solar Plant) undersigned a surface rights agreement over said 3.04 hectares owned by Explotaciones Casaquemada S.A. (subsidiary of Inversión Corporativa, I.C., S.A., reference shareholder of Abengoa S.A.).

  Pursuant to the terms of the agreement, the period for which the surface right is constituted is the same as what is left for the validity of the surface right constituted on 7th February 2007 by Solar Processes, S.A. (owner of PS20 solar plant), which is a period of 30 years, which can be extended to 50. The consideration involved is set at € 61,999.

- The constitution of a surface right by Iniciativas de Bienes Rústicos, S. A. (a subsidiary of Inversión Corporativa, reference shareholder of Abengoa) for Abengoa Solar New Technologies S. A. (subsidiary of Abengoa), by virtue of public instrument dated 23rd July 2008, for an initial period of 30 years, over a plot measuring 12.33 hectares, for an accumulated canon for the whole duration amounting to € 345 thousands, destined for experimental research projects that combine different solar technologies.

- The constitution of a surface right by Iniciativas de Bienes Rústicos, S. A. (a subsidiary of Inversión Corporativa, reference shareholder of Abengoa) for Egeria Densam, S. L. (subsidiary of Abengoa), by virtue of public instrument dated 13th June 2008, for an initial period of 30 years, over a plot measuring 14.43 hectares, for an accumulated canon for the whole duration amounting to € 463 thousands, destined for operating a 1.89 MW photovoltaic solar plant.

- The constitution of a surface right by Iniciativas de Bienes Rústicos, S. A. (a subsidiary of Inversión Corporativa, reference shareholder of Abengoa) for Solnova Electricidad Cuatro, S. A. (subsidiary of Abengoa), by virtue of public instrument dated 28th July 2008, for an initial period of 30 years, over a plot measuring 27.38 hectares, for an accumulated canon for the whole duration amounting to € 767 thousands, destined for operating a 50 MW thermosolar plant of parabolic cylinder collectors.

- The constitution of a surface right by Iniciativas de Bienes Rústicos, S. A. (a subsidiary of Inversión Corporativa, reference shareholder of Abengoa) for Solnova Electricidad Uno, S.A. (subsidiary of Abengoa), by virtue of public instrument dated 6th October 2008, for an initial period of 30 years, over a plot measuring 0.41 hectares, for an accumulated canon for the whole duration amounting to € 11 thousands, destined for the installation of an Electricity Substation.

As indicated in Note 21, Inversión Corporativa is the main shareholder in Abengoa, and issues its own separate Consolidated Financial Statements.

These operations were subject to verification by the Abengoa Audit Committee and the considerations agreed were determined by independent experts.

39.3. Employee remuneration and other benefits

Directors are remunerated as established in article 39 of the Articles of Association. The remuneration of directors is comprised on a fixed amount as agreed at the general shareholders meeting, and is not necessary equal for all such directors. Additionally they may participate in the retained earnings of the Company, between 5% and 10% (maximum) of retained earnings after dividends. Directors are also compensated for travel expenses related to work undertaken by the board.

Salary and allowances payments made to the main board of Abengoa S.A. in 2009 were € 8,603,000 being fixed and variable salaries and expenses, as well as € 221,238 of other concepts.

Details of individual salaries and benefits in 2009 of the Board of Directors are as follows (in thousands of Euros):

Name	Daily expenses for Attendance and Other Remun. as officer	Compensation as member of Board Committee	Compensation as Officer of other Group Companies	Compensation for Sr. Mgtmt. – Executive Officer duties	Total
Felipe Benjumea Llorente	102	-	-	3,390	3,492
Aplidig, S.L. (1)	180	-	-	2,804	2,984
Miguel A. Jiménez-Velasco Mazarío (2)	-	-	-	113	113
José B. Terceiro Lomba	-	-	25	-	25
Carlos Sebastián Gascón	183	116	32	-	331
Daniel Villalba Vila	183	121	32	-	336
Mercedes Gracia Díez	121	55	-	-	176
Miguel Martín Fernández	110	55	-	-	165
Alicia Velarde Valiente	121	44	-	-	165
José Borrell Fontelles (3)	150	-	-	-	150
José Luis Aya Abaurre	121	44	-	-	165
José Joaquín Abaurre Llorente	121	55	-	-	176
Maria Teresa Benjumea Llorente	78	-	24	-	102
Javier Benjumea Llorente	78	-	-	-	78
Ignacio Solís Guardiola	86	-	-	-	86
Fernando Solís Martínez-Campos	86	-	-	-	86
Carlos Sundhein Losada	86	-	-	-	86
Total	**1,806**	**490**	**113**	**6,307**	**8,716**

Note (1): Represented by Mr. José B. Terceiro Lomba
Note (2): Up to 26.07.09
Note (3): From 27.07.09

Additionally, in 2009 overall remuneration to top level management of the Company (senior management which in turn are not executive directors) increased, including both fixed and variable components, to € 6,883,000.

No advanced payments or credits are granted to members of the main board, nor are any guarantees or obligations granted in their favour.

As at the end of the period there existed € 15,225 thousands of retributions to personnel on long-term. (see Note 29).

39.4. With the aim of reinforcing the transparency in Public Limited Companies, with the exception of what is described below, the members of the Board of Administration have not held shares in the capital of companies which directly maintain activities that are analogous, complementary or the same as the ones that constitute the corporate purpose of the Parent Company since 19th July 2003, the validity date of Law 26/2003 which modifies Law 24/1988 of 28th July, which governs the Stock market, and the Consolidated Text of the Law on Public Limited Companies. Likewise, they have not and neither are they engaged in activities which are the same, analogous or complementary to the corporate purpose of Abengoa, S.A., whether for themselves or for others. On the other hand, neither in 2009 nor in 2008 were there companies susceptible to be subject to the horizontal consolidation regulated in Art. 42 of the Spanish Commercial Law.

Below is a list of the board members serving posts of administrators or directors in the other companies that make up the Group:

Name	Company	Post
José Joaquín Abaurre Llorente	Telvent Tráfico y Transporte, S.A.	Board Member
María Teresa Benjumea Llorente	Telvent Tráfico y Transporte, S.A.	Board Member
Carlos Sebastián Gascón	Abengoa Bioenergía, S.A.	Board Member
Daniel Villalba Vila	Abengoa Bioenergía, S.A.	Board Member
José B. Terceiro Lomba	Telvent GIT, S.A.	Board Member
José B. Terceiro Lomba	Bioetanol Galicia, S.A.	Board Member

Below is a list of Board Members that are members of other traded companies:

Name	Traded Company	Post
Mr. Felipe Benjumea Llorente	Iberia Líneas Aéreas de España, S.A.	Board Member
Aplicaciones Digitales, S.L.	Promotora de Informaciones, S.A.	Board Member
Aplicaciones Digitales, S.L.	Iberia Líneas Aéreas de España, S.A.	Board Member
Daniel Villalba Vila	Vueling, S.A.	Board Member

In accordance with the registering of significant holding in the Company, and as required by the "Internal Rules and Regulations for Conduct involving Stock Exchange matters", the shares and the percentage holdings of the directors in the Company as at 31.12.09 are:

	No of Direct Voting Rights	No of Indirect Voting Rights	% Total
Mr. Felipe Benjumea Llorente	-	814,111	0.900
Aplicaciones Digitales, S.L.	925.814	-	1,023
Ms. Alicia Velarde Valiente	400	-	0.000
Mr. Carlos Sebastián Gascón	13.000	12,000	0,028
Mr. Carlos Sundheim Losada	47,027	-	0.052
Mr. Daniel VillalbaVila	12.780	-	0,015
Mr. Fernando Solís Martínez-Campos	50,832	34,440	0.094
Mr. Ignacio Solís Guardiola	15.336	-	0,017
Mr. Javier Benjumea Llórente	3,888	-	0.004
Mr. José Joaquín Abaurre Llórente	1.900	-	0,002
Mr. José Luis Aya Abaurre	55,076	-	0.061
Ms. María Teresa Benjumea Llorente	12.390	-	0,014
Ms. Mercedes Gracia Diez	500	-	0.001
Mr. Miguel Martín Fernández	5.900	-	0,007
Mr. José Borrell Fontelles	1,000	-	0.001

39.5. Audit fees

The 2009 exercise saw an accrual of fees in the amount of € 3,670 thousands (€ 4,936 thousands in 2008) for financial auditing-related works that include both the end-of-financial year auditing and the SOX internal control, as well as the revision of periodical information and auditing under the US GAAP criteria for the company listed in the US. Said amount, € 2,461 thousands, is for the main auditor of the PricewaterhouseCoopers group (€ 2,143 thousands in 2008).

In addition, during the 2009 exercise auditing companies were paid € 3,655 thousands (€ 3,187 thousands in 2008) for other works entrusted them, mainly for financial consultancy and verification works in company acquisition operations. The main auditor was paid € 1,453 thousands (€ 1,423 thousands in 2008).

39.6. Environmental information

The principles of the environmental policies of Abengoa are based on the compliance with the legal regulations in vigour at each moment, preventing or minimizing the damaging or negative environmental repercussions, reducing the consumption of the energy and natural resources and continuously improving in environmental behaviour.

In response to this commitment to the sustainable use of the energy and natural resources, Abengoa, in its Management Rules and Guidelines for the entire Group, explicitly establishes the obligation of implementing and certifying environmental management systems in accordance with the ISO 14001 International Regulations.

Consequently, by the end of the 2009 exercise, the percentage of Companies with Environment Management Systems certified according to the ISO 14001 per volume of sale is 84.96%.

Below is a detail of the percentage distribution of the Companies with Environmental Management Systems certified according to Business Units:

Business Unit	Companies Certified according to ISO 14001 (% of sales)
Solar	73.25%
Information Technologies	78.63%
Industrial Engineering and Construction	88.65%
Environmental Services	97.26%
Bioenergy	74.42%

Abengoa is of the understanding that its traditional activity of engineering is no more than a valuable tool through which it can construct a more sustainable world, and it applies this philosophy in all its Business Units such that from solar energy, biomass, wastes, information technologies and engineering, Abengoa applies technological and innovative solutions for sustainable development.

39.7. Post-balance sheet events

In its meeting dated 18th January 2010, the Board of Administration of the Company agreed to issue bonds convertible into Company's shares, and we completed the process of issuance to qualified investors and investment institutions, for the amount of € 250,000 thousands and to be matured within seven (7) years, on 3rd February 2010, earning a coupon per year of 4.5 % payable every half year. The price of conversion was set at € 30.27 per share, representing a premium of 32.5% with regards to the reference price. The Company may decide to hand over shares, cash or a combination of both.

Following the closing date of the balance sheet, no significant events have occurred which significantly impact the results and state of affairs of the Group as presented in the Annual Financial statements prepared by the Company as at that date, or which should be noted due to their particular significance or relevance to the Group.