

**TELVENT**

The Global RealTime IT Company



**TELVENT**

**Presentación Analistas**  
**Madrid, Hotel Occidental Miguel Ángel**

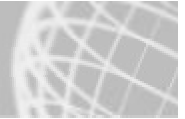
**(Febrero, 2005)**

## Forward-Looking Statement

**This presentation contains forward-looking statements and information relating to Telvent, that are based on the beliefs of its management as well as assumptions made and information currently available to Telvent. Such statements reflect the current views of Telvent with respect to future events and are subject to risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of Telvent to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic, political, governmental and business conditions globally and in the countries in which Telvent does business, changes in interest rates, changes in inflation rates, changes in prices, changes in business strategy and various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted. Telvent does not intend, and does not assume any obligations, to update these forward-looking statements.**

## Agenda

- **Telvent**
- **Highlights**
- **Telvent IPO**
- **Financial Overview**
- **Acquisitions**
- **Business Outlook**
- **Summary**



# 1. Telvent



# Experienced Management Team



- Manuel Sánchez
- Chairman and CEO
- Years with Telvent: 15



- José I. del Barrio
- VP Bus. Developmt. & IR
- Years with Telvent: 16



- Ana M. Plaza
- CFO
- Years with Telvent: 9



- Larry Stack
- CTO
- Years with Telvent: 25



- Dave Jardine
- VP North America
- Years with Telvent: 17



- Dai Jue
- VP China
- Years with Telvent: 2



- Luis Rancé
- VP Mexico
- Years with Telvent: 14



- Marcio Leonardo
- VP Brazil
- Years with Telvent: 3



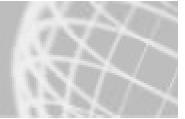
- José Montoya
- VP Traffic & Transport
- Years with Telvent: 30



- Phil Goulet
- VP Oil & Gas
- Years with Telvent: 23



- Ignacio González
- VP Electricity & Environment
- Years with Telvent: 14



## Telvent's Vision

**Telvent's vision is to be the leading provider of integrated RealTime IT solutions in selected industrial sectors (Energy, Traffic, Transport and Environment) in North America, Latin America, Europe and China, enabling our customers to more efficiently manage their operations and business processes**

### Spain



Madrid



Seville

### North America



Calgary



Houston

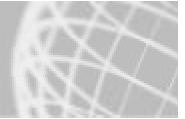
**2,300 Professionals of whom 70% are Engineers**

## Mission Critical Solutions

### Telvent's solutions help to safely manage and control in real-time...

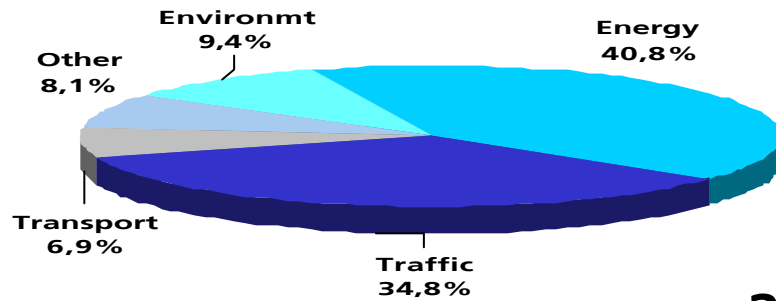
- Approximately 60% of oil and gas volume movement through pipelines in North and Latin America
- Transportation and distribution of more than 140,000 GWh, providing electricity to more than 80 million people
- Traffic of vehicles at more than 6,000 intersections through which more than 170 million drivers pass every day
- Transportation of more than two billion passengers every year on trains and subways
- Transit of more than five million people per day, over more than 8,700 kilometers of motorways, dual highways and tunnels
- The safe and efficient landing and takeoff of more than 60 million passengers at more than 70 airports



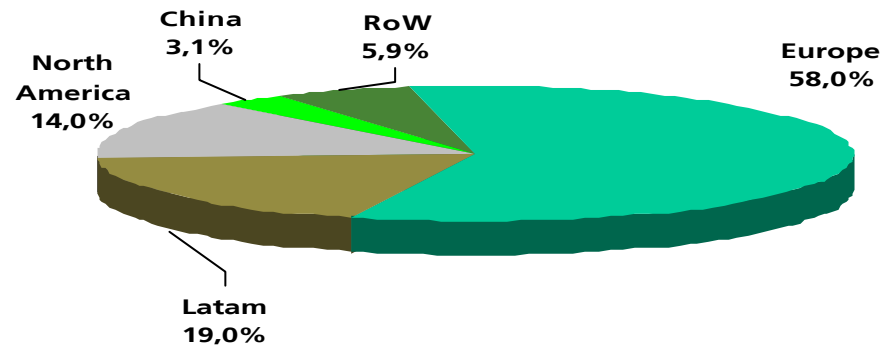


# Revenue Breakdown

## by Segment



## and Geography



Note: Figures as per September 30, 2004



# Diversified Blue Chip Customer Base

## Energy: Oil & Gas



## Energy: Electricity



## Traffic



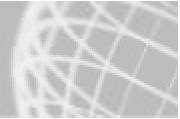
## Transport



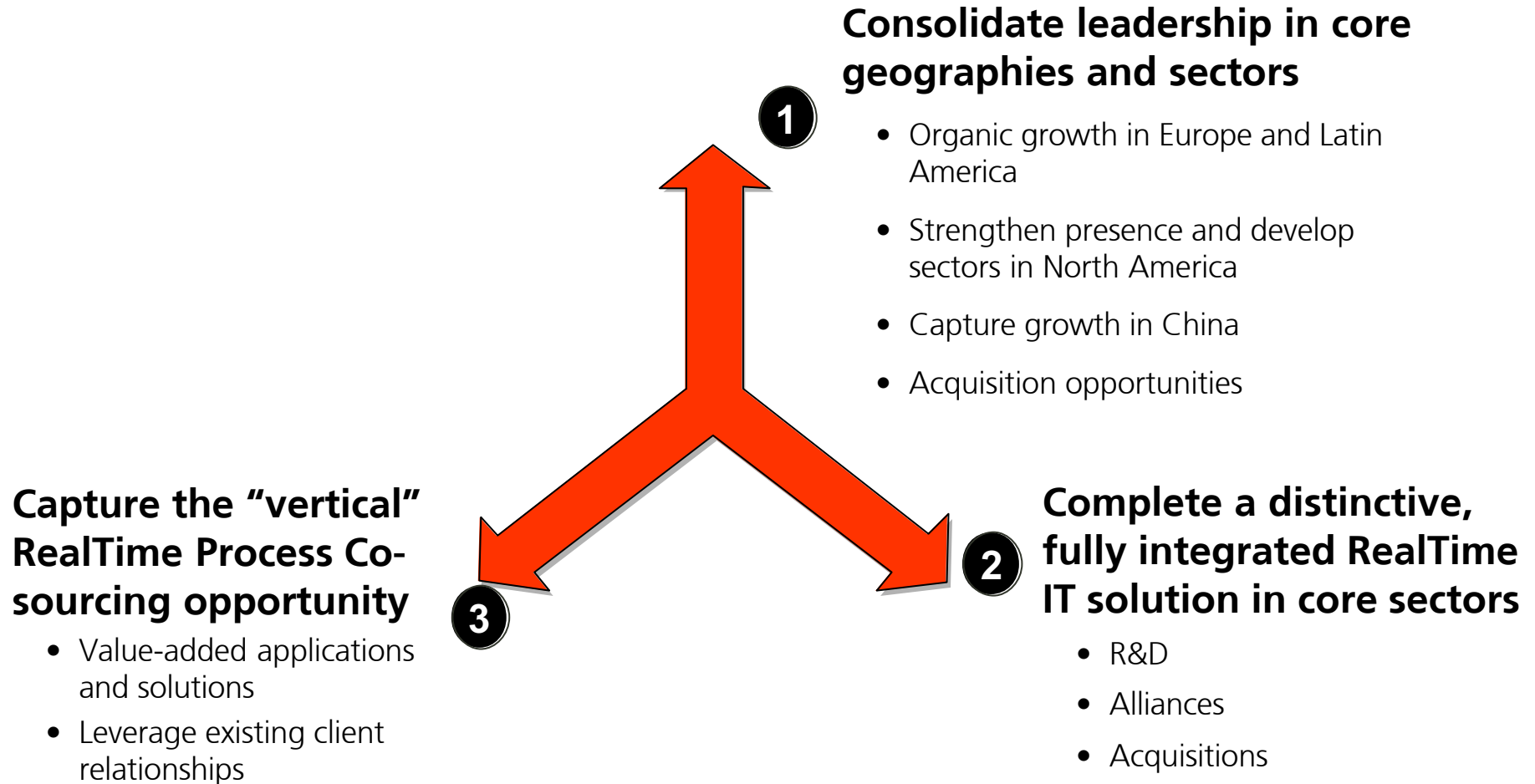
## Environment



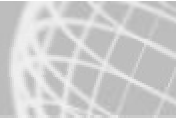
**Long and Stable Relationships**



## Our Three Axis Growth Strategy



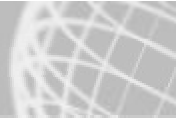
**11-13% Organic Growth Over the Next 5 Years Complemented with Acquisitions**  
**25% Gross Margin**



## 2. Highlights

## Successful FY 2004 and Good Outlook for 2005

- Successful completion of Telvent IPO
- Strong Q3 Financials, leading to a good as expected FY2004
- Successful acquisition plan completion: ICX, Xwave and Miner & Miner
- Good outlook in our business going forward:
  - ✓ Revenue visibility
  - ✓ Increase of our business perspectives in North America
  - ✓ R&D Organization and restructuring efforts
  - ✓ China operations
  - ✓ First concession project signed



## **3. Telvent IPO**

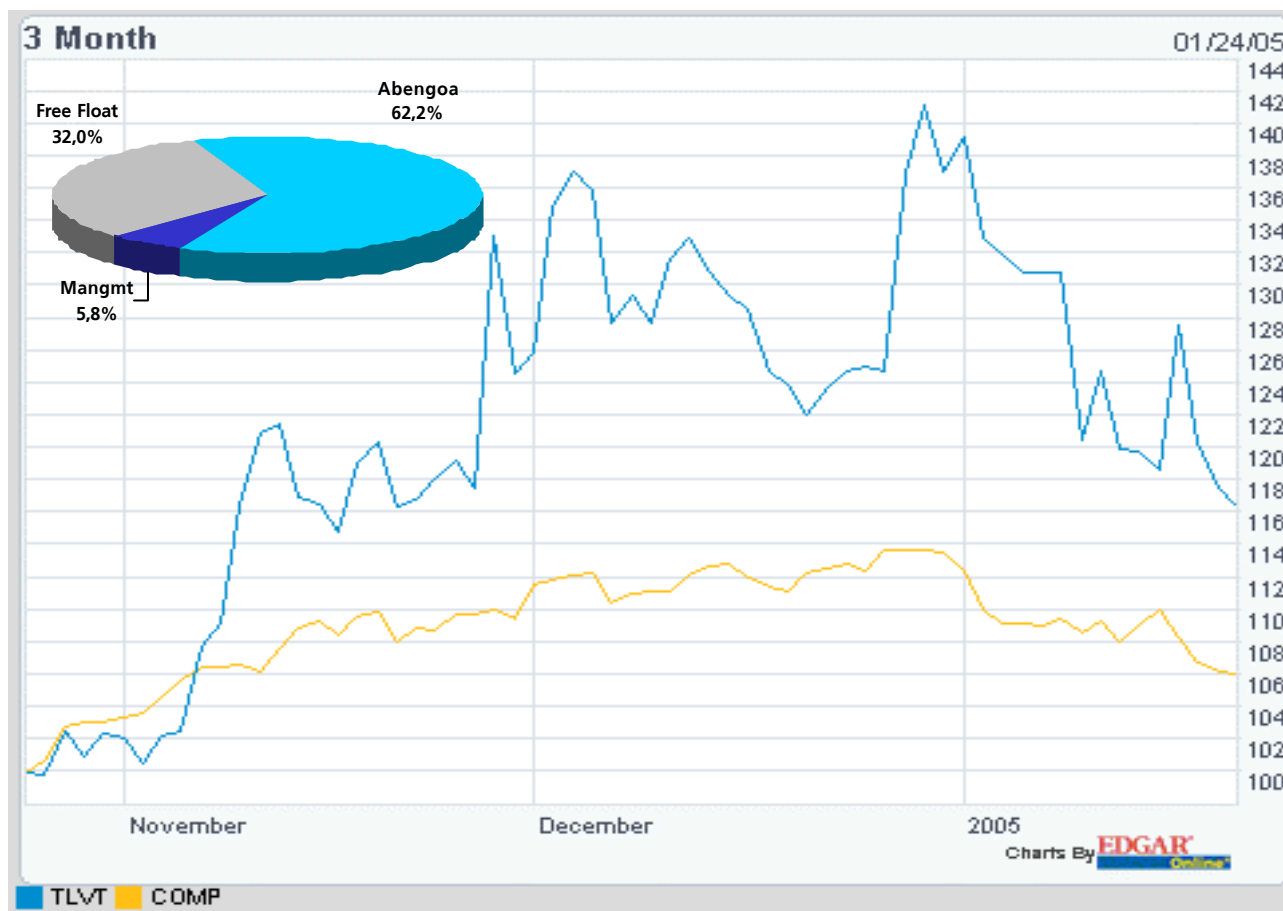
## Successful IPO

- Telvent is a NASDAQ listed Company (“TLVT”) since October 21 2004
- The Telvent IPO was a successful transaction despite a choppy IPO market and significant valuation sensitivity among almost all institutional accounts around the \$9.00 level
- Telvent was able to generate quality institutional demand due to:
  - ✓ Clear value proposition of Telvent product/service
  - ✓ Strong organic-driven growth characteristics
  - ✓ Quality and depth of relationship with customers
  - ✓ Recurring revenue stream and visibility

**Telvent has a strong shareholder base with a mix of technology, small-cap, growth and European/International-oriented investors**



# Telvent Price Chart vs. NASDAQ Composite



Issuer	IPO Pricing Date	Offer Price	Price vs. Filed Range	File to Offer	Offer to Current	Filing Range
Telvent GIT	October 21	\$9 US	Below	(33.3)%	>15%	12.5 – 14.5

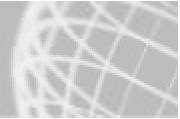


## **4. Financial Overview**

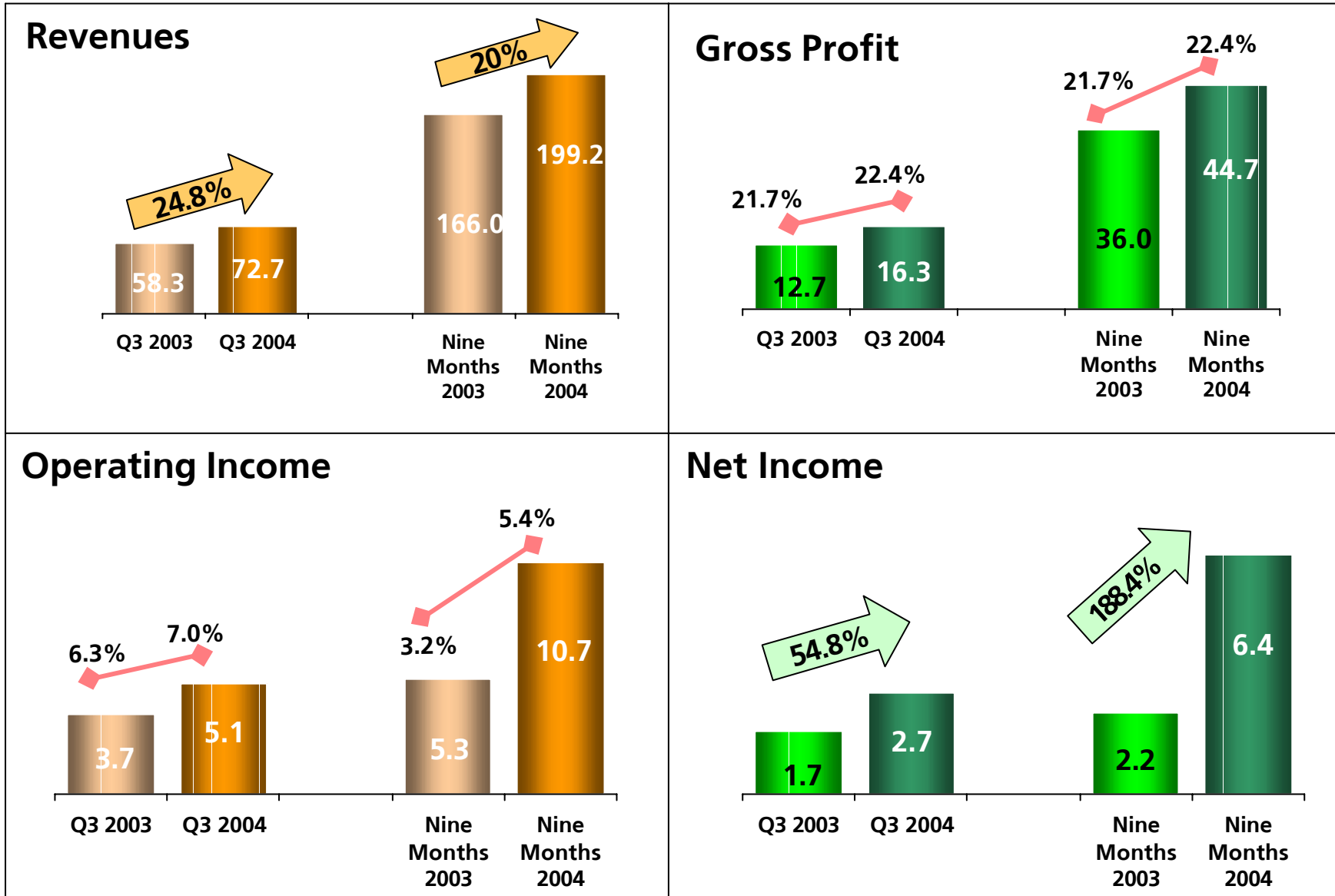


## Financial Highlights (Q3 2004 Report)

- ⌘ Revenues in the third quarter increased 24.8% to €72.7 Million Year-Over-Year
- ⌘ Gross Margin grew to 22.4%
- ⌘ Net Income in the quarter increased 54.8% to €2.7 Million Year-Over-Year
- ⌘ Net Cash position of €45 million
- ⌘ Bookings in the quarter were €122.6 Million, driving the accumulated bookings for the first 9 months of 2004 to an extraordinary figure of €268.1 Million, representing 29.0% growth versus accumulated Bookings in the same period of 2003
- ⌘ Pipeline, measured as real opportunities with a 6 to 12 months period resolution, remains in the €1.2billion plus range
- ⌘ Backlog as per September 2004 reflects 17.2% growth over September 2003



## Financial Growth Summary





## Profit and Loss Account (9 Months)

(€ Million)

	Nine Months Ended September, 30				YoY Growth
	2004	%	2003	%	%
<b>Revenues</b>	<b>199.2</b>	<b>100.0%</b>	<b>166.0</b>	<b>100.0%</b>	<b>20.0%</b>
COGS	154.6	77.6%	130.0	78.3%	18.9%
<b>Gross Profit</b>	<b>44.7</b>	<b>22.4%</b>	<b>36.0</b>	<b>21.7%</b>	<b>24.0%</b>
Operating Expenses	33.9	17.0%	30.8	18.5%	10.3%
<b>Income from Operations</b>	<b>10.7</b>	<b>5.4%</b>	<b>5.3</b>	<b>3.2%</b>	<b>104.5%</b>
Other Income (expense)	-2.7	-1.4%	-2.2	-1.3%	25.6%
<b>Income (loss) Before Income Taxes</b>	<b>8.0</b>	<b>4.0%</b>	<b>3.1</b>	<b>1.8%</b>	<b>160.8%</b>
<b>Net Income (loss)</b>	<b>6.4</b>	<b>3.2%</b>	<b>2.2</b>	<b>1.3%</b>	<b>188.4%</b>
<b>Pro Forma Net Income (loss)</b>	<b>9.8</b>	<b>4.9%</b>	<b>4.8</b>	<b>2.9%</b>	<b>104.2%</b>
<b>Pro Forma EPS (Figures in €)</b>	<b>0.49</b>		<b>0.24</b>		<b>104.2%</b>

**Significant Operating Leverage**

## Reconciliation between GAAP and Pro Forma Income

	Nine Months Ended September, 30		YoY Growth
	2004	2003	%
<b>GAAP Income before Income taxes</b>	<b>8.0</b>	<b>3.1</b>	<b>160.8%</b>
Adjustments to Net Income (Loss):			
Amortization of intangibles	1.7	1.7	
Stock Compensation Plan expenses	1.1	0.4	
Mark to Market Derivatives	1.0	1.4	
<b>Total Adjustments</b>	<b>3.8</b>	<b>3.5</b>	
Adjusted Income before Income taxes	11.8	6.6	
Income tax provision	(2.0)	(1.8)	
<b>Proforma Net Income (Loss)</b>	<b>9.8</b>	<b>4.8</b>	<b>106.6%</b>



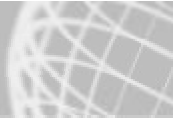
## Strong Balance Sheet Position

	2003	Sep-04	Post IPO
Cash	€27.7	€17.6	€77.2
Total Debt	56.2	31.9	31.9
<b>Net Cash / (Net Debt)</b>	<b>(28.5)</b>	<b>(14.3)</b>	<b>45.3</b>
Shareholder's Equity	60.3	69.3	128.9

**Positive Net Cash Position Post-IPO**



		9 months ended Sept. 30, 2004	FY2004 Guidance	Long-term Model (3-5 years)
<b>Revenues</b>	▲	20%	10% - 12% (organic)	11% - 13% (organic)
<b>Gross Margin</b>	% (o/R)	22.4%	21% - 23%	25%
<b>Income from Operations</b>	% (o/R)	5.4%	5% - 6%	8% - 9%
<b>Net Income</b>	€M	6.4	9 - 10	25% (CAGR)
<b>Pro forma EPS</b>	€	0.49	0.49 – 0.54	25% (CAGR)
<b>Weighted Average No. Of Shares</b>		20,000,000	21,775,752	29,247,100



## **5. Acquisitions**

## Telvent has closed three acquisitions during 2004

### **℞ ICX (closed in May, 2004)**

- Based in Spain, Seville. 30 people. Owned by Local Government (50%) and Fujitsu (50%).
- Dedicated to Health Care Information Technology. This area may become the fifth vertical of Telvent, in addition to Energy, Environment, Traffic and Transport. It has a very strong software product which will be the core of the Health Care IT solution suite offered by Telvent, and which is installed in 170 Health Care Centers.

### **℞ XWave Western Region Division (closed in August, 2004)**

- Based in Calgary, Canada. 85 people. Owned by Xwave, a subsidiary of Aliant (TSE: AIT-A).
- Dedicated to IT Outsourcing for energy companies primarily. This perfectly fits with the upper side of the Hour Glass strategy of Telvent. It has a large reputation among the customer base they have served during many years, like Encana Energy and Talisman. Also, multi year service contracts that increase the revenue visibility of Telvent.

### **℞ Miner & Miner (Closed in December, 2004)**

- Based in Fort Collins, Denver. 100 people. Owned by Management (70%) and by the owner of the leader GIS company worldwide (30%). 157 customers distributed among Electric, Gas and Water utilities, mainly in North America.
- Strong software development agreement with ESRI. Dedicated to the development of software applications around geospatial information. It includes assets management, investment planning and outage management.

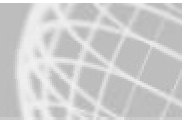




## Acquisition Criteria Proof

	ICX	Xwave	Miner & Miner *
Previous Knowledge/Collaboration	☑	☑	☑
Strategic ("Three Axis Model")	☑	☑	☑
Synergies	☑	☑	☑
No Overlapping	☑	☑	☑
Profitability	☑	☑	☑
ROIC > 15%	☑	☑	☑
Accretive/Dilutive	<b>Accretive</b>	<b>Accretive</b>	<b>Accretive</b>
Price(€M) / Valuation(PER)	1.7 / 8.5	2.8 / 5.6	8.0 / 16.4

**\* Telvent has acquired 70% of Miner & Miner**



## Rationale behind the acquisition

### ⌘ Up The Hour Glass

- ✓ Spatial information is a critical component of the seamless real time data integration for our customers
- ✓ Outage Management is essential to improve reliability of utilities.
- ✓ Work Flow Management is more and more demanded

### ⌘ Market Leader

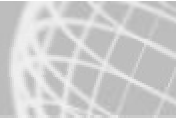
- ✓ ESRI is the market leader for GIS solutions. M&M is the business partner of ESRI since 1987, and has developed ArcFM, an specialized GIS solution for utilities

### ⌘ Presence in USA

- ✓ M&M is based in Colorado, has more than 100 professionals, and most of their 180 references are based in North America

### ⌘ Low Risk Integration

- ✓ We know the management, for more than 6 years, and have found they have a similar business culture
- ✓ We know the products, since we have implemented their software as part of some of our projects, and have also competed to them because we have been golden partner of Smallworld for many years
- ✓ Third payment based on earn out plan



## **6. Business Outlook**

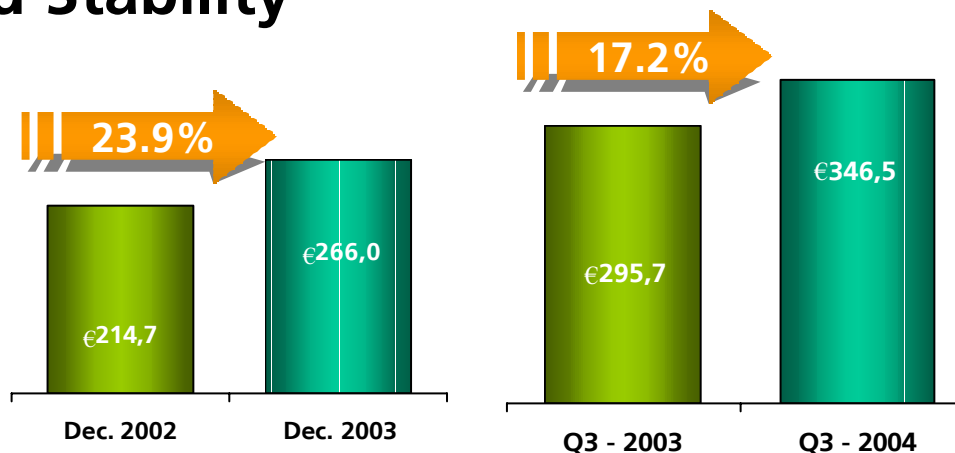
## Good Business Outlook, based on:

- ⌘ **Revenue Visibility and stability: Backlog, Bookings, and Pipeline**
- ⌘ **Business and Operations Growth in our North American Region**
- ⌘ **Strong backlog in China due to a superb bookings figure in 2004**
- ⌘ **Successful R&D developments**

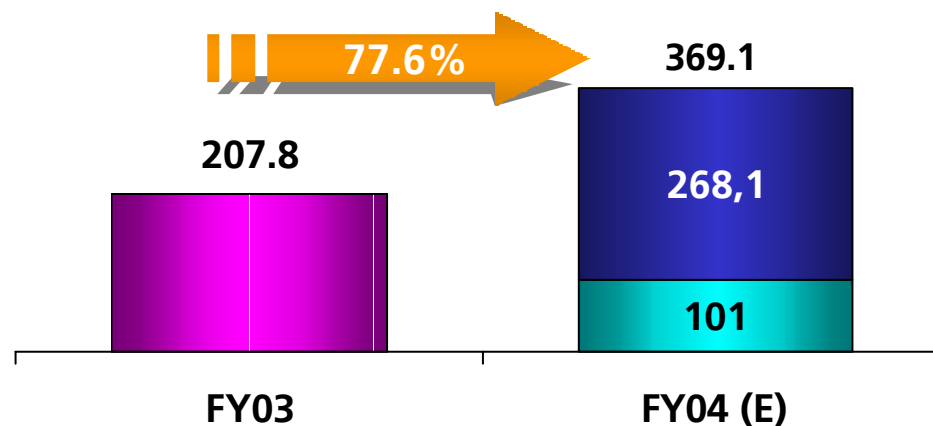


## Revenue Visibility and Stability

**Backlog (€ Million)**



**Bookings (€ Million)**



**Strong visibility going forward, based on Backlog, Bookings, and Pipeline**

## Major Contracts Signed in the last months

### Energy

- Telecontrol project for 20 transmission substations in the high voltage ring of the Brazilian power transmission operator, ONS, worth €4.5 million
- Control and Integral Management Systems (SIMCOT), of 11 Pemex Tank Farms throughout the whole Mexican Republic. Amount: €21,6 million

### Traffic

- Adaptive Urban Traffic Control System (ITACA) for the city of Urumqi in China. The contract is valued at approximately €2.6 million and will be financed by the World Bank
- Adaptive Urban Traffic Control System (ITACA), with the Erdos Traffic Police, China. The contract is valued at more than €4million and is financed with FAD funds
- Almería “Digital City”: Intelligent Urban Traffic Control, payment systems and urban transport operations. Amount: €22 million (20 years concession)

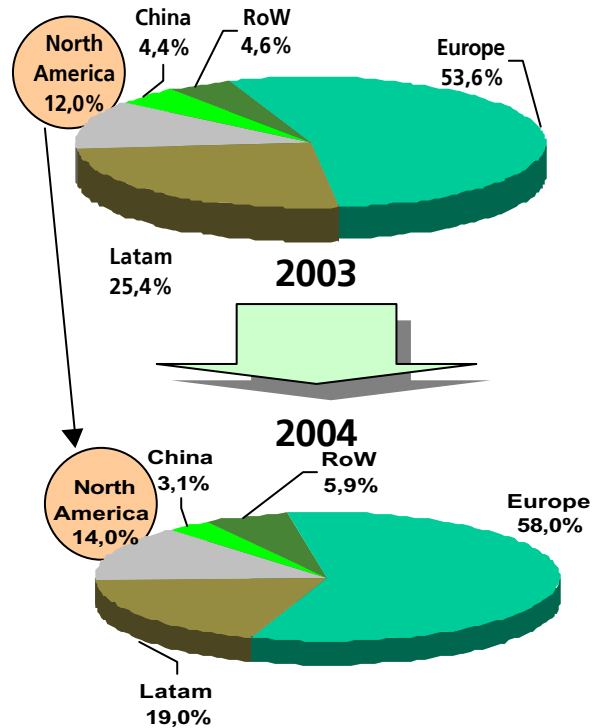
### Transport

- Automatic Fare Collection System for Line 3 of the Metro in Madrid, worth €6.5 million

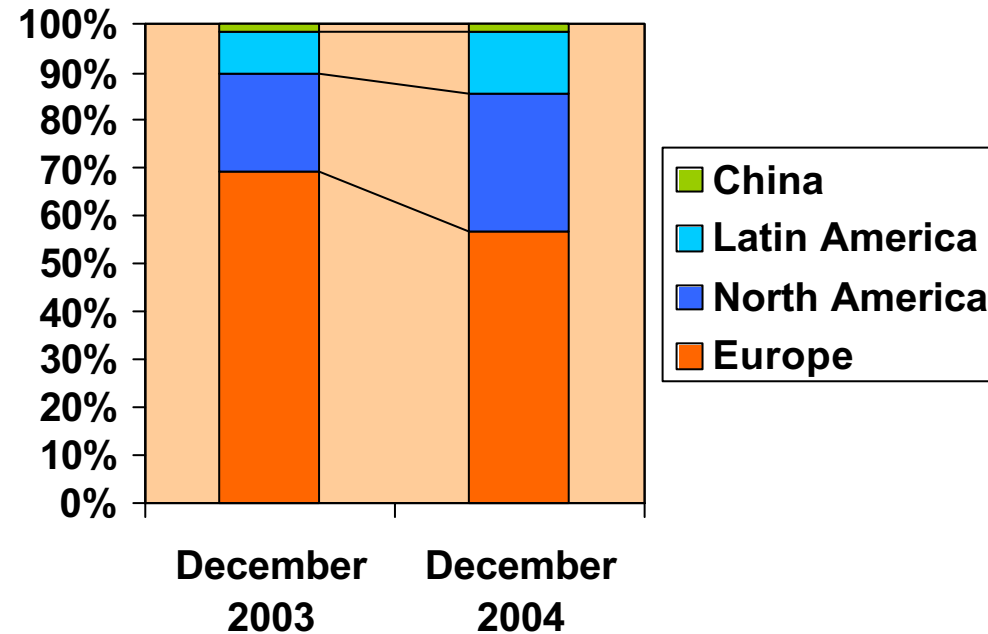
### Environment

- Automatic Hydrological Information System for the Duero River in Spain, worth €12.3 million

## Business and Operations Growth in our North American Region



Revenue Breakdown by Geography



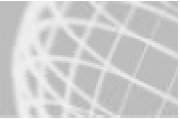
Staff by Geography

**With more than 600 professionals, our North American Region is now the second largest in the world**

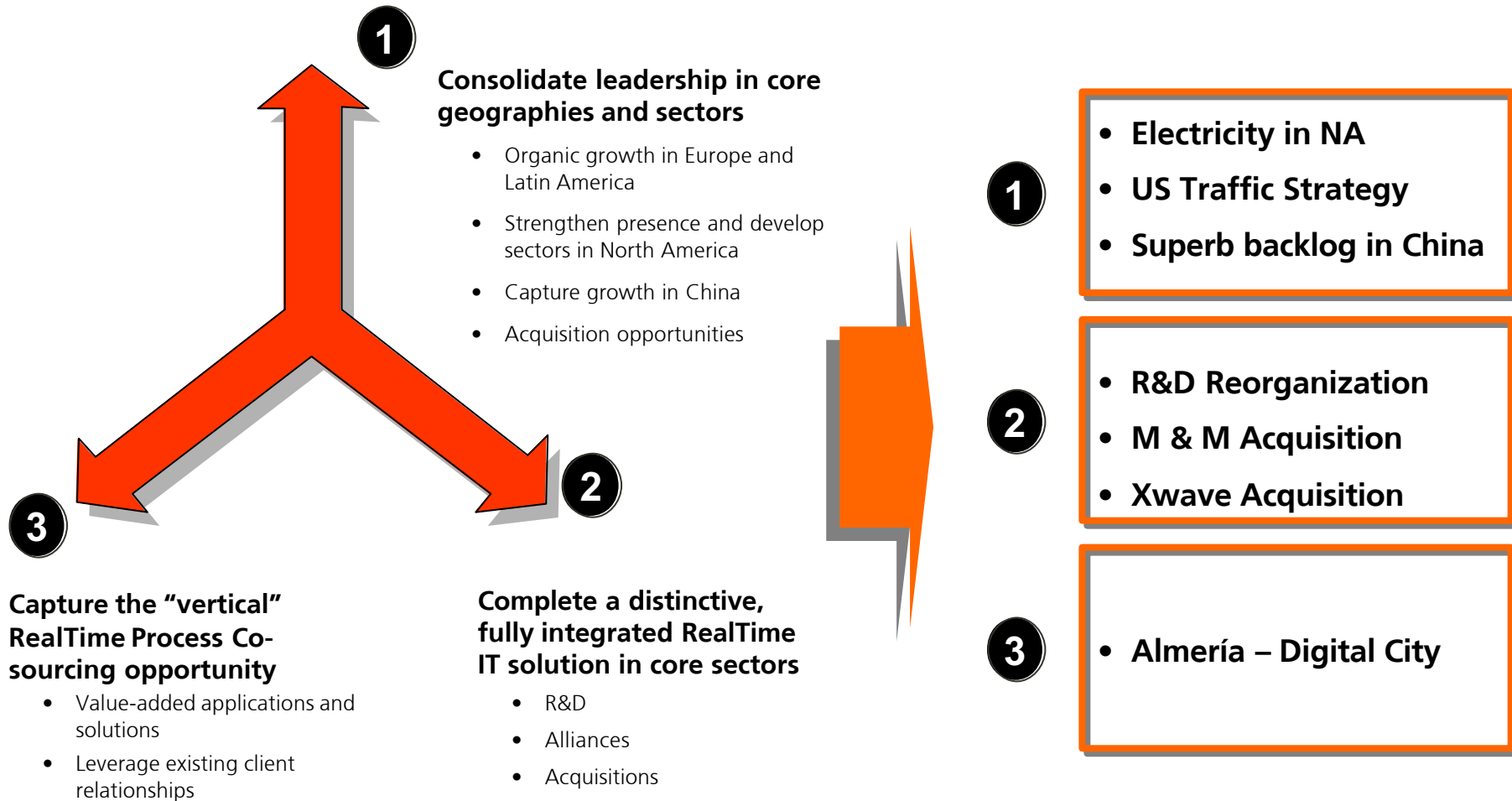


## **7. Summary**





# Our Three Axis Growth Strategy



## Summary

- Successful IPO and subsequent partial exercise of the overallotment option**
- Expect to maintain the Guidance for FY 2004. Good business outlook for FY2005**
- Growth momentum based on excellent bookings and backlog**
- Successful acquisition of Miner & Miner**
- Continued growth in our North America Region and a superb backlog in China**