

Unaudited Consolidated Balance Sheets
(In thousands of Euros, except share and per share amounts)

	As of December 31, 2005	As of December 31, 2004
Assets:		
Current assets:		
Cash and cash equivalents	€ 80,010	€ 80,515
Restricted cash	3,183	8,028
Available-for-sale securities and other short-term investments	709	1,231
Derivative contracts	1,194	4,046
Accounts receivable		
	102,967	84,536
Unbilled revenues	77,069	36,683
Due from related parties	45,449	37,848
Inventory	11,622	10,760
Deferred tax assets	3,055	3,751
Other current assets	1,532	659
Total current assets	€ 326,790	€ 268,057
Other investments	1,870	2,137
Property, plant and equipment, net	52,965	53,586
Long-term receivables and other assets	11,317	3,198
Deferred tax assets	22,102	18,004
Other intangible assets, net	10,143	9,789
Goodwill	16,862	13,689
Total assets	€ 442,049	€ 368,460
Liabilities and shareholders' equity:		
Accounts payable	€ 150,245	€ 123,278
Billing in excess of costs and estimated earnings	20,417	16,466
Accrued and other liabilities	11,457	7,696
Income and other taxes payable	22,504	11,778
Deferred tax liabilities	3,082	3,096
Due to related parties	11,146	6,194
Current portion of long-term debt	8,515	9,208
Short-term debt	23,958	18,748
Short-term leasing obligations	1,948	1,960
Derivative contracts	1,440	2,602
Total current liabilities	€ 254,712	€ 201,026
Long-term debt less current portion	15,310	16,875
Long-term leasing obligations	4,035	4,130
Other long term liabilities	7,507	8,747
Deferred tax liabilities	673	323
Unearned income	211	525
Total liabilities	€ 282,448	€ 231,626

Minority interest	1,604	863
-------------------	--------------	------------

Shareholders' equity:

Common stock, 3.005 € par value, 29,247,100 shares authorized and outstanding, same class and series	87,889	87,889
Additional paid-in capital	40,471	40,319
Deferred Compensation	(2,044)	(3,305)
Cumulative other comprehensive income (loss)	2,884	(3,364)
Retained earnings	28,797	14,432
Total shareholders' equity	€ 157,997	€ 135,971
Total liabilities and shareholders' equity	€ 442,049	€ 368,460

Unaudited Consolidated Statements of Operations

(In thousands of Euros, except share and per share amounts)

	<u>Three Months Ended December 31,</u>		<u>Year Ended December 31,</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues	€ 130,997	€ 113,354	€ 402,369	€ 312,571
Cost of revenues	<u>107,344</u>	<u>91,013</u>	<u>319,712</u>	<u>245,578</u>
Gross profit	€ 23,653	€ 22,341	€ 82,657	€ 66,993
General and administrative	7,164	5,000	25,286	21,446
Sales and marketing	3,505	4,190	13,023	10,118
Research and development	4,548	4,981	14,980	11,060
Depreciation and amortization	<u>1,806</u>	<u>2,443</u>	<u>8,225</u>	<u>7,904</u>
Total operating expenses	€ 17,023	€ 16,614	€ 61,514	€ 50,528
Income from operations	6,630	5,727	21,143	16,465
Financial (expense), net	(1,629)	530	(3,432)	(2,313)
Other income, net	-	(8)	-	88
Total other (expense)	€ (1,629)	€ 522	€ (3,432)	€ (2,225)
Income before income taxes	5,001	6,249	17,711	14,240
Income tax expense (benefit)	(177)	3,741	2,972	4,749
Net income before minority interest	€ 5,178	€ 2,508	€ 14,739	€ 9,491
Profit attributable to minority interests	244	1,283	(373)	654
Net income	€ 5,422	€ 3,791	€ 14,366	€ 10,145
Earnings per share				
Basic and diluted net income per share	<u>€ 0.19</u>	<u>€ 0.14</u>	<u>€ 0.49</u>	<u>€ 0.47</u>
Weighted average number of shares outstanding				
Basic and diluted	<u>29,247,100</u>	<u>27,064,405</u>	<u>29,247,100</u>	<u>21,775,752</u>

Unaudited Consolidated Statements of Cash Flows

(In thousands of Euros, except share and per share amounts)

	Year Ended December 31,	
	2005	2004
Cash Flow from operating activities:		
Net income (loss) before minority interest	€ 14,737	€ 9,491
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	10,625	9,015
Foreign exchange (gains) losses	849	882
Allowance for doubtful accounts	485	307
Deferred income taxes	(3,066)	(6,364)
Compensation related to the stock compensation plan	1,413	2,258
Gains on sales of investments	-	(88)
Change in operating assets and liabilities:		
Accounts receivable	(18,058)	8,195
Inventory	(1,136)	3,166
Unbilled revenues	(36,917)	(10,830)
Accounts payable, related parties and other assets	23,796	3,706
Billing in excess of cost and estimated earnings on uncompleted contracts	3,951	5,237
Accrued and other liabilities, related parties payable	17,474	(8,045)
Due to temporary Joint Ventures	(11,515)	8,129
Net cash provided by operating activities	€ 2,638	€ 25,059
Cash Flows from investing activities:		
Restricted cash - guaranteed deposit of long term investments and commercial transactions	4,845	(8,028)
Due from related parties	(5,018)	2,651
Miner&Miner deferred payment	(3,147)	-
Almos Systems acquisition	(1,810)	-
Purchase of property, plant & equipment	(3,894)	(4,931)
Acquisition of investments, net of cash	-	(7,043)
(Acquisition) Disposals of investments	(1,553)	30,889
Net cash (used in) provided by investing activities	€ (10,577)	€ 13,538
Cash flows from financing activities:		
Proceeds from long-term debt	9,196	1,982
Repayment of long-term debt	(15,128)	(11,371)
Proceeds and repayment of short-term debt, net	5,210	(5,439)
Proceeds from issuance of common stock, net	-	60,518
Due to related parties	3,099	(30,183)
Capital contributions related to Telvent Factory Holding AG	-	(3,624)
Net cash (used in) provided by financing activities	€ 2,377	€ 11,883

Net (decrease) increase in cash	€ (5,562)	€ 50,480
Net effect of foreign exchange in cash and cash equivalents	5,057	(950)
Cash and cash equivalents at the beginning of period	69,582	27,735
Joint venture cash and cash equivalents at the beginning of period	10,933	3,250
Cash and cash equivalents at the end of period	<u>€ 80,010</u>	<u>€ 80,515</u>

Supplemental disclosure of cash information:

Cash paid for the period:

Income taxes	€ 1,153	€ 439
Interest	<u>€ 5,802</u>	<u>€ 6,419</u>

Reconciliation between GAAP and Proforma Net Income and EPS

(In thousands of Euros, except share and per share amounts)

	Three months ended December 31,		Year ended December 31,	
	2005	2004	2005	2004
GAAP basis income before income taxes	€ 5,001	€ 6,249	€ 17,711	€ 14,240
Adjustments to Net Income				
Amortization of intangibles	1,256	589	2,756	2,307
Stock compensation plan expenses	414	1,199	1,413	2,258
Mark to market derivatives	(797)	(1,241)	705	(207)
Total Adjustments	873	547	4,874	4,358
Adjusted income before income taxes	<u>€ 5,874</u>	<u>€ 6,796</u>	<u>€ 22,585</u>	<u>€ 18,598</u>
Income tax provision	16	(3,513)	(4,183)	(5,484)
Profit attributable to minority interests	244	990	(373)	654
Proforma Net Income	<u>€ 6,134</u>	<u>€ 4,273</u>	<u>€ 18,029</u>	<u>€ 13,768</u>
Earnings per share				
Basic and diluted net income per share	<u>€ 0.21</u>	<u>€ 0.16</u>	<u>€ 0.62</u>	<u>€ 0.63</u>
Weighted average number of shares outstanding				
Basic and diluted	<u>29,247,100</u>	<u>27,064,405</u>	<u>29,247,100</u>	<u>21,775,752</u>