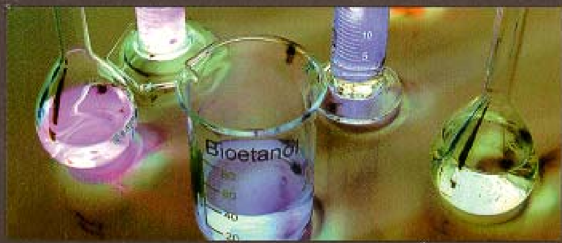
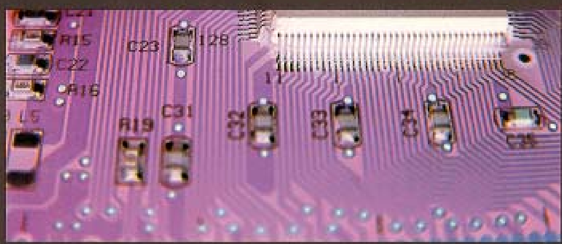
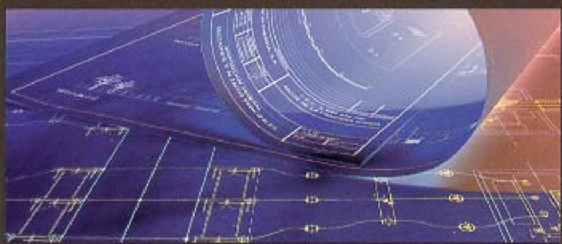
ABENGOA







Annual Report 2002

Your Partner in Resources and Technical Solutions

Printed on recycled Paper

Highlights

Balance Sheet (millions of euros)	2002	% change	2001	2000	1999
Total assets	2,311.3	+10.0	2,100.6	1,885.4	1,197.9
Shareholders' equity	310.8	–1.9	316.9	302.0	200.6
Profit & Loss Account (millions of euros)					
Sales	1,521.9	+10.3	1,379.9	1,204.6	866.2
EBITDA	174.7	+5.0	166.5	126.3	88.3
Operating profit	118.3	+1.2	116.9	85.2	53.4
Net profit attributable to parent company	43.5	+4.8	41.5	36.1	21.9
Net cash flow (after tax profit+amort. & deprec.+prov.)	118.3	+10.6	107.0	88.8	55.6
Significant variables					
Margin (% EBITDA/sales)	11.50		12.06	10.48	10.19
Net debt/shareholders' equity	0.79		0.55	0.59	-0.61
EBITDA/financial profit or loss	3.16		3.21	6.18	-5.11
Returns (after tax profit as %age of):					
- shareholders' equity (ROE)	14.00		13.09	11.96	10.92
- total assets (ROA)	1.88		1.97	1.92	1.83
Per share figures					
- earnings per share	0.48		0.46	0.40	0.28
- dividend per share	0.14		0.14	0.12	0.08

Activity abroad (millions of euros)

Exports and local company sales	2002		2001		2000		1999	
- USA	143.2	9.5%	5.8	0.4%	2.8	0.2%	0.3	0.0%
- Latin America	333.7	21.9%	336.7	24.4%	352.3	29.2	346.3	40.0%
- Europe (excluding Spain)	94.4	6.2%	125.8	9.1%	76.5	6.3%	41.8	4.8%
- Africa	10.9	0.7%	9.4	0.7%	14.2	1.2%	12.4	1.4%
- Asia	29.6	1.9%	22.9	1.7%	10.6	0.9%	4.7	0.6%
Total abroad	611.8	40.2%	500.6	36.3%	456.4	37.8%	405.5	46.8%
Total Spain	910.1	59.8%	879.3	63.7%	748.2	62.2%	460.7	53.2%
Consolidated total	1,521.9	100.0%	1,379.9	100.0%	1,204.6	100.0%	866.2	100.0%

Personnel

(average workforce)	2002	2001
Spain	5,946	5,539
Abroad	2,483	3,999
Total	8,429	9,538

2002	Spain	Abroad	Total
- Engineers and other university graduates	972	292	1,264
- Technicians	532	117	649
- Admin. staff	975	196	1,171
- Manual workers	3,467	1,878	5,345
	5,946	2,483	8,429

Summary 2002

Main strategic actions taken in recent years

- In recent years, Abengoa has performed strategic actions to build upon the strategic plan set out in 1996, when the company was first listed on the stock exchange. In this stage, advantage was taken of the capacity of the company's traditional activity to generate business with greater added value and to achieve diversification in terms of activities and geographic areas.

- Actions taken in 2000 (mainly the acquisition of Befesa and the start-up of the first Bioethanol production plant) were complemented with other strategic operations in 2001 (the sale of wind energy activity). In 2002, Management has focused on strengthening the capacity of the four business segments that make up Abengoa's current configuration as an industrial and technological company. The company's activities will be described further on.

- The following strategic operations have been developed in recent years:

2000

- A 300 million € investment to acquire Befesa through a take-over bid.

- Start-up of the first Bioethanol plant in Spain, with a production capacity of 100 million litres per year, for which the company invested 93.8 million €.

- Abengoa's share capital was increased by 75.1 million €.

2001

- Abengoa's environment division (specializing in environmental engineering) became part of Befesa, through a 75 million € share capital increase funded with a contribution by Abensur.

- Sale of the wind energy activity for 109 million €.

2002

- A 100 million € investment to acquire High Plains Corporation, the fifth largest bioethenal producer in the United States through a take-over bid.

- Start-up of the second bioethanol plant in Spain, with a production capacity of 126 million litres per year, for which the Company invested 92.1 million €.

- The Company was awarded a R+D project from the U.S. Department of Energy (D.O.E.), to technologically improve the ethanol production process. The project involves the use of biomass to make the ethanol production process more economical and to increase energy efficiency, thereby reducing ethanol production costs and increasing its ability to compete with gasoline.

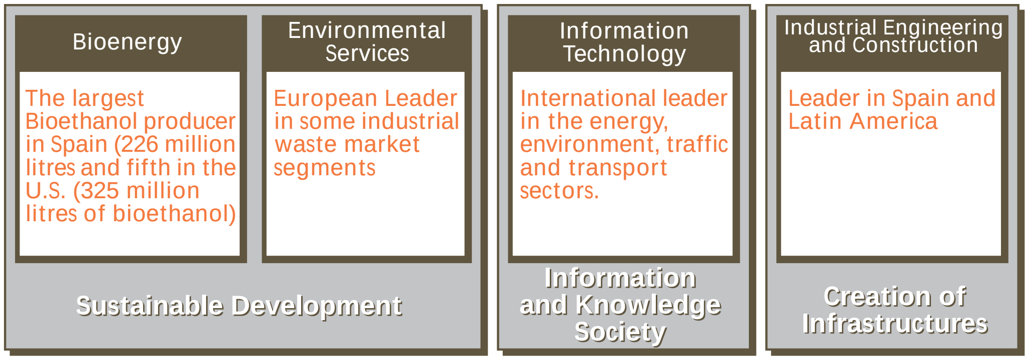
- In this stage of diversification and growth, Abengoa has received support from financial markets, obtaining the resources necessary for its growth. The company relied on the following four income sources to finance its growth: i) Share capital increase, ii) Profits generated from its traditional activity and iv) Long-term Corporate Financing.

Abengoa's current configuration and the nature of its business

- The operations carried out in 2000-2002 led to Abengoa's configuration as an industrial and technological company providing solutions for sustainable development, the information and knowledge society and the creation of infrastructures.

  The company's operations can be divided into four business segments:

Summary 2002



	Bioenergy	Environmental Services	Information Technology	Industrial Engineering and Construction
Percentage of sales in 2002	16%	28%	14%	42%
Percentage of EBITDA in 2002	14%	29%	14%	43%

- Regardless of its configuration and division into four business segments, currently there are two different types of activities carried out by Abengoa: a) Engineering, Construction, and Services comprising its traditional engineering activity, financed turnkey projects, and recurrent as well as service activity and the b) Sale of Commodities products. These two types of business source are carried out to a greater or lesser extent in each one of the four business segments.

a) Traditional Engineering and Construction Activity: In this activity, the main source of income is based on Abengoa's company to enter into contracts.

The above corresponds to private tender offers, public tenders, private contract awards, or other bid awards. Consequently, it is indifferent whether Abengoa is providing a service (carrying out a project) or delivering a specific good (manufacturing)

- Financed Turnkey Projects (Integrated Product)

For these projects, the main source of income is also based on Abengoa's ability to enter into contracts. However there is an added structured financing component (with or without capital investment)

These projects involve High Tension Power Lines (like the ANEEL lines in Brazil, Ralco in Chile, and CFE in Mexico) Conventional and CC Power Plants (like El Sauz, CD S. Carlos) Cogeneration Plants (like Motril, Biomass plants (B. Jiennense, EHN), Bioethanol plants (Castilla y Leon, Bioetanol Galicia, ETBE Huelva) Solar Energy plants, and electric plants with hydrogen fuel cells.

- Recurrent and Service Activities
Although their main source of income depends on bid contracts, they involve recurrent operational and maintenance activities, replacement parts and similar. For these activities, contracts tend to last for longer than a year.

Some significant examples include contracts with electric companies in Sainco, Inabensa's operational and maintenance contracts with vehicle manufacturers or electric companies, Telefónica in Abentel, Sainco Tráfico with the DGT and Town Halls, industrial waste treatment and management plants, etc.

b) Commodity related activities
This is a product sales activity whose income and cost are correlated to the sale of a commodity product. Within this type of activity, it is possible to differentiate metal and non-metal products, the sale of electricity at any Abengoa production plant (whether it be cogeneration, biomass, solar energy or others) and the sale of ethanol and its derivatives.

- Metal

Zinc. Income from this activity depends on two fundamental variables: i) fees and ii) the price of metal. This includes Zinc Waste Recycling activity.

Summary 2002

Aluminum. This corresponds to the Aluminium Waste Recycling activity

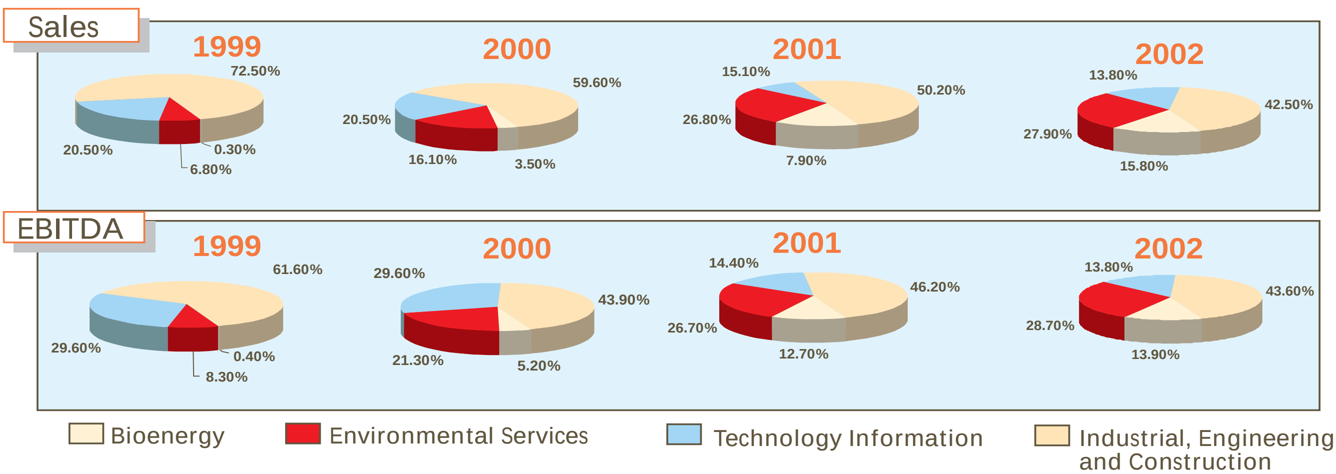
Aluminum salt. As with zinc, a fee is charged to remove this waste, which is subsequently treated. The sub-products obtained are then sold.

Non-metals. Desulpherisation: This consists of recycling sulphur waste from refinery facilities that transform them into sulphuric acid while generating vapour to produce electrical energy.

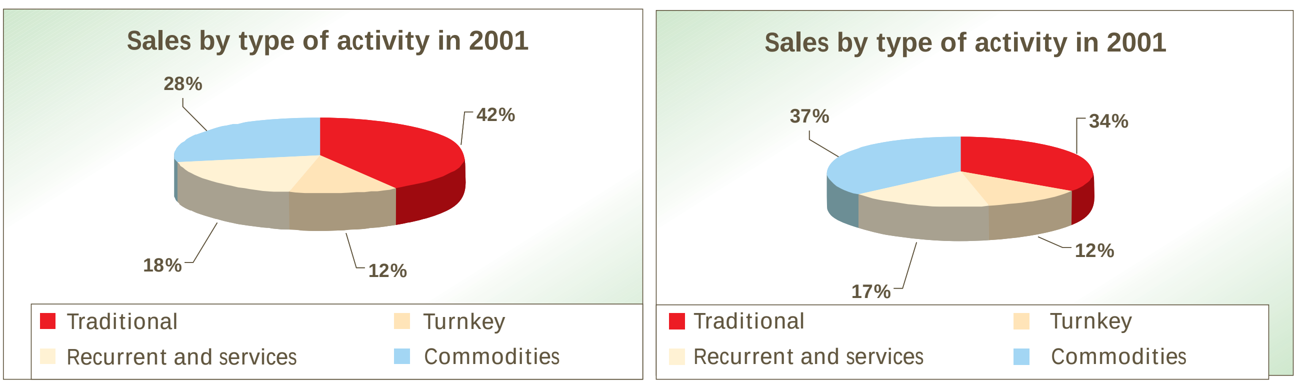
Sale of electricity from any Abengoa production plant. (Whether it be cogeneration, Biomass, Solar Energy or others): Biomass or Cogeneration plant production: Energy promoters (including Nuelgas, Cogesur, Bioenergy cogeneration activity and fuel cells. And electricity sales at Environmental Service cogeneration plants (Aureca, Aureval, and Auremur)

Sale of ethanol. This activity is affected by i) the price of gasoline ii) the price per grain iii.) the price of gas, as well as DGS and CO2 derivatives.

Sales and EBITDA by Business Segment



Sales by Type of Activity



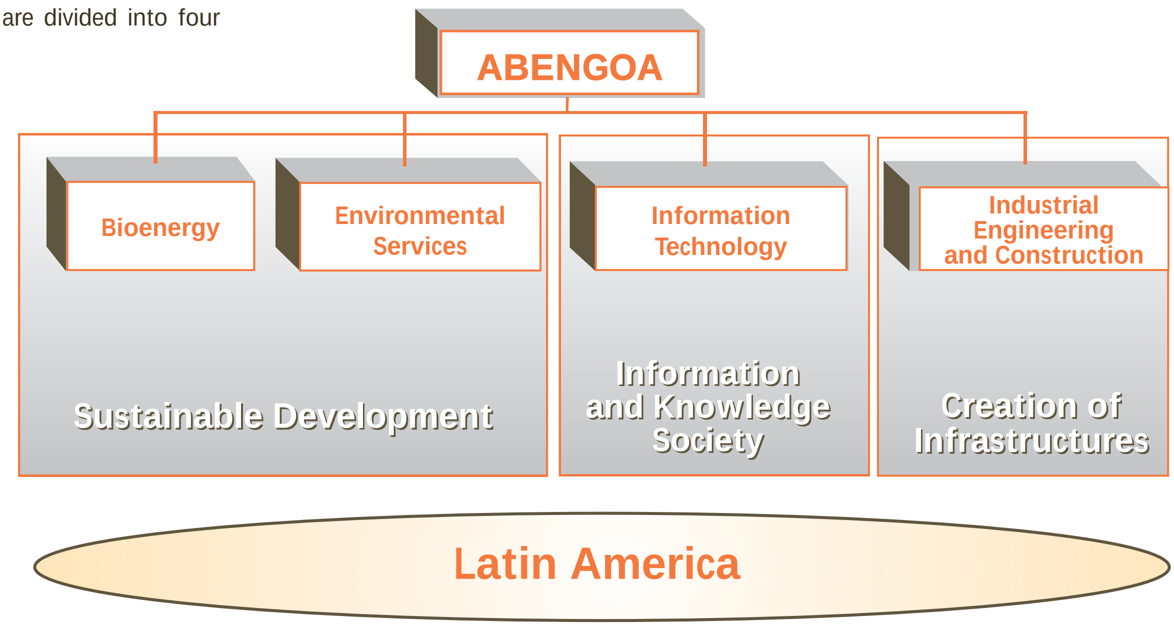
Summary 2002

- Abengoa currently offers a combination of businesses representing greater diversification in markets and customer portfolios. These businesses strengthen its capacities as compared to when the company first engaged in the engineering business.

	Engineering company			Diversified group divided into four different business segments		
	1996	Ebitda%	Sales%	2002	Ebitda %	Sales%
Business	Engineering	73	71	Engineering	43	42
	Information Technology	20	21	Information Tech.	14	14
	Environmental Services	7	8	Environmental Services	29	28
				Bioenergy	14	16
Geography	• Spain		66	• Spain		60
	• Latin America		26	• Latin America		22
	• Rest		8	• USA and Canada		10
				• Rest		8

General Description and Organization

Abengoa's operations are divided into four business segments:



Summary 2002

- These four business groups engage in the following activities:

- **Bioenergy**

The production of ethyl alcohol from vegetable products (cereals, biomass). The alcohol, (bioethanol), is used to manufacture ETBE (gasoline additive) or is blended directly with gasoline or gas oil. Because it is a renewable energy, the net CO2 emissions are reduced (greenhouse effect.

- **Environmental Services**

Aluminium waste recycling, salt cake recycling, zinc waste recycling, industrial waste management, industrial cleanup services and environmental engineering (engineering and construction for water treatment and waste management).

- **Information Technology**

The development and integration of systems and services: Systems include: Control and Information, private networks. Payment systems and automation of business processes for the energy, environment, traffic, transport and government sectors. Services including, hosting, management, administration and technology infrastructure maintenance.

- **Industrial Engineering and Construction**

Engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industrial, transport and service sectors.
Development, construction and operation of industrial plants and conventional power plants (cogeneration and combined-cycle) and renewable energy facilities (bioethanol, biomass, wind energy, solar energy and geothermal).
Turnkey telecommunications networks and projects.

- **Latin America**

A market in which Abengoa has been operating on a permanent basis for over thirty years. Local companies carry out all business segment activities with operational autonomy, while applying the management standards implemented by Abengoa as a whole.

Key figures for 2002

	millions of euros			%age change		% of total			
	31.12.02	31.12.01	31.12.00	02/01	02/00	12.02	12.01	12.00	Dif. 02/01
Sales	1,521.9	1,379.9	1,204.6	10.3	26.3	100.0	100.0	100.0	142.1
EBITDA	174.7	166.5	128.2	5.0	36.3	11.5	12.1	10.6	8.3
Amont. of con. goodwill	-16.7	-14.4	-6.8	15.8	145.3	-1.1	-1.0	-0.6	-2.3
EBIT	101.6	102.5	78.5	-0.9	29.5	6.7	7.4	6.5	-0.9
Net financial expenses	-49.9	-51.1	-41.0	-2.4	21.6	-3.3	-3.7	-3.4	1.2
P/L on temporary financial investments	-10.1	-0.2	19.8	6,515.0	-151.1	-0.7	0.0	1.6	-10.0
Net exchange differences	-7.2	-0.6	0.7	1,107.0	-1,080.0	-0.5	0.0	0.1	-6.6
P/L from equity-accounted companies	3.1	2.0	2.2	54.3	40.6	0.2	0.1	0.2	1.1
Extraordinary P/L	-13.7	1.3	-18.2	-1,123.9	-24.6	-0.9	0.1	-1.5	-15.0
Profit before tax	23.7	54.0	42.0	-56.1	-43.5	1.6	3.9	3.5	-30.3
Income Tax	21.4	-11.9	-5.3	-279.7	-501.2	1.4	-0.9	-0.4	33.4
Monitory interests	-1.7	-0.6	-1.5	175.9	13.1	-0.1	0.0	-0.1	-1.1
Profit attributable to parent company	43.5	41.5	35.2	4.8	23.6	2.9	3.0	2.9	2.0
Cash Flow	118.3	107.0	87.3	10.6	35.5	7.8	7.8	7.2	11.3

Summary 2002

- Consolidated sales as at 31/12/02 were 1521.9 million €, up 10.3% on the previous year. The increase in sales is mainly attributable to both the Bioenergy Business Segment, with sales amounting to 240.0 million €, as compared to 108.5 million € in 2001, and the Environmental Services Business group whose sales totalled 425.0 million euros in 2002 as compared to 369.9 million €in 2001.

  Throughout 2001 and 2002, in accordance with the commitment made in the strategic plan, Abengoa performed a series of actions (the incorporation of Befesa, disinvestment in wind energy activities, targeting the Bioenergy sector) leading to a 26.3% increase in sales.

  EBITDA (earnings before interest, taxes, depreciation and amortisation) amounted to 174.7 million €, 8.3 million € more than in 2001 (a 5.0% increase).

  By Business Segments, Abegoa has increased its contribution to Ebitda in all areas except industrial engineering and construction. In spite of the downward trend in the telecommunications and Latin American market, the Company was able to keep its contribution level at the same levels as in 2001.

  It is important to mention the negative items charged to Ebitda such as:

  - The conversion performed in the telecommunications area was due to a drop in margins in Telefónica, one of its main customers, leading to a negative Ebitda of 5.3 million €.

  - The 3.4 million € margin provision for Argentina due to the economic trend of this country.

  - The capital loss resulting from the sale of shares in Jazztel (4.5 million €). The aforementioned loan was completely paid off.

- EBIT (earnings before interest and taxes) reached 101.6 million €, which was similar to the previous year (102.5 million €) in spite of the fact that depreciation and amortization increased by 8 million € (12.5% higher than in 2001).

  It is important to mention the effort made to amortize consolidation goodwill leading to earnings amounting to 16.7 million € (15.8% higher than the 14.4 million € earned in 2001), as well as the increase in the depreciation of tangible fixed assets to 47.7 million € (an increase of 19.5% as compared to 39.7 million € in 2001).

- When analysing the company's financial results for 2002 it is necessary to take into account the negative impact of

  a. The provision set up for the investment in the SCH portfolio which caused losses amounting to 11.9 million euros.
  b. Exchange losses as a consequence of the decrease in value of foreign currencies (mainly the USA dollar) leading to losses amounting to 20.4 million € (a net 7.2 million €).

- Net extraordinary losses amounted to 13.7 million €.

  In spite of extraordinary revenue amounting to 66.3 million € (of which the most significant amount corresponds to capital gains on the sale of fixed assets –25.6 million €- and the disposal of its wind energy activity, -23.4 million €).

  Extraordinary expenses added up to 80.0 million €. Of the above mentioned expenses, it is important to mention the clearing of 32.9 million € in accordance with a prudence policy for business development risks abroad, the preventive clearing of assets amounting to 15.0 million, the cancellation of commissions and expenses from credit transactions amounting to 5.0 million € before they became due, and the clearing of other investments.

- With regards to Corporate Income Tax expenses, subject to the stipulations of the Resolution dated March 15, 2002 of the Spanish Accounting and Audit Institution (Instituto de Contabilidad y Auditoría de Cuentas), on some aspects of the sixteenth valuation principle included in the General Plan of Accounting, different group companies recorded a total of 27.0 million € for tax carry forwards offset against negative tax bases, as well as pending rebates and deductions

- Profit after taxes attributed to the parent company amounts to 43.5 million €, up 4.85 as compared to profit for 2001 (41.5 million €).

  The above profit implies a profit per share of 0.48 €, up 5% as compared to the 0.46 € per share for 2001.

- Net cash flow increased by 10.6 % to 118.3 million € (107.0 million € in 2001).

International Activity

- In 2002 there were also significant changes in Abengoa's activity abroad. The company increased its volume but above all it was able to diversify as a result of its Bioenergy activity in the U.S. Of the 1,521.9 million € invoiced in 2002, 611.8 million euros (40.2%) corresponds to sales abroad. Sales in Spain account for 901.1 million € (59.8%) as compared to 879.3 million € in 2001 (63.7%)

Of the total amount of sales abroad in 2002, 386.9 million € corresponds to local activity, or in other words, invoicing by local companies established in different countries. Exports from Spanish companies amounted to 224.9 million € (14.8%). In 2001, local activities and exports accounted for 21.7% and 14.6% of sales respectively.

It is important to highlight the change in contributions from different geographical areas. The percentage of sales in Latin America was 40% in 1999, 29.2% in 2000, 24.4% in 2001 and 21.9 % in 2002.
This change owes to the greater weight of Europe, USA, and Canada and the incorporation of High Plains in 2002.
The geographical distribution of sales is as follows:

Exports and sales by local companies	2002 Millions of euros		2001 Millions of euros		2000 Millions of euros		1999 Millions of euros	
USA and Canada	143.2	9.5%	5.8	0.4%	2.8	0.2%	0.3	0.0%
Latin America	333.7	21.9%	336.7	24.4%	352.3	29.2%	346.4	40.0%
Europe (others)	94.4	6.2%	125.8	9.1%	76.5	6.3%	41.8	4.9%
Africa	10.9	0.7%	9.4	0.7%	14.2	1.2%	12.4	1.4%
Asia	29.6	1.9%	22.9	1.7%	10.6	0.9%	4.6	0.5%
Total sales abroad	611.8	40.2%	500.6	36.3%	456.4	37.8%	405.5	46.8%
- Local	386.9	25.4%	298.3	21.7%	253.5	21.0%	272.2	31.4%
- Exports	224.9	14.8%	202.3	14.6%	202.9	16.8%	133.3	15.4%
Total sales in Spain	910.1	59.8%	879.3	63.7%	748.2	62.2%	460.7	53.2%
Consolidated total	1,521.9	100.0%	1,379.9	100.0%	1,204.6	100.0%	866.2	100.0%

Summary 2002

RDI

- Abengoa's proposal is based on:

- Commitment involving the public administration and technology companies to implement a ten-year Strategic Innovation Plan, clearly targeting priority sectors and defining the action required to ensure the full involvement of the public RDI system.
- Creation of long-term programmes to implement Relevant Demonstration Projects involving the public administration and each of the companies selected, establishing the technological assets and financial resources that each party undertakes to provide.
- Effective implementation of tax benefits to incentivise innovation, which innovating companies currently have great difficulty in applying.
- Effective coordination among public administrations.
- Guaranteed continuity of the plan, ensuring that it is not affected by changes of government or the ups and downs of the business cycle.

Abengoa's Innovation Strategy

- Corporate structure
- Results oriented

Abengoa's policy is geared to creating and sustaining value. Its innovation efforts are results oriented and based on the pursuit of three tangible objectives:

- Diversification: new products and services
- Product differentiation: improvement and adaptation of existing products
- Process improvement

Intangible objectives include the acquisition of key competencies and, most importantly, the generation of future options, which is closely linked with the creation of value through growth prospects and the development of new business.

How the strategy is implemented

Abengoa implements its innovation policy in various ways: in-house innovation aimed at providing specific solutions for individual customers and in-house developments; outsourced innovation based on collaboration agreements with universities, public research bodies and other third parties, in which case the work is usually shared; and in some cases technology is purchased. Another method much used in recent times is the acquisition of strategic financial interests in tech companies.

In such cases, the move is usually a corporate initiative, although subsequent management is undertaken by the individual companies involved.

The economics of innovation: financing

- External resources:
  - Tax benefits
  - Subsidies
  - Universities, public research bodies
  - Shared R&D
  - Customers
- In-house resources
  - Investment
  - Yearly expense item

Innovative business segments and type of innovation

- Bioenergy: radical and differential innovation, mixed financing (US Department of Energy, Framework Programme).
- Solar and cells: radical and differential innovation, mixed financing (Framework Programme).
- Telvent: differential and radical innovation, mixed financing (Framework Programme).
- Befesa: differential, dispersed, internal financing, in-house implementation.

Investment in RDI

2000		2001		2002		2003 (P)	
Millions of euros	Percentage of Sales	Millions of euros	Percentage of Sales	Millions of euros	Percentage of Sales	Millions of euros	Percentage of Sales
5,980.1	0.5%	7,5984.2	0.5%	11,065.2	0.7%	20,480.6	1.2%

Summary 2002

Share perfomance

According to the figures supplied to the company by Servicio de Compensación y Liquidaciones de Valores, S.A. (Securities Clearing and Settlement Service) for the last General Meeting held on June 30,2002, Abengoa, S.A. had 6,038 shareholders (6/26/02).

Excluding the interest held by the shareholders, Inversión Corporativa I.C., S.A. and its subsidiaries Finarpisa and Ibisa (55.16%). as at December 31, 2002, Abengoa believes there is free float of 44.84%.

According to the figures supplied to the company by Sociedad Rectora de la Bolsa de Valores de Madrid (Governing Body of the Madrid Stock Exchange), 34,488,670 shares were traded in 2001. The average volume of daily trading over the year was 137,954 securities compared with 110,031 in 2001 (up 25.2%). Minimum, maximum and average listed share prices in 2002 were 4.15 €, 8.97 € and 6.02 € respectively,

The last closing price quoted for Abengoa shares in 2002 was 5.60 €, 18.96% lower than on December 31, 2001 and 206.97% higher than the share price established for the public offering of shares on November 29, 1996.

Bioenergy

- Production of ethyl alcohol from plant-derived organic matter (cereals, biomass), The resulting alcohol (bioethanol) is used to manufacture the fuel additive ETBE or is blended directly with petrol or gas oil. As it is a renewable energy source, net CO_2 emissions are reduced (greenhouse effect).

Bioenergy

Overview of main developments:

- Organisation
- Operations in the United States
- Operations in Europe
- Technological research and development

Organisation

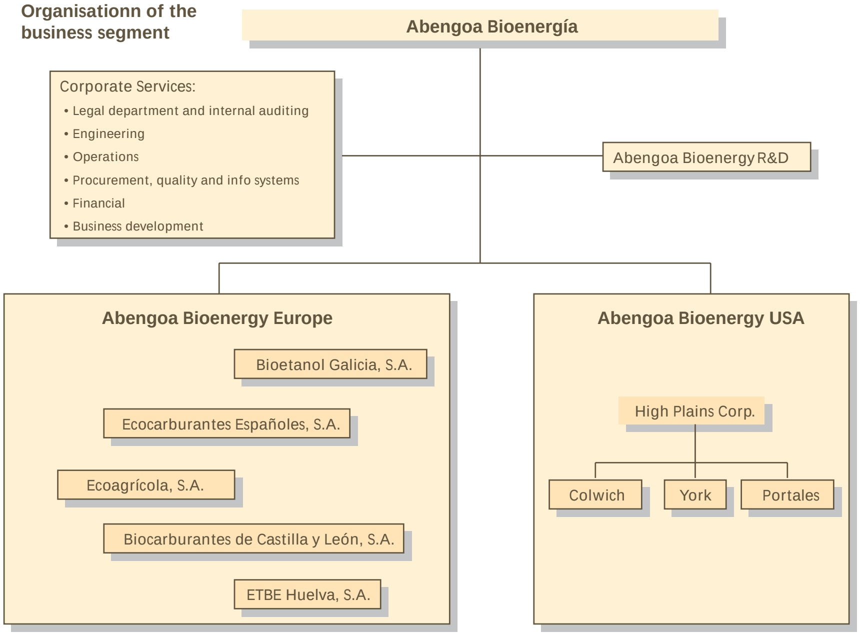
All the activities relating to the production and sale of ethanol and the by-products of the production process (mainly DDGS and CO2) were grouped together and formally constituted as a business segment within Abengoa at the beginning of 2002. The company chosen to head the Bioenergy Business Segment is Abengoa Bioenergía, which holds the shares that Abengoa owns in the bioenergy companies:

- Ecocarburantes Españoles
- Ecoagrícola
- Bioetanol Galicia
- Biocarburantes de Castilla y León
- ETBE Huelva
- High Plains
- Abengoa Bioenergy R&D

The head company, Abengoa Bioenergía, provides the corporate structure for the business segment. It is responsible for economic and financial administration, operations, engineering, legal matters, internal auditing, human resources, R&D, quality and information and procurement systems for all the segment's companies, with a view to unifying and standardising operational criteria and implementation policies in each of these areas and to guaranteeing the effective transfer of knowledge within the business segment.

Abengoa Bioenergía decided to establish its business segment headquarters in the city of San Luis (USA), concentrating all the above-mentioned corporate services there.

Organisationn of the business segment



Workforce

Spain	Total employees
Ecocarburantes Españoles	81
Bioetanol Galicia	66
Corporativo Abengoa Bioenergía y Ecoagrícola	12
Total workforce in Spain	**159**

USA	Total employees
Colwich	44
Portales	43
York	60
Corporativo Usa	23
Abengoa Bionergy R&D	7
Total workforce in USA	**177**

Abengoa has invested a considerable amount of time and effort into implanting its corporate culture in High Plains, which involved adapting its procedures to Abengoa's corporate management system, reporting system and associated information system standards.

Another significant development was the implementation of operational risk management procedures for the purchase of commodities (particularly cereals, gasoline and natural gas) in the United States and Europe. The objective of this strategy, which is periodically revised, is to establish systematic action in response to market trends in order to attenuate the effects of market volatility on the business segment's bottom line.

Operations in the United States

Abengoa acquired High Plains pursuant to a cash tender offer at the end of 2001. It is the fifth biggest ethanol producer in the United States and currently operates three facilities located in Nebraska, Kansas and New Mexico, with an overall production capacity of 90 million gallons a year.

The decision to postpone by a year the MTBE phase-out initially scheduled to come into force on 1 January 2003 in the state of California, which resulted in a shift in the projected ethanol supply-demand balance in the US, and a bad corn harvest (the worst in five years) interfered significantly with estimates and projections for 2002. An outstanding performance by the ethanol production plants, all achieving 100% availability and over 100% efficiency, and a significant reduction in fixed and variable direct and indirect operating costs went a long way to offsetting the negative impact of adverse corn and ethanol price trends, which resulted in the lowest ratio (spot price for ethanol/purchase price for corn) on record in the United States.

The recovery of the price of ethanol in the second half of the year and the correction of the corn market once speculative pressures had subsided suggest a brighter outlook for 2003. Several factors point to an improved supply-demand scenario in 2003: the major refiners serving the Californian market announced their commitment to ethanol blending; implementation of the gradual phase-out plan is continuing according to schedule in the other 17 states where specific commitments had been made; it has been announced that strategic reserves of biofuels will be established in the United States; and

the Renewable Fuel Standard (RFS) is now before Congress.

High Plains plans to increase production by increasing production capacity at its existing facilities and expanding its commercial capacity. It has fixed a production target of 110 million gallons and a commercialisation capacity target of 140 million gallons to be reached by the end of 2003. It is also considering a number of «greenfield projects» for new facilities which would increase its production capacity.

Operations in Europe

The stabilisation of operations continued at the Ecocarburantes Españoles facility in Valle de Escombreras (Cartagena), which has a production capacity of 100 million litres. As a result, cost per unit of production has been significantly reduced, and design production and efficiency levels have been reached.

In the middle of the year, Ecoagrícola, a company that purchases grain, sells DDGS–ecological protein feed– and provides comprehensive logistics management for the Spanish plants, started up a 40-million-litre vinic alcohol plant in Cartagena, achieving outstanding performance results to date.

At the end of the year, Abengoa Bioenergía started up its second plant in Spain, Bioetanol Galicia, which is located in Curtis (La Coruña) and has a production capacity of 126 million litres.

Consumtion and production figures for 2002 at plants in Spain

	Ecocarburantes Españoles	Bioetanol Galicia	Total
Consumption			
Inputs			
Cereal (Tm)	269,329	49,808	319,137
Natural gas (Kt)	564,098	233,719	797,817
Production			
Outputs			
Etanol (m^3)	108,118	12,968	121,086
DDGs (Tm)	112,426	17,942	130,368
CO_2 (Tm)	15,640	-	15,640
Exported electricity (Mwh)	142,428	61,217	203,645

Bioenergy

Work is scheduled to start, in 2003, on the construction of Abengoa Bioenergía third plant in Spain, Biocarburantes de Castilla y León, a company in which Abengoa and Ebro Puleva each have a 50% ownership interest. The facility, with a production capacity of 200 million litres, will be located in Babilafuente (Salamanca) and will incorporate a plant that produces ethanol from biomass.

The EU directives aimed at the promotion and detaxation of biofuels expected to be passed in 2003 will provide a stable long-term framework for the industry. This is particularly important for Abengoa Bioenergía, since one of its main strategic objectives is to build up an export market and carry out projects in the EU.

Technological research and development

R&D is the third pillar of Abengoa Bioenergía strategy, and its activity and efforts in the area of technological research and development are concentrated in Abengoa Bioenergy R&D, which is a subsidiary wholly owned by High Plains with its head office in San Luis, Mo (USA).

Abengoa Bioenergía has started up a four-year research and development plan with a budget of USD 40 million, focusing primarily on the following areas:

- Increased efficiency in ethanol production by converting and fermenting the waste starch and vegetable fibre contained in DDGS.
- Conversion of corn stover (biomass) into ethanol.
- Development of future markets for different ethanol end uses, including flexible fuel vehicles (FFV), ediesel and fuel cells.

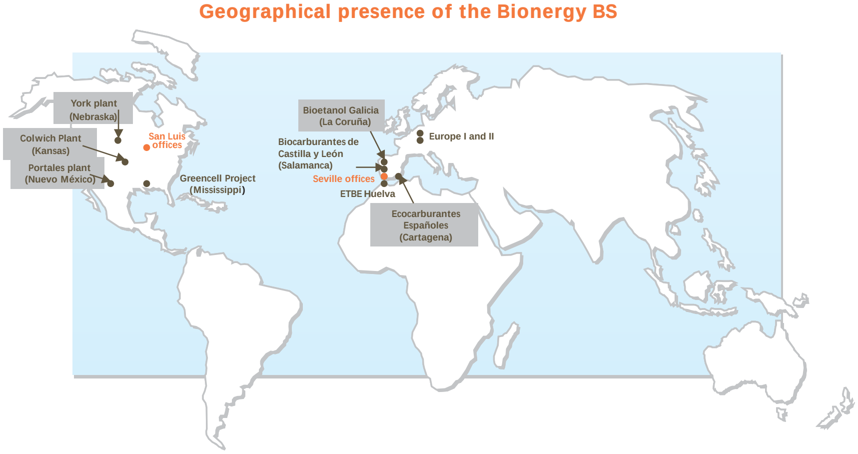
The US Department of Energy has chosen High Plains, along with five other companies, after screening almost 200 proposals in the initial phase, to participate in an R&D project worth USD 35.7 million. The US DOE will put up 50% of the funding for the project.

The project, entitled «Advanced Biorefining of Distillers' Grain and Corn Stover Blends: Pre-Commercialization of a Biomass-Derived Process Technology», has five main objectives:

- To increase the efficiency of the ethanol production process by converting and fermenting the waste starch and vegetable fibre contained in DDGS.
- To convert corn stover into ethanol.
- To improve the protein properties of the new DDGS, so that the co-product can be introduced in new market niches.
- To improve energy efficiency in the ethanol production process.

The other partners involved in the project are Novozymes North America, VTT-Finland and the US National Renewable Energy Laboratory.

Geographical presence of the Bionergy BS



Environmental Services

- Aluminium waste, salt cake and zinc waste recycling; industrial waste management; industrial cleaning services; environmental engineering (water treatment and waste management engineering and construction)

i

Environmental Services

Befesa Medio Ambiente

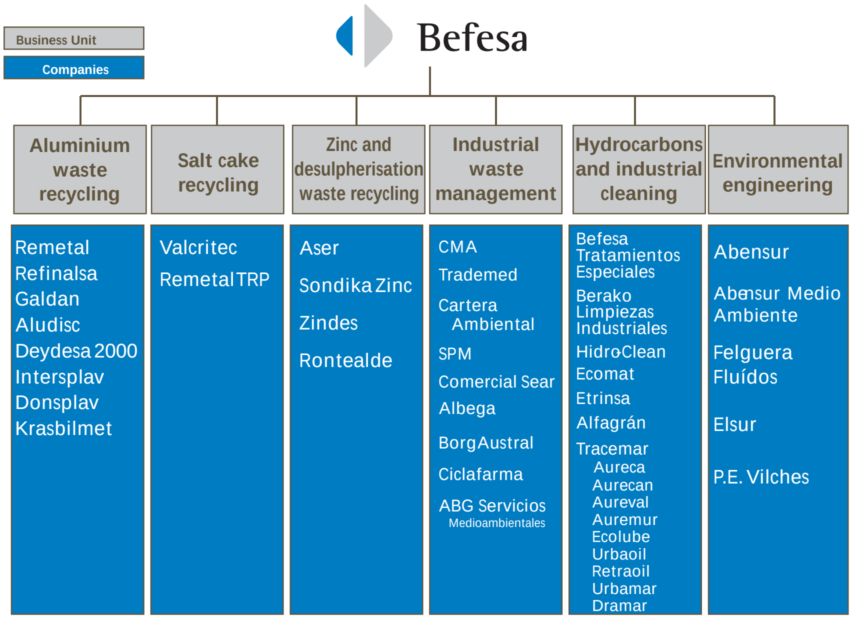
The process completed in 2001 to fully integrate all Abengoa's environmental activities in Befesa, strengthening the company substantially, was followed in 2002 by a series of important acquisitions. These, together with rapid internal expansion, have contributed to improving our market position.

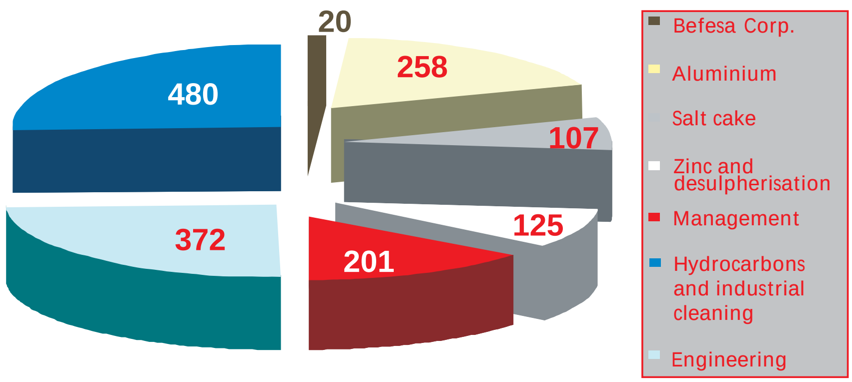
Great effort has gone into setting up the corporate structure and organisation best suited to each business area, with a view to building up a strong position in a market that continues to be characterised by rapid growth and consolidation.

There was an important change in the company's shareholding structure in 2002, when Nefinsa acquired a 4.88% ownership interest in Befesa through its subsidiary Terraire.

The worsening economic situation affected the environmental sector, which saw a widespread fall in demand and lower prices for certain recycled products in 2002. In spite of these adverse developments, our environmental business unit performed well, and Befesa succeeded in strengthening its leadership position in the Spanish industrial waste treatment market.

In environmental engineering, the implementation of the National Hydrological Plan and the National Irrigation Plan resulted in heavy investment in infrastructure in 2002. The companies operating in this area of business therefore performed well in 2002 and have a healthy forward order book, ensuring good prospects for coming years.





Total: 1,563 employees (31.12.2002)

Average workforce

Managers	71
Graduates and technicians	292
Administration	140
Manual	875
Total	1,378

(excluding Intersplav)

Environmental Services

Areas of business

Aluminium waste recycling

Befesa is the leading Spanish operator in integrated aluminium waste and scrap recovery and secondary aluminium alloy production. It is also the biggest operator in the aluminium waste recycling sector in Europe.

The trends observed in the latter part of 2001– a sharp fall in prices and significantly lower demand– continued into 2002, making it a difficult year for businesses operating in the secondary aluminium sector. In spite of this, our subsidiaries in this sector performed well.

The Befesa companies operating in the sector treated some 158,000 tonnes of aluminium waste, confirming an irrefutable leadership position in Spain.

In 2002 Befesa also improved the performance of its UK plant, the first and only facility of its kind existing in that country. With the capacity to treat 70,000 tonnes of waste a year, it can recycle all the salt cake produced in the UK.

Over the year, more than 144,000 tonnes of salt cake were treated, 6% up on the previous year.

Salt cake recycling

Salt cake is a highly toxic waste produced during the aluminium waste recycling process. This salt cake must also be recycled in order to complete the recycling process and ensure full reuse of waste containing aluminium. This activity can then be considered one that generates zero waste.

Befesa is the only company in Spain with the facilities and expertise required to provide integrated aluminium recycling services.

Befesa currently operates the only salt cake recycling plant in Spain incorporating in-house technology. It has the capacity to treat over 100,000 tonnes of salt cake and can therefore recycle all such waste generated in Spain.

Zinc and desulpherisation waste recycling

This was also an exceptionally difficult year for companies in the zinc business. Zinc prices fell sharply to the lowest level in twenty years, a downward trend, which began in 2001 and continued to eat away at profit margins in 2002.

In spite of this adverse scenario, our companies once again demonstrated that the strong strategic position they have built up in the Spanish market gives them an advantage over other zinc waste recyclers. The ability of our companies to adapt and innovate enabled them to achieve financial results that can only be termed exceptional.

Environmental Services

Befesa is the only Spanish company that provides integrated steel EAF dust collection and treatment services.

The most important developments of the year include the following:

- A long-term agreement with Basque iron and steel works, as a result of which nearly all the steel plant dust it treats is generated nationally.
- Changes introduced in the production process, leading to a significant increase in treatment capacity.
- Significant improvements to production facilities.

Befesa treated almost 217,000 tonnes of zinc and desulpherisation waste in 2002, resulting in the production of almost 355,000 tonnes of marketable products.

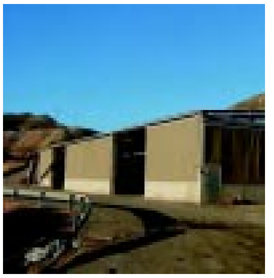
Industrial waste management

Spain still lags behind many European countries in terms of the volume of industrial waste managed nationally. However, continuing the trend of recent years, Spain is narrowing the gap with its European neighbours, which means that this sector is experiencing very rapid growth.

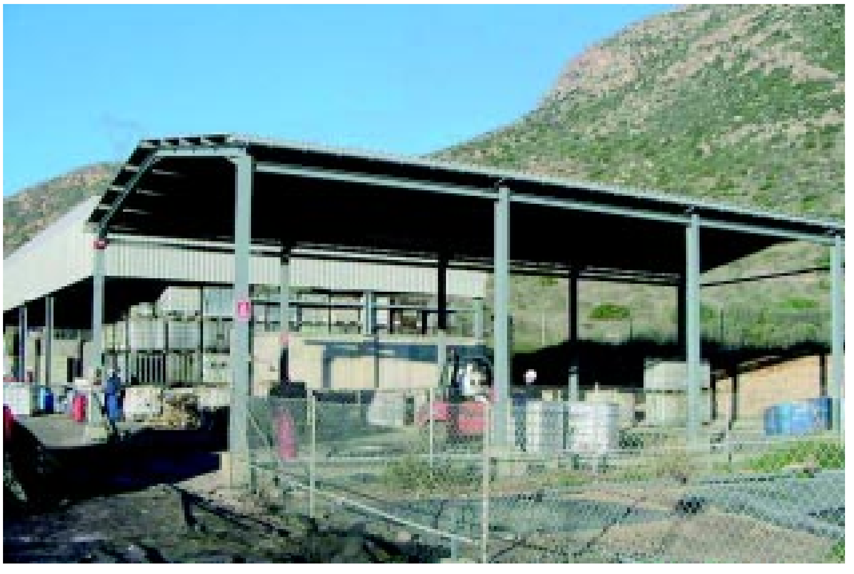
In the area of industrial waste management, efforts are centred on providing integrated environmental services for industry, based on a firm commitment to industrial waste recycling and reuse. We have built up a strong position as a final waste manager and operate in all the main geographic areas.

Our state-of-the-art facilities include waste transfer stations, three environmental facilities providing physico-chemical waste treatment and intertisation, and two disposal sites for both hazardous and non-hazardous waste, making Befesa one of the national leaders in integrated industrial waste management.

With the expertise and experience of a highly qualified professional team, Befesa provides management, logistic, transport, conditioning and prior storage services for a whole range of industrial waste produced by a variety of customers, including both multinationals and small- and medium-sized businesses, which in certain areas of Spain represent an important part of the industrial fabric.



With a view to offering our customers optimal, integrated solutions, Befesa has continued to modernise and extend its facilities. It has also made numerous acquisitions to strengthen its leadership position nationwide in hazardous waste management.



Environmental Services

These include, among others:

- Acquisition of 100 % of Logística y Control, a waste transfer station in Alovera (Guadalajara).
- Acquisition of 100% of Comercial Sear, a waste transfer station in Zaragoza.
- Acquisition of 100% of Tría and Progesa, environmental consultancies in Catalonia.
- Formation of the company Albega (Alianza Befesa Egmasa) in which Befesa and Egmasa each have a 50% shareholding, for the operation of the inertisation plant in Palos de la Frontera (Huelva).
- Increase of its shareholding in CMA to 100%.

As part of its ongoing commercial drive and coordination efforts aimed at maintaining its leadership position in this market and preparing to meet future challenges, Befesa has initiated a process to merge all the companies operating in this area of business under the trademark Befesa GRI. The unification of the sales force according to standard criteria, service improvement and increased efficiency will enable us to continue to provide our customers with better services under a single trademark.

The initial results of these efforts have been greater competitiveness and a 47% increase in the total volume of industrial waste managed in 2002 to 410,000 tonnes.

Our waste transfer stations and physico-chemical and inertisation facilities have managed and treated 98,000 tonnes of waste, up 44% on the previous year's figure.

Hydrocarbons and industrial cleaning services

Tracemar commenced operations last year and has built up its position as a leading company in the collection, treatment, recovery and regeneration of used oil and Marpol waste in Spain. It operates over 90 vehicles, which collected 135,000 tonnes of oily waste in 2002, 15 waste transfer and storage stations and eight oil waste treatment, recycling and regeneration facilities, four of which have power

generating systems, which are used to power the plants, with excess electricity being exported to the grid.

Tracemar has also promoted the collection of other types of industrial waste as a supplementary service offered to auto garages.

An important development in 2002 was the acquisition of 70% of the companies Berako, S.A, Hidro-Clean, S.A., Hidro Limp, S.A. and Ecomat, S.A. These companies provide highly specialised industrial cleaning services incorporating a high level of technological expertise for sectors such as the petrochemical industry, the iron and steel industry and the energy industry. They also provide crude oil tank cleaning services nationwide and in various European countries using an innovative automatic cleaning process.

With both permanent and mobile facilities, the Berako Group is one of the leading organisations in the sector and has an extensive customer base, including large and medium-sized companies, as well as institutions and local authorities.

These acquisitions have put Befesa in a leadership position in the refinery and industrial cleaning sector nationally and have strengthened its business base in a sector with very promising growth prospects.

Through Compañía Unión Química Naval e Industrial (Unquinaval), Befesa also operates in the area of petroleum waste treatment and tank cleaning and repair.

The need for a major reorganisation of this business unit arose as a result of rapid growth and numerous acquisitions in recent years, combined with the extension of service offerings, good financial results and the demands on it to meet ambitious challenges in the future both in Spain and abroad.

The organisation of this business unit was therefore restructured at the beginning of 2003. As a result, the company Befesa Tratamientos Especiales (formerly Unquinaval) will promote activities in the area of soil decontamination and waste treatment and management using mobile facilities. Plans for the future include the expansion of all activities into foreign markets.

The company Hidro-Clean will specialise in automated cleaning (SALT) for large crude and fuel oil tanks to strengthen its position in Spain and Portugal and to expand into Europe and Latin America.

Prior to the reorganisation, this company had been carrying out industrial cleaning and dust extraction activities, which have been transferred to Berako Limpiezas Industriales, a company that groups together all the activities formerly carried out by Hidro-Limp, Berako and Berako Equipos Especiales: industrial, hydrodynamic and chemical cleaning, dust extraction and the removal and replacement of catalysers.

At other facilities, Befesa recycles most of the greenhouse covering waste produced in Spain through Alfagrán and provides an effective solution for PCB contaminated equipment through Etrinsa.

Environmental engineering

Befesa Group environmental engineering operations are implemented through the companies Abensur, Abensur Medio Ambiente and Felguera Fluidos.

In an increasingly dynamic market, Abensur has continued to expand, achieving high levels of market penetration, with a track record that proves that it is highly competitive and successful in implementing effective, integrated technical solutions.

Growing concern for environmental issues and sustainable growth has had a direct effect on this market. Civil engineering infrastructures are giving way to projects which have less of an impact on the environment, such as treated water reuse, the replacement of traditional gravity irrigation with pressurised sprinkler or drip irrigation, etc.

The desalination of seawater and brackish water is an important alternative source of water that can be used to supply households, providing an additional guarantee beyond traditional surface and groundwater resources. In 2002 we participated in various national and international fora on desalination.

Environmental Services

Continuing the trend of recent years, in the water market there was an increase in the volume of tenders put out by the Ministry of the Environment, our main customer, the state-owned hydrographical companies, the Ministry of Agriculture through the state-owned infrastructure companies responsible for investment in modernising irrigation systems, and the rest of the public sector. The regional governments and city councils are currently undertaking major investments in urban sewer systems and wastewater treatment works, which must be completed by 2005 in compliance with EU directive 91/271.

The implementation of the National Hydrological Plan, including the Ebro water transfer to Catalonia and the Mediterranean Levante, and the National Irrigation Plan have given renewed impetus to the hydraulic sector, one of Abensur's traditional areas of business.

The most significant contracts won in 2002 include, in the area of irrigation, the replacement of the Comunidad de Regantes de Villarreal's traditional irrigation system with localised irrigation (Castellón) for Seiasa de la Meseta Sur and the extension of the main pumping station of the irrigation area on the northwestern coast of Cadiz to a capacity of 9.2 m3/s and 10 MVA for the Guadalquivir Hydrographical Confederation. In the area of water treatment, it has won a contract to provide tertiary treatment facilities to purify the effluent of the Tarrasa wastewater treatment plant (Barcelona), so that it can be used to irrigate the new golf course of the El Prat Real Club de Golf.

Projects carried out abroad include the 500 l/s drinking water supply system for the municipality of Loja (Ecuador). The 8420 m3 a day wastewater treatment plant serving the towns of Buin Oriente, Linderos, Paine and Alto Jahuel has been completed for EMOS, the Metropolitan Wastewater Company of Santiago, Chile.

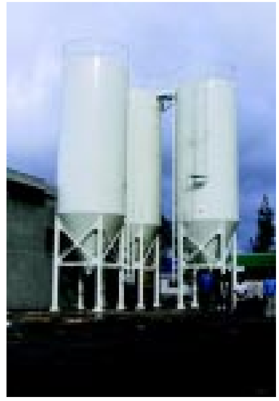
Significant projects in 2002 include:

- Replacement of the traditional irrigation system with a 1250 h localised system in the Villarreal irrigation area (Castellón), including: regulating pond, pumping station, automatic fertilizing system, conveyance networks, remote control system and management building for Seiasa de la Meseta Sur.

- Uptake, 39 km conveyance system and a water purification plant capable of handling 500 l/s, extendable to 1000 l/s, for a population of 175,000 inhabitants in the municipality of Loja (Ecuador).

- Tíjola 6000 KVA and Los Manueles 3150 KVA hydroelectric power stations, equipped with Pelton turbines, installed on the gravity feed section of the Negratín-Almanzora transfer (Almería) for Abensur.

- Pressurisation for the Negratín reservoir (Granada) of the Negratín-Almanzora water transfer with a



nominal flow rate of 2 m3/s at 421 m and 5445 m long, constructed with varying diameters and materials for Acusur.

- Reverse osmosis seawater desalination plant with an output of up to 65,000 m3 a day to supply the towns of the Campo de Cartagena (province of Murcia) for the Spanish Environment Ministry.

- Reverse osmosis seawater desalination plant for Acusur with an output of up to 120,000 m3 a day (largest desalination plant in Europe), providing irrigation water for the Campo de Níjar in Carboneras (province of Almería).

- Desalination plant in El Atabal for Acusur to convert the brackish water from the Guadalteba-Guadalhorce, Viñuela and Limonero reservoirs and from the aquifer on which it is built, with salinity ranging between 6500 mg/l and 850 mg/l. It can handle up to 165,000 m3 a day and provides the water supply for Malaga.

- Wastewater treatment plant for Villarejo de Salvanés, Fuentidueña de Tajo, Estremera, Brea de Tajo and Villamanrique de Tajo, serving a population of 33,000, included as part XIII of the region of Madrid's 100% Water Treatment Plan with prolonged aeration technology for Canal de Isabel II.

- Extension of the Barranco Seco II wastewater treatment plant (Las Palmas) for the Spanish Environment Ministry, serving a population of 245,000. It uses tertiary treatments including electrodialysis reversal (EDR) and ultrafiltration to provide 26,000 m3 of water a day for irrigation purposes.

Abensur Medio Ambiente continued its work as the company responsible for the environmental engineering, development and construction required in Befesa's industrial waste treatment projects. Based on its expertise in the industrial waste sector and in response to new challenges arising from the implementation of strict EU environmental policies and the need for sustainable development, it provides Befesa's companies with technical assistance for the promotion of corporate

development projects both in Spain and Latin America.

It has also continued to construct urban solid waste treatment plants. The operation of such facilities and slurry treatment plants is an activity that it has extended and reinforced.

Felguera Fluidos is a company that designs and constructs plants to treat industrial wastewater and process water and to purify the wastewater from a variety of industries.

Environmental Services

It continued to win and perform contracts for projects at combined-cycle power stations in Spain and abroad. It provided process and wastewater treatment at the El Sauz combined-cycle power station in Mexico, with the use of state-of-the-art evaporation and demineralisation technology based on reverse osmosis. It also carried out a similar project at the Castejón thermal power station (Navarre) for Hidroeléctrica del Cantábrico.

In the area of disposal-site and biomethanisation leachate treatment, Felguera Fluidos constructed the Pinto biomethanisation treatment plant (50,000 m3/year) and has been awarded the contract for a leachate treatment plant in Malaga (70,000 m3/year).

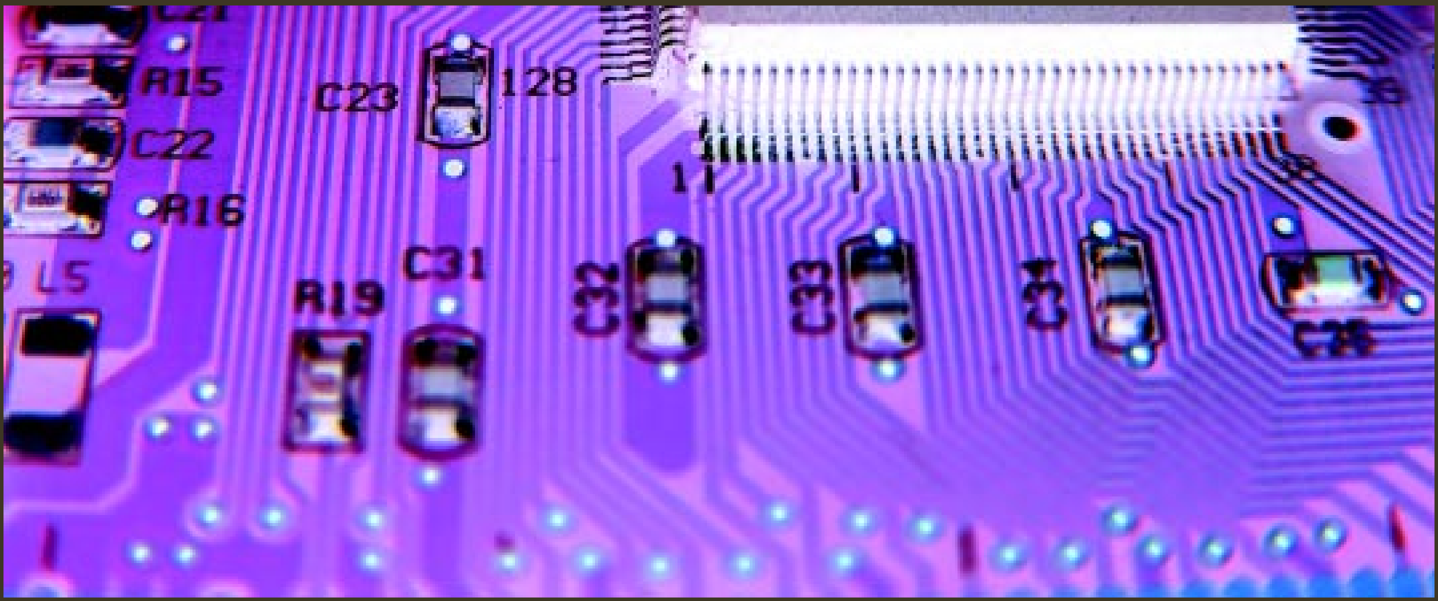
In the steel industry sector, Felguera Fluidos delivered several water treatment units for Aceralia, enabling it to maintain its irrefutable leadership position. It has opened up a new area of activity in the chemical sector, with the construction of a new biological sludge treatment plant for Interquisa-Cepsa. Significant progress has been made in the treatment of wastewater from olive preparation and packaging factories, with successful testing performed at Aceitunas del Guadalquivir and Aceitunas Camacho in Morón de la Frontera (province of Seville), two of the biggest olive companies. A wastewater treatment plant was constructed and commissioned for Bioetanol Galicia, with a combination physico-chemical and biological process to treat an annual flow rate of 100,000 m3 of highly contaminated wastewater, achieving an efficiency level of over 95%.

Presence of the Group around the world

(*) matters in execution

Information Technology

- System and service development and integration. Systems: control and information systems, private telecommunication networks, payment systems and business process automation for the energy, environment, traffic, and transport sectors and the public administration. Services: co-location, management, administration and maintenance services for technology infrastructure.



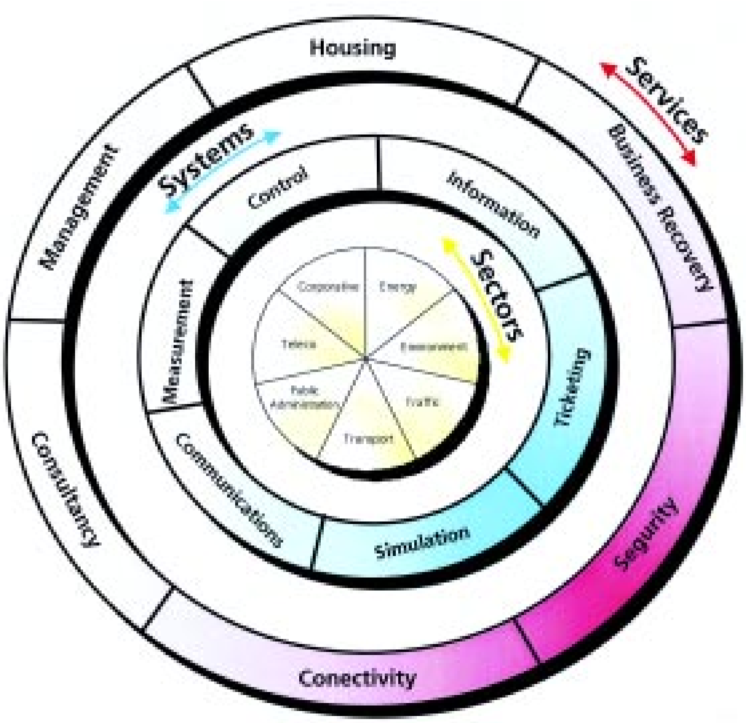
Information Technology

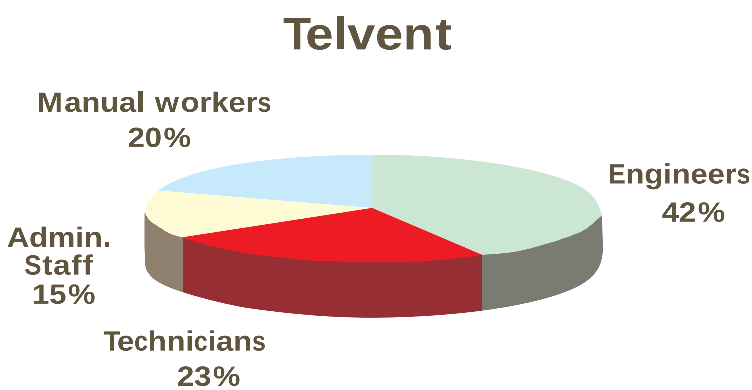
The adjustment cycle experienced by the Information Technology (IT) sector following the bursting of the technology bubble continued into 2002. Companies therefore cut back on spending in this area globally, and IT companies suffered a fall in sales and profits, with the ensuring avalanche of profit warnings. The uncertainty clouding the sector also resulted in the destruction of direct and indirect jobs in the sector and a lack of sources of financing.

In spite of this gloomy scenario, Telvent, implementing a management system based on workforce talent, technological innovation and a strict control of overheads, succeeded in achieving growth that was above the average rate for the sector, exceeding targets set for the year in the budget. It reported an 11% increase in sales on 2001, a 45% increase in EBITDA, a 72% increase in net cash-flow and 5% job growth.

We have concentrated efforts not only on the economic bottom line, but also on the ongoing process of improvement carried out in our organisation. In 2002 we therefore succeeded in completing a series of qualitative projects that have put us in a better and stronger position to meet the growth targets set in our Strategic Plan 2002 - 2005, making us a more focused, more solid and more efficient organisation.

At the end of 2001 telecommunication network deployment was transferred to the Industrial Engineering and Construction business segment, leaving Telvent with technological systems and services, hence the change in name from "Systems and Networks" used up to 2001 to "Information Technology" established in 2002. As a result, we have divided Telvent's offerings for the energy, environment, traffic, transport and naval sectors, public administrations, telcos and corporations into two broad groups, namely systems and services.





Engineers	694	42%
Technicians	386	23%
Admin. Staff	241	15%
Manual workers	323	20%
Total	1,644	

Information Technology

An important development in 2002 was the acquisition of Metso Corporation's Network Management Solutions Division. The division, which provides solutions for power and water transmission and distribution networks, is a world leader in technological innovation for SCADA (Supervisory Control and Data Acquisition) systems and advanced applications. It has offices in Canada (Calgary) and the United States (Houston and Baltimore), which will now become Telvent Canada and Telvent USA respectively.

This acquisition, which was formally finalised on 31 January 2003, will reinforce Telvent's information technology growth plan, complementing organic expansion in each of Telvent's areas of business. Furthermore, it adds 420 professionals to our workforce and a large number of companies to our customer base, including Chevron Texaco, Williams, Transcanada, Conoco, Shell, Duke Energy, British Petroleum, Saudi Aramco, Florida Power and Light, Carolina Power and Light, Petrobras, Petróleos de Venezuela and New York Subway.

The process of integration in Telvent, which will be carried out over 2003, is sure to run smoothly, as we have maintained a commercial relationship with the division for the past ten years, during which time we have installed SCADA OASyS systems for customers including Iberdrola, Unión Fenosa, Pemex, Repsol YPF, Electrobras, Mexican Federal Electricity Commission (CFE), Renfe, Metro de Barcelona and AVE Madrid Barcelona.

In 2002 we consolidated Telvent's structure with the full integration of Telvent Outsourcing and organisational changes in the structures of Sainco, Sainco Tráfico, Sainsel, Carrierhouse, Sainco México and Sainco China.

The synergy created in the administration departments and human resources departments has allowed us to reduce our overheads and increase EBITDA and profits in 2002, although the full effect of these changes will not be felt until 2003, when we will continue to take advantage of the new structure to optimise costs in the procurement and quality departments.

Information Technology

One of our key management priorities is to keep a strict control on all expenditure, which is clearly reflected in the fact that overheads were reduced from 11.6% of sales in 2001 to 10.2% in 2002.

In 2002, efforts to deploy the competency management system throughout Telvent were stepped up, and we have now produced job profiles for all positions in the company, specifying the technical and general competencies required for optimum job performance. By processing this information into recruitment, training and evaluation tasks, we were able to formulate career plans to promote the personal development of the individual in the organisation and the development of the organisation through each one of the individuals who form part of it.

We continued work on the implementation of the quality management systems in all Telvent's companies, placing particular emphasis on all the activities aimed at promoting process management excellence and the establishment of a continuous self-assessment culture based on the EFQM (European Foundation for Quality Management) model.

Also with a view to achieving advances in process management, in particular, the optimisation of each process, we set the 6 Sigma Programme into motion with the implementation of four Radical Improvement Projects. The results will be assessed in 2003, once the organisation's first Champions and Black Belts (in 6 Sigma terminology) have been trained to lead the preparation and implementation of the second round of projects planned for 2003.

Telvent continued to invest in research, development and innovation in 2002, as in previous years, earmarking 3.2% of sales for RDI efforts aimed at developing technological solutions as a solid foundation on which to build our growth strategy and leadership position in the medium and long term. To this end, we are cooperating with European technology companies and participating in international projects, in some cases led directly by Telvent under the ITEA (Information Technology for

European Advance) scheme, in which we formed part of the Steering Group along with Nokia, Siemens, Phillips, Thompson Multimedia, Thales, Italtel, Alcatel and Robert Bosch

At Telvent we believe that in order to ensure continuity in the creation of value in our companies, it is not enough to focus solely on the economic bottom line, we must also make principles of social equity and environmental protection issues part of our business strategy and operations. We therefore consider sustainable development a strategic factor; in addition to incorporating this principle in our general business strategy through environmental quality and human resources policies, we have also participated in schemes and conferences, which are working on ways to achieve sustainable development, and we recently joined the United Nations Global Compact for corporate leadership to promote the adoption of shared values and principles, with a view to giving a more human face to the global market.

Information Technology

System development and integration

Energy and environment

Our intense technological innovation and development drive continued in 2002, with a further strengthening of Telvent's commitment to technology, in the belief that these efforts are the key to gaining an advantage over our competitors.

This year, we successfully completed Insonet, a major EU home networking project led by Telvent. It involved designing a system for broadband communications using the low-voltage mains network and basic technology, such as microelectronic design and digital signal processing. Now that the objectives of the project have been met and the basic technology resolved, it provides an interesting line of research into its application both indoor and outdoor.

This research complements research into medium-voltage communications, where Telvent has achieved landmark developments and made significant progress. We secured the Iberoeka seal for a project to research the application of these technologies to Latin American networks and improved the performance of our products thanks to a new signal processing concept.

As a result of ongoing innovation to keep our product portfolio on the leading edge, we have continued to add new equipment this year, such as new signal input/output cards, communication cards, etc. Also in 2002 the first models of our new remote terminal for meteorological networks, Saimet, came out; the range will be completed in 2003.

Information Technology

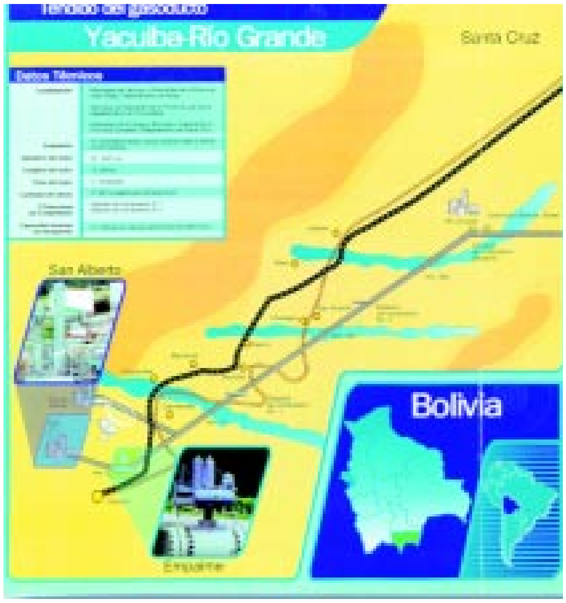
In the environmental sector, Telvent's meteorological area once again achieved particularly good results both in Spain and abroad.

Telvent has been providing solutions in the meteorological sector in Spain for the past twenty years and has installed automated weather observation systems (AWOS) at almost all of Spain's airports, airfields and military bases. Spain has a mature meteorology sector, with the most sophisticated, state-of-the-art systems available worldwide. Important contracts awarded to Sainco are proof of its commitment to innovation and technological leadership in the meteorological sector:

- Wind shear detection systems at Tenerife Sur and Bilbao airports for the National Meteorology Institute.
- Extension of air navigation aid systems at Barajas airport in Madrid.

Telvent also won similar contracts abroad in 2002:

- Supply of automated weather observation systems (AWOS) for the six main airports in Ecuador for the Civil Aviation Department.
- Supply of AWOS for six airports in Morocco for the National Meteorology Department.
- Supply of AWOS for the five main airports in Mozambique for the National Meteorology Institute, as part of an ambitious project awarded to Telvent for the automation of the country's meteorological system.
- Contract for high-altitude weather radars for Mexico's National Water Commission, which was completed in record time. As a result, the five radars in the country used to monitor high-altitude atmospheric phenomena were updated and put into operation.
- As part of the EU PRRAC programme with Nicaragua, work began in 2002 on the installation of a GOES satellite communications meteorological network for INETER.



Significant projects in the water sector include:

- Contract for the hydrological control system of the Mantaro river basin in Peru for the electricity company Electroperú.
- Contract to provide maintenance for the Guadalquivir automatic hydrological information system (SAIH) in temporary consortium with Abensur, further strengthening Telvent's position in the hydrological sector.

In the environmental protection sector, the maintenance contract for the air quality monitoring network was renewed for a further year by the Regional Environment Department of the Andalusian regional government.

Significant projects in the electricity sector in 2002 included major contracts in the area of integrated control and protection systems in Brazil, further strengthening our leadership position in Mexico and Brazil:

- Project to rehabilitate the Maranhaño transmission system.
- Tucuruí-Villa do Conde and Coxipó-Jaurú interconnections for Eletronorte.
- Xingó-Angelim-Tampina Grande interconnections for Furnas.

Information Technology

- Successful completion of the second phase of the emergency control system of the transmission network for the Brazilian national operator ONS and the extension of the Macaé plant for El Paso Energy.

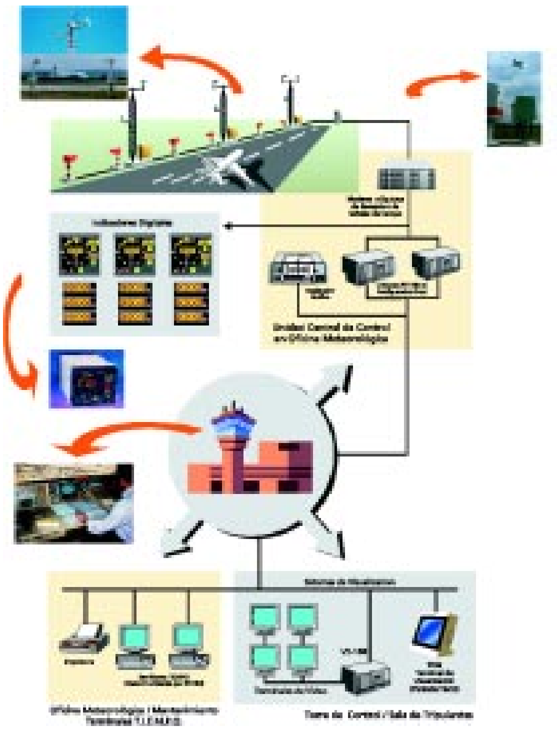
In Mexico, we completed the control, protection and communication systems for the substations included in the Pidiregas project parts 410 and 403, and we won contracts for the systems in parts 408 and 402 and the distributed control system for the El Sauz combined-cycle power station.

Significant projects in the power dispatching sector include:

- Contract for the telecontrol and communications system of the distribution network in the metropolitan area of Asunción in Paraguay and Iberdrola's central generation dispatch.
- Completion of the telecontrol and communications system in the city of Cochabamba, Bolivia, for Elfec.
- Completion of the installation of the second phase of the distribution management system in the city of Rio de Janeiro for Light. The project is scheduled for completion in the first quarter of 2003.
- Start-up of twenty-one integrated control and protection systems for Endesa distribution substations, with a further fifty-five currently being manufactured, bringing the total in the past three years up to over 110.

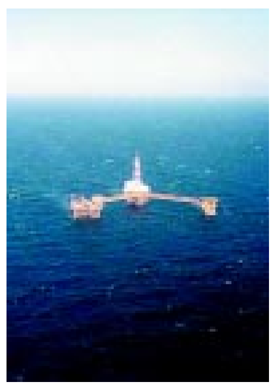
These contracts, together with the systems supplied in 2002 to Unión Fenosa and to REE for the substations that will power the high-speed train, make Telvent a national leader in this sector.

- The project for the power control system for the high-speed line that will link Madrid and Zaragoza in 2003 and be extended in the future to the French border is progressing according to schedule. The work is due to be completed in the first quarter of 2003.



In the oil and gas sector, contracts were won in 2002 for major projects in Latin America, strengthening our leadership position in this market:

- Contract for the Yacuiba–Rio Grande gas pipeline metering station supervisory control system for Transierra in Bolivia,
- Contract for the SCADA of the two natural gas and LPG pipelines in Camisea (Peru) for Techint.
- Emergency shutdown systems for five pumping stations for Transredes in Bolivia.
- Successful completion of the control and communications system for the extension of the Pto. Rosales–La Plata pipeline in Argentina for Repsol YPF.
- Completion of the control project for the heavy crude oil pipeline in Ecuador for OCP Limited.



In Mexico:

- Completion of the integrated terminal operation control and monitoring systems (SIMCOT) in southeastern Mexico for Pemex Refinación,
- Delivery of the fire & gas and emergency shutdown systems for EPC-2 and EPC-3 for Pemex Exploración y Producción.
- Contracts for new projects, such as the safety system for the AKAL-L (IPC-78-B) platform that Dragados Off-Shore is constructing for Pemex Exploración y Producción and the fire & gas system for the Ixtoc-A platform also for Pemex Exploración y Producción.

In the private telecommunications networks sector, we achieved a significant increase in business and sales in 2002 and ended the year with excellent growth prospects for the coming year.

- Contract for the communications systems of the Coxipó-Jaurú interconnection in Brazil,
- Contract to deploy the communications infrastructure of the distribution network telecontrol system in the metropolitan area of Asunción in Paraguay
- Completion of the supply and factory testing of national communications system equipment for Conpet in Romania. Network deployment is scheduled for completion in the first half of 2003.

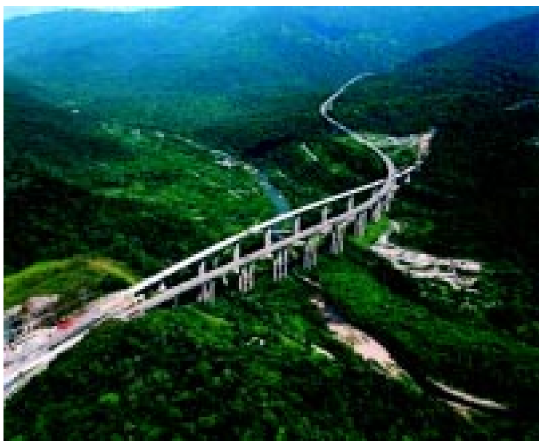
Traffic and transport

In 2002, Telvent consolidated the sustained growth achieved in recent years, winning new contracts worth over one hundred million euros.

Factors contributing to the performance of this sector include the opening of new international markets in southeast Asia and the leadership position achieved in the transport payment systems sector. Important contracts were won in 2002 for access control facilities–payment systems–for major public transport operators in Spain.

The RDI drive in this area continued in 2002. Significant achievements included completion of the tagging devices and antennas for the SmartTOLL road toll collection system developed over the past three years. This made Telvent the leading producer of equipment of this kind in Latin America. The equipment complies with European standards, providing interoperability for the entire network of toll operators throughout Europe.

We also added to our range of fare payment systems–ticket dispensing and cancelling machines–designed to handle all types of tickets including Edmonson, ISO-2 and embedded-chip contactless tickets.



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The technological advances achieved by Telvent have earned it a leadership position in traffic and transport markets. Through more than twenty regional offices in Spain and seven subsidiaries in various countries in Europe, the Americas and Asia, it has strengthened its commitment to customer attention and service, one of the company's key strategic focuses.

Significant achievements in Spain include the following:

- Fare payment and access control systems for Metro de Madrid: completion of lines 8 and 10, and a contract awarded within the execution period for the new Metrosur stations to install 116 access gates with 236 ticket validating machines; 16 station data concentrators and 64 new ticket dispensing machines. Integrated control and management software is included.
- Access control and communications equipment for all the RENFE stations forming the Cadiz local train network, as part of an ambitious RENFE project to "technify" its local train infrastructures throughout Spain.
- Project, supply, deployment and maintenance of hot-box detector systems on the Madrid-Puigverd de Lleida section for the high-speed train. Madrid-Barcelona high-speed train line (AVE) for RENFE.
- Design of the new automatic ticketing machine developed by the subsidiary Arce Sistemas. The Consorcio de Transportes de Bizkaia chose this new technology for its line 2 project and awarded us a contract to update the 105 machines installed by Arce Sistemas on line 1, for Metro Bilbao
- Inauguration in July of the Piedrafita tunnels section on the A-6 motorway. Sainco Tráfico has installed the control centre that manages and controls all the tunnels on this section and the systems installed on it: ventilation control, lighting, fire detection, signs, traffic lights, access control, clearance control, traffic metering, emergency telephones, CCTV, weather stations, communications, power supply and automatic incident detection system inside the tunnel, for the Development Ministry.
- Contracts for maintenance and overhaul of traffic regulation and control facilities on the M-40 and M-45 Madrid approach road network and the Madrid traffic management centre; facilities and control centre for the motorways to Oviedo, Avilés and Gijón, on the so-called "Asturian Y", for the Traffic Department.

- Operation integration project for the Malmasín tunnels for the Bizkaia provincial council.
- Completion of significant interurban projects for the Traffic Department, including a particularly large project for traffic control on the motorways to the northeast–Galicia– and Asturias, among others.
- Control and management equipment and systems for a large number of short-stay car parking schemes all over Spain for important customers, such as Smas S.A. (Barcelona municipal parking company) and Cintra, belonging to the Ferrovial Group.

The following projects were carried out abroad:

- Contract with World Bank funding for an urban traffic control system in the city of Ho Chi Minh in Vietnam, where we will deploy our adaptive traffic control system known as ITACA.
- Contract for a project to supply the traffic control and safety system on the downhill carriageway of the Dos Imigrantes highway in the state of Sao Paulo in Brazil for concessionaire Ecovías. This project is integrated in the control centre installed by Telvent previously for the uphill carriageway and includes the integration of the tunnels on the downhill carriageway. Overall, the project will provide the most advanced road control system installed in the country.
- New contracts in China awarded to our local company there, Sainco Electric Traffic. Urban traffic centralisation in the city of Wuhan and the extension of traffic control systems to the cities of Chanchun, Nanning and Beijing.
- Completion of the traffic centralisation projects in Zhengzhou and the traffic control project on the Yantian-Bagan motorway and Shandong expressway.
- Inauguration of the traffic control centre and traffic light system in the cities of Santo Domingo (Dominican Republic) and Belo Horizonte in Brazil and completion of the passenger access control project–fare payment systems–for the light train also in this Brazilian city.
- Continuation of maintenance services for traffic light systems in Buenos Aires, Córdoba and Rosario in Argentina and for the Öresund link in Denmark, where extensive work was carried out to extend the facilities and install new control software subsystems for the link.

Telvent attended numerous events and conferences over the year, participating actively with specialised papers, accrediting its service and leadership vocation in the areas of business in which it operates. Some of the most important events were Traffic 2002 in Madrid, Intertraffic 2002 in Amsterdam, Eurailspeed in Madrid, World Congress on Intelligent Transport Systems in Chicago and the Congress on ITS Spain in Palma de Mallorca.

Defence and naval systems

Significant projects and activities carried out in 2002 in the civil and military sectors included the following:

- In the civil sector, the maritime traffic control centres of Ceuta and Melilla were delivered, the installation of nine centres for the Spanish DGPS network was completed, and work began on providing integrated maintenance of the global DGPS network in Spain. Another significant project was the installation of a control centre remote station in Cabo Peñas.

- In simulation for civil applications, a contract was won for the first visual system designed as a support for navigation and fishing simulators for the Social Navy Institute, which was developed on the basis of experience and expertise acquired during the single-channel display R&D project carried out in 2002 with funding from the Ministry of Science and Technology.

- In the fleet monitoring sector, a fleet monitoring system was developed, in cooperation with Sainco Tráfico, for road maintenance services provided by the Traffic Department in Andalusia. A commercial

Information Technology

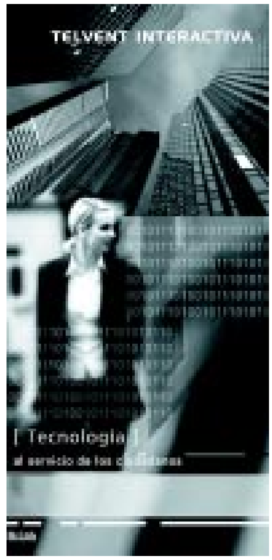
relationship was also established with cleaning companies, with the local police and with PEMEX for the transport of hazardous materials.

- In the military sector, activities involving the F100 frigates continued. Important developments included the start of work on the S80 programme Spanish submarine consoles and completion of the R&D project with the Ministry of Defence to develop a prototype WECDIS navigation console.

- Involving both the military and civil sectors, ownership of the project with the Royal Navy of Morocco was transferred to supply a navigation simulator with a seven-channel visual system.

- In military air-sea tactical simulation, using the solution developed for the Spanish Navy Training Centre (CPT-CIA), known as SITAC, the Galeón project for the Spanish Navy has been accepted, and a twin simulator has been purchased by the Chilean Navy. Additionally, the navies of Peru, the United Arab Emirates, Greece, Egypt, Turkey and Tunisia have all shown interest in acquiring similar tactical simulators.

- Telvent's commercial activities focused on the markets of Central America, South America and Eastern Europe. It has already established a permanent presence in Mexico D.F. with a commercial company, and is now targeting Peru, Uruguay, Chile, Romania and Poland as priority markets with the support of the Spanish Ministry of Defence.



Process automation

In 2002 Telvent enjoyed market recognition of the product strategy defined in its Strategic Plan.

TiWorks, a solution for the public administration, which has proved a great success, has been implemented in the regional government of Andalusia, Public Works (EPSA), Employment and Finance. TiWorks has also been implemented in the Ministry of Economy and the National Council of Lawyers.

The public sector was the main source of growth in 2002, accounting for 75% of total sales. Significant projects were carried out in the areas of authentication and digital signature, administrative process automation, data processing centres, back-up and business continuity systems and geographic information system (GIS).

Existing technological partnerships in the public sector were strengthened with Hummingbird and Metastorm, and a new partnership was established with ESRI in the field of GIS.

In the utilities market, efforts focused particularly on energy companies in 2002, in which the Ti-SGD solution has been implemented as a valuable and powerful tool for asset and workforce management. One of the most significant achievements in this area was the development of power dispatching for self-generators, allowing them to participate in the electricity pool run by the market operator OMEL.

In international markets, attention focused on Mexico in 2002, as the result of a contract awarded by the Port Authority of Veracruz, a pioneer in the use of digital signature in administrative processes in Mexico.

R&D increased by over 60%, following the product policy established for the year. R&D efforts focused on the areas of digital signature, content management, power distribution management systems and component families. The Ministry of Science and Technology supported these efforts, largely as a result of our involvement in the EU ITEA Steering Group. Telvent Interactiva lent its support to the creation of the Andalusian Centre for Information Technology and Telecommunications Innovation (CITIC), as a founding member, demonstrating once again its commitment to the development of the information society.

Service development and integration

Outsourcing

In 2002 Telvent finalised the process of defining its service offerings and began to offer the services it currently provides to Abengoa companies to other customers outside the group. Telvent Outsourcing has therefore been fully integrated in the Information Technology business segment, changing its name from “Siatec” to “Telvent Outsourcing”.

Telvent currently provides outsourcing services for information system and communications engineering, including project management, installation, operation, monitoring, administration, maintenance, security, technical consultancy, incident resolution, system techniques and connectivity. It also designs, develops and implements information systems for business processes.

Telvent offers a full menu of services for information system, communications and business process outsourcing, geared to:

- Outsourcing information systems and communications, including engineering, project management, installation, operation, system techniques, monitoring, administration, maintenance, security, technical consultancy, incident resolution, system techniques and help desks.
- Managing and optimising non-core business processes, enabling customers to concentrate on core business.

The optimisation of information technology leads to a significant increase in competitiveness, as result of lower information system and communications costs.

Significant developments in 2002 include:
- Consolidation of its outsourcing business, regularising the activity by establishing service level agreements (SLA) with all the companies for which it provides outsourcing services, and the creation of an SLA web portal, where clients can consult service levels online. Consolidation of the teleworking facility SiatecNet, which currently provides services for 600 people.
- Creation of a corporate voice and data network for Abengoa companies.
- With regard to service provision, it fulfilled the target of a 90% service level for the resolution of incidents reported by users set at the beginning of 2002. The service is currently provided for 140 companies in 40 countries; it has over 4,000 IT users and over 100 locations in Spain; in 2002 the help desk dealt with 30,000 incidents.

In 2002 Telvent Outsourcing received the AENOR company registration and environmental management certificate in compliance with UNE-EN ISO 9001:2000 and UNE-EN-ISO-14001:1996.

Hosting

Telvent has built up a strong position on the market in 2002 with a full menu of differential quality offerings in housing, hosting and managed services, substantiated by the fact that institutions and well-established, big-name companies have chosen to place their trust in Telvent for high-performance services ensuring the efficient and reliable operation of their corporate systems from its data centre.

Institutions and companies who have chosen to become Telvent customers in 2002 for full Internet access and operation services with the highest service quality levels include:

• Entidad Pública Empresarial Red.es. Co-location, Internet access and 24x7 services for the operation of its servers, including the Spanish primary domain name server ".es"
• Portal Madrid. The Madrid City Council portal is designed as a unified gateway to services for all the citizens of Madrid and a central point for the promotion of the city.
• Race.net. The Spanish Royal Automobile Club, as a private entity, has an information and project management portal in Internet Datahouse, with corporate hosting solutions and management of its international communications network, ensuring around-the-clock operation of all its branches in Spain and throughout the world.

One of the most important developments in 2002 was that the NAP of the Americas – Madrid chose to become a Telvent customer. Telvent provides co-location, operation and administration services for its Internet traffic exchange facility. The NAP (Network Access Point) is the first major hub providing Internet access and traffic routing and digital communications of its kind in Europe. It is one of just five tier 1 network access points in the world;

the other four, one of which is the NAP of the Americas – Miami, with which it is interconnected, are located in the US. All the tier 1 NAPs are carrier neutral.

As a result of the increase in the number of Telvent customers in 2002, revenues from monthly service charges were 189% up on the previous year. It also enjoyed the continued loyalty of customers already housed at the Data Centre in a highly competitive market, where the key players are now carving out their niches. Telvent therefore reported a positive EBITDA figure in the last quarter of 2002.

The development of new products resulted in the implementation and commercialisation of the following:

- pay-per-use or dedicated-service data storage solutions
- backup, contingency and continuity centre services (BRS – business recovery services)
- 24x7 intruder detection and contents protection
- virtual private network (VPN) deployment and management

- complex corporate hosting, integrating full telematics security solutions, data housing and application servers
- BM AIX, DB2 and WebSphere technology system administration
- products integrated in ASP model for digital mapping solutions, telesupport, alert engine, SMS gateway, event forwarding, content management and e-mail marketing

In 2002 the Telecommunications Market Commission extended Telvent's general type C authorisation to act as a national Internet access provider, using the communications facilities of legally established operators. This means that services can be provided for clients outside their own facilities and enables Telvent to extend its network and stand-alone system to new locations as required in the future.

Important new customers and the expansion of its network to other national locations has led to a 260% increase in Internet traffic on Telvent's network. Peering agreements with first-line national operators and the Latin American connection capabilities provided by the NAP of the Americas – Madrid means that Telvent offers one of the best Internet access services available nationally.

Telvent continued work on the IDEAL research project on Internet Data Centres for Spain and Latin America funded by the Ministry of Science and Technology through the Profit Programme. The programme has been extended to create new NAPs in Latin America, taking advantage of the synergy with the NAP of the Americas – Madrid initiatives.

In 2002 AENOR awarded Internet Datahouse company registration certificate ER-0717/2002 covering operation and maintenance service outsourcing for software platforms in the information technology and e-business sectors, including housing, hosting and communications, including Internet connectivity, domain name management, point-to-point links, virtual private networks, operation, monitoring, administration, security, backup copies and value-added services (system reboot, remote hands), in compliance with the requirements of the UNE-EN ISO 9001:2000 standard.

Housing

In 2002 Telvent was successful in maintaining its leadership position and confirming its status as a landmark company in outsourcing services for third-party technology facilities (operators, carriers, XSPs and companies).

Its customer base, which increased spectacularly in 2001, grew by almost 60% in 2002, bringing the total number of customers up to more than 80. New clients included big names such as ATT and Deutsche Telekom. ATT chose Carrierhouse as its strategic location in Portugal, while Deutsche Telekom, through T-Systems Eltec, chose the Carrierhouse buildings Madrid2 and Barcelona1 as its points of presence for the Spanish market.

Information Technology

Average occupancy of the Carrierhouse buildings (Madrid1, Madrid2, Barcelona1 and Lisbon1), totalling over 60,000 m2, is now approaching 50% (46%).

Another important commercial and image-building development was the selection of the Madrid 2 building as the centre to house the NAP of the Americas – Madrid, a tier 1, carrier-neutral facility, which will operate as a major hub for Internet traffic exchange. Telvent has a 20% shareholding in the NAP, the first European network access point.

The building was recently incorporated in the Ministry of the Interior's Civil Emergency Plan, through the Telecommunications Department of the Ministry of Science and Technology.

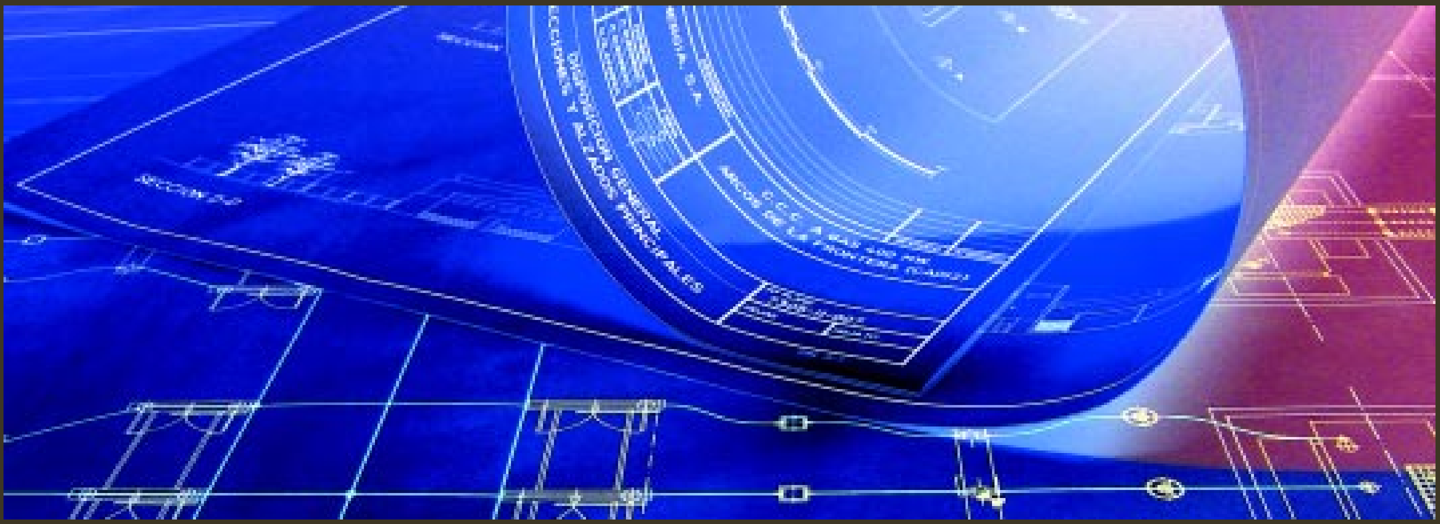
Telvent has already secured the financing required to continue its housing business, proof of the company's solid position in a sector that is currently in a difficult situation and its credibility in the eyes of financial institutions.

All these factors combined–number of clients, connectivity, reliability and business solvency–put Telvent in a position to implement its new strategy targeting the corporate sector, particularly housing and the operation of backup centres providing disaster recovery and operational continuity.

In 2002 Carrierhouse further strengthened its commitment to quality, extending the scope of its Company Registration Certificate ER-0407/2001 to include the facilities Madrid 2 and Lisbon. This certification was also adapted to the UNE-EN ISO 9001:2000 standard. In recognition of this achievement, AENOR awarded Carrierhouse a bronze reproduction of the ER logo at the 4th Quality Summit in Galicia.

Industrial Engineering and Construction

- Engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industrial, transport and service sectors. Development, construction and operation of industrial plants, conventional power plants (cogeneration and combined cycle) and renewable energy facilities (bioethanol, biomass, wind, solar and geothermal). Turnkey telecommunications networks and projects.



Industrial Engineering and Construction

Energy

In 2002 two very important and technologically complex projects were successfully completed: operations commenced at the La Coruña bioethanol plant, which is the largest facility constructed in Europe to produce bioethanol, which is an alcohol manufactured by fermenting cereals and used as a biofuel, and at the Sangüesa EHN straw (biomass) fuelled power plant in Navarre, the second to be built in Europe. These projects have been key to consolidating technological innovation in this area and provide a solid basis for new projects that will be undertaken this year and in coming years.

We also continued our work in the area of power generation plants, mainly in Spain and Latin America. Particularly important undertakings included repowering and combined-cycle projects in Mexico.

Abener

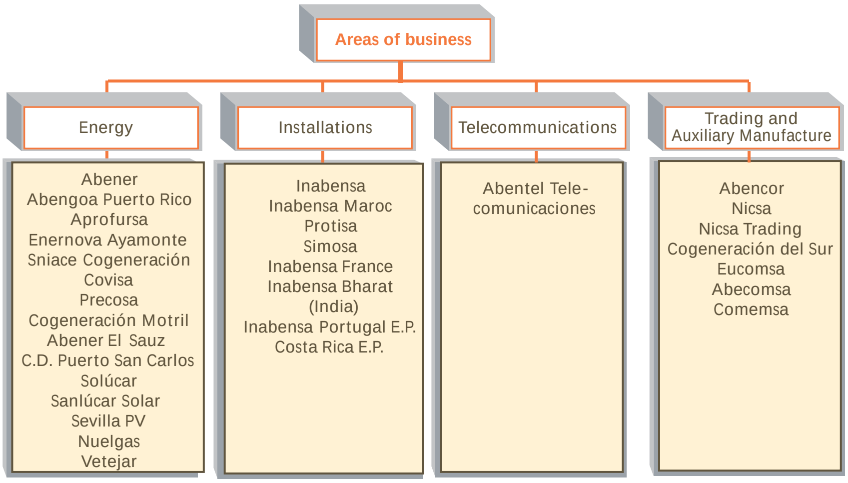
The most significant projects carried out by Abener in 2002 include the following:

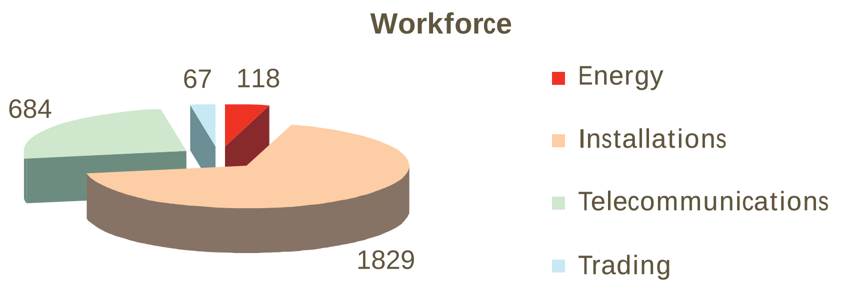
<u>La Coruña bioethanol plant</u>

Abener completed a bioethanol production plant in Teixeiro, La Coruña, for Bioetanol Galicia, S.A., and the provisional acceptance certificate was issued in November 2002.

This is the second bioethanol plant that Abener has constructed in Spain and the largest in Europe. It was delivered as a turnkey project, covering all the work required from basic engineering to commissioning and performance testing and including detail engineering, construction and start-up.

The project also contributed to strengthening Abener's leadership position in the design and construction of plants that use cereals as a feedstock to produce bioethanol, which is used as a fuel. The main features of the plant are:





Total (31.12.02): 2698

- Ethanol production: 126 million litres/year (15.750 litres/hour)
- Production of DDGS (animal feed): 144 million kg/year (18,000 kg/hour)
- Power generation: 200,000 MWh/year

<u>Straw-fuelled power plant in Sangüesa, Navarre</u>

Abener, as part of the consortium Abengoa-FLS Miljo, delivered a biomass-fuelled power plant as a turnkey project for the company Energía Hidroeléctrica de Navarra (EHN) in Sangüesa, Navarre. This is the first plant of its kind to be built in Spain and the second in Europe. The feedstock used is cereal straw, although the plant is also designed to operate on a fifty-fifty mixture of cereal straw and low-quality wood.

Noteworthy features include the state-of-the-art biomass handling and control technologies incorporated in the plant and the unique design of the buildings constructed to house the facilities.

The period of uninterrupted operation preceding provisional acceptance is now coming to an end, and over 51 million KWh have been fed into the grid.

The main features of the plant are:

- Power generation: 216,000 MWh/year
- Biomass consumption: 160 million kg/year (20,000 kg/hour)

Repowering of the El Sauz thermal power station combined cycle to 450 MW

In order to meet increased demand for electricity in Mexico, Abener Energía-El Sauz, S.A. de C.V. (Aelsa), a subsidiary wholly owned by Abener, is currently implementing a turnkey project for the Federal Electricity Commission (CFE) of Mexico to extend the combined cycle of the El Sauz thermal power station situated in the municipality of Pedro Escobedo in the state of Querétaro.

The main purpose of the project is to convert two existing gas turbine units (Siemens-Westinghouse) into a combined-cycle unit, adding a guaranteed net capacity at alternator terminals of 143 MW. In order to achieve this, the exhaust gases from the two gas turbines will be channelled to two new heat exchangers. The steam produced will be primarily used to drive a new steam turboset to produce electricity. In addition to these systems and functional units, the new steam cycle will also be fitted with all the mechanical, chemical, ancillary and electrical systems necessary to ensure that it operates as required and to protect the main units.

This project, which was begun in August 2001, with the first synchronisation scheduled for the summer of 2003 and provisional acceptance by CFE for the early autumn of 2003, has significantly strengthened Abener's position in Mexico in the thermal power station sector.

ETBE plant in Huelva

The company ETBE Huelva S.A., formed by Cepsa (10%) and Abengoa (90%), has signed a contract with Abener for the turnkey construction of a plant at Cepsa's refinery in La Rábida (Huelva) designed to produce 34,028,000 kg/year of ETBE, a compound used in petrol as an anti-knock additive instead of lead.

The ETBE production process is based on the etherification reaction between isobutylene and ethanol in the presence of a catalyst. The Cepsa refinery will provide all the utilities required for the production process (electricity, steam, water, etc.).

The plant will be built on a 400 m2 plot of land adjacent to the refinery's FCC.

Industrial Engineering and Construction

Abener designed the plant with the help of the Finnish engineering firm Fortum, which has the best track record in this area worldwide.

Provisional acceptance is scheduled for the second quarter of 2004. The main features of the plant are:

- ETBE production: 34,028 T/year
- Butane consumption: 123,270 T/year
- Ethanol consumption: 15,372 T/year

Nuelgas

Nuelgas is a company in which Abengoa has a majority interest and which operates in the hydrocarbon exploration and exploitation sector.

Nuelgas currently has three electricity-generating plants in operation with a total power output of 12 MWe. Two of the plants, Las Balbuenas and La Viñuela, which have a power output of 3 MWe each, are at the concessions El Ruedo-1, El Ruedo-2 and El Ruedo-3. Las Balbuenas is located in Écija, and La Viñuela in Fuentes de Andalucía, both in the province of Seville, and they are supplied by production from the Córdoba C-1A and Córdoba B-2 wells. The third plant, located at the Las Barreras concession, has a power output of approximately 6 MWe and is supplied by the San Juan V-1 (Seville) and San Juan V-6 (Camas) wells.

Nuelgas acquired a 5% interest in the prospecting licences for Cameros 1, 2, 3 and 4. The Cameros 1 well, situated in the Cameros and Demanda Sierras in the La Rioja region, was drilled to a final depth of 4,300 metres. Poor results led to the well being sealed and abandoned.

Following the analysis of the data from prospecting and exploration activities undertaken in 2000 and the drilling campaign carried out in 2001 at the Marismas B-1, Marismas C-1, Marismas C-2 and Rebujena operating concessions, the required investments were made to put the La Cerca well, located in the municipality of Aznalcázar (Seville), into production.

The results of seismic and vibration testing conducted in the last quarter of 2002, covering 28 kilometres at the operating concessions El Ruedo 1, 2 and 3, is currently being analysed, with a view to locating and defining a hydrocarbon structure conforming to the geological concept of the Guadalquivir sands.

Installations

The results achieved in this area exceeded targets set for 2002. This successful business management was largely due to the balance achieved between traditional activities and new ones carried out in technologically advanced sectors affording the company high growth prospects for the future.

The ongoing quest to improve the efficiency of production processes and cut costs in the sector of industrial installations and infrastructures and in manufacturing has enabled Inabensa to build up a competitive advantage and a leadership position in these markets, maintaining the highest customer qualifications.

There was a sharp increase in the volume of contracts won in 2002, which exceeded the 300 million euro mark. There were a substantial number of foreign contracts, and we participated in important projects in France, Romania, Macedonia, Costa Rica, Morocco, Nigeria, Mauritania, Tanzania, Kenya, Turkey and India. As a result, exports accounted for 30% of total revenues in 2002.

Industrial Engineering and Construction

A firm commitment to activity in emerging markets and plans to participate in important national and international infrastructure projects will shape the immediate future of our business, carried forward by a highly qualified, experienced team of people and technical and financial resources that are continuously adapted to meet market needs.

Inabensa

Inabensa's expansion drive continued along the same lines as in recent years.

Significant projects carried out in Spain include the following:

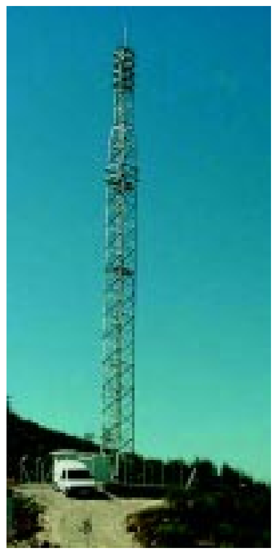
Construction of VHV, HV, MV and LV lines and substations for REE, Unión Fenosa, Hidrocantábrico, Iberdrola, Electra de Viesgo and Endesa (for ERZ, Fecsa-Enher, Gesa, Sevillana and Unelco).

Replacement of OPGW and FOADK optical ground wire on the HV networks belonging to Iberdrola, REE and Endesa. 200 kV double-circuit duplex line between the substations María and Los Vientos for Endesa, Campoamor 132 kV line for Iberdrola, Trillo-Calatayud 400 kV line and second circuit on Litoral-Rocamora and Cartelle-Lindoso 400 kV lines for REE. Replacement of conductors on Benidorm-Jijona, Vilanova-Gandía, Teulada-La Nucía and Jijona-La Nucía 132 kV lines for Iberinco.

Installation of San Sebastián de los Reyes-Loeches-Morata 400 kV underground line as part of Aena's Barajas Plan for REE. Laying of VHV underground cabling and remodelling of the River Besós course HV network, Nus de la Trinitiat, for the temporary consortium General Cable-Pirelli, and the Bellisens-Basf VHV line for Pirelli.

For Madrid Infraestructuras del Transporte (MINTRA): design, supply and installation of traction, electrification and distribution substations for line 10; rectifier substations at the Cuatro Vientos coach yard and on line 10B Batán-Alcorcón; Torre Arias substation and ventilation on line 8. For Metro de Madrid: station transformer units and power distribution on the sections Móstoles 1-Fuenlabrada 1, Fuenlabrada 2-Getafe 2, fire protection systems on the Getafe 7-Getafe 2 section, ventilation on the Móstoles 1-Fuenlabrada 1 section and power control on Fuenlabrada 2-Getafe 2 section.

For Aena: civil engineering works at the new Barajas power stations CE-1 and CE-2 and new air traffic control centre at Gavá (Barcelona), two projects carried out in temporary consortium; new alternative technical building at the Gran Canaria Contingency Centre; works and installations for the remodelling of the electric power station at Barcelona airport; and the supply and installation of a 1,000 kVA generating set at Alicante airport.



Projects carried out in temporary consortium with other companies include the new Hospital Campus de la Salud in Granada; the new justice complex in Malaga; LV installations at the new SCH financial campus in Boadilla del Monte (Madrid); electrical and other special installations at the new trade show centre in Bilbao, the new local police station in Huelva; work to improve and extend the municipal Chapín Stadium in Jerez de la Frontera to host the World Equestrian Games 2002.

Installation of a fluidised bed boiler, steam turbine, ancillary equipment and piping system at the Sangüesa biomass plant (Navarre) and the Teixeiro bioethanol plant (La Coruña) for Abener.

Construction of a bascule bridge over the Estacio canal in San Javier (Murcia).

Maintenance and electrical and instrumentation installations at the compounding plants Lexan I and Lexan 2 in Cartagena for General Electric Plastics España, at the La Rábida refinery in Huelva, for Cepsa, and at the Palos de la Frontera plant also in Huelva for Enagás.

For RENFE: work to change the electrification system from 3 kV DC to 25 kV AC 50 Hz on the Madrid-Seville high-speed train (AVE) line at Puerta de Atocha station in Madrid and Santa Justa station in Seville; work to modernise the overhead contact line on the following sections: Puente Los Fierros-Soto de Rey at Mieres station, Busdongo-Puente Los Fierros on the León-Gijón line, Guipúzcoa local train side on the Madrid-Hendaye line and Las Mellizas-Malaga on the Cordoba-Malaga line.

Railway project for work on the Jerez de la Frontera urban track layout for Consorcio Urbanístico de la Zona Ferroviaria de Jerez.

MV cubicles, motor control centres and LV switchboards were manufactured for the combined-cycle power stations in Tarragona, Granadilla in Tenerife and Son Reus in Palma de Mallorca, for Endesa, and in Castejón, for Iberdrola.

MV cubicles for cogeneration plants in La Rinconada, Motril, Peña Forcada wind farm, the CLH pumping station in Torrejón, Madrid, and the smoke desulpherisation plant in Tarragona; extension work on the LNG terminal in Cartagena, the Cepsa refinery in San Roque, the Ford plant in Almusafes and the nuclear power station in Almaraz.

Significant projects carried out abroad include:

Power substations and networks to supply the city of San José, Costa Rica, for Compañía Nacional de Fuerza y Luz, S.A. (CNFL).

Civil engineering work, supply and installation of the 230 km long Raipur-Kanaktura 400 kV double-circuit line on India’s east-west transmission system for the Power Grid Corporation.

Engineering, supply and installation of rural electrification equipment, phase 2, for the Kenya Power & Lighting Co. Ltd. (Kenya).

Design, engineering, supply, installation and commissioning of the Izmir 25 kV AC railway line between Basmane-Menemen-Aliaga and Alsancak-Cumaovasi for the Turkish State Railways (TCDD).

Petroleum complex in Mauritania: berthing dock, piping systems and storage tanks for the Mauritanian Ministry of Hydraulics and Energy.

Engineering, supply, installation and commissioning of the 230 kV Nouakchott and Rosso substations and the 90 kV line between Matam and Kaedi. Extension of the Kaedi-Boghué section on the Mauritania-Senegal interconnection for Sogem/ OMVS.

Manufacture of MV cubicles, motor control centres and LV switchboards for the Naco Nogales coal power station in Mexico, MV cubicles for the El Sauz repowering project in Mexico and a control simulator for the Lungmen nuclear power station in Taiwan.

Inabensa Maroc

Two contracts for the Office National d'Electricité (ONE) to provide rural electrification for 74 villages in the north of Morocco, forming part of the PERG programme, were completed in 2002, and a further four rural electrification contracts, worth 70,989,419 Dhm, were awarded to the company.

On the national market, the volume of contracts won by Inabensa Maroc in 2002 has placed the company among the top five in the sector.

Phases 4, 5 and 6 of the mobile telephone network were successfully completed, and work has started on phases 7 and 8 to construct rural and urban GSM mobile telephone sites through Siemens AG for Meditelecom. There are currently 89 greenfield and rooftop sites in operation, and a further 28 are under construction. It is expected that Meditelecom's main target will be met within the period of a year.

The company has diversified into other activities. One example is the MV/LV electrical installations at the new Spanish embassy in Rabat for the construction company OHL.

Protisa

Protisa continued to expand its traditional activities of thermal and acoustic insulation and the installation of refractories and passive fire protection in industrial sectors where it has already built up a strong position, such as the petrochemical industries, refineries, thermal power stations, combined-cycle power stations, incinerator plants and other industries where heat and noise proofing is required.

The most significant projects carried out in 2002 include:

- Supply and installation of refractory lining to optimise the performance of the urban solid waste energy recovery plant in the municipality of San Adrián del Besós, Barcelona.

- Thermal insulation for the 32 diameter observatory dome for Observatorio de Gran Telescopio de Canarias, S.A. The insulation was installed on site using rock wool and aluminium sheeting insulation panels, including observation flaps and sliding shutters.
- Thermal insulation and passive fire protection for four LPG spheres at the Cepsa refinery in La Rábida (Huelva), using cellular glass and Sprayfiber-V mortar manufactured by Protisa in Alcalá de Henares.

Telecommunications

Developments in the communications sector have generated a demand for new services in more innovative areas and led to a fall in the demand for more traditional services.

Our ability to carry out integrated projects, covering everything from design and basic engineering to the creation of infrastructures and maintenance has enabled us to build up a strong market presence in these new areas.

The development of advanced management systems and the use of new technologies should result in new lines of diversification and improved competitiveness in traditional areas. Activities in this sector were marked by the negotiation of a new contract with Telefónica de España, which came into force on 1st March 2002.

Abroad, we won our first contract with Andinatel in Ecuador and have strengthened our position in Portugal and Mexico.

Abentel

Abentel's performance was affected by the deepening recession in the telecommunications sector, as the effects of the crisis situation already felt in 2001 continued into 2002. As a result, operators fell far short in implementing their initial investment plans, forcing the vast majority of companies operating in this sector to adapt the conduct of their business to the new situation.

The start of the year was marked by the negotiation process for the new contract with Telefónica de España, which came into force on 1st March 2002. The way we approach this area of business underwent a significant change in response to the introduction of a number of new features, including:

- A single mix price for lines, cables and residential set by combining previous prices and volumes in each segment, thus maintaining the average price and associated billing, at least in approximate terms.
- The contract expires on 31st December 2006 and therefore has a longer term than the previous one.
- A variable billing scheme (positive or negative), proportional to basic billing, is established according to a formula linked to quarterly qualifications, made on the basis of a set of indicators defined by Telefónica de España.

The new contract gave Abentel, which will cover ten provinces, an increased share, making it the company with the largest proportion of the award.

In 2002 work continued on the Integra project, which began the previous year. One of the most important innovations included in the project is that service orders are dispatched and carried out using mobile telephones with GPRS technology, which is a completely new development in the sector.

Improved quality and productivity achieved through the effective use of all the tools perfected in this project and the redefinition of associated processes have proved to be a key factor in dealing with the new contractual system described above.

We continued to carry out various types of work for fixed and cable operators, such as Jazztel, BT, Supercable, Madritel, etc., to provide integrated services for network deployment. However, as a result of cutbacks in the sector, the volume of works awarded in general is lower than in previous years.

Work on the TyCom contract to condition the switching nodes of its fibre optic trunk network deployed in the Iberian Peninsula neared completion in 2002.

Activities in the mobile telephony sector continued with work performed under contracts already in force for the construction of mobile telephony base stations for Amena and the supply and installation of radio link equipment for Vodafone

At the end of 2001, Abentel began to study and become involved in the issue of radio emissions from mobile telephony base stations, discussing the technical aspects with operators, analysing experiences in this area, participating in specialised conferences and, subsequently, carrying out pioneering work in making experimental measurements in Spain. We used a measuring procedure specifically designed for this purpose by our Radio Department, which made an essential contribution to the final definition of the official procedure adopted by operators. Once the relevant regulations had been passed, a project was set in motion in January 2002 to certify base stations, in which Abentel cooperated closely with the current mobile telephone operators, taking measurements at over 1,300 stations for Telefónica Móviles, Vodafone and Amena.

We also continued to implement the RTDI projects started the previous year, focusing efforts on the completion of the Integra Project mentioned above.

Abentel continued its operations abroad in 2002. It won its first contract with Andinatel in Ecuador and is working on interesting opportunities in other countries including Portugal and Mexico.

Marketing and manufacturing

We have maintained our leadership position in the Spanish market as suppliers of electrical, instrumentation and communications material and equipment in the chemical, energy and telecommunications sectors and in heavy industry in general.

One of the mainstays of our growth strategy is to build up a strong position on international markets–our subsidiary in the United States, Nicsa Trading Corporation, exceeded targets set for the year–and we are currently focusing efforts on turnkey projects and new services, such as procurement logistics and warehouse outsourcing. Important developments in this latter area include warehouse management services for Endesa, REE and Repsol Butano.

Nicsa

Nicsa exceeded the targets set for 2002, strengthening its national leadership position as a supplier of electrical, instrumentation and communications materials to the chemical and petrochemical industries, refineries, combined–cycle power stations, nuclear power stations, thermal power stations and heavy industry in general.

The most significant projects carried out in 2002 include:

- Técnicas Reunidas. Marshal Daran Petrochemical MP PC Co. linear alkylbenzene plant. Kermanshah, Iran
- Técnicas Reunidas. Endesa, Tarragona 1,400 MW combined-cycle thermal power station.
- Temporary consortium Cobra, Ghesa, Gamesa, Iberdrola: Castejón 400 MW combined-cycle thermal power station.
- Temporary consortium TIS (Tecnigaz-Initec-Sofregaz), BBG: regasification plant, Bilbao.

An important framework contract was signed with Cepsa for the supply of electrical and instrumentation materials both for new projects and the maintenance of its production facilities.

One of the main pillars of Nicsa's growth strategy is the internationalisation of its activity, and our subsidiary in the United States, Nicsa Trading Corporation, also exceeded targets set for the year. The most significant projects carried out in 2002 include:

- Dragados Off-Shore. Pemex Exploración y Producción. Platform AKAL L (IPC 78 B).
- Intecsa Uhde. Repsol YPF Ecuador. Extension of facilities. Block 16.

In 2002 we also opened a new branch of the company in Mexico.

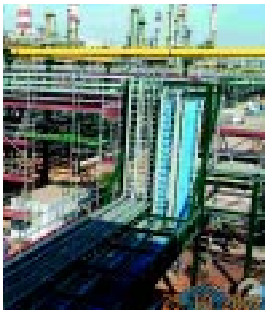
Efforts were stepped up to develop Nicsa's capacity to execute projects including design, supply, installation and commissioning. The most significant were:

- Communications systems and electrical tracing for the combined-cycle thermal power station in Castejón, Navarre.
- Electrical tracing for the Lexan II plant belonging to General Electric Plastics in Cartagena, Murcia.
- Lighting towers for CLH in León.

Abencor

In 2002 Abencor focused efforts on increasing its market share in its traditional business of supplying materials and on providing procurement logistics and warehouse outsourcing for various companies who have entrusted these services to us.

Important warehouse outsourcing activities included the start-up of operations at the warehouses we manage for Endesa in Seville and Malaga and the warehousing of certain products for Red Eléctrica de España, S.A. New customers in this area include the companies Telvent and Abentel. An interface linking the customer's system to ours enables customer databases to be directly updated.



Industrial Engineering and Construction

Our traditional business objective in 2002 was to broaden the range of products we offer to our customers as a means of building up a stronger market position. Significant additions to our offerings in the transport sector include catenary contact line, line sectionalisers for railways, encapsulated transformers (around fifty sold in the first year) for traction, distribution and rectification and mineral-isolated cable permitting power transmission in the event of fire even at temperatures of over 1,000ºC. In the energy sector we have incorporated or promoted various product offerings for substations, particularly oil-immersed and dry power transformers, measuring and protection transformers, weatherproof switches and submersible isolators.

This policy was extremely successful in increasing business, with the volume of contracts won in 2002 rising by 50% compared with 2001.

The most significant contracts won in 2002 include the supply of power transformers to various Endesa companies, cables and isolators to Inabensa in Costa Rica and encapsulated transformers to Metro de Madrid.

Work continued to further develop the TIRO project as a web management software system, allowing customers who sign up to check the situation of their orders and supplies, and suppliers to check on tenders and invoices online over the Internet.

Abencor renewed the quality certificate ER-371/2/95 that it has held since 1995 up to 2003, and its environmental management certificate CGM-01/106 up to 2004. Both certificates cover all the workplaces operated by the company.

Eucomsa

Important export contracts were carried out in 2002, including the supply of towers for the transmission line project LT 411 in Mexico for Abengoa México and Elecnor and for the Ralco Project in Chile for Abengoa Chile.

The supply contract was executed in cooperation with Comemsa (a company also belonging to the group), enabling it to carry out its first export market operation.

Another significant supply contract was awarded to Eucomsa by the Portuguese company CME for 400 kV towers. Design engineering and tower testing was also provided for the LT 411 project.

Industrial Engineering and Construction

In France, we were qualified as a supplier to the country's power transmission network company, RTE. We passed the audits satisfactorily, and two orders were placed with us and delivered in 2002. As a result of this process, we were consulted as suppliers for the biennial supply contract, after receiving the framework contract for continued supply during that period at the end of the year.

We have produced substations for various customers in other countries, including Sweden, Cyprus and Panama.

In the Spanish market, we continued to be REE's biggest supplier both for towers and substations. The framework tower supply contract has now expired, and we are now awaiting the announcement of the new biennial plan to cover REE's needs in this area in the period from 2003 to 2004.

Our Steel Sheet Division maintained its level of activity in the manufacture of important products including the fibre distribution frame cabinets that we supply to Telefónica and other Spanish operators, automatic teller machines for Fujitsu and customary supplies for the traffic and road sign market.

One of Eucomsa's key strategic objectives is to be the leading tower manufacturer nationally. In Mexico, it continued efforts to strengthen the company it holds shares in, Comemsa, which has now become the most reputable and reliable tower manufacturer in the country. Comemsa has increased its production to more than cover the needs of the Mexican market, enabling it to turn its attention to other important markets, such as the US.

Another strategic objective in the structures sector is the construction of a tower testing station in 2003 on our Utrera plant site in Seville. The permits and licences required to set up the station have already been granted. This move will enable us to present a more comprehensive image, encompassing design and detail engineering, the manufacture of structures and real-life testing.

Solar Power and fuel cells

The drive to develop new solar power products has been consolidated with the creation of specialised companies. Steps to obtain permits, licences and financing (in the form of project finance) and design and basic engineering are now nearing completion, and work on the construction of a 1.2 MW photovoltaic plant with 2x solar concentration and a 10 MW solar thermal power station is scheduled to start in 2003.

Sanlúcar Solar, S.A.

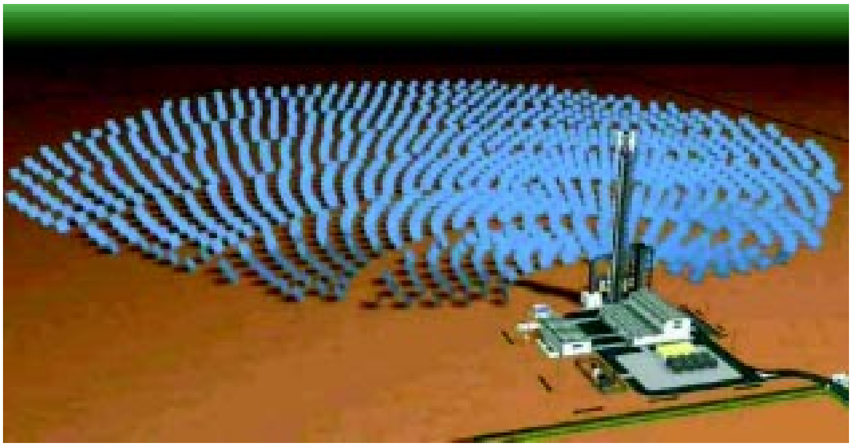
The purpose of this company is to design, construct, operate and maintain a solar power plant designed to produce and sell electricity, operating as a production facility under the special electricity regime.

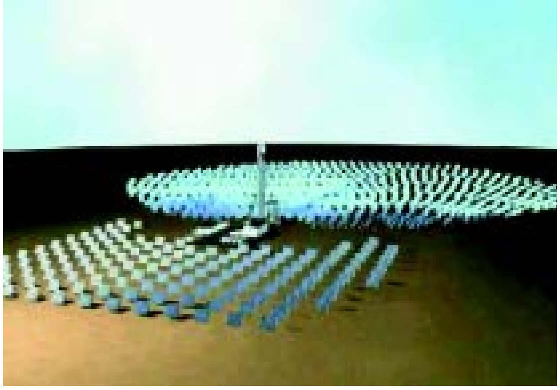
The engineering work was practically finished in 2002, most of the required permits have been granted and negotiations are underway with banks to obtain the financing required to build the 10 MW solar tower technology plant in Sanlúcar la Mayor (Seville).

Sevilla PV, S.A.

The purpose of the company is to design, construct, operate and maintain a photovoltaic power plant designed to produce and sell electricity, operating as a production facility under the special electricity regime.

In 2002 the engineering work began and applications were made to obtain the licences and permits required for the construction of a 1.2 MW photovoltaic plant with 2x solar concentration and dual axis tracking. Negotiations with financial institutions are already underway to obtain the required project financing.





Latin America

A market in which Abengoa has been operating on a permanent basis for over thirty years through local companies which carry out all the business segment activities with operational autonomy, while applying the management standards implemented throughout Abengoa.

Latin America

The results achieved through permanent operations all over Latin America meant that this geographic area and business segment once again made an important contribution to Abengoa's overall EBITDA and profit figures in 2002, easily offsetting the effects of the deep recession experienced by the Southern Cone countries.
Befesa also continued to build up its market presence in the area in 2002, undertaking new activities in these countries in cooperation with locally based companies belonging to the Abengoa Group.
An ongoing objective is the expansion of activities to other countries in the area, with a view to increasing the economic and financial stability of the Latin American business segment and therefore its ability to ride out the ups and downs of individual companies and countries, drawing on the flexible, mobile resource structures already existing in the region.

Teyma Abengoa (Argentina)
Customers and projects:
- Telefónica de Argentina: public phone box coin collection, cleaning; maintenance and technical maintenance of public and semi-public telephones.
- Cementos Avellaneda: new 3000 t/day production line at Avellaneda cement plant.
- Entidad Binacional Yaciretá: pumps, valves and other devices for fish transfer facilities at the Yaciretá hydroelectric power station.

The company's ER-028/2/96 quality certificate was renewed in June.

Borg Austral (Argentina)
Customers and projects:
- Repsol YPF: Ensenada refinery, province of Buenos Aires: sludge centrifuge at effluent treatment plant.
- Shell CAPSA: Dock Sud, province of Buenos Aires: industrial waste transportation and treatment service.
- ESEBA: La Plata, province of Buenos Aires: exportation of PCB-contaminated waste.
- Diners Club Argentina SACT: Martínez, province of Buenos Aires: exportation of PCB-contaminated waste.
- Automobile industry (Volkswagen, Ford, Toyota, Daimler-Chrysler, Peugeot-Citroën): permanent industrial waste treatment services.

- Rohm & Haas Argentina: Zárate, province of Buenos Aires: incineration of out-of-specification raw materials.
- Petrobras: Campana, province of Buenos Aires: final disposal of used catalysers and industrial waste treatment service.

The company passed the audit on its quality system according to standard ISO 9002 in September.

In 2002, the company was also granted new licences to operate in the areas of on-site centrifugal sludge separation and dewatering, industrial testing laboratory, recycling of metal and plastic drums and transportation of special waste. With the addition of these activities to existing ones, the company has succeeded in building up a wide field of operations.

Sainco Argentina
Maintenance operations for traffic control systems continued in Rosario, Cordoba, Buenos Aires and on the west link motorway.

Abengoa Chile
Customers and projects:
- Aguas Andinas: Buin-Paine wastewater treatment plant.
- Aguas Nuevo Sur del Maule, S.A.: Linares Refuerzos sewer system.
- Telefónica CTC Chile: outdoor plant, maintenance, technical assistance, installation, repair and coin collection in Santiago, Puerto Mont, Osorno and Region V.

Latin America

- Aguas Andinas: inspection, control and information services associated with commercial services. Replacement and installation of meters. Power distribution at Plata La Farfana.
- Endesa: Ralco-Charrúa 220 kV link, 140 km-long line interconnecting the Ralco power station and the Charrúa substation.
- HQI Transelec: Polpaico-Quillota 2 x 220 kV line. Extension of Ralco power station units.
- Celulosa Arauco: construction of two substations and Celulosa Valdivia interconnection line.

In 2002, Abengoa Chile's quality certificate was renewed according to standard ISO 9001:2000, including design. The company also passed the environmental management audit for certification according to standard ISO 14001:1996 and received an "excellent" rating in occupational health and safety.

Teyma Uruguay
Customers and projects:
- OSE: water treatment plants in Rivera, Tacuarembó, and extension of the Santa Lucía plant.
- BHU: residential building in Montevideo and • AEPSM: opening of three storeys of a clinic (18,000 m2).
- ANP: surfacing work at the port of Montevideo.
- MVOTMA: construction of over 400 dwellings.
- Eufores: civil engineering work at the chipping plant.
- Saduf: rail infrastructure.
- UTE: distribution and transmission works.
- BHU: construction of new facade for a bank and building containing 103 dwellings as part of the Fénix Plan.
- IMM: central well of the Solís Theatre and works under the Urban Sewer System Plan III.
- MVOTMA: residential buildings.
- IMDurazno: programme to integrate shanty towns.
- IMMaldonado: surfacing and kerbing work.
- UTE: fibre optic cabling.

- IMM: rehabilitation of collectors and collection of household waste in an area of Montevideo.
- IMRocha: storm sewers.
- OSE: sewer system in José Pedro Varela.

Issue/renewal of quality certificates:
1. ISO 9001 quality management certificate, valid until 2006.
2. ISO 14001 environmental management certificate, valid until April 2004 for residential construction.
3. Occupational health and safety management certificate according to standard UNIT 18001, valid until October 2005.

Awards
Teyma is the only construction company and, in fact, the only company in Uruguay that holds all three management system certificates: quality, environment and occupational health and safety. Teyma also won the National Quality Award in 2000, the only construction company to have received this distinction to date.

Abengoa México
Customers and projects:
- Federal Electricity Commission (CFE): S/E 404 Northwest-North: 20 substations; S/E 410.

Latin America

National system: 17 substations and S/E 411
National system: 637 km of lines in different states.

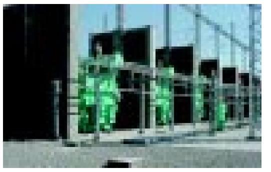
- Federal Electricity Commission (CFE): SE406 network associated with Tuxpan II, III and IV, two substations and two 342 km-long, 400 kV lines in the states of Veracruz, Puebla, Hidalgo and Mexico.
- Federal Electricity Commission (CFE): LT407 network associated with Altamira II, III and IV (phase 3), three 291 km-long, 400 kV lines in the states of San Luis Potosí, Zacatecas, Jalisco and Aguascalientes (in consortium with Elecnor).
- LT55 transmission network associated with Baja California Sur I coal power station: two 230 and 115 kV lines and two substations in the state of Baja California Sur (in consortium with Elecnor and Isolux).

The company's quality and environmental management certificates were renewed in accordance with standard ISO 9001.

Befesa México
The company Befesa México was set up and is currently starting up operations in the waste market.

Comemsa (Mexico)
Manufacture of towers and other metallic structures
The company has strengthened its market presence in Mexico, winning contracts for 25,000 t through Dineci, Elecnor, Sade, Cymi, Abengoa México and Siemens, among others. Its production process incorporates state-of-the-art technology, and it has modern facilities including a design office, a galvanising plant and a laboratory for mechanical and chemical testing.

It has been awarded ISO 9001:1994 certification by Bureau Veritas Quality International and has been qualified as a supplier to the Federal Electricity Commission (CFE) by Laboratorio de Pruebas y Equipos (Lapem).



Abengoa Perú
Customers and projects:

- Duke Energy International: modernisation of Huallanca substation.
- Enersur: rehabilitation of Ilo II thermal power station.
- Repsol YPF: remodelling of Auxiliar I and Procesos A substations at the La Pampilla refinery.
- Electrocentro: rehabilitation of Huayucachi-Salesianos-Industrial Estate 60 kV line.
- Minera Iscaycruz: civil engineering works, installation and testing for Iscaycruz substation (5,000 m above sea level).
- Egasa: supply and installation of Chilina and Santuario substations.
- Telefónica del Perú: external plant construction and maintenance, Cable Mágico cable network, fixed telephony installation and maintenance and public telephony works through the Abecotel consortium.
- CAASA: construction of the first phase of the secure disposal facility.

Abengoa Perú extended its AENOR ER 0619/1/96 certificate covering telecommunications, design, site management, installation, commissioning, maintenance and civil engineering for electromechanical installations.
The company Complejo Ambiental Andino, S.A. was set up to meet the needs of the waste market in this country.

Bargoa (Brazil)
Bargoa strengthened its position in 2002 as a leading company in the manufacture and supply of components for the telecommunication sector in

Latin America

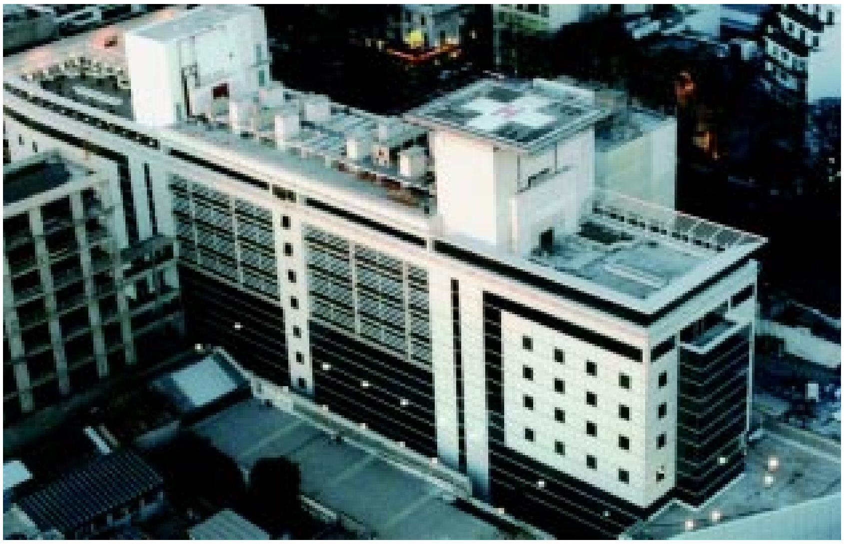
Brazil, developing new products, investing in R&D and expanding its activities beyond its traditional market in South America to countries such as the United States, Mexico, Korea, Japan and the Arab States.
It has initiated efforts to diversify production with components for the automobile industry.
The company's quality certificates were renewed by ABNT and Aenor.

Sainco Brasil
Customers and projects:
- Ecovía: interurban intelligent traffic system (ITS).
- Ecovía: maintenance of centralised traffic system in Rio de Janeiro.
- CBTV: urban traffic system in Bello Horizonte.
- Ecovía: traffic system and road safety and tunnel control system.

Abengoa Brasil/MTC Engenharia (Brazil)
Abengoa Brasil has become one of the leading companies in the transmission line concession market in Brazil, winning contracts for 987 km of 500 kV lines and 576 km of 230 kV lines for ANEEL (National Electricity Agency).

- ANEEL: project for 575 km of 500 kV lines for Samanbaia-Itumbiara and Samambaia-Emborcaçao performed by the Expansión consortium (Abengoa, Elecnor, Cobra and Isolux) and completed ahead of schedule.
- Ford: electrical installations at its assembly plant.
- ETEP (Empresa Paraneaense de Transmissao de Energia): protection and control system for Tucurui and Vila do Conde substations.
- Aneel: Xingó-Angelim 500 kV transmission lines, Angelim-Campina Grande 230 kV line and S/E Angelim executed under a concession agreement by the Nordeste Transmisora de Energía Consortium (Abengoa and Dragados).
- Amper, CCO and Spic: technical consultancy services for the construction of 500 kV lines.

New contracts:
- Aneel: 390 km of 230 kV line for Uruguayana-Maçcambara-Santo Angelo-Santa Rosa, under a concession agreement in consortium with Dragados.



- Aneel: 212 km of 500 kV line for Itumbiara-Marimbondo, under a concession agreement in consortium with Cobra, Elecnor and Isolux.

In 2003 MTC plans to expand into environmental activities including industrial waste management and hydrocarbon and industrial cleanup.

Abengoa Puerto Rico
Taking advantage of its strategic location in the Caribbean, this company has spearheaded activities aimed at opening up new markets in the area.

Abengoa (Ecuador branch)
- Municipality of Loja: work continued on the Loja Drinking Water Supply Master Plan.

Sainco Tráfico República Dominicana
- The project for an urban traffic and variable message panel system in Santo Domingo was completed.

Sainco Abengoa (Colombia branch)
- Gas Natural: start-up of remote control system and gas distribution network communications system in Bogota.
- Electricaribe-Electrocosta: start-up of 33 distribution substation remote control stations.

Human Resources

Human Resources

Workforce

At the end of 2002, Abengoa had a total workforce of 8433. Companies located in Spain employed 5890 people, and companies abroad the remaining 2543.

Abengoa's workforce is structured as follows: 5285 manual workers (63%), 1230 clerical/admin staff (15%), 668 graduates with short-cycle degrees (7%) and 1250 engineers and graduates with long-cycle degrees (15%).

Competency management system

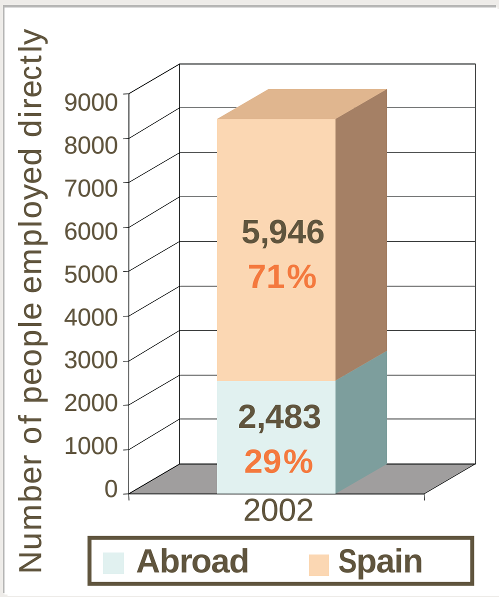
In 2002 Abengoa decided to implement a human resources competency management system covering all its business segments.

A competency management system can be defined as a set of common values in the organisation and is designed to identify and develop the skills and abilities that underlie the workforce competencies needed to achieve corporate objectives.

The implementation of a competency management system is the most effective way of aligning workforce performance with Abengoa's strategy. The system facilitates the process of matching employee profiles to assignments, establishing the performance of the best members of the workforce as a benchmark for excellence to assess the capability of other employees. The system can be used for a whole range of human resources management tasks including recruitment, development, evaluation and training.

Competency management is an effective way of attracting, evaluating and motivating the talent needed in the organisation.

Average figures for human resources in 2002



Total 8,429 (100%)

Manual workers	5,345	63%
Clerical Staff	1,171	14%
Technicians	649	8%
Engineers and other university graduates	1,264	15%

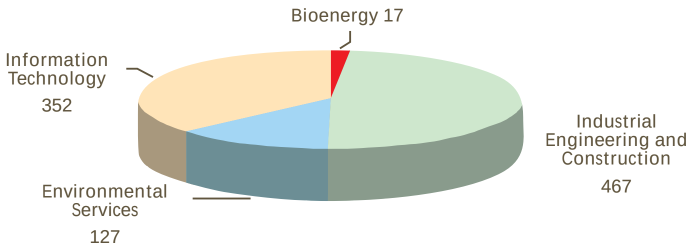
Human Resources

Training

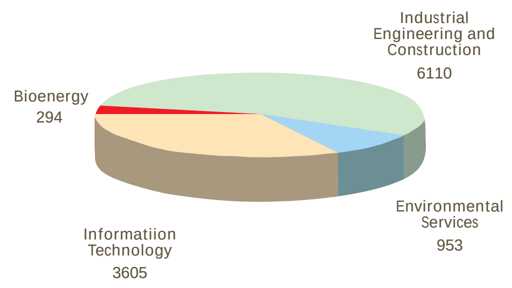
The main areas addressed by training events in 2002 include skills development, new technologies, occupational health and safety, language learning, information technology, management skills, administration and production.
Our ongoing quest to improve the competitiveness of our companies and enhance the knowledge and skills of our workforce has led to a significant increase in training activities aimed directly at workforce competency development.

The overall result of training efforts in 2002 was excellent. A total of 963 training events were carried out involving 10,962 employees and a total of 91,966 hours of training.
The figures below provide details of training events by business segment.

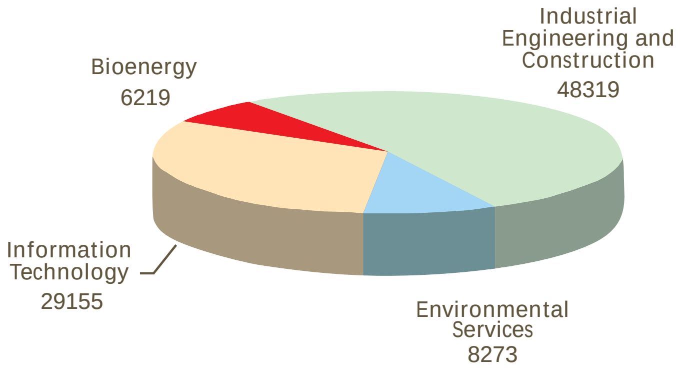
Training events by business segment



Participants by business segment



Hours of training by business segment



With regard to the scope of training activities, courses for employees with degrees, primarily aimed at conveying corporate culture, were further developed. Such courses, which have already been run in most of our companies in Spain, have also been extended to our companies in Latin America over the last two years.

The figures for subsidised training courses are recorded according to the period established in the call for applications. Courses for which subsidies were granted in 2001 ended in May 2002, and most of the courses for which applications were made received grants.

Subsidies amounting to 244,638.37 euro were granted by the FORCEM continuing education foundation, financing 54 training activities totalling 28,375 hours for 948 employees at 21 of our companies.

Occupational health and safety

Efforts aimed at reducing occupational accidents in the Group's companies, particularly in high-risk areas, and improving safety conditions in the workplace included the continued revision of the safety system implemented in all our companies and the mechanisms designed to provide information and consultation and to ensure that the entire organisation is involved in achieving these objectives. The most significant activities carried out in this area include the following:

- In compliance with current occupational safety regulations in Spain, a body accredited by the Ministry of Labour performed the required audit over the year in the 27 companies included in the in-house Joint Occupational Health and Safety Service. Each company was issued with a compliance certificate, and Abengoa received an audit report and a general certificate for all the companies audited.

- Within the framework of the implementation of the chairman's policy statement, a process was set in motion to certify the occupational safety system implemented in Abengoa companies, according to specification OSHAS 18001. As a result of these efforts, Teyma Uruguay was the first Abengoa company to have its occupational health and safety management system certified. The company received the corresponding certificate in October from the Instituto Uruguayo de Normas Técnicas (Uruguayan Technical Standards Institute).


CERTIFICADO
TEYMA

- The External Occupational Health and Safety Service of the Mutual Insurance Company for Occupational Accidents and Diseases has been commissioned to monitor the health of employees working in the companies included in the Joint Occupational Health and Safety Service.

- The new version of the problem management and resolution and improvement action software application has been installed in 55 companies. It was successfully implemented over the year, and a system of awards for the best problem resolution and improvement action has been established to encourage employees to use it effectively.

Activities carried out within the framework of the occupational safety action plan for companies and organisational units included:

- A total of 503 modular training activities totalling 15,433 hours of training attended by 5492 participants. A further 178 courses not requiring attendance were provided for site managers (elementary course approved by the INSHT – National Institute for Health and Safety in the Workplace).

- A total of 165 visits were made to check safety conditions in the workplace and at project sites. The relevant problem resolution reports and improvement actions were produced as a result, specifying any irregularities observed. A new self-assessment system was also introduced, consisting of checklists to be used by those responsible for workplaces and project sites to identify shortcomings, with a view to ensuring that their occupational safety system complies with current regulations.

RDI

Abengoa's proposal

- Commitment involving the public administration and technology companies to implement a ten-year Strategic Innovation Plan, clearly targeting priority sectors and defining the action required to ensure the full involvement of the public RDI system.
- Creation of long-term programmes to implement Relevant Demonstration Projects involving the public administration and each of the companies selected, establishing the technological assets and financial resources that each party undertakes to provide.
- Effective implementation of tax benefits to incentivise innovation, which innovating companies currently have great difficulty in applying.
- Effective coordination among public administrations.
- Guaranteed continuity of the plan, ensuring that it is not affected by changes of government or the ups and downs of the business cycle.

Abengoa's innovation strategy

- Corporate structure
- Results oriented

Abengoa's policy is geared to creating and sustaining value. Its innovation efforts are results oriented and based on the pursuit of three tangible objectives:

- Diversification: new products and services
- Product differentiation: improvement and adaptation of existing products
- Process improvement

Intangible objectives include the acquisition of key competencies and, most importantly, the generation of future options, which is closely linked with the creation of value through growth prospects and the development of new business.

How the strategy is implemented

Abengoa implements its innovation policy in various ways: in-house innovation aimed at providing specific solutions for individual customers and in-house developments; outsourced innovation based on collaboration agreements with universities, public research bodies and other third parties, in which case the work is usually shared; and in some cases technology is purchased. Another method much used in recent times is the acquisition of strategic financial interests in tech companies. In such cases, the move is usually a corporate initiative, although subsequent management is undertaken by the individual companies involved.

The economics of innovation: financing

- External resources:
  - Tax benefits
  - Subsidies
  - Universities, public research bodies
  - Shared R&D
  - Customers
- In-house resources
  - Investment
  - Yearly expense item

Innovative business segments and type of innovation

- Bioenergy: radical and differential innovation, mixed financing (US Department of Energy, Framework Programme).
- Solar and cells: radical and differential innovation, mixed financing (Framework Programme).
- Telvent: differential and radical innovation, mixed financing (Framework Programme).
- Befesa: differential, dispersed, internal financing, in-house implementation.

Awards Abengoa

1993-2002

- Academiae Dilecta (first edition): in recognition of its track record in innovation. Spanish Academy of Engineering, December 2002.
- Andalucía Económica: for its extensive track record of achievements in the region of Andalusia and the influence it has had on its economy. Andalucía Económica magazine, Malaga, February 2002.
- AEC: for its RDI efforts aimed at environmental protection. Spanish Association of Scientists (AEC), Madrid, November 2001.
- Most valuable innovation: for the product Velflex developed by Sainco. European Wind Energy Conference, Copenhagen, June 2001.
- National Quality Award 2000: to Teyma Uruguay for its efforts and achievements in Quality Management. Government of Uruguay, February 2001.
- RENFE award: to Sainco for its contribution to improving and modernising safety facilities at RENFE Northwest Management Headquarters of the Maintenance and Infrastructure Unit. RENFE, León, November 2000.
- European Union award for the Best Industrial Renewable Energy Partnership: to Abengoa, Repsol-YPF and Cepsa for their bioethanol project, awarded by the Renewable Energy for Europe. Campaign for Take-Off. European Union, Toulouse, October 2000.
- Best Environmental Performance: to Sainco. Airtel, 1999.
- Sponsorship and patronage: to the Focus-Abengoa Foundation. Andalusian Business Confederation (CEA), Seville, November 1999.
- Export award. Madrid Chamber of Commerce and Industry, 1999.
- Prince Philip Award for Business Excellence in the Business Competitiveness category. Ministry of Industry and Energy and Ministry of Trade and Tourism, March 1996.
- Prince Philip Award for Business Excellence in the Technological Achievements category. Ministry of Industry and Energy, March 1996.

- Best Paper Award at the Symposium on Distribution Automation and Demand Side Management-94 Europe: for a project presented by Sainco and Unión Fenosa, Paris, September 1994.
- Gold Medal for Technological Innovation: to Sainco. National Association of Capital Goods Manufacturers (SERCOBE), 1993.
- Atlas-93 Export Award: sponsored by CEOE, DHL and Expansión, 1993.
- EIT-93: to Sainco for the use of information technology in Andalusia. Sponsored by Coopers & Lybrand, PC Week and Data General, 1993.

Innovation projects in progress

Demonstration projects

Abengoa believes that "demonstration projects" are a key instrument in the effective implementation of innovation policies to develop and market new products. Demonstration projects provide operational validation of the innovative product, system or process and enable an initial price to be set, which may subsequently be lowered by means of the experience curve. Furthermore, demonstration projects generate a real demand on the public R&D system, enabling science to serve the needs of society. Therefore, Abengoa, through its companies, always has several dozen demonstration projects underway at any one time, usually in cooperation with a number of scientific institutions and technology agencies. Many of these projects receive public funding.

One of our most important R&D efforts currently in progress is research in the bioenergy area into the use of lignocellulosic biomass to produce bioethanol, which is currently produced using cereal feedstocks. The objective of the project is to convert corn stover, straw from other crops and other agricultural residues into bioethanol. This will mean extra income for farmers, lower bioethanol production costs, so that it can compete with petrol, and a reduction in the greenhouse effect, as the feedstock used to produce bioethanol (plants) has previously absorbed CO2 from the atmosphere in the chlorophyll function. The project, representing an RDI investment of USD 35,478,765 over five years, received a substantial outright grant from the US Department of Energy, amounting to USD 17,739,381 (50% of the total) in September of last year.

Other innovation projects in progress include:

Bioenergy

- Project financed by the US Department of Energy to improve the efficiency of the production process by converting biomass and waste starch into bioethanol.
- Demonstration project in Castilla-León for a 5 million litre plant to convert biomass into bioethanol on an industrial scale as part of the EU 5th Framework Programme.

Environmental services

- Tracemar

The following projects have been carried out in cooperation with the Chemical Engineering Department of the University of Castilla-La Mancha:

  - Distillation process for the regeneration of waste oil using demetallised oils obtained as a result of the Aureca process.
  - Development of a new finishing process for distilled oil as an alternative to hydrogenation.

- Alfagrán

  - Process to incorporate fibre glass in the thermoplastic matrix (polyamide or propylene) to produce recycled fibre-reinforced thermoplastic composites.

- Etrinsa

  - Project to develop a reductive dehalogenation process for chlorinated organic contaminants in a homogeneous state by electronic transfer, in cooperation with the University of Alicante.

- Aser

  - New process to achieve energy optimisation and increased production in the recovery of zinc and lead from industrial waste, primarily EAF dust, using Waelz kilns.

- Remetal
    - Aludisc. New process to dry oil on aluminium disks.
    - Refinalsa. Environmental improvements achieved by perfecting the design of a rotary furnace (Mejorot).
    - Remetal and Valcritec
    - Supersal. Project to upgrade the quality of the salts used in aluminium smelting.
    - Optimus. Project to optimise aluminium recycling.
    - Calido. Project to assess the influence of secondary metal quality and properties on the deformation of plastic materials.
    - Minirex. Process to minimise the production of waste in aluminium recycling.
    - Sin Fe. Process to minimise iron in the aluminium recycling cycle.

Industrial engineering and construction

- Inabensa
    - New catenary for the high-speed railway line in consortium with CITEF and other companies.
    - New control system for motor control centres. Profit Programme in cooperation with the Electronic Technology Group at the University of Seville.
    - New systematic testing system for electronic cards, with the support of IMADE.
- Abentel
    - Integra. Implementation of WAP/GPRS in integrated facility management and maintenance.
- Greencell
    - Hidrofuel. Development of technology to convert bioethanol into hydrogen as an alternative fuel, in cooperation with the Catalysis and Petrochemical Institute of the Higher Scientific Research Council (ICP/CSIC). Profit Programme.
    - Bio-H. Production of hydrogen from bioethanol using a plasma boosted reformer, in cooperation with the Electronic Technology Group of the School of Engineering/Andalusian Industrial Research and Cooperation Association (GTE-ESI/AICIA) and the Materials Science Institute of the University of Seville (ICMSE). The project is subsidised by the Andalusian Development Institute (IFA).
    - Biocell. Design and development of a prototype 10 kW electricity generator based on a bioethanol processor and fuel cells, with the participation of the Catalysis and Petrochemical Institute of the Higher Scientific Research Council (ICP/CSIC) and the Electronic Technology Group of the School of Engineering/Andalusian Industrial Research and Cooperation Association (GTE-ESI/AICIA). The project receives support from the Industrial Technological Development Centre (CDTI). The end purpose of Biocell is the efficient transformation of bioethanol into hydrogen to power fuel cells that generate electricity. Such fuel cells can be used to provide households and even small population centres with power.
    - Hy-Clean. Power generation system based on fuel cells powered by exhaust gases with a high H2 content from an industrial plant.
    - Tele-PEM. Design and experimental validation of a PEM fuel cell of up to 1 kW for use in telecommunications, with the cooperation of Instalaciones Inabensa, S.A., the Catalysis and Petrochemical Institute of the Higher Scientific Research Council (ICP/CSIC) and the Energy, Environmental and Technological Research Centre (CIEMAT). Profit Programme.

  - Participation in the REVCELL Project: “Autonomous Energy Supply with Reversible Fuel Cell as Long-Term Storage for PV Stand-Alone Systems and Uninterruptible Power Supplies” EU 5th Framework Programme.

- Solúcar is leading the following solar power projects under the EU 5th Framework Programme.

  - Eurotrough II. Project to develop a new, more efficient parabolic trough collector.
  - Solair: Project to develop and test 300 kW and 3 MW receivers incorporating ceramic technology.
  - Cocon. Project to develop a photoelectrocatalyser for carbon dioxide reduction to transform it into organic matter using the energy carried in a photon flow.
  - Solgate. Project to develop a compressed air solar receiver and integrate it in a gas cycle.
  - Aquasol. Project to develop a hybrid solar-gas desalination system and a multi-purpose distilling plant.
  - Inditep. Project to extend the DISS collector for the generation of direct solar steam by mass producing and assembling a 200 m long collector incorporating Eurotrough technology.
  - Cac. (20X-40X) controlled atmosphere parabolic trough photovoltaic concentrator.
  - Sanlúcar Solar. 10 MW solar thermal plant with tower technology in Sanlúcar la Mayor (Seville).
  - Sevilla PV. 1.2 MW photovoltaic plant with 2x solar concentration and dual axis tracking.

- **Systems and networks**

- Sainco

  - Enerdis, SMA-1AO4, SM-SERS, Plagas, S2000DP, Saitel-LON.Lonworks, Saimet, S-100, Prima, Insonet, Power-Lan, Ener-Net, Plt-Home Router, SincrOFDM, Samba, Iber-PLC, Saidap, Innova-Swiftco, Iris and Café.

- Sainco Tráfico

  - Smartoll, Adaptex, e-Park and Regula.

- Sainsel

  - Display system and Wecdis SW.

- Telvent Interactiva

  - Redest, Café, Webplus, e-ESAPS and Frada.

- Internet Data House

  - IDEAL

The following are particularly significant:

- Insonet. Project led by Sainco included under the EU 5th Framework Programme. The purpose of the project is to develop low-cost technology enabling the conventional electricity grid to be used as a means of transmission for residential broadband networking applications up to 10 Mbytes/second.
- Smartoll. Integrated “free-flow” system for electronic motorway toll transaction management.
- Adaptex. Latest-generation urban traffic system integrating expert adaptive control subsystem algorithms under a single environment to provide real knowledge management.
- Café. EUREKA-ITEA Project, evolution of ESAPS with an enhanced approach for the analysis, evolution and definition of software system-families. With the support of the Ministry of Science and Technology.
- IDEAL. Definition, development and operation of a dedicated and shared colocation service platform, business information systems, information portals and Internet business platforms. Profit Programme.

Relevant Lines of Innovation

Four particularly relevant lines of innovation are:

- **Bioethanol**
- **Solar power**
- **Hydrogen (H2) technologies**
- **Broadband transmission over the electricity grid**

- **Bioethanol**

Bioenergy

Objectives

- Leadership position in Europe with Ecocarburates Españoles (100 million l/year), Bioetanol Galicia (126 million l/year) and the Castilla-León plant (200 million l/year).
- Increased market presence in the USA based on the acquisition of High Plains (325 million l/year), with the construction of new facilities and/or further acquisitions.
- Progressive expansion to other European markets by implementing pilot projects: UK, Germany, Portugal, Sweden and Italy.
- Search of new opportunities in Latin America (Mexico, Brazil) and the Caribbean.
- Incorporation of new technologies to convert cereal crop residues to cut production costs.
- Development of the demand for ethanol in Spain based on two lines of action:
  - Agreement with Repsol and Azucarera for blending ethanol in petrol.
  - Investment in RDI for blending ethanol in gasoil.
- Biotechnological processes to improve protein feed co-products.
- Development of production processes using biomass and industrial demonstration in pilot plants.

Your partner in Bioenergy

Our facilities:

In Spain

Ecocarburantes Españoles
Cartagena

Bioetanol Galicia
Coruña

In the US

York
Nebraska

Colwich
Kansas

Portales
New Mexico

RDI scenario

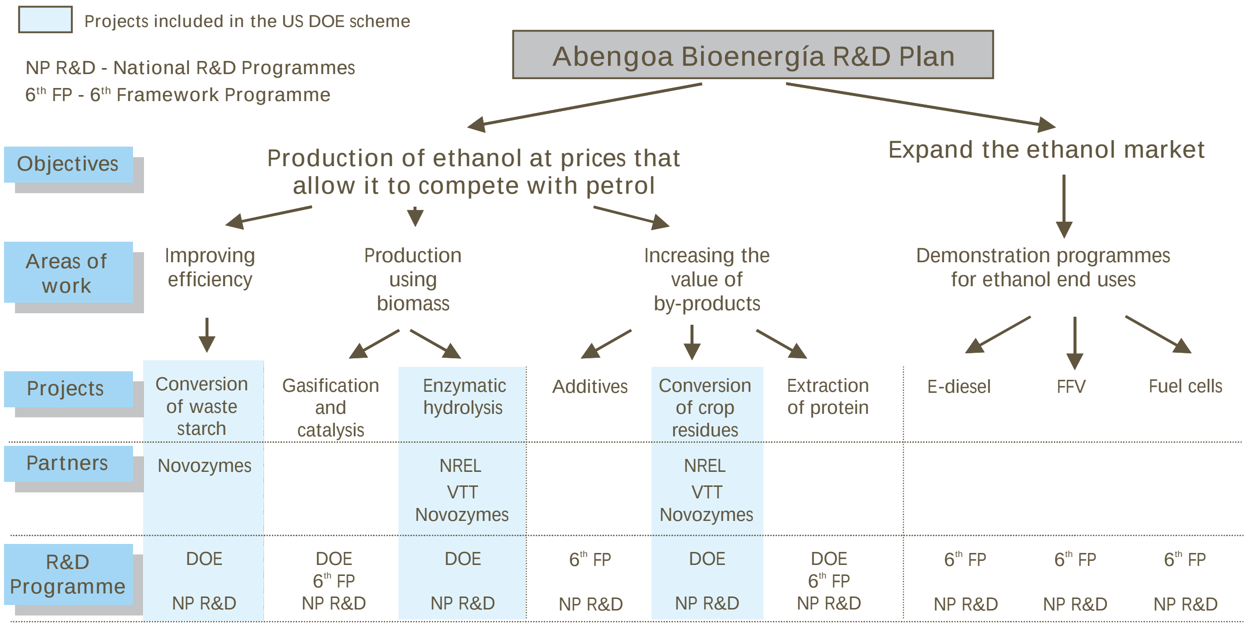
- Differential innovation to improve efficiency
- Conversion of waste starch
- Conversion of crop residues
- Improvement of DDGS

- Radical innovation to transform the business
- Lignocellulosic biomass
- Fuel cells
- E-diesel
- Biorefining

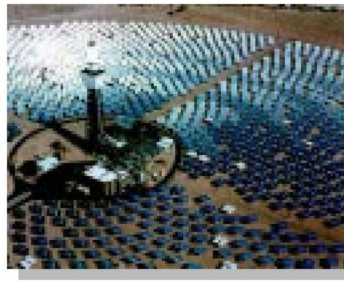
Public funding for bioenergy

- Abengoa's RDI Plan has received the backing of the US Department of Energy and the European Commission through its 5th Framework Programme.
- Abengoa Bioenergía has plans to develop a demonstration plant to produce ethanol from biomass in Spain, which would require the support of the National R&D Plan.

R&D objectives 2003-2006



- **Solar power**

Photovoltaic	**Solar thermal parabolic collector**	**Solar thermal tower**
		
• **Simple**	• **Large plants** • **Efficient land use**	• **Medium-sized plants** • **High temperatures** • **Reasonable cost**
• **High installation cost** • **High generation cost**	• **Steam temperature 400ªC**	• **More complex**

<u>The power of the sun</u>

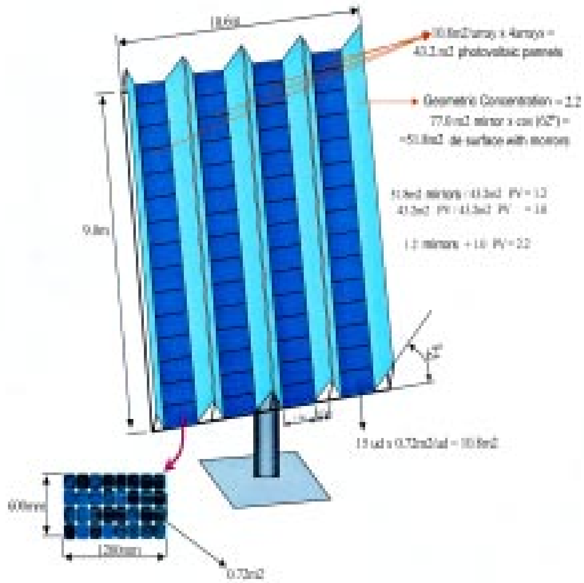
- Power received by the whole of the earth's surface
  - 100,000 TW (continuous)
  - 10,000 times world production (10 TW continuous)
  - Equivalent in terms of power to a 200 mm layer of petroleum covering the entire earth's surface each year
  - Equivalent to 1.5 barrels for each square metre of the planet's surface.
- Efficiency: kWh/ heliostat incident power
  - Current technology 17%
  - Technology in 20 years >30%

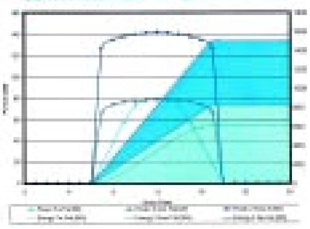
<u>Current technology to be incorporated in the Sanlúcar Solar Project</u>

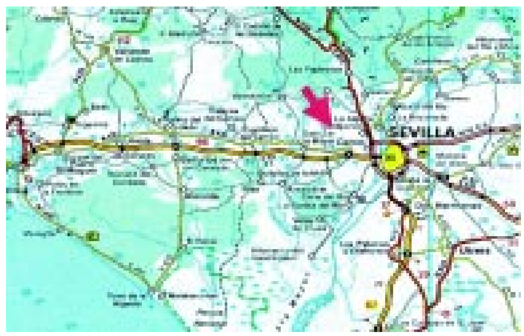
- Potential > 1,000 kWh/ha per day
- Surface area of Andalusia: 8,800,000 ha
- Solar plants occupying just 1% of this surface area would meet all electricity consumption needs in Andalusia
- Production 88 GWh/day = 32,000 GWh/year
- Total demand in Andalusia 2000 = 27,231 GWh

- **Sevilla PV**

1 MWe electricity generation plant







- **PS10 Project**

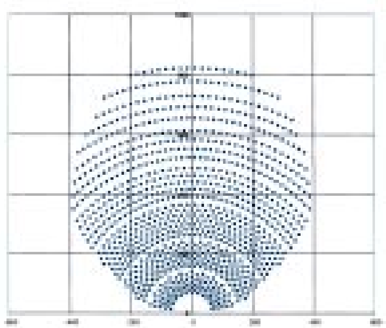
Sanlúcar Solar

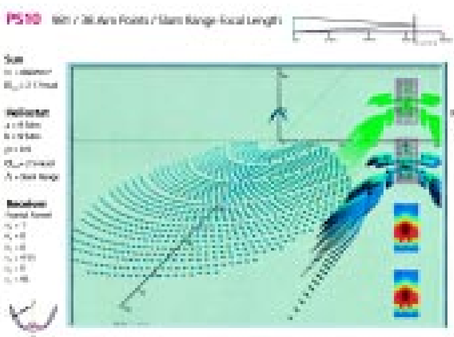
10 MWe electricity generation plant

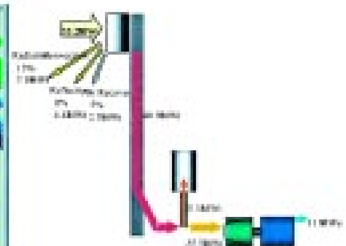
Heliostats		981/91 m^2
Tower height		90 m
Focal length		500 m
Design Point	Day	355
	Time	0:0
	Irradiance	850 W/m^2
Irradiation		2063 kWh/m^2 año

Design point optical perfomance	0.729	75.880 MW -> 55.269 MW
Design receiver and storage perfomance	0.74	55.269 MW -> 40.919 MW
Thermal - electrical perfomance	0.309	40.919 MW - 5.337 MW =35.582 -> 11.0 MW
Annual optical perfomance	0.647	183,496 GWh -> 118,721 GWh
Annual receiver and storage perfomance	0.614	118,721 GWh -> 72,895 GWh
Annual thermal - electrical perfomance	0.303	72,895 GWh -> 22,087 GWh

PS10







- **Hydrogen (H2) technology**

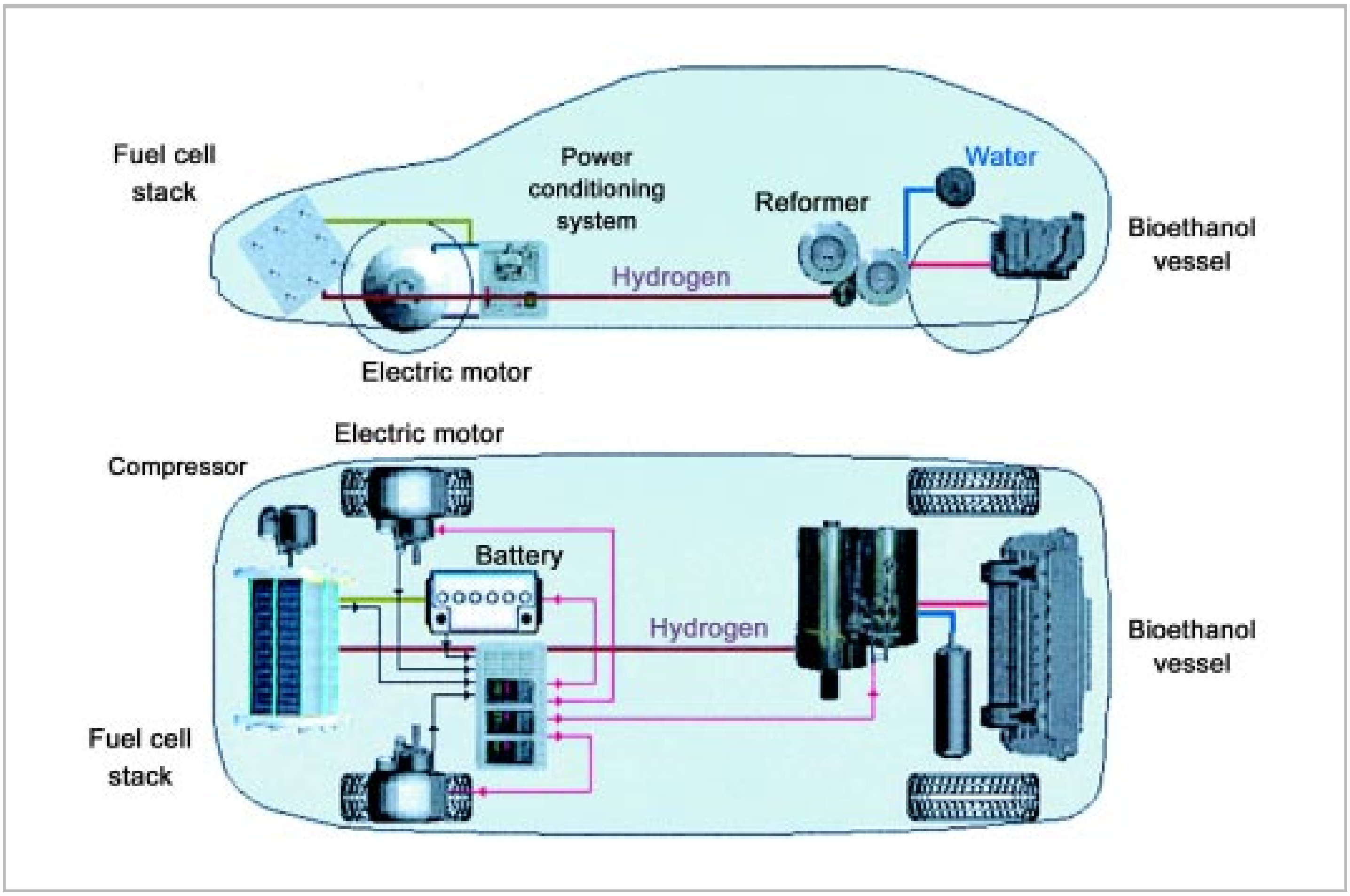
- Bioethanol (renewable fuel) reformer systems for the production of H2 and their use onboard fuel cell vehicles.

- Systems to produce electricity using fuel cells.

- Bioethanol reforming advanced vehicle: development of a prototype advanced vehicle powered by bioethanol with an onboard H2 reformer and fuel cell.

Advantages over conventional vehicles

- Bioethanol is a renewable, sustainable fuel made from plant-derived organic matter, which helps to reduce net CO2 emissions into the atmosphere, because the CO2 released was previously extracted from the air in the chlorophyll function by the plants used to make the bioethanol. The production of bioethanol also reduces oil imports, and it can be distributed through existing service stations.
The fuel cells used to power vehicles are more efficient than internal combustion engines, they do not pollute the atmosphere and the vehicles are noiseless.



- **10 Mbytes/second broadband transmission over the electricity grid**

- Low-cost technology permitting the use of the conventional electricity grid as a means of transmission for broadband residential networking applications up to 10 Mbytes/second.

Market

- Residential (prototypes at testing stage)
  - Eliminates the need for interior communications wiring and base stations in buildings.
  - Eliminates wiring between terminals and base stations.

- Urban (future)
  - Broadband last mile access over the electricity grid from concentrator transformer centres.
  - City node with fibre optic connection of centres.

Abengoa's track record in the business:

- 1987 – Emetcón: electronic carrier system over medium voltage lines.
- 1992 – Sailink: DSP technology carrier system for medium voltage lines.
- 1997 – Policom: ASI-DSP technology carrier system for low voltage lines.
- 2002 – Insonet: 10 Mbytes/second broadband system for residential networking.

Significant Figures

Total investment in RTDI (I)

(thousands of €)

2000		2001		2002		2003 (E)	
Th. €	% of sales	Th. €	% of sales	Th. €	% of sales	Th. €	% of sales
5,980.1	0.5%	7,598.4	0.5%	11,065.2	0.7%	20,480.6	1.2%

Total investment in RTDI (II)

(thousands €)

	2000 Th. €	2000 % of sales	2001 Th. €	2001 % of sales	2002 Th. €	2002 % of sales
Bioenergy						
Ecocarburantes	48.1		0.0		0.0	
Subtotal Siema	48.1	0.0%	0.0	0.0%	0.0	0.0%
Total Business Segment	48.1	0.0%	0.0	0.0%	0.0	0.0%
Environmental Services						
Befesa consolidated	0.0		0.0		364.3	
Subtotal Siema	0.0	0.0%	0.0	0.0%	364.3	0.1%
Total Business Segment	0.0	0.0%	0.0	0.0%	364.3	0.1%
Information Technology						
Arce sistemas	499.4		311.9		371.1	
Sainco	2,310.3		2,189.0		2,410.0	
Sainco Tráfico	2,318.7		1,065.0		3,143.8	
Sainsel	186.9		210.5		112.9	
Subtotal Abengoa Traditional	5,315.4	0.5%	3,776.4	0.4%	6,037.8	2.8%
Telvent Interactiva	117.8		203.8		713.6	
Carrierhouse	0.0		0.0		510.0	
Subtotal Siema	117.8	0.0%	203.8	0.0%	1,223.6	6.1%
Total Business Segment	5,433.1	0.5%	3,980.2	0.3%	7,261.4	3.1%
Industrial Engineering and Construction						
Abener	134.0		2,404.0		1,000.0	
Abentel	0.0		941.8		306.6	
Inabensa	364.8		272.4		580.9	
Subtotal Abengoa Traditional	498.8	0.1%	3,618.2	0.4%	1,887.5	0.4%
Greencell	0.0		0.0		1.500.0	
Solucar	0.0		0.0		52.0	
Subtotal Siema	0.0	0.0%	0.0	0.0%	1,552.0	2.6%
Total Business Segment	498.8	0.0%	3,618.2	0.3%	3,439.5	0.7%

Business Ethics and Social Responsibility

Business Ethics and Social Responsibility

Introduction

Abengoa is an industrial and technology company that provides solutions for sustainable development, the information and knowledge society and the creation of infrastructures. It promotes innovation as a means of creating value and achieving sustained growth.

Abengoa conducts its business with a strong commitment to customer service, the professional and personal development of its employees and the creation of value for its shareholders.

Abengoa's vision

Abengoa believes that the innovative company operating in a market economy is an efficient instrument that can play a vital role in building a society based on sustained development.

Social Responsability

Global Compact

Abengoa has joined the United Nations Global Compact initiative to promote principles in the areas of human rights, labour and the environment and to make them part of business strategy and operations.

Corporate Governance

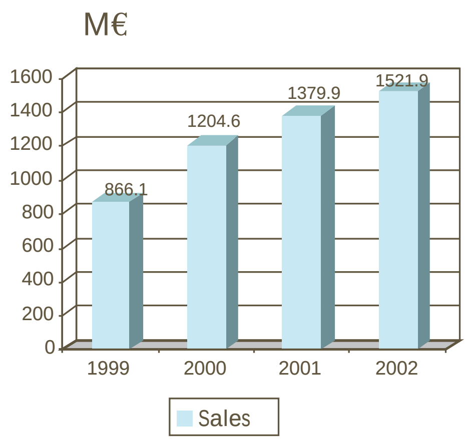
Abengoa has adapted its corporate governance rules, following the recommendations of the Special Commission for transparency and security on financial markets and in listed companies (Aldama Report). The subject is discussed in greater detail elsewhere in this Annual Report (page XXX).

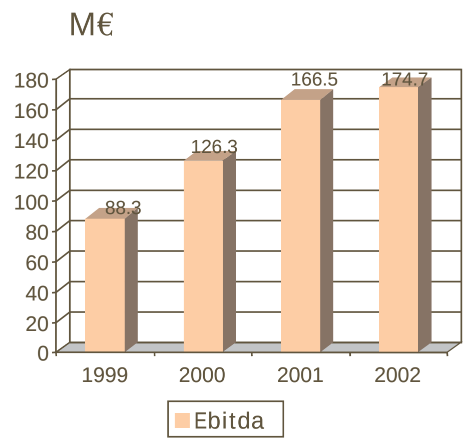
Triple bottom line

Economic bottom line

Abengoa's financial highlights are presented in detail elsewhere in this Annual Report. In brief, Abengoa's business has expanded significantly over the past three years, as the following figures show:

- Sales 2002 1,509.9 €
  Sales 1999 866.1 € 74.33% growth
- EBITDA 2002 174.5 €
  EBITDA 1999 88.3 € 97.62% growth





Business Ethics and Social Responsibility

Environmental bottom line

Abengoa is a company with a strong commitment to sustainable development, resulting in a very positive environmental bottom line:

- The Bioenergy business segment operates in the biofuel sector. In 2002 it became the world's second largest producer of bioethanol, a fuel used as an alternative to petrol, which has a positive impact on urban atmospheric pollution, the greenhouse effect, the sustainability of agriculture, the balance of payments and regional development.

- The Environmental Services business segment promotes sustainability as a key concern in all its activities: aluminium, zinc and salt cake waste recycling, industrial waste management, hydrocarbons and industrial cleaning services and environmental engineering for water treatment and waste management.

- Information Technology is a business segment devoted to the information and knowledge society and boasts an extremely positive environmental bottom line, particularly in the area of social development.

- Industrial Construction and Engineering has a traditionally strong commitment to renewable energy sources, particularly solar power and biomass, and is now developing new hydrogen technology applied to fuel cells and working on the creation of new infrastructures in response to the demands of society.

A full account of these activities and significant figures are provided in the sections of this Annual Report devoted to each business segment.

Abengoa's progress and achievements in the implementation of quality systems and environmental management systems for the performance of its business activities are described below.

Business Ethics and Social Responsibility

Quality and environment

Abengoa took its first steps in the area of product quality assurance over thirty years ago, largely in response to requirements arising from its activity in the construction of nuclear power stations and military, rail and space systems.

From then on, we began to apply this concept to all the construction work we were involved in and not just to nuclear power projects, making quality a feature of all our products.

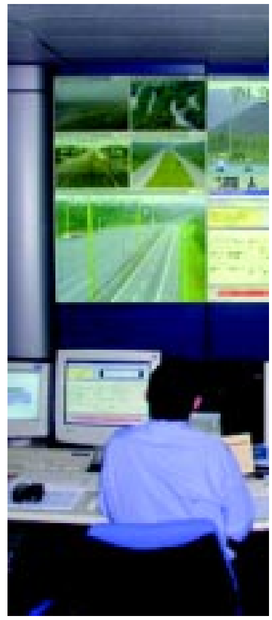
Advances in quality systems have enabled us to implement predominantly preventive rather than corrective models, making it possible to anticipate problems and get it right the first time round.

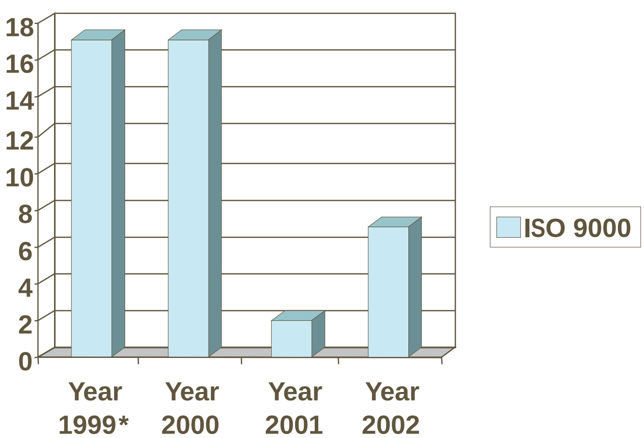
Quality control and assurance and quality systems in general have progressed over the years to produce the current quality management systems, which are formally registered through ISO 9000 certification.

Growing concern for environmental issues in society as a whole has prompted Abengoa to take them on board and channel its efforts into conserving and protecting the natural environment, with a view to ensuring that our generation and future generations use it in a more efficient and responsible manner. The environmental system, like the quality system, must provide management according to solid, provable criteria. Our companies are therefore ISO 14000 registered, and some of them are certified as environmental managers.

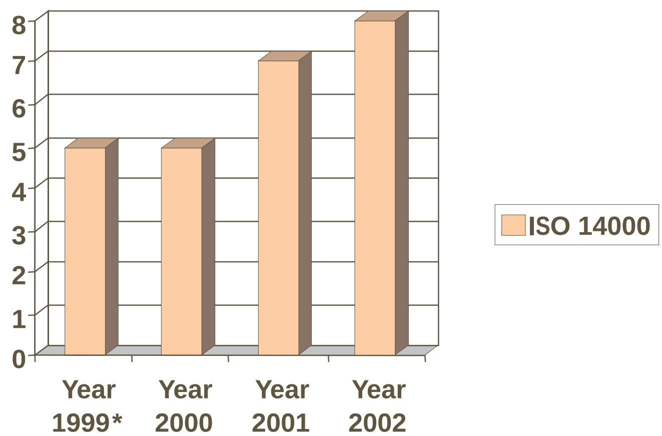
As a result of efforts in this area over the previous two years, by the end of 2002, 67% of Abengoa's companies had received ISO 9000 certification for their quality management systems, and 33% had received ISO 14000 certification for their environmental management systems, putting us in a privileged position in this respect.

The figures for ISO certificates received between 1999 and 2002 are shown in the diagrams below.





* Accumulated up to 1999



* Accumulated up to 1999

The table below shows the proportion of companies in each business segment that have certified quality and environmental management systems:

Business Segment	% of ISO 9000 certified companies	% of ISO 14001 certified companies
Information Technology	90	30
Industrial Engineering and Construction	71	29
Environmental Services	38	36
Bioenergy	0	0
Latin America	89	22

The recently formed Bioenergy business segment has companies based in Spain and the United States.

The Spanish companies, Ecocarburantes S.A. and Bioetanol Galicia S.A., are currently developing and implementing an integrated quality, environmental and occupational health and safety management model. It plans to have the integrated system in full working order before the end of 2003, with a view to initiating the registration procedure at the end of the year and receiving certification at the beginning of 2004.

In 2002, two companies in our Environmental Services business segment received verification statements accrediting the compliance of their environmental management systems with the requirements of the Eco-Management and Audit Scheme (EMAS). This means that three companies in this business segment now have the EMAS verification statement, and one has been accepted as an EMAS-registered company.

Business Ethics and Social Responsibility

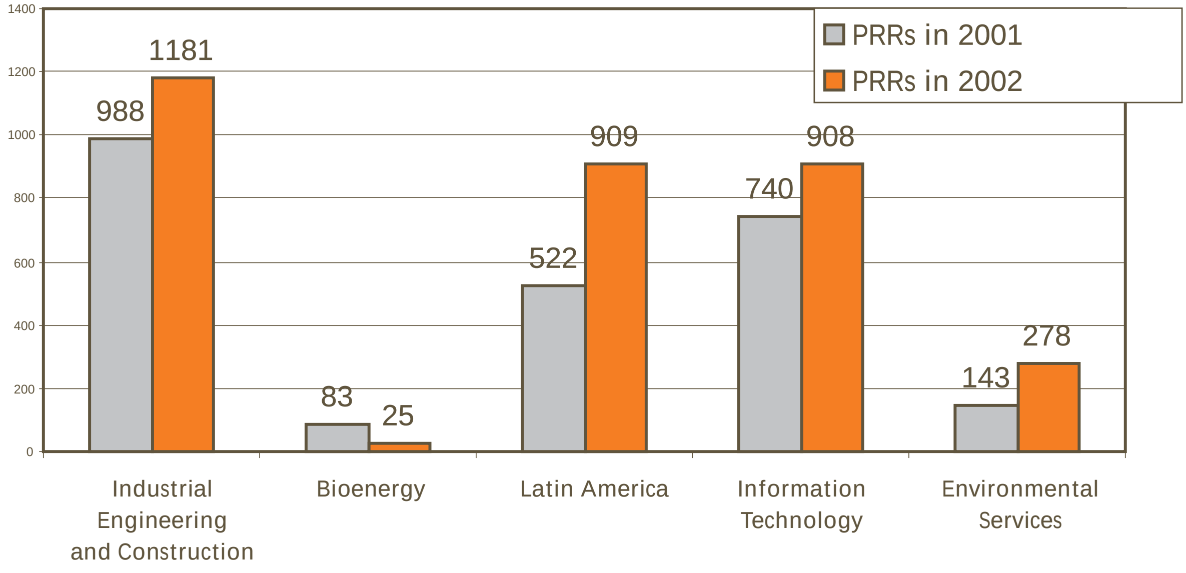
New versions of two software applications have been installed in almost all our companies, one for Problem Resolution Reports (PRR) and the other for processing Improvement Actions (IA), as strategic tools to improve quality and environmental system management.

The key advantage of these applications is that both problem management and resolution and improvement actions can be initiated exactly where the problem is, permitting bottom-up detection and solution.

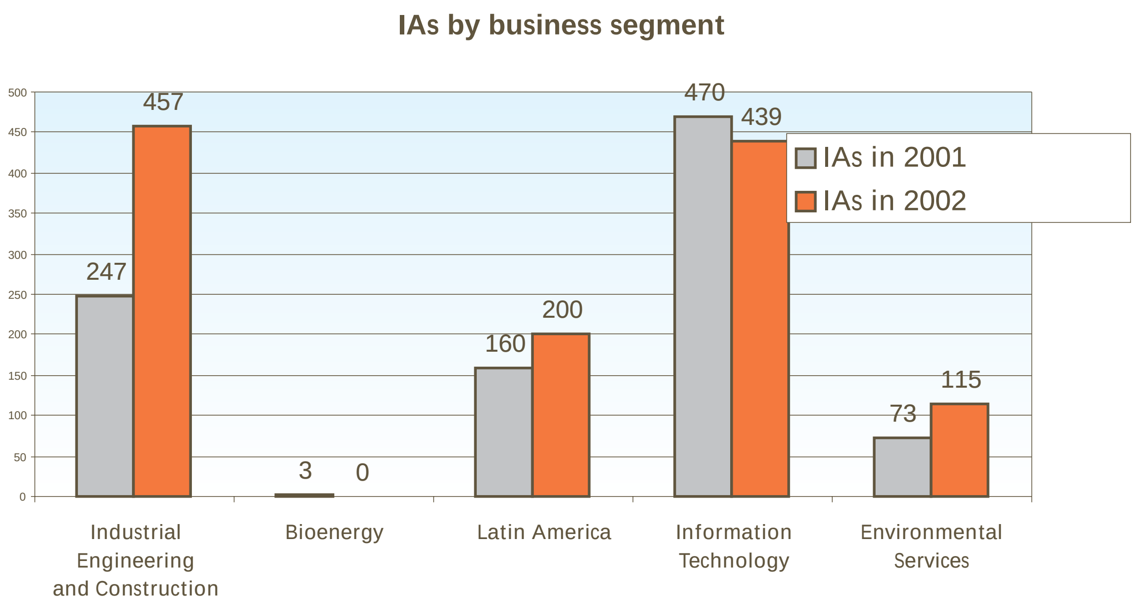
Through the corporate quality and environment structure, the required training was provided to achieve fuller and wider implementation of the new applications and to teach employees how to use the capabilities effectively to facilitate the day-to-day management of projects and works, promoting a process of ongoing improvement.

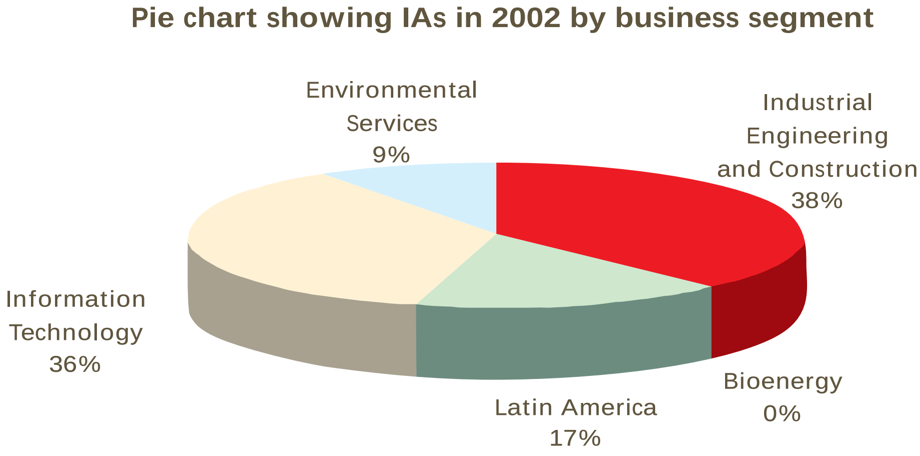
The diagrams below provide a comparative analysis, by business segment, of 2001 and 2002 figures for problem detection and proposed improvement actions and the proportion of problems detected and improvement actions proposed by each business segment.

PRRs by business segment

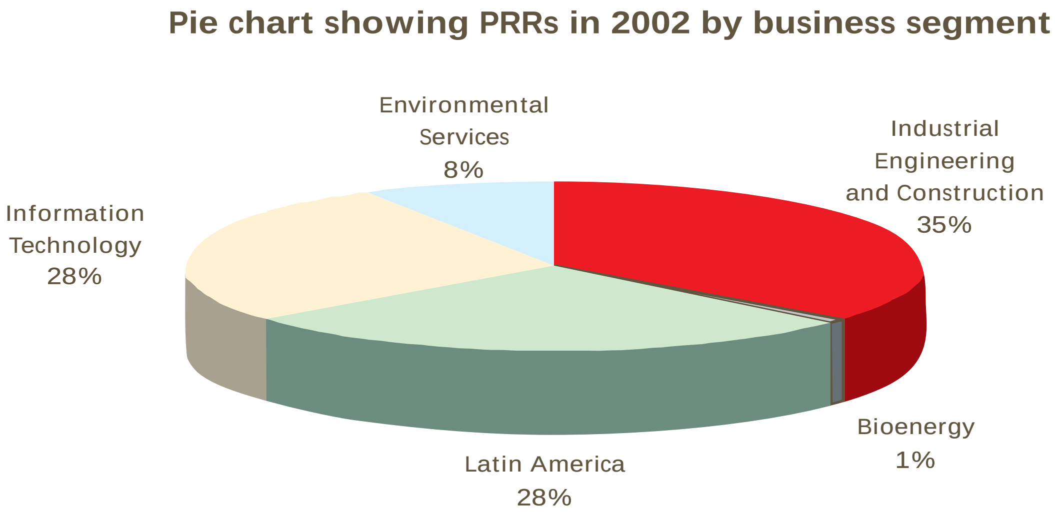


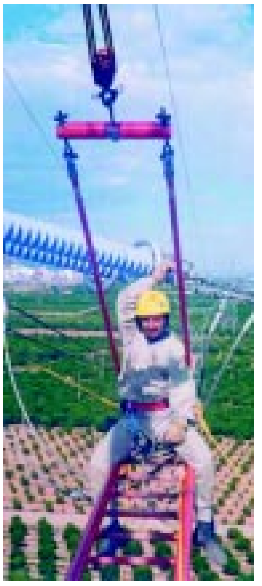
Business Ethics and Social Responsibility





Business Ethics and Social Responsibility





Each company has specific facilities to support the development and implementation of the above, according to its structure and activity.

Companies that carry out construction works or projects have a decentralised structure, with certain activities performed at the construction or project site, others at the permanent establishment (regional management office or branch office), and others at headquarters under General Management . The entire structure comes under the quality and environment coordinator.

Companies that carry out manufacturing activities have a centralised structure.

The main functions of the quality and environment organisations are to manage and develop system documentation, ensuring that it is kept up to date with current national and international legislation and with environmental legislation; to propose and formulate the annual internal audit plan; to provide secretariat services for the Quality and Environment Committee, which puts forward objectives, indicators and targets for the company, areas and departments; to provide assistance and guidance in response to consultations from different areas and departments; to participate in training programmes; to evaluate suppliers; to provide supervision for the implementation of problem management and resolution and improvement actions; and to work with General Management to revise the systems on a yearly basis, with a view to proposing ways of improving them.

There is a minimal structure in place to supervise the implementation of the above through visits and follow-up to monitor progress and ensure that the objectives set in the chairman's policy statement are met and that the synergies created within the Group are used to the best advantage.

The following general objectives have been set for this year:

- Certification and adaptation of the quality management systems of Abengoa's companies according to the ISO 9001:2000 standard.
- Certification of the environmental management systems of Abengoa's companies according to the ISO 14001:1996 standard.
- Monitoring of the quality management systems and the environmental management systems of Abengoa's companies according to an established plan of visits. Each company is visited every six months, making a total of around one hundred visits over the year.

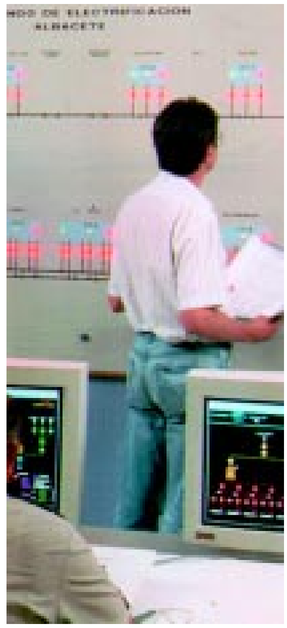
Social bottom line

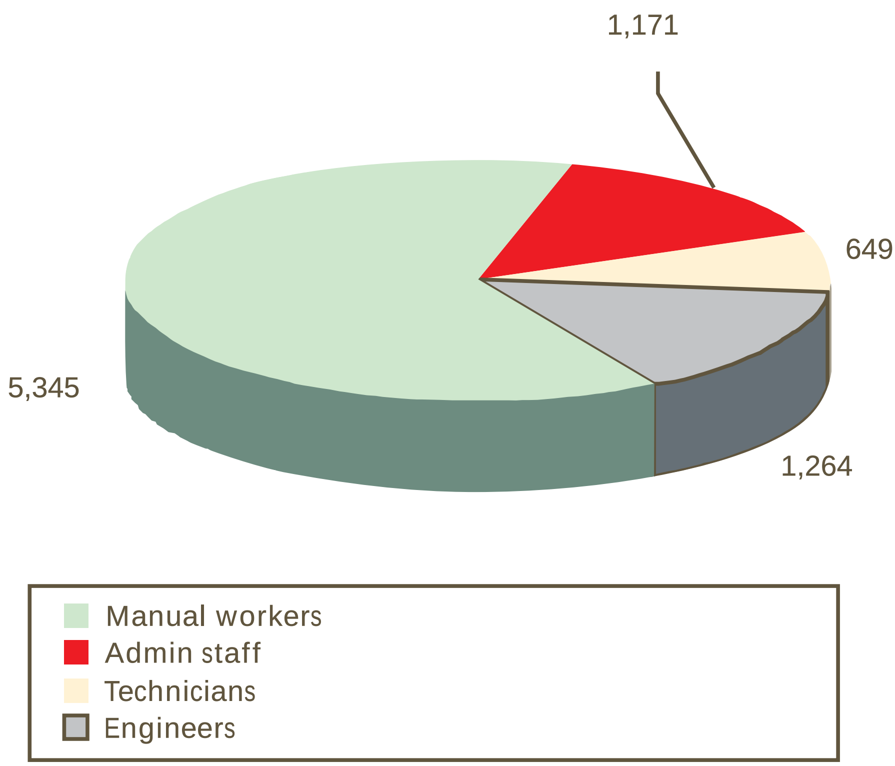
Human Resources

At the close of 2002, Abengoa had a workforce of 8,429 people working in companies based in Spain and abroad.

Abengoa has on ongoing commitment to improving the professional skills and abilities of its workforce through the achievement of specific objectives, continuous progress and advances by motivating employees to meet new realistic challenges and the development of employees' potential and skills through training and career plans. Workforce skills development forms part of the competency management system that Abengoa has implemented in all its business segments. In 2002 a total of 1,017 training events were carried out providing 132,251 hours of training for 11,910 employees.

Abengoa has implemented an in-house joint occupational health and safety service covering all its companies. The activities and responsibilities of the service are described elsewhere in this Annual Report.





Social action

Abengoa's commitment to social action stems from the profound conviction that the company and all the different social groups involved should work together to build and sustain a secure and caring society.

Abengoa has therefore worked on the principle that profitability and social responsibility comprise a dual bottom line ever since it was formed in 1941, a belief that is realised in specific activities linked to corporate growth, which are extended and adapted to meet the demands of different population sectors.

Different types of social action are carried out for each sector:

In-house action

One of the groups that receives most attention is formed by people who work or have worked for Abengoa and their spouses, children or orphans. Abengoa attaches a great deal of importance to such efforts, although little is known about them outside the company. The following actions were carried out in 2002 in this area:

- Education. Perhaps the biggest concern of employees at Abengoa and other Group companies is education. Abengoa runs a scholarship programme that makes the burden of school fees easier on the family economy. Grants are awarded to the children of employees, of the widows or widowers of employees, of former employees receiving sickness or accident pensions, disabled children and employees themselves who wish to continue their studies. A total of 1,324 grants were awarded to students belonging to 791 families in different levels of education in Spain and Latin America for the academic year 2001-2002, including grants for children in special education.

- Occupational health. In addition to whatever medical care may be needed, Abengoa provides employees who are ill or who have suffered an accident with personalised follow-up care to deal with psychological, personal and financial problems affecting the family as a result. An important initiative in this area is the much improved Collective Life Insurance maintained by Abengoa.
- Individualised employee guidance. This service is designed to develop human relations. Employees may use it for many different reasons: a need to talk things over, receive support, sympathy, guidance or information or to deal with specific problems, such as negotiating a bank loan or applying to the social fund for extraordinary expenses in the event of illness, etc.
- A moving ceremony is held to acknowledge the contribution of employees who have been with the company for twenty-five years.
- La Antilla Residence. Abengoa acquired a wonderful holiday complex at La Antilla beach in Lepe (Huelva) in 1972, giving a boost to what is familiarly known as Operation Summer, an initiative that started in the sixties. The idea behind it has not changed; it gives Abengoa employees the opportunity to take a break and enjoy the amenities in a convivial atmosphere. Last year, major alterations were made, including the construction of a new building to extend and modernise the complex, with a view to making the facilities more comfortable for the many families who use them and to meeting growing demand. In 2002 a total of 2,820 people stayed at the complex over the summer months.

- Publications. Aware of the importance of communications between the company and different social groups (employees, retired employees, shareholders, customers, central and regional government, the media and the general public), Abengoa publishes a bimonthly, bilingual magazine, with a circulation of 13,000 copies, which provides extensive information about Abengoa's performance, its RDI activities, occupational health and safety, quality, the environment, social action, etc. A special issue was published in March to commemorate the life of the founder and erstwhile honorary chairman of Abengoa, Javier Benjumea Puigcerver.
- Retired employees. The magazine keeps them up to date on company news and events. They are also invited to spend a few days' holiday at the La Antilla Residence, an offer 319 of them took up last year.

External action

Abengoa's social commitment runs deep, materialising in many other activities and in different ways.

Cooperation with various institutions:

United States-Spain Council Foundation
Cotec Foundation
Drug Abuse Help Foundation
Foundation for Development Cooperation and the Promotion of Welfare Activities
Foundation for Applied Economics Studies
Integra Foundation
Catholic Institute for Art and Industry (ICAI)
Regional Development Institute
Hombre Project
Pontifical University of Salamanca
Spanish Confederation of Foundations
Foundation for Sociological Studies
Prince of Asturias Foundation
Pro-Royal Spanish Academy Foundation
Saint Elizabeth of Hungary Royal Academy of Fine Arts
Royal Academy of Medicine
Royal Sevillian Academy of Belles Lettres

Another important vehicle for its social commitment is the Focus-Abengoa Foundation. Since it was first founded by Abengoa in 1982, it has been an integral part of the company, the ideal instrument to promote culture and education. A perfect institutional symbiosis has been created, as implied in the Foundation's name, to benefit business and society: significant activities based on specific strategies are conceived and implemented to give something back to society, and the positive impact of these efforts flows back into and permeates corporate values and objectives.

The Foundation's goal is to carry out transcendent activities and, in this way, contribute to preserving, disseminating and developing the historical and cultural heritage of Seville and spreading knowledge of it in Latin America. Now, on the Foundation's twentieth anniversary (1982-2002), we reassert that goal .

In 1991, Focus-Abengoa established its headquarters at the Hospital de los Venerables Sacerdotes, a 17th century building of great artistic and historical value made over to the Foundation by the brotherhood and the archbishop of Seville. After a long and costly process to restore not only the architecture, but also the paintings, sculptures, gold and silverware, carvings, etc., Focus-Abengoa returned the magnificent building in all its glory to the people of the city and future generations, as one of the most complete and best-preserved examples of Spanish baroque architecture and art and as the backdrop to the Foundation's activities.

- Awards and grants. One of the Foundation's most firmly established initiatives is the extensive programme of prizes and grants awarded exclusively to employees of Abengoa and other companies belonging to the Group and to employees' sons, daughters, orphans and other relatives, designed to stimulate educational and training activities among young people, in accordance with the Foundation's bylaws. The Foundation also awards a prize for the best doctoral thesis on a subject relating to Seville and holds a painting competition, which is also open to entrants from European Union and Latin American countries.

- Publications. The Foundation made two new additions to its collection of publications: the monographic work entitled "!992 Seville Universal Exposition: effects on the economic growth of Andalusia" by María del Pópulo Pablo-Romero Gil-Delgado, who won the prize for the best doctoral thesis on a subject relating to Seville in 2000; and the publication entitled "See Seville. Five perspectives in a hundred pictures", which provides a highly interesting iconographic testimony of our city and its ancient kingdom (walls, streets, monuments, history and the present day). Alberto Oliver Carlos and Alfonso Pleguezuelo Hernández, who are lecturers at the University of Seville, and a team of historians formed by Antonio García-Baquero González, Vicente Lleó Cañal, Javier Portús Pérez and Javier Rodríguez Barberá were responsible for the written text. This publication was the Foundation's institutional gift last Christmas.

- Music. The musical agenda revolved around the organ, featuring three kinds of concerts aimed at different audiences. Firstly, magisterial concerts by prominent organists, such as Hayo Boerema, winner of the Grand Prix d'Improvisation at the 1999 International Organ Competition in Paris, organist and master of the chapel of St Jacob's church in Winterswijk (Netherlands); Bine Katrine Bryndorf, organ teacher at the Royal Academy of Music in Copenhagen; Emmanuel Hocde, winner of the Grand Prix d'Interprétation at the 2002 Chartres International Organ Competition, organist at the church of St Eloy in Paris; and José Enrique Ayarra, titular organist of Los Venerables church and Seville Cathedral. There were also recitals by newcomers, this year on the theme of "The influence of the Gregorian chant on organ music". And lastly, the educational recitals for secondary-school students, designed to promote the musical training of young people. Almost a thousand students from different schools in Seville have benefited from these practical classes.

Another important event was a course on French baroque music performed on the organ held at Los Venerables church, with the support of the Seville Music Conservatory. It was attended by twenty-four Andalusian organists, who benefited from the expertise of Prof. André Isoir, the titular organist at St Germain des Prés in Paris. As in previous years, the musical programme was broadcast by Spanish National Radio on its classical music station.

- Exhibitions. A date that will go down in the Foundation's history is 21st June 2002, when Their Majesties the King and Queen of Spain inaugurated the exhibition entitled "See Seville. Five perspectives in a hundred pictures" organised to commemorate the twentieth anniversary of the creation of the Focus-Abengoa Foundation. This important event was commemorated with a plaque on the wall of the main courtyard of the Hospital de Los Venerables. King Juan Carlos and Queen Sofia unveiled the plaque, which will remain in the future as a testimony to the twenty years that the Foundation has been serving society.

The Foundation has, over the years, formed a collection of engravings, a large part of which are on show for the first time in this commemorative exhibition. It is a temporary, touring exhibition divided into five separate sections, each of which illustrates a particular point of view or perspective: the geographer's perspective, the stroller's perspective, the festive perspective, the archaeologist's perspective and the romantic perspective. The explanatory text was written by university lecturer Alberto Oliver and the museographical work is by the artist Gustavo Torner.

Following the close of the summer season, the Hospital de los Venerables exhibition rooms displayed twenty-seven works by the celebrated Neapolitan painter Luca Giordano, better known in Spain as Lucas Jordán, in an exhibition entitled "Luca Giordano, National Heritage Masterpieces", a brilliant selection of works by this leading figure in European baroque art shown for the first time in Seville. The curator of the exhibition was Alfonso Pérez Sánchez. This is also the first time that such exceptionally valuable paintings have been temporarily removed from Royal Heritage palaces and monasteries, where they are kept, to provide an insight into the extensive and varied production of this great painter.

The exhibition was organised as part of a cultural initiative undertaken by the Spanish National Heritage Board to restore paintings by Luca Giordano in its custody. The Focus-Abengoa Foundation was closely involved in the work to restore and preserve the paintings. The two institutions worked together on this comprehensive project, which culminated in two outstanding exhibitions, one at the Royal Madrid Palace entitled "Luca Giordano and Spain", and the other at the Hospital de Los Venerables, as described above, which was inaugurated by the Spanish Deputy Prime Minister Mariano Rajoy.

The educational value of the exhibitions was enhanced through guided tours organised by the Foundation with commentaries by Sevillian volunteers who were History of Art graduates or students in their last year. On the occasion of this exhibition, the

Foundation also inaugurated a new self-guided tour service in various languages to provide people who visit the exhibition on their own with information about the Hospital de los Venerables. It also decided to open the building to the general public free of charge on Sunday afternoon throughout the year.

With a view to publicising and promoting the work of artists, the Foundation stages an exhibition showing the paintings shortlisted for the Focus-Abengoa 2002 Painting Prize. The competition was entered by almost two hundred and fifty artists from Seville, other parts of Spain, the European Union and Latin America, who all contributed both in terms of technique and theme to the excellent level of a prize with a long tradition and renowned prestige. The first prize went to José Manuel Núñez Arias for his painting Páramo (Barren Plain). The artists who received honourable mentions were Javier Buzón Fernández for Nocturno 21 (Nocturnal 21), and Manuel Vela for Silencio Negro (Black Silence). The winning paintings are included in the Foundation's Contemporary Art Collection.

- Seminars and conferences. Within the framework of the "Forum for thought on the environment and sustainable development", conceived by the Foundation as a vehicle for reflection and discussion to promote knowledge and create public opinion on this important issue, the World Biofuels Conference was held at the Foundation's headquarters, the first to be staged in Spain. It was attended by high-ranking representatives from European institutions and national and regional governments, as well as numerous international experts.

- Other cooperation agreements. The University of Comillas has created the "Javier Benjumea Chair of Economic and Business Ethics" through an agreement with the Focus-Abengoa Foundation.

Its objectives include research into business ethics and educational activities to promote knowledge in this area, contributing to the implementation of responsible business practices in companies and organisations.

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A free translation of the report on the consolidated annual accounts originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish language version prevails.

AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

To the Shareholders of
Abengoa, SA
Seville

We have audited the consolidated annual accounts of Abengoa, SA and its subsidiaries, consisting of the consolidated balance sheet at December 31, 2002, the consolidated profit and loss account and the related notes to the annual accounts for the year then ended, the preparation of which is the responsibility of the Directors of the parent Company. Our responsibility is to express an opinion on the consolidated annual accounts taken as a whole, based on the work carried out in accordance with auditing standards generally accepted in Spain which require the examination, on a test basis, of evidence supporting the consolidated annual accounts and an evaluation of their overall presentation, the accounting principles applied and the estimates made. Our work did not include the audit of the annual accounts at December 31, 2002 of some companies listed in Appendix I and II of the enclosed consolidated annual accounts, in which Abengoa, SA holds an interest of participation and whose total assets and net income represent a 34,6% and 42,4% of the corresponding consolidated annual accounts, respectively. Said annual accounts of such companies have been examined by other auditors and our auditor's opinion on the consolidated annual accounts of Abengoa, SA and its subsidiaries is based, in respect of the investment on such companies, only on these other auditors' report.

In accordance with Spanish Corporate Law, the parent Company's Directors have presented, for comparative purposes only, for each item of the consolidated balance sheet and the consolidated profit and loss account, the corresponding amounts for the previous year as well as the amounts for 2002. Our opinion refers exclusively to the consolidated annual accounts for 2002. On March 4, 2002 we issued our audit report on the 2001 consolidated annual accounts, in which we expressed an unqualified opinion.

In our opinion, based on our audit and on other auditors' report (see Appendix I and II), the accompanying consolidated annual accounts for the year 2002 present fairly, in all material respects, the consolidated financial position of Abengoa, SA and its subsidiaries at December 31, 2002 and the consolidated results of its operations for the year then ended, and contain all the information necessary for their interpretation and comprehension in accordance with generally accepted accounting principles in Spain, applied on a basis consistent with that of the preceding year.

The accompanying consolidated Directors' Report for 2002 contains the information that the parent Company's Directors consider relevant to the consolidated companies' position, the evolution of its business and of other matters and does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the aforementioned Directors' Report coincides with that of the consolidated annual accounts for 2002. Our work as auditors is limited to checking the Directors' Report within the scope already mentioned in this paragraph and it does not include a review of information other than that obtained from the group companies' accounting records.

PricewaterhouseCoopers Auditores, S.L.

Raúl Oscar Yebra Cemborain
Partner

February 24, 2003

PricewaterhouseCoopers Auditores, S.L. - R.M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
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Consolidated Annual Accounts at December 31, 2002

(Free translation from the original in Spanish)

a) Consolidated Balance Sheets at December 31, 2002 and 2001

Consolidated Balance Sheets at December 31, 2002 and 2001

- Expressed in thousands of Euros -

Assets	12/31/2002	12/31/2001
A. Uncalled Share Capital	**0**	**1**
B. Fixed Assets		
I. Start-up and Capital Increase Expenses	**18,864**	**15,604**
II. Intangible Fixed Assets		
Intangible fixed assets	139,591	92,330
Provisions and amortisation	(71,281)	(56,167)
	68,310	**36,163**
III. Tangible Fixed Assets		
Tangible fixed assets	523,369	528,551
Provisions and amortisation	(200,468)	(197,905)
	322,901	**330,646**
IV. Fixed Assets Project Finance		
Intangible fixed assets	20,557	32,715
Provisions and amortisation	(4,214)	(8,653)
Tangible fixed assets	349,676	318,180
Provisions and amortisation	(48,797)	(36,648)
Financial fixed assets	67,125	0
	384,347	**305,594**
V. Long-term Investments		
Investments in associated companies	22,000	15,422
Long-term investments	37,870	13,325
Other investments and loans	11,469	11,272
Provisions	(4,594)	(2,125)
	66,745	**37,894**
Total Fixed Assets	**861,167**	**725,901**
C. Goodwill	**310,981**	**281,326**
D. Deferred Charges	**21,493**	**13,057**
E. Current Assets		
II. Stocks	**225,973**	**246,457**
III. Accounts Receivables		
Trade receivables	306,320	351,535
Amounts owed by associated companies	33,728	23,209
Other receivables	169,524	135,160
Provisions	(2,712)	(2,959)
	506,860	**506,945**
IV. Short-term Investments		
Short-term investments	84,220	57,180
Loans to associated companies	1,221	1,566
Other investments	102,873	149,616
Provisions	(2,829)	(2,705)
	185,485	**205,657**
VI. Cash at Bank and in Hand	**191,702**	**115,742**
VII. Accruals and Prepayments	**7,648**	**5,478**
Total Current Assets	**1,117,668**	**1,080,279**
Total Assets	**2,311,309**	**2,100,564**

Consolidated Balance Sheets at December 31, 2002 and 2001

- Expressed in thousands of Euros -

Shareholders´ Equity and Liabilities		12/31/2002	12/31/2001
A. Shareholder´s Equity			
I.	**Share Capital**	**22,617**	**22,617**
II.	**Share Premium**	**110,009**	**110,009**
III.	**Revaluation Reserve**	**3,679**	**3,679**
IV.	**Other Reserves of Parent Company**		
	Distributable reserves	90,319	89,277
	Non-distributable reserves	4,523	4,523
		94,842	**93,800**
V.	**Reserves in Consolidated Companies**	**79,411**	**57,488**
VI.	**Reserves in Associated Companies**	**866**	**39**
VII.	**Cumulative Translation Adjustments**		
	In Subsidiaries Consolidated by line-by-line or Proportional Method	(38,457)	(12,187)
	In Companies consolidated by equity method	(5,710)	(60)
		(44,167)	**(12,247)**
VIII.	**Net Profit attributable to the Group**		
	Net income for the year	45,169	42,112
	Net Profit attributable to minority interests	(1,672)	(606)
		43,497	**41,506**
Total Shareholders´ Equity		**310,754**	**316,891**
B. Minority Interests		**40,813**	**46,180**
D. Deferred Income		**98,181**	**48,218**
E. Provisions for contingencies and expenses		**34,571**	**21,350**
F. Other Provisions		**0**	**48,081**
G. Project Finance			
I.	**Long-term Project Finance**	**140,357**	**139,604**
II.	**Short-term Project Finance**	**129,555**	**62,033**
Total Project Finance		**269,912**	**201,637**
H. Long-term Liabilities			
II.	**Loans**	**549,975**	**384,658**
III.	**Other Liabilities**	**79,573**	**72,179**
Total Long-term Liabilities		**629,548**	**456,837**
I. Current Liabilities			
II.	**Loans**	**61,081**	**110,341**
III.	**Amounts owed to Associated Companies**	**10,536**	**10,900**
IV.	**Trade Payables**	**747,845**	**726,612**
V.	**Other Non-Trade Payables**	**103,753**	**107,022**
VI.	**Other Payables**	**2,018**	**3,362**
VII.	**Accruals**	**2,297**	**3,133**
Total Current Liabilities		**927,530**	**961,370**
Total Shareholder´s Equity and Liabilities		**2,311,309**	**2,100,564**

b) Consolidated Profit and Loss Accounts for the Years Ended December 31, 2002 and 2001

Consolidated Profit and Loss for the years ended December 31, 2002 and 2001

- Expressed in thousands of Euros -

Expenses	12/31/2002	12/31/2001
Materials consumed	1,025,104	887,341
Personnel expenses	241,957	225,500
R & D amortisation charges	7,636	9,865
Other amortisation charges	47,704	39,683
Change in trading provisions	1,142	2
Other operating expenses	236,419	245,511
Total Operating Expenses	**1,559,962**	**1,407,902**
I. Operating Profit	**118,260**	**116,939**
Financial expenses	66,780	67,118
Loss on financial investments	11,935	820
Change in financial investments provisions	301	412
Negative exchange differences	20,444	11,572
Total Financial Expenses	**99,460**	**79,922**
II. Net Financial Income	**0**	**0**
Participation in losses from companies under equity method	164	199
Amortisation of goodwill	16,672	14,401
Total Ordinary Expenses	**1,676,258**	**1,502,424**
III. Profits from Ordinary Activities	**37,432**	**52,701**
Loss on sale of fixed assets	4,316	248
Decrease in provisions of tangible and intangible fixed assets	4,441	7,661
Loss on sale of investments in consolidated companies	112	331
Extraordinary expenses	71,179	5,870
Total Extraordinary Expenses	**80,048**	**14,110**
IV. Net Extraordinary Income	**0**	**1,338**
Total Expenses	**1,756,306**	**1,516,534**
V. Net Profit before Tax	**23,732**	**54,039**
Corporate income tax	21,437	(11,927)
VI. Net Profit after Tax	**45,169**	**42,112**
Profit attributable to minority interests	(1,672)	(606)
VII. Profit attributable to the Group	**43,497**	**41,506**

Consolidated Profit and Loss for the years ended December 31, 2002 and 2001

- Expressed in thousands of Euros -

Income	12/31/2002	12/31/2001
Net turnover	1,521,932	1,379,878
Increase in stocks	41,119	46,074
Work done for own fixed assets	47,663	84,051
Other operating income	67,508	14,838
Total Operating Income	**1,678,222**	**1,524,841**
Dividends from undertakings	2,078	1,079
Other financial income	16,928	16,052
Profits on short-term financial investments	37	0
Positive exchange differences	13,202	10,972
Total Financial Income	**32,245**	**28,103**
II. Net Financial Losses	**67,215**	**51,819**
Participation in profits from companies under equity method	3,223	2,181
Amortisation of negative goodwill	0	0
Total Income from Ordinary Activities	**1,713,690**	**1,555,125**
Income from sale of fixed assets	25,557	7,442
Income from sale of investments in consolidated companies	177	1,566
Income from sale of investments in companies under equity method	0	0
Capital grants transferred to profits for the year	3,539	2,742
Other extraordinary income	37,075	3,698
Total Extraordinary Income	**66,348**	**15,448**
IV. Net Extraordinary Losses	**13,700**	**0**
Total Income	**1,780,038**	**1,570,573**

c) Notes to the Consolidated Annual Accounts at December 31, 2002

Notes to the Consolidated Annual Accounts at December 31, 2002

Note 1.- Activity.

Abengoa, S.A. is an industrial and technological Company that, at the end of the year 2002, held a group (hereinafter, Abengoa or the Group) formed by 232 companies, the parent Company itself, 200 subsidiaries and 31 associated companies. Moreover the different companies have investments in about 224 Temporary Consortiums. In addition, Group companies hold interests of less than 20% in other companies.

Abengoa, S.A. was set up as a Limited partnership on January 4, 1941 in Seville and was subsequently transformed into a corporation on March 20, 1952. It is registered in the Mercantile Register of Seville, initially on form 2,921, folio 107 of volume 47 of Corporations and currently, due to the recent adaptation and rewording of the company's articles of incorporation, is registered in volume 573, book 362 of Section 3 of Corporations, folio 94, form SE-1507, registration 296. The company's current registered office is located at Avenida de la Buhaira, nº 2 in Seville.

The company's corporate purpose is described in Article 3 of the company's articles of incorporation. Within the main activities mentioned in the corporate purpose, Abengoa as an applied energy and equipment Company, provides integral solutions in the Energy, Telecommunications, Transport, Water, Environment, Industry and Services sectors.

Abengoa is an industrial and technological Company that provides solutions for Sustainable Development, the Society of Information and Knowledge and Infrastructure Creation.

Abengoa operates through four Business Groups, the activities of which are as follows:

- Bioenergy:

  This area of activity involves the production of ethyl alcohol from vegetable products (cereals, biomass). The alcohol, (bioethanol) is used to manufacture ETBE (unleaded petrol additive or component) or is blended directly with petrol and gasoil. As it is a renewable energy, net CO_2 emissions are reduced (greenhouse effect).

- Environmental Services:

  Aluminium waste, salt slag and zinc waste recycling, industrial waste management, industrial cleaning and environmental engineering services (engineering and construction for water treatment and waste management).

- Information Technology:

  Systems and Service Development and Integration.

  Systems for: Information Control, Private Telecommunications Networks, Business Process Payment and Automation for the Energy, Environment, Traffic, Transport and Public Administration Sectors.

  Services of: Hosting, Management, Administration and Maintenance of Technical Infrastructures.

- Engineering and Industrial Construction:

  Engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industrial, transport and service sectors. Development, construction and operation of industrial plants and conventional power plants (cogeneration and combined-cycle) and renewable energy facilities (bioethanol, biomass, wind, solar and geothermal). Turnkey telecommunications networks and projects.

Pursuant to the corporate purpose, these activities may be carried out in Spain or abroad, using either the company's own resources or through interests in other companies with similar corporate purposes.

A significant part of the projects undertaken have a duration of more than one year.

Note 2.- Subsidiary Companies.

2.1. Information concerning the 200 Consolidated Subsidiary companies by line-by line method is given in Appendix I to these Notes.

Note 3.- Associated Companies.

3.1. Information on the 31 Associated Companies consolidated by the equity method is given in Appendix II to these Notes.

Note 4.- Temporary Consortiums.

4.1. Information on the 86 Temporary Consortiums consolidated by the Proportional Consolidation Method is given in Appendix III to these Notes.

4.2. Under the provisions of articles 11 and 14 of the Rules for the Formulation of Consolidated Annual Accounts, 138 Temporary Consortiums have not been included in the consolidation process. The net book value of the investments in the non-consolidated Temporary Consortiums is Th.Eur. 663, and they are accounted for as "Short-Term Investment" on the consolidated balance sheet. The net turnover in proportion to the interest held is 1% of the net consolidated turnover. The net aggregated profit in proportion to the interest held is Th.Eur. 43.

Note 5.- Abengoa, S.A. Profit Distribution.

The proposal for the distribution of the net profit of Abengoa, S.A. for the year 2002 to be submitted for the approval of the General Shareholders' Meeting is as follows:

Basis of distribution	**Th.Eur. Amount**
Profit and Loss	**29,765**

Application to	**Amount**
Distributable reserves	17,099
Dividends	12,666
Total	**29,765**

Note 6.- Bases of Presentation of the Consolidated Annual Accounts.

6.1. The Consolidated Annual Accounts are based on the statutory accounting records of Abengoa, S.A. and its group of companies and are prepared in accordance with generally accepted accounting principles in Spain established in the current mercantile legislation, to present fairly the equity, the financial position and the results of the Group.

6.2. The figures contained in the documents that comprise the Consolidated Annual Accounts (balance sheet, profit and loss account and these notes) are expressed in thousands of Euros (Th.Eur.).

Unless otherwise stated, the percentage holding in the capital of entities includes both the direct interest and the indirect interest corresponding to group companies with direct holdings, not the total interest which would be held by the parent Company.

6.3. When necessary, the appropriate reclassifications have been made on the 2001 balance sheet and profit and loss account, in order to facilitate the comparison with the year 2002 figures. Applying the true and fair view criterion, interests acquired as a vehicle for specific business operations are valued from their acquisition date until the date of sale using accounting criteria similar to those used for other investments, with the difference that the amortization of the implicit goodwill is deferred for accounting purposes and that the associated profit/loss are considered as an operating results, to the extent that there are no reasons that make an earlier reduction of its book value advisable, until the vehicle company starts its regular economic operations, applying a strict criterion of correlation of income and expenses (integral treatment). (See Note 25.2). See the accounting treatment of tax issues resulting from the Resolution of the Spanish Accounting and Account Auditing Institute (ICAC) in Note 23.5.

6.4. Appendix I lists the 35 Companies / Entities that are fully consolidated by the line-by-line method for the first time in this year. (See Note 6.6 and footnotes to Appendix I).

6.5. On December 17, 2001, after a Tender Offer started on November 1, 2001 Abengoa, through its subsidiary Asa Environment and Energy Holding AG, took control of the majority of the capital of High Plains Corporation (HIPC), a company listed on the Nasdaq Stock Market. This company is the fifth bioethanol producer in the United States, with well-known experience in said market, and focuses solely on this activity, owning three operation plants, with a total production capacity of 85 million gallons (332 million litres) a year. The period of the Tender Offer was officially extended until January 16, 2002. At December 31, 2001, the interest obtained was 86.32%, which reached 94.13% at the end of the additional Tender Offer period finalised on January 16, 2002.

On February 14, 2002, the Spanish Stock Market National Commission and the SEC were informed of Abengoa's intention to merge its subsidiaries High Plains Corporation and Abengoa Biofuels Corporation. Consequently, Abengoa likewise requested the exclusion of HIPC from the Nasdaq Stock Market. After the merger, Asa Environment and Energy Holding AG obtained 100% control of High Plains Corporation, the company resulting from the aforementioned merger, and the minority shareholders received an amount equal to the price per share stated in the tender offer. (See Note 8 on the resulting Goodwill on Consolidation). In 2002, to complete the process, the company Asa Bioenergy Holding was incorporated, with Asa Environment contributing its holding in High Plains Corporation by means of a capital increase.

6.6. The inclusion of High Plans Corporation in the consolidated profit and loss account for the year 2002 contributed approximately Th.Eur. 155,000 to the sales figure in relation to the preceding year. In the rest of the profit and loss account captions, no significant differences can be seen, once the amortisation of the Goodwill has been taken into account. The consolidation of the rest of the companies mentioned in Note 6.4 did not have any significant effect on the global consolidated figures at December 2002, except, for balance sheet purposes, the acquisition by Alianza Medioambiental, S.L. of 47.5% and 5% of the shares of CMA on December 12 and 27, 2002, respectively. Said company became fully consolidated for 100% of the holding (see Note 13.3).

6.7. Appendix II shows the 8 Companies / Entities included this year in the consolidation that are consolidated by the equity method.

6.8. Likewise, 30 Temporary Consortiums were consolidated for the first time in the year, as they started their activities in this year and/or commenced significant operations. Their contribution to the consolidated turnover is Th.Eur. 30,957.

6.9. Certain Companies / Entities have been excluded from the consolidation process (line-by-line method):

Corporate Name	% Shareholding	Reason
Abengoa Biofuels Corporation	100.00	Merger with High Plains Corporation
Bioeléctrica del Viar, S.A.	100.00	Disolution
Biomasa del Genil, S.A.	100.00	Disolution
Biomasa del Guadiamar, S.A.	100.00	Disolution
Desarrollos Energéticos de Piura, S.A.	100.00	Disolution
Emilio Carrión, S.L.	52.50	Disolution
Energía de la Biomasa, S.A.	100.00	Disolution
Fomento Energía Renovable de Palencia, S.A.	70.00	Disolution
Guadalcacín Energía, S.A.	100.00	Disposal
Sinaben Multimedia, AIE	50.00	Under disolution

The above listed companies' contribution of sales and results to the consolidated figures was practically nil in both 2001 and 2002.

6.10. Certain Companies / Entities have been excluded from the consolidation process (equity method):

Corporate Name	% Shareholding	Reason
Altek Equipment Corporation	33.30	Disolution
Asti Energia, S.A.	25.00	Disolution
Biselan, S.A.	33.30	Disolution
Inversiones Graminsa, S.A.	24.40	Disposal
Meta, Protección del Medio Ambiente, S.A.	33.30	Disolution

With no significant effect on the results in respect of the consolidated figures for both 2001 and 2002.

6.11. Likewise, 14 Temporary Consortiums were eliminated from the consolidation in the year due to the finalization of their operations or the fact that such operations were not significant, neither individually nor globally. Their net turnover, in proportion to the interest held, was Th.Eur. 6,748 in 2001.

6.12. During the year, the essential actions to reorganise the company group were completed, placing Abengoa, S.A. as a holding company and the different shareholdings in accordance with the Business Group to which they belonged. In all cases, following its traditional accounting policy, consistently applied, intercompany transfers were carried out at the prior book value thereof, in order to avoid recognising any profits or losses in transactions with third parties that had not materialised.

Note 7.- Accounting Policies.

The most significant accounting policies applied in the preparation of the consolidated annual accounts are the following:

a) Goodwill on Consolidation.

Goodwill represents the positive difference between the net book value of the parent company's investment in subsidiary, associated and multi-group companies and its share in the net equity at the date of acquisition.

The investments made in the companies that gave rise to the Goodwill on Consolidation are long-term investments, operations being expected to continue for between 12 and 20 years. Consequently, under current applicable legislation, in order to apply the accounting principle of the correlation of income and expenses correctly, it is considered appropriate to amortize the Goodwill over a term of twenty years or, if applicable, over the estimated term of the project, if shorter.

b) Consolidation Difference.

If applicable, it would include the difference where it arises; negative consolidation difference represents the excess of the parent company's share in the net equity of subsidiary companies and multi-group companies at the date of acquisition in respect of the net book value of its investment in such subsidiary companies and multi-group companies.

Consolidated difference is only credited to the profit and loss account in the cases mentioned in the Spanish Consolidated Annual Accounting Standards.

c) Intercompany transactions.

Income and expenses relating to transactions with related parties are eliminated until they materialise with third parties outside de Group

Accounts receivable and payable between related parties, which were included in the consolidation, are eliminated in the consolidation process.

d) Consistency of accounting policies applied.

Accounting policies consistent with those applied by the parent Company have been applied in all the companies included in these Consolidated Annual Accounts.

e) Translation of foreign companies' annual accounts.

For the purpose of preparing the accompanying consolidated financial statements, the investees' financial statements denominated in foreign currencies were translated to local currency as follows:

1) All goods, rights and liabilities are translated into local currency using the foreign exchange rate at the end of the financial year.

2) The profit and loss accounts of foreign companies are translated into local currency using the annual average exchange rate calculated as the aritmethic average of all month-end foreign exchange rates.

3) The difference between the amount of the foreign company's shareholders' equity (including the profit and loss account), which is calculated in accordance with the preceding paragraph 2) translated at the historic exchange rate, and the net financial position calculated according to translation of goods, rights and liabilities described in paragraph 1) above, is presented, with negative or positive sign, in the shareholders' equity on the consolidated balance sheet, under the "Translation Differences" caption.

The translation of the results of companies consolidated by the Equity Method was carried out in accordance with the annual average foreign exchange rate, calculated in accordance with paragraph 2) above.

For companies located in countries with high inflation, translation is made at the exchange rate at the end of the financial year, once the financial statements have been adjusted in accordance with accounting rules for inflation. This practice has had no significant effect on the Annual Accounts.

f) Start-up and capital increase expenses.

Start-up and capital increase expenses are valued at the cost of acquisition or production of the goods or services, which give rise to them. They are systematically amortized over a period of five years.

g) Intangible Fixed Assets.

The items, which comprise Intangible Fixed Assets, are valued at their acquisition cost or cost of production. These assets are amortized on a straight-line basis following their actual estimated useful lives.

There are Research & Development expenses that are, in general, charged to the profit and loss account in the year in which they are incurred and there is an individual breakdown of each specific R&D project. There are likewise certain projects that are amortized over 5 years as from the date they come into operation. Abengoa companies took part in research and development programs carried out by other entities in which a minority interest is held. The amounts associated to their contributions to these programs are capitalized and amortized over a five-year period in the cases where the conditions established for this purpose in the General Accounting Plan are met.

Administrative concessions are valued at acquisition cost and are charged systematically to the profit and loss account over the period of the concession.

Patent rights are valued at acquisition cost and their amortization is calculated applying the straight-line method over the period for which its exclusive use is recognized.

Transfer rights are only accounted for when produced through an acquisition, in return for a consideration.

Data processing applications include the amounts paid for the access to property or rights for the use of programmes as well as the costs of those designed by the Company itself, when it is foreseen that their utilisation will be spread over a number of years. Maintenance costs of these applications are charged directly to the profit and loss account of the year in which they are incurred. Amortization is calculated on a straight-line basis over a period of five years from the moment the use of the respective data processing application begins.

Assets acquired under finance leases are accounted for as Intangible Fixed Assets when, from the economic conditions of their contracts, they can be considered to be acquisitions. Amortization is calculated as described in paragraph h) below.

h) Tangible Fixed Assets.

Items included in Tangible Fixed Assets are valued at their acquisition or production cost.

The value of the assets includes the effect of the legal revaluations approved by legislation of the country where each Company is located, except for Argentina in the present year, pursuant to the technical pronouncement issued by the Spanish Accounting and Account Auditing Institute (ICAC).. Renewal, enlargement or improvement costs are included in the assets as a higher value of the item only when it involves an increase in their capacity, productivity or useful life.

Amounts relating to the works carried out by the Company itself are valued at their cost of production and are credited to the profit and loss account. Interest expenses and exchange differences related to the external financing of investments in Tangible Fixed Assets are only accounted for as an increase in the asset value when they arise before the asset is put into operation, provided that the total value of the asset thus calculated does not exceed the market value.

The depreciation of Tangible Fixed Assets is calculated systematically by applying the straight-line method over the useful life of the assets and considering the effective depreciation of the asset due to use. If applicable, any value adjustments that arise are made.

The annual rates used to calculate the depreciation of Tangible Fixed Assets are as follows:

Items	% Rate
Buildings	2% - 3%
Installations	4% - 12% - 20%
Machinery	12%
Tools	15% - 30%
Furniture	10% - 15%
Construction equipment and supplies	30%
Data processing equipment	25%
Vehicles	8% - 20%

i) Financial investments.

Long and short term security investments, with fixed or variable interest, are valued at their cost of acquisition at the time of subscription or purchase, plus revaluations made in the effect of the legal revaluation. The necessary eliminations have been made in the consolidation process in accordance with the consolidation method followed.

For values listed on a stock exchange, when the year-end market value is lower than the acquisition cost, the provisions necessary to reflect the fall in value are made and charged to the profit and loss account.

Unlisted securities are valued at acquisition cost less, when applicable, any provisions deemed necessary to reflect the fall in value suffered, which are in no case less than the losses incurred on the percentage shareholding. In order to calculate the provisions required, the underlying book value of the securities, adjusted by the amount of any tacit capital gains which existed upon acquisition and still exist at the time of the subsequent valuation, is taken as the reference value.

j) Non-trade receivables.

Long and short-term non-trade receivables are recorded at the amount actually outstanding. The difference with the nominal value is considered as interest income accrued in the period, following financial criteria.

Bad debts are provided for when considered necessary in the specific circumstances.

k) Deferred charges.

Deferred charges relate basically to interest on finance leases and other deferred expenses. The net book value of the items included under this caption is: leasing Th.Eur. 3,794 and Other Deferred Expenses Th.Eur. 17,699, comprising basically debt formalisation expenses, the treatment of metal and grain futures market transactions and other items.

l) Stocks.

Raw materials and other supplies are valued at acquisition cost (first in, first out) plus all additional expenses incurred until the goods reach the warehouse.

Auxiliary products, consumables and replacements are valued at the latest invoice price or market value, if lower. The valuation of these products at the latest invoice price does not differ significantly from the valuation that would have been obtained if the first in, first out criterion had been applied.

Finished goods are valued at the lower of market value or average production cost, calculating the latter as the specific cost of the supplies and services plus the applicable part of the direct and indirect labour and general manufacturing costs.

Work in progress value includes costs directly incurred and the corresponding part of indirect costs incurred during the production period.

Provisions for depreciation and obsolescence are established when necessary.

Several Group companies have carried out transactions in the metal futures market (basically zinc and primary and secondary aluminium) to totally or partially hedge operations for the sale of physical tonnes with content of said metals.

The price differences produced by the continuous variations in the futures traded on official markets are treated in accordance with the following criteria:

- Both positive and negative differences due to the changes of prices in genuine future transactions to hedge risks are booked by adjusting the value of the main transaction hedged.

- Both positive and negative differences on transactions that are not defined as hedges are taken directly to the profit and loss account over the life of the transaction, theoretically closing the positions on the transactions open in accordance with market prices.

The result of the futures transactions for the year ended December 31, 2002 was a profit of Th.Eur. 454 on transactions closed in the year and a loss of Th.Eur. 1,367 on transactions open at the year end.

m) Shares of the parent Company.

The parent company does not hold any of its own shares neither during the year nor at the year-end.

n) <u>Capital grants</u>.

Capital grants are valued at the amount awarded and are recorded when they are considered to adequately meet the conditions established by the body granting them. They are released to the profit and loss account on a systematic basis in line with the estimated useful life of the assets to which they relate.

ñ) <u>Provisions for liabilities and charges</u>.

This caption includes provisions for contingencies and expenses relating to probable and/or certain liability. Amounts are assigned to the provision when, applying the most conservative valuation criteria, circumstances thus advise.

o) <u>Provisions for pensions, similar obligations and other</u>.

Certain group companies hold a series of obligations under incentive programs with management and employees (1.48% of the share capital of Befesa Medio Ambiente, S.A. and 5.4% of Telvent, S.A.). These obligations are not significant and an appropriate provision has been made.

p) <u>Long and short-term payables</u>.

Long and short-term non-trade payables are recorded at their reimbursement value. The difference between this amount and the amount actually paid is accounted for as interest expense during the period in which it is accrued, following financial criteria.

Credit facilities are shown in the accounts at the amount drawn of the total credit facility available.

Amounts relating to trade bills discounted and factoring with recourse pending maturity at the year-end are recorded as short-term receivables and loans from financial entities. Factoring without recourse is treated as collection; the related financial expense was approximately Th.Eur. 15,495 in the year.

See the treatment of financing without recourse in process in Note 13.6.

q) <u>Corporate income tax</u>.

The charge for corporate income tax is recorded in the profit and loss account for the year and is calculated taking into account the timing differences associated with the different treatments for accounting and tax purposes of certain operations and the tax allowances to which the companies are entitled (See Note 23.5).

r) <u>Foreign currency transactions</u>.

The following procedures are applied in accounting for foreign currency operations:

1. Intangible and Tangible Fixed Assets:

   These balances are translated into local currency at the exchange rate prevailing on the date of the operation.

2. Stocks:

   The acquisition price or production cost is translated into local currency at the exchange rate prevailing at the date of the related transaction.

3. Financial investments:

   Financial investments are translated into local currency at the exchange rate prevailing at the date the investment is acquired.

   At the year-end they are valued at the exchange rate prevailing at this date and, if necessary, a provision is established.

4. Cash and banks:

   Foreign currencies are translated at the exchange rate prevailing on the transaction date. At the year-end, they are valued at the exchange rates prevailing at this date. Exchange differences are charged directly to the profit and loss account.

5. Accounts payable and receivable:

   Accounts payable and receivable in foreign currency are translated into local currency at the exchange rate prevailing on the date of the related operation. At the year-end they are translated at the exchange rate prevailing at this date.

   Unrealized exchange gains, where they occur, are not recorded as income for the year but are included in the balance sheet as deferred income. Unrealized exchange losses are charged directly to the profit and loss account.

Exchange rate hedging transactions (exchange rate insurance) are carried out in the circumstances in which, applying the conservative valuation principle, they are considered appropriate in order to mitigate the risks on operations abroad, hedging specific risks.

s) Accounting for income and expenses.

Sales of goods and income from services provided are recorded net of the applicable taxes and all discounts except those for prompt payment, which are considered as financial expenses whether or not they are included in the invoice.

Amounts relating to taxes in respect of purchases of merchandise and other goods acquired for resale, excluding Value Added Tax (VAT) and direct transport costs, are considered as part of the purchase price or cost of the services acquired.

Discounts subsequent to issuing or receiving invoices due to defects in quality, non-compliance with delivery dates or other similar reasons, as well as volume discounts on sales are all recorded separately from the sale or purchase amount of the goods and from the income or expenses for services, respectively.

The income from contract work is recognised upon completion and delivery. However, for long-term contracts (more than one year), income is recognised following the percentage of completion method, which includes billings on account and recognising income based on estimated margins taking into account the contingencies and risks estimated until the completion of the contract and delivery to the customer.

From the present year onwards, certain transactions (to which Notes 13.6 and 13.7 refer) have become significant, generally in relation to infrastructure construction, in which the company awards a construction contract (either in association with other companies or on an exclusive basis) collection of which takes place by means of a long-term royalty (20 or 30 years) that includes financial compensation for deferred payment, future services associated to the transaction and maintenance of the systems. In this type of complex transaction:

a) The profit assigned to the first phase of construction is recognised in accordance with the percentage of completion method, applying values that in no case exceed the sums financed by the associated project finance agreements.

b) Financial profits and profits from future services are accounted for in accordance with the best estimates, in order to ensure a stable yield throughout the term of the administrative concession.

t) <u>Electricity activities</u>

Law 54/1997 of November 27 and the subsequent implementing legislation regulates the different activities related to the supply of electricity. This mainly consists of the production or generation, transport, distribution, commercialization and intra-Community or international exchange of electricity, together with the economic and technical management of the electricity system. This field of activity also includes the self-producers and producers under the special regime regulated in this Law.

Royal Decree 437/1998 of March 20 approved the General Accounting rules for the electricity industry companies and, therefore, for those included in the groups mentioned in the preceding paragraph. These rules establishes certain obligations to be disclosed in their annual accounts. These obligations are applicable for the consolidated annual accounts of groups that include one or more electricity activities.

Certain consolidated companies carry on operations that may be considered to fall within those considered as electricity activities as described above.

Appendix IV gives details of these companies and their activities.

Note 13 "Fixed Assets in Projects" gives details of the investments made in each one of these activities.

Note 25 "Income and Expenses" gives details of the net turnover of each activity.

u) <u>Assets for environmental use</u>.

The equipment, installations and systems applied to eliminate, reduce or control any environmental impacts are booked applying criteria analogous to those used for fixed assets of a similar nature.

Specific provisions are made for environmental contingencies when, applying a highly conservative principle, circumstances make this recommendable.

Note 8.- Goodwill on Consolidation.

8.1. Details of Goodwill on Consolidation by subsidiary at December 31, 2002, together with the accumulated amortization, are shown below:

Goodwill on Consolidation	Amount	Accumulated Amortization	Net
Line-by-line / proportional method consolidated companies			
Abengoa Chile Consolidated	10,195	(1,497)	8,698
Aluminios en Discos, S.A.	31	-	31
Befesa Medio Ambiente, S.A.	196,301	(24,683)	171,618
Borg Austral, S.A.	685	(137)	548
Cartera Ambiental, S.A.	7,723	(1,132)	6,591
Compañía Industrial Asúa-Erandio, S.A. (Aser)	13,132	(8,426)	4,706
Complejo Medioambiental de Andalucía, S.A. (*)	20,229	(530)	19,699
Comercial Sear, S.L.	2,287	(114)	2,173
Ecomat, S.A.	1,864	(93)	1,771
Enernova Ayamonte, S.A.	361	(108)	253
Etrinsa	203	(13)	190
Hidro Clean, S.A.	1,066	(53)	1,013
High Plains Corporation (**)	52,563	(2,321)	50,242
Laitek Luz y Tecnología, S.A.	6,495	(325)	6,170
Refinalsa	1,100	(639)	461
Remetal	27,099	(7,567)	19,532
S.P.M.	223	(11)	212
Sociedad Inversora en Energía y Medioambiente, S.A.	2,146	(647)	1,499
Sondika Zinc, S.A.	1,067	(156)	911
Tratamiento de Aceites y Marpoles, S.A. Consolidado	4,934	(468)	4,466
Trademed, Tratamientos del Mediterráneo, S.L. (***)	1,484	(666)	818
Trespi, S.L.	304	(26)	278
Unión Química y Naval, S.L. (Unquinaval)	1,561	(135)	1,426
Zindes, S.A.	3,372	(532)	2,840
	356,425	**(50,279)**	**306,146**
Equity method consolidated companies			
Deydesa 2000, S.L.	5,469	(840)	4,629
Intersplav	344	(138)	206
	5,813	**(978)**	**4,835**
Total	**362,238**	**(51,257)**	**310,981**

(*) Relates to the Goodwill that existed before this Company joined Befesa Medio Ambiente through the Company Alianza Medioambiental (AMA) and the new Goodwill generated in the year 2002 (Th.Eur. 18,258) through the additional acquisition of 47.5%, which took place on December 12, 2002, and 5%, which took place on December 27, 2002. At the 2002 year end, the Group held 100% of the capital of CMA.

(**) The total amount of the investment for the acquisition of 100% of the shares of HIPC, considering both the amounts paid up to December 31, 2001 and those that materialised later than said date, was Th.Eur. 106,376, which gave rise to goodwill of Th.Eur. 52,563, including items resulting from a cost estimate of Th.Eur. 5,000 for the required adaptation of USA accounting principles to Spanish ones.

(***) Relates to the 40% that Siema held in the Company before the acquisition of Befesa.

8.2. The variations in the net balance of this caption in the year 2002 were as follows:

Goodwill on Consolidation	Amount
Balance at 31.12.01	281,326
High Plains Corporation (See Notes 6.5 and 8.1)	13,511
Complejo Medioambiental de Andalucía, S.A. (See Note 8.1)	18,258
Laitek Luz y Tecnología, S.A.	6,495
Other net additions	8,063
Amortization for the year	(16,672)
Balance at 31.12.02	**310,981**

Other additions for purchases includes new acquisitions of companies and additional acquisitions in companies consolidated in the preceding year.

Note 9.- Investments in Associated Companies.

The detail of investments in associated companies consolidated by the Equity Method as of December 31, 2001 and 2002 and of the variation therein is as follows:

Companies	Balance at 31.12.01	Allocation profit/(loss) for year	Other Movements	Balance at 31.12.02
Cogeneración del Sur, S.A.	9	(44)	121	86
Cogeneración Motril, S.A.	1,413	581	(10)	1,984
Deydesa 2000, S.L.	2,370	782	-	3,152
Expansion-Transmissao de Energía Electrica Ltda.	-	(27)	5,585	5,558
Ecología Canaria, S.A. (Ecansa)	-	82	369	451
Ecolube	456	(49)	56	463
Intersplav (*)	4,131	1,734	(1,687)	4,178
Tenedora de Acciones de Red Eléctrica del Sur, S.A. (Perú)	5,190	-	(361)	4,829
Other companies (**)	1,853	-	(554)	1,299
Total	**15,422**	**3,059**	**3,519**	**22,000**

(**) The holding in the Ukrainian company Intersplav is 50.84% of the share capital in respect of the corporate rights attributable thereto, while it is established at 40% in respect of the entitlement to dividends and to receive the pertinent assets in the event of liquidation. It is consolidated by the equity method, since it is resident in a country with high inflation.

(*) Relates to insignificant companies, generally dormant, that joined the consolidated group in 2001.

The most significant movement during the year was the inclusion of Expansion-Transmissao de Energia Electrica Ltda. in the consolidated group.

Holdings in companies resident outside Spanish territory total Th.Eur. 14,565.

Note 10.- Start-Up and Capital Increase Expenses.

The variations in start-up and capital increase expenses for the year were as follows:

	Start-up Expenses
Balance at December 31, 2001	15,604
Increases	7,562
Decreases	(495)
Allocation to profit and loss account (amortization/depreciation of fixed assets)	(3,807)
Balance at December 31, 2002	**18,864**

The increases are mainly due to recently-incorporated companies, some of which are in the phase prior to commencement of activities, in relation to capital increases in companies and start-up expenses for new activities, mainly abroad.

Note 11.- Intangible Fixed Assets.

11.1. The detail of the Intangible Fixed Assets as of December 31, 2001 and 2002 and of the variation therein is as follows:

	Rights under Leasing Contracts	Research and Development Expenses	Concessions and Patents	Other Intangible Fixed Assets	Total
Cost					
Balance at December 31, 2001	4,166	76,431	8,122	3,611	92,330
Increases	20,369	9,879	4,811	472	35,531
Decreases	(870)	(371)	(261)	(162)	(1,664)
Other Movements	1,515	5,986	7,116	(1,223)	13,394
Balance at December 31, 2002	**25,180**	**91,925**	**19,788**	**2,698**	**139,591**
Accumulated Amortisation					
Balance at December 31, 2001	(521)	(50,505)	(3,048)	(2,093)	(56,167)
Additions (provision)	(888)	(7,634)	(1,453)	(600)	(10,575)
Decreases	213	371	-	2,217	2,801
Other Movements	(326)	(3,227)	(2,421)	(1,366)	(7,340)
Balance at December 31, 2002	**(1,522)**	**(60,995)**	**(6,922)**	**(1,842)**	**(71,281)**
Net Fixed Assets					
Balance at December 31, 2001	**3,645**	**25,926**	**5,074**	**1,518**	**36,163**
Balance at December 31, 2002	**23,658**	**30,930**	**12,866**	**856**	**68,310**

The amounts relating to "Other Movements" reflect, in general, companies joining and leaving the consolidated group, together with adjustments between the final balances of individual companies for the prior year and the balances contributed for consolidation. The net effect is not significant.

11.2 The caption "Rights under Leasing Contracts" includes assets acquired through finance lease contracts and have been accounted for in accordance with the transitory provisions of Royal Decree 1643/1990 dated December 20.

Original Cost	Instalments Paid	Instalments Paid in the Year	Instalments Pending	Value of Purchase Option
25,180	1,646	1,527	24,997	284

As a result of a lease-back transaction signed with a financial entity during the year, the company Carrierhouse, S.A. booked the disposal of fixed assets assigned to said company for an amount of Th.Eur. 16,702 as decreases in the caption "Technical Installations and Machinery" (See Note 12.1) and, in turn, recorded the aforementioned lease-back agreement under the caption "Rights under Leasing Contracts" (See Note 11.1). No capital gain or loss was recorded by the Group as a result of the operation described.

The amount relating to companies resident outside Spanish territory totals Th.Eur. 1,009.

11.3. The breakdown of Research and Development by Business Group is as follows:

Business Groups	Total Cost	Accumulated Depreciation	Net at 31.12.02	Net at 31.12.01
Bioenergy	11,516	(2,996)	8,520	8,861
Environmental Services	5,071	(3,285)	1,786	301
Information Technology	54,715	(41,357)	13,358	13,752
Engineering and Industrial Construction	20,623	(13,357)	7,266	3,012
Total	**91,925**	**(60,995)**	**30,930**	**25,926**

11.4. The caption "Concessions and Patents" includes, among other items, the following assets, which will revert to their previous owner in accordance with the respective concessions.

Description	Act. (*)	Amount	Accumulated Depreciation	Net	Concession Year	Year of Reversion	Institution
Surface rights	(3)	1,994	(1,329)	665	1992	2007	Private Sector
Operating concessions	(3)	721	(721)	-	1997	2001	Private Sector
Administrative concessions	(5)	1,226	(274)	952	1993	2033	Agesa
Surface rights	(5)	179	(41)	138	1985	2055	Private Sector
Patents	(3);(4)	297	(297)	-	1986	1996	INPI Brasil
Research Concession	(4)	4,813	(3,487)	1,326	1993	2043	Ministry of Economy
Research Concession	(4)	228	(198)	30	1994	2008	Ministry of Economy
Research Concession	(4)	2,104	(185)	1,919	1994	2044	Ministry of Economy
Alvega concessions	(2)	3,311	(110)	3,201	2000	2010	Private Sector
Right of way	(2)	624	(191)	433	1985	2084	Sefanitro
Integration joint venture	(2)	3,879	-	3,879	2000	2020	Solid Waste Consortium
Contribution and use of Technology	(2)	300	(28)	272	2000	2010	Global Plasma
Assignment use of Technology		18	(18)	-	Other	Other	Private Sector
Other non-reversible rights		94	(43)	51	Other	Other	Other
Total		**19,788**	**(6,922)**	**12,866**			

(*) Details of Administrative Concessions and Industrial property by type of activity on page 5 of Appendix I.

There is no obligation to create a reversion fund.

Details of the amounts relating to companies located outside Spanish territory are as follows:

Cost	297
Accumulated Depreciation	(297)
Net	-

Note 12.- Tangible Fixed Assets.

12.1. The detail of Tangible Fixed Assets as of December 31, 2001 and 2002 and of the variation therein is as follows:

	Land and Buildings	Technical installations and machinery	Payments on Accounts and Assets in the Course of Construction	Other Tangible Fixed Assets	Total
Cost					
Balance at December 31, 2001	84,499	310,957	64,407	68,688	528,551
Increases	6,513	27,630	12,059	4,076	50,278
Decreases	(14,724)	(56,150)	(8,616)	(10,444)	(89,934)
Other Movements	2,854	86,403	(55,079)	296	34,474
Balance at December 31, 2002	**79,142**	**368,840**	**12,771**	**62,616**	**523,369**
Accumulated Amortisation					
Balance at December 31, 2001	(19,353)	(143,557)	-	(34,995)	(197,905)
Increases	(2,066)	(19,756)	-	(5,552)	(27,374)
Decreases	4,169	16,826	-	7,983	28,978
Other Movements	3,344	(4,546)	-	(2,965)	(4,167)
Balance at December 31, 2002	**(13,906)**	**(151,033)**	**-**	**(35,529)**	**(200,468)**
Net Fixed Assets					
Balance at December 31, 2001	**65,146**	**167,400**	**64,407**	**33,693**	**330,646**
Balance at December 31, 2002	**65,236**	**217,807**	**12,771**	**27,087**	**322,901**

The amounts of "Other Movements" show, in general, companies joining and leaving the consolidation process, together with the adjustment of final balances of individual companies for the preceding year in respect of those contributed to be consolidated. The net effect is not significant.

12.2. The following Tangible Assets have been fully depreciated:

Description	Amount
Buildings	616
Technical installations and machinery	30,969
Other installations, tools and furniture	5,802
Other Tangible Fixed Assets	7,640
Total	**45,027**

12.3. The most relevant revaluations in Tangible Fixed Assets in previous years are as follows:

Company	Gross Value	Accumulated Depreciation	Net Value
Abengoa	1,845	(111)	1,734
Eucomsa	2,687	(2,299)	388
Refinalsa	935	(685)	250
Remetal	2,915	(2,722)	193
Rontealde	9,220	(3,040)	6,180

The effect on the accumulated depreciation in the year was Th.Eur. 1,346.

12.4 The most significant investments in Tangible Fixed Assets (net of depreciation) located outside national territory are:

Country	Amount
Argentine	2,940
Brazil	27,099
Chile	7,945
China	14
United States of America	69,537
Morocco	91
Mexico	16,425
Peru	71
Portugal	5,855
Puerto Rico	30
United Kingdom	16,239
Uruguay	2,070
Total	**148,316**

12.5. Fixed Assets not assigned to company's operations are not significant.

12.6. It is the group's policy to insure all assets as considered necessary to cover possible risks, which could materially affect their value or usefulness.

Note13.- Project Financing.

13.1 Shareholdings in several companies with the corporate purpose of a "single project" are included in the consolidated group.

The companies with the Projects usually finance them by what is known as "Project Finance" (Financing without Recourse Applied to Projects).

In this figure, the basis of the agreement between the Company and the financial entities is the allocation of the cash flow generated by the project to repayment of the financing and settling the financial charges, excluding or limiting the amount of any other equity resources that may be used for this purpose, so that the financial entities recovers the investment exclusively through the cash flows of the project it is financing, with subordination of any other debt to that derived from the Financing without Recourse Applied to Projects until the latter has been fully repaid.

Thus, these are formulae for financing without recourse, which are applied only to specific business projects. In these companies used to participate other shareholders such as electricity companies, the authorities of the autonomous region or other local shareholders, apart from Abengoa, S.A. or subsidiaries.

13.2 The amounts of the captions related to Project Financing and the movement thereon during the year were as follows:

Fixed Assets in Projects	Balance at 31.12.02	Balance at 31.12.01
Intangible Fixed Assets	16,343	24,062
Tangible Fixed Assets	300,879	281,532
Financial Assets	67,125	-
Total	**384,347**	**305,594**

Financing without Recourse Applied to Projects	Balance at 31.12.02	Balance at 31.12.01
Long-term	140,357	139,604
Short-term	129,555	62,033
Total	**269,912**	**201,637**

Net	**114,435**	**103,957**

13.3. The amounts of the investments in fixed assets in Projects financed without recourse and the movement thereon during the year were as follows:

Intangible Fixed Assets	Balance at 31.12.01	Increases	Decreases	Other Movements	Balance at 31.12.02
Intangible Fixed Assets	32,715	398	-	(12,556)	20,557
Accumulated Amortisation	(8,653)	(1,019)	-	5,458	(4,214)
Net Intangible Fixed Assets	**24,062**	**(621)**	**-**	**(7,098)**	**16,343**

Tangible Fixed Assets	Land and Buildings	Technical installations and machinery	Payments on Accounts and Assets in the Course of Construction	Other Tangible Fixed Assets	Total
Cost					
Balance at December 31, 2001	94,790	143,088	74,797	5,505	318,180
Increases	351	29,094	25,853	709	56,007
Decreases	(3,324)	(21)	-	-	(3,345)
Other Movements	(72,379)	122,273	(74,024)	2,964	(21,166)
Balance at December 31, 2002	**19,438**	**294,434**	**26,626**	**9,178**	**349,676**
Accumulated Amortisation					
Balance at December 31, 2001	(25,183)	(9,639)	-	(1,826)	(36,648)
Increases	(767)	(11,161)	-	(637)	(12,565)
Decreases	27	17	-	-	44
Other Movements	21,379	(20,090)	-	(917)	372
Balance at December 31, 2002	**(4,544)**	**(40,873)**	**-**	**(3,380)**	**(48,797)**
Net Fixed Assets					
Balance at December 31 2001	**69,607**	**133,449**	**74,797**	**3,679**	**281,532**
Balance at December 31, 2002	**14,894**	**253,561**	**26,626**	**5,798**	**300,879**

Financial Assets	Balance at 31.12.01	Increases	Decreases	Other Movements	Balance at 31.12.02
Long-term Credits (See Note 19.5)	-	-	-	67,125	67,125
Provisions	-	-	-	-	-
Net Financial Assets	**-**	**-**	**-**	**67,125**	**67,125**

Other movements, at the net amount, relates to the inclusion of companies (see Notes 6.4, 6.9 and Appendix I). The rest relates to reclassifications among the different sub-captions and, under the Tangible and Intangible Fixed Assets captions, is because some assets ceased to be considered as Fixed Assets in Projects. For Financial Assets, see Notes 19.5 and 13.6. Complejo Medioambiental de Andalucía contributed cost of Th.Eur. 9,735 and accumulated amortisation/depreciation of Th.Eur. 3,480, since it ceased to be consolidated on a proportional basis and became fully consolidated (See Note 6.4).

13.4. It is planned, at present, to cancel the Financing without Recourse Applied to Projects in accordance with the following calendar, pursuant to the forecast cash flow to be generated by the projects.

2003	2004	2005	2006	2007	Following	Total
129,555	36,320	35,511	23,214	21,490	23,822	269,912

The 2003 balance includes Th.Eur. 52,511 relating to Financing without Recourse in Process (See Note 13.6).

13.5. Financing without Recourse Applied to Projects usually has the following guarantees:

- The pledge of shares in the promoting Company, authorized by the shareholders thereof.
- The assignment of collection rights.
- Limits on the disposal of the project's assets.

13.6. Financing without Recourse in Process is defined as cash transactions in which financial resources are obtained, usually through financial entities. These transactions fall within the framework of the development of projects, which are, likewise, usually undertaken using Project Finance. This manner of obtaining funds is considered analogous to the traditional advance payments that the clients make during the different phases of the execution of a project or works. Financing without Recourse in Process is distinguished from the traditional client advance payments because it is usually a financial entity that provides the funds, which relate to short-term transactions (usually with a duration of less than 2 years) during the launching and construction phase of Assets/Projects which, once they have been completed and brought into operation, will be subject to concessions financed by means of Project Finance (See Note 13.1).

The short-term cash transactions remain under this heading until the financing without recourse applied to projects is definitively formalised.

Notwithstanding, if, during the short-term financing period, risks that the deadlines agreed for formalising the Project Finance (or for the construction that will finally give rise to the financing) will not be met are noted, these amounts are reclassified to the balance sheet caption that would correspond to them in view of their nature, usually the caption Debt with Credit Entities.

At December 31, 2002, two projects of this type existed:

The Ralco-Charrúa High-Tension Line 2 x 220 Kv, the concession for which is held by the company Huepil de Electricidad, S.A., in Chile, and the line Aneel 003/20001, Transmission System Xingó-Angelim-Campina Grande, the concession for which is held by the company Nordeste Transmissora de Energía, S.A. in Brazil. The most significant details of these two projects are shown in the following chart:

Description	**Ralco**	**NTE**
Project Starting Date	December 2001	January 2002
Scheduled Completion Date	June 2003	December 2003
Amount of Contract (EPC)	Th.Eur. 35,332	Th.Eur. 71,577
Completion at 12.31.02	Th.Eur. 24,491	Th.Eur. 25,286
Starting Date Short-term Financing	December 2001	April 2002
Maturity Date Short-term Financing	March 2003	May 2004
Amount Drawn	Th.Eur. 20,063	Th.Eur. 32,448
Scheduled Starting Date Long-term Financing	March 2003	July 2003
Duration Long-term Financing	12 years	12 years
Total Amount Long-term Financing	Th.Eur. 23,840	Th.Eur. 61,463

13.7. The balances of intangible, tangible and financial fixed assets, both general and relating to Projects, relating to electricity operations as defined in Note 7 t) were as follows:

Activity	Balance at 31.12.01	Increases	Decreases	Other Movements	Balance at 31.12.02
Production under Special Regime: Cogeneration	158,945	87	-	(15,498)	143,534
Production under Special Regime: Hydraulic	7,903	172	-	49	8,124
Production under Special Regime: Other	48,140	2,385	(993)	(6,386)	43,146
Transport	14,804	25,628	(3,386)	67,125	104,171
Total Cost	**229,792**	**28,272**	**(4,379)**	**45,290**	**298,975**

Activity	Balance at 31.12.01	Increases	Decreases	Other Movements	Balance at 31.12.02
Production under Special Regime: Cogeneration	(19,967)	(7,135)	-	481	(26,621)
Production under Special Regime: Hydraulic	-	-	-	-	-
Production under Special Regime: Other	(15,648)	(2,251)	373	3,579	(13,947)
Transport	(4,658)	(646)	1,066	(108)	(4,346)
Total Accumulated Amortization	**(40,273)**	**(10,032)**	**1,439**	**3,952**	**(44,914)**

Net	**189,519**				**254,061**

Other Movements basically relate to the inclusion of the company Huepil de Electricidad, S.A. in the consolidated group, together with adjustments of both percentage shareholdings in companies and starting balances for the year.

The breakdown between Project Financing and other activities is as follows:

	Balance at 31.12.02	Balance at 31.12.01
Project Financing	224,862	157,027
Other	29,199	32,492
Total	**254,061**	**189,519**

13.8. The balances of Financing without Recourse Applied to Projects assigned to electricity activities as defined in Note 7 t) are as follows:

	Balance at 31.12.02	Balance at 31.12.01
Short-Term debt with Financial Entities	46,456	41,245
Long-Term debt with Financial Entities	124,180	107,724
Total	**170,636**	**148,969**

13.9. The balances of Financing without Recourse in Process relating to electricity activities as defined in Note 7.t) are as follows:

	Saldo al 31.12.02	Saldo al 31.12.01
Short-Term debt with Financial Entities	52,511	-
Long-Term debt with Financial Entities	-	-
Total	**52,511**	**-**

Note 14.- Financial Investments.

14.1. The detail of financial investments as of December 31, 2002 is as follows:

	Book value				
	Fixed Interest		Variable Interest		
Financial Investments	**Associated Companies**	**Other**	**Associated Companies**	**Other**	**Total**
Short-term investments	-	7,386	-	76,834	84,220
Long-term investments	-	-	22,000	37,870	59,870
Total	**-**	**7,386**	**22,000**	**114,704**	**144,090**

The provision recorded relating to variable interest-bearing instruments amounting to Th.Eur. 7,423 (Th.Eur. 2,829 short-term and Th.Eur. 4,594 long-term respectively).

14.2. The detail of financial investments as of December 31, 2002 relating to companies located outside Spanish territory is as follows:

	Book value				
	Fixed Interest		Variable Interest		
Financial Investments	**Associated Companies**	**Other**	**Associated Companies**	**Other**	**Total**
Short-term investments	-	3,445	-	2,283	5,728
Long-term investments	-	-	14,564	11,413	25,977
Total	**-**	**3,445**	**14,564**	**13,696**	**31,705**

14.3. The variation in long-term variable interest investments is as follows:

Financial Investments	Balance at 31.12.01	Increases	Decreases	Balance at 31.12.02
Long-term variable interest	28,747	32,537	(1,414)	59,870

Increases shows, in general, companies newly consolidated by the equity method (See Notes 6.4, 6.7, 9 and Appendix II) and, likewise, the acquisition from Inversión Corporativa I.C., S.A. (See Note 17) of 3.71% of Xfera, S.A. (See Note 26) by Telvent, S.A. for an amount of Th.Eur. 25,000. Decreases shows, in general, companies leaving the consolidated group (See Notes 6.9 and 6.10).

14.4. In general, short-term investments relate to shareholdings in both listed (Th.Eur. 76,256) and unlisted companies (Th.Eur. 7,964), in financial, technological and other sectors, with no latent capital gains pending recognition.

The "financial expenses" caption of the profit and loss account includes the net losses incurred on the disposal of values listed on organized secondary markets, for an approximate amount of Th.Eur. 11,932.

14.5. Details are given below of the companies which, in accordance with current legislation, have not been consolidated (See Notes 2 and 3) in which the parent companies direct or indirect interest is higher than 5% and lower than 20%, the net book value of said holdings being Th.Eur. 4,054.

Companies	% Shareholding
BC International Corp.	9.90
Banda 26, S.A.	11.54
Cisep	12.50
Chekin	14.28
Laboratorio del Amplificador de Energía, S.A.	6.98
Lanetro	5.19
Mediación Bursátil, S.V.B., S.A.	8.00
Nexttel Communication Solutions, S.A.	10.00
Norpost, S.A.	10.00
Vetejar	8.67

14.6. All the notifications required by Article 86 of the Spanish Limited Companies Act have been made.

14.7. There are no important circumstances that would affect the financial investments, such as litigations, seizures, etc.

14.8. Financial investments are usually in Spanish currency. Those, which are in foreign currencies, are valued at the exchange rate prevailing at the year-end and, if necessary, a provision is established.

14.9. There are no firm purchase and/or sale commitments that could be considered material in respect of the annual accounts taken as a whole.

14.10. Receivable interest accrued is not significant.

14.11. Financial investments are remunerated at an interest rate similar to market rate.

Note 15.- Trade and Non-Trade Receivables.

15.1. The balance of the caption Clients, sales and services rendered, for foreign currency receivables has a value of Th.Eur. 76,751, broken down in the following chart:

Tipo de Divisa	Importe

15.2. The breakdown of non-trade receivables is as follows:

Description	Amount
Long-term receivables	8,338
Long-term guarantees and guarantee deposits	3,131
Other long-term receivables	**11,469**
Short-term receivables	101,954
Short-term guarantees	919
Other short-term receivables	**102,873**
Total	**114,342**

It has not been considered necessary to establish provisions against these balances.

The amount relating to companies located outside Spanish territory is Th.Eur. 9,444.

15.3. The variation in long-term non-trade receivables for 2002 is as follows:

Description	Balance at 31.12.01	Increases	Decreases	Balance at 31.12.02
Long-term non-trade receivables	9,030	21,072	(21,764)	8,338

15.4. The maturities of non-trade receivables in the next five years, including short-term maturities, are as follows:

2003	2004	2005	2006	2007	Following	Total
101,954	2,346	488	488	489	4,527	110,292

Note 16. Stocks.

16.1. The breakdown of the balance of stocks as of December 31, 2002 is as follows:

Description	Amount
Commercial inventories	6,460
Raw materials and other supplies	42,298
Work in progress	3,426
Projects in progress	130,147
Manufactured products	36,113
Advances	7,529
Total	**225,973**

The amount of stocks relating to companies located outside Spanish territory is Th.Eur. 48,352.

In the balance sheet liabilities (caption "Short-term Trade Creditors), there are advance payments from clients of Th.Eur. 30,441 related to projects in the process of execution at the year end.

16.2. There are no significant firm purchase or sale commitments, with the exception of those mentioned in Note 29. Futures purchase transactions in raw material markets (cereals, commodities, etc.) are not significant (see Note 7.l).

16.3. There are no limits on the availability of the stocks due to guarantees or pledges other than the normal ones required by the projects. These are eliminated in the course of the execution of the project.

Note 17.- Shareholders' Equity.

17.1. The breakdown of the accounts comprising shareholders' equity as of December 31, 2001 and 2002 and of the variation therein is as follows:

	Balance at 31.12.01	Distribution of 2001 Profit	Other Movements	Balance at 31.12.02
Share Capital	22,617	-	-	22,617
Share Premium	110,009	-	-	110,009
Reserves in Parent Company:				
- Distributable	89,277	1,042	-	90,319
- Non-distributable	4,523	-	-	4,523
Revaluation Reserve	3,679	-	-	3,679
Reserves in fully and proportionally consolidated companies	57,488	25,817	(3,894)	79,411
Reserves in companies consolidated by equity method	39	1,982	(1,155)	866
Cumulative Translation Adjustments:				
- In Subsidiaries Consolidated by line-by-line or Proportional Method	(12,187)	-	(26,270)	(38,457)
- In companies consolidated by equity method	(60)	-	(5,650)	(5,710)
Dividend for the year 2001	-	12,665	(12,665)	-
	275,385			**267,257**
Consolidated Profit for the Year	**42,112**	**(42,112)**	**45,169**	**45,169**
Profit Attributable to Minority Interests	**(606)**	**606**	**(1,672)**	**(1,672)**
Profit Attributable to Holding Company	**41,506**	**(41,506)**	**43,497**	**43,497**
Total Shareholders´Equity	**316,891**			**310,754**

17.2. The share capital at December 31, 2002 was Euros 22,617,420, formed by 90,469,680 ordinary shares of a single class and series, all of which held identical economic and voting rights, with a nominal value of Euros 0.25 each, fully subscribed and paid up. The totality of these shares were represented by account entries and had been listed on the Madrid and Barcelona Stock Exchanges and the Stock Market Interconnection System (Continuous Market) since November 29, 1996. In June 2000, a capital increase took place, the shares of which have been listed on the Stock Exchange since August 31, 2000.

The 1998 Ordinary General Meeting of Shareholders adopted the resolutions to redenominate the share capital in Euros and to adapt the accounting records and the annual accounts to the Euro, delegating in the Board of Directors to execute this at the moment it saw fit. Consequently, the Board of Directors of Abengoa, S.A. was duly authorized to adopt the pertinent resolutions, in accordance with the implementing legislation that has been issued, within the calendar established.

The calendar for adaptation to the euro fixed the year 2002 as the first year in which the accounts must compulsorily be kept in Euros, the annual accounts formulated in Euros and the share capital denominated in Euros.

The first year in which the accounting and the annual accounts could be expressed in euros was 1999. On the basis of the foregoing, on December 11, 2000 the Board of Directors of Abengoa, S.A. resolved, effective in the year 2001, to redenominate the share capital in Euros, reducing the nominal value by Euros 0.00369 per share and fixing it at Euros 22,617,420, formed by 22,617,420 shares with a nominal value of 1 euro each. January 1, 2001 was fixed as the date as from which the Company accounting, trading books, individual and consolidated annual accounts and any information required in monetary units would be expressed in Euros, although the peseta would be kept, until this currency disappears, as a unit for comparison and historical records for the appropriate purposes.

17.3. According to the notifications received by the Company under the provisions of current legislation relative to obligations to give notice of percentage interests held, together with additional information provided by related companies, the most significant shareholders at December 31, 2002 are:

Shareholders	**% Shareholding**
Inversión Corporativa IC, S.A. (*)	50.00
Finarpisa, S.A. (*)	5.16
Austral International, B.V.	5.42

(*) Inversión Corporativa Group.

17.4. The Shareholders, at their Ordinary Annual General Meeting held on June 30, 2002, authorized the Board of Directors:

1.- Increase the share capital, in one or several times, to the sum of Euros 11,308,710, equivalent to fifty percent of the share capital at the time of approval, within a maximum term of five years.

2.- To issue convertible debentures, with the resulting increase of up to Th.Eur. 243,810 in the share capital, over a five-year period.

3.- To issue other securities that recognize or create a debt or capital contribution, within the legal limits applicable in each specific case.

4.- Acquire derivatively treasury stock, within the legal limits, at a price of between Euros 0.03 and Euros 120.00 per share, within a maximum term of eighteen months.

These authorizations, which are still in force, had not been used at the date of issue of these accounts.

17.5. The availability of the reserves is not subject to any restrictions except those imposed by current legislation. Thus, the balance of the caption Revaluation Reserve includes the net effect of the revaluation of balance sheets carried out under the provisions of Royal Decree Law 7/1996; the balance of this caption is frozen until it has been checked and accepted by the Tax Authorities. This verification must take place within the three years following the closing date of the balance sheet on which the revaluation was recorded (December 31, 1996), and, therefore, the term expired on December 31, 1999. When the verification has been made or when the time period has expired, the balance of the account may now be used to eliminate book losses, to increase the share capital or, when ten years have elapsed as from the closing date of the balance sheet in which the revaluation was recorded, as freely-available reserves.

17.6. The list of non-Group Companies / Entities that hold an interest of 10% or more in any of the consolidated companies is as follows:

Subsidiaries Companies	Partner	% Shareholding
Abecnor Subestaciones, S.A. de C.V.	Elecnor, S.A.	50.00
Alianza Befesa Egmasa, S.L.	Egmasa	50.00
Aluminios en Discos, S.A.	Mesima Bilbao, S.A.	33.33
Biocarburantes de Castilla y León, S.A.	Azucarera Ebro Agrícola, S.A.	50.00
Bioener Energía, S.A.	Ente Vasco de la Energía	50.00
Bioetanol Galicia, S.A.	Sodiga Galicia, Sociedad Capital Riesgo, S.A.	10.00
Cogeneración del Sur, S.A.	Aceites del Sur, S.A.	45.00
Construcciones Metálicas Mexicanas, S.A. de C.V.	Cía. Española de Financiación del Des., Cofides, S.A.	30.40
Desarrollos Eólicos de Arico, S.A.	Soc.Inversora Maspalomas, S.A.	10.00
Desarrollos Eólicos de Arico, S.A.	Soc. Hidráulica Maspalomas, S.A.	23.35
Deydesa 2000, S.L.	Reydesa Recycling, S.A.	60.00
Donsplav	Scarp	49.00
Ecología de Canaria	Cepsa	55.00
Emp. Mixta Serv. Mpales. El Ejido, S.A.	Excmo. Ayuntamiento de El Ejido	30.00
Energías Renovables Leonesas, S.A. (Erlesa)	Endesa	50.00
Europea de Construcciones Metálicas, S.A.	Tractebel España, S.A.	50.00
Expansion-Transmissao de Energía Electrica Ltda.	Cobra	25.00
Expansion-Transmissao de Energía Electrica Ltda.	Elecnor, S.A.	25.00
Expansion-Transmissao de Energía Electrica Ltda.	Isolux	25.00
Explotaciones Varias, S.A.	Layar Castilla, S.A.	50.00
Fomento Energía Renovable de Palencia, S.A.	Soc. Gral. de Biomasa de Castilla-León, S.L.	29.90
Fotovoltaica Solar Sevilla, S.A.	IDAE	20.00
Galdán, S.A.	Fagor Ederlan Coop. Ltda.	50.00
Iniciativas Hidroeléctricas, S.A.	Suma de Energías, S.L.	45.00
Intersplav	Donets Non-Ferrius Metals Research Institute	43.16
Krasbilmet	Kramz	68.00
Lineas Altamira, S.A. de C.V.	Elecnor, S.A.	50.00
Líneas Baja California Sur, S.A. de C.V.	Elecnor, S.A.	50.00
Nordeste Transmissora de Energía, S.A. (NTE)	Dragados	49.99
Procesos Ecológicos, S.A.	Global Plasma Environment, S.A.	49.99
Residuos Sólidos Urbanos de Ceuta, S.L.	Esys Montenay España, S.A.	50.00
Rontealde, S.A.	Sefanitro, S.A.	10.00
Sainsel Sistemas Navales, S.A.	Saes Capital, S.A.	50.00
Sniace Cogeneración, S.A.	Bosques 2000, S.L.	10.00
Subest. y Líneas en el Bajío - Oriental, S.A. de C.V.	Elecnor, S.A.	33.33
Subest. y Líneas en el Bajío - Oriental, S.A. de C.V.	Isolux de México	33.33
Subestaciones 611 BC, S.A. de C.V.	Elecnor, S.A.	50.00
Subestaciones 615, S.A. de C.V.	Elecnor, S.A.	50.00
Tenedora de Acciones de Red Eléctrica del Sur, S.A.	BSCH	25.01
Tenedora de Acciones de Red Eléctrica del Sur, S.A.	Cobra Perú, S.A.	33.33
Tratamiento de Aceites y Marpoles, S.A.	Urbaser	50.00

17.7. The detail of reserves in subsidiary companies consolidated by line-by-line, proportional or equity method is as follows:

Company	Amount FC / PC	EM
Sub-consolidated Befesa	16,894	745
Sub-consolidated Asa Iberoamérica	12,436	8
Sub-consolidated Information Technology	27,277	-
Sub-consolidated Asa ICI	18,599	113
Sub-consolidated Abengoa Bioenergy	4,668	-
Sub-consolidated Abengoa and those derived from the Consolidation process	(463)	-
Total	**79,411**	**866**

17.8. Details of the Fully and Proportionally Consolidated companies that generated the most significant accumulated translation differences are as follows:

Companies F.C.	Importe
Abengoa Chile, S.A.	(1,312)
Asa Environment and Energy Holding AG (Asa E.E.H.)	(1,876)
Asa Investment AG	(2,275)
Bargoa, S.A.	(8,853)
Borg Austral, S.A.	(4,433)
C.D. Puerto San Carlos, S.A. de C.V.	(1,892)
Enicar Chile, S.A.	3,340
High Plains Corporation	(11,258)
Mundiland, S.A.	1,690
Sainco Brasil, S.A.	(1,041)
Teyma Uruguay, S.A.	(3,370)
Other Positive Differences < 1.000 Mls.Eur.	856
Other Negative Differences < 1.000 Mls.Eur.	(8,033)
Total	**(38,457)**

Companies P.C.	Importe
Expansion-Transmissao de Energía Electrica Ltda.	(3,315)
Intersplav	(1,516)
Tenedora de Acciones de Red Eléc. del Sur, S.A.	(879)
Total	**(5,710)**

The amount allocated to this caption in the year 2002 is Th.Eur. 26,269, basically due to the fall in value of the United States dollar and certain Latin American currencies, including the Brazilian real, the Uruguayan peso and the Argentinian peso, and the revaluation of the Swiss franc.

Note 18.- Minority Interests.

The detail of Minority interests as of December 31, 2001 and 2002 and of the variation therein is as follows:

Company	Balance at 31.12.01	Other Movements	Allocation of 2002 Results	Balance at 31.12.02
Abengoa México, S.A. de C.V.	463	(35)	12	440
Abengoa Perú, S.A.	6	1	-	7
Abenor, S.A.	30	(30)	-	-
Alfagrán, S.A.	510	(263)	16	263
Aluminios en Discos, S.A.	487	252	(309)	430
Aprovechamientos Energéticos Furesa, S.A.	42	3	(7)	38
Araucana de Electricidad, S.A.	3	(3)	-	-
Aurecan, Ac. Usados y Rec. Energ. Andalucía, S.L.	1,664	(1,030)	(32)	602
Bargoa, S.A.	8,111	(447)	903	8,567
Befesa Medio Ambiente, S.A.	-	306	202	508
Bioetanol Galicia, S.A.	-	51	(21)	30
Cartera Ambiental, S.A.	1,720	450	(30)	2,140
Cogeneración Villaricos, S.A.	622	(55)	128	695
Construcciones Metálicas Mexicanas, S.A. de C.V. (Comemsa)	46	1	(1)	46
Desarrollos Eólicos de Canarias, S.A.	1,094	461	307	1,862
Desarrollos Eólicos de Corme, S.A.	806	(282)	291	815
Desarrollos Eólicos de Galicia, S.A.	-	698	44	742
Ecocarburantes Españoles, S.A.	174	149	181	504
Empresa Mixta de Servicios Municipales de El Ejido, S.A	195	31	(89)	137
Enernova Ayamonte, S.A.	3,625	(321)	326	3,630
Europea de Construcciones Metálicas, S.A.	85	(85)	-	-
Europea de Tratamientos Industriales, S.A.	1,357	(3)	(33)	1,321
Explotaciones Varias, S.A.	480	57	(107)	430
Galdán, S.A.	-	164	109	273
High Plains Corporation	-	189	162	351
Iniciativas Hidroeléctricas, S.A.	8,284	(8,284)	-	-
L.T. Rosarito y Monterrey, S.A. de C.V.	725	499	-	1,224
MTC Engenharia, S.A.	-	69	(78)	(9)
Mundiland	-	554	47	601
Nueva Electricidad del Gas, S.A.	(101)	101	-	-
Pandelco, S.A.	-	3	-	3
Procesos Ecológicos, S.A. (Proecsa)	86	-	4	90
Puerto Real Cogeneración, S.A.	(36)	(22)	20	(38)
Rontealde, S.A.	-	60	19	79
S.E.T. Sureste Peninsular, S.A. de C.V.	166	72	-	238
Sainco Portugal	(33)	53	(99)	(79)
Saincomex, S.A. de C.V.	5,200	(822)	217	4,595
Sainsel Sistemas Navales, S.A.	(162)	(31)	8	(185)
Servicios Auxiliares de Administración, S.A. de C.V.	563	33	158	754
Sniace Cogeneración, S.A.	(16)	-	2	(14)
Sondika Zinc, S.A.	965	-	25	990
Telvent Factory AG	924	(72)	55	907
Teyma Uruguay, S.A.	3,302	(1,240)	374	2,436
Tipmega, S.A.	457	(146)	66	377
Zindes, S.A.	2,482	(438)	109	2,153
Consolidated Befesa	3,626	1,470	(342)	4,754
Consolidated Telvent Sistemas y Redes, S.A.	25	(111)	65	(21)
Elimination between consolidated companies	(1,797)	954	(1,030)	(1,873)
Total	**46,180**	**(7,039)**	**1,672**	**40,813**

Other movements include the effects of the shareholder changes in the different companies, particularly the decrease in High Plains Corporation, in which the totality of the share capital was obtained (See Notes 6.5 and 8.1).

Note 19.- Deferred Income.

19.1. The breakdown of the balance of this caption at December 31, 2002 was as follows:

Description	Amount
Capital grants	46,802
Other deferred income	51,379
Total	**98,181**

19.2. The detail of capital grants is as follows:

Grant Beneficiary Company	Entity	Balance at 31.12.01	Other Movements	Amount Transferred to Results	Balance at 31.12.02
Abensur	European Commission	4,086	(4,086)	-	-
Alfagrán, S.A.	Regional Incentives	20	-	(4)	16
Alfagrán, S.A.	Regional Incentives	276	-	(33)	243
Alfagrán, S.A.	M. Industry and Energy	263	-	(68)	195
Aluminios en Discos, S.A.	Prov. Council of Huesca	-	9	(1)	8
Aluminios en Discos, S.A.	Prov. Council of Huesca	35	-	(4)	31
Aluminios en Discos, S.A.	Prov. Council of Huesca	81	-	(9)	72
Arce Sistemas, S.A.	Iberdrola	13	-	(1)	12
Aureca, Aceites Usados y Rec.Energ. Madrid, S.L.	M. Economy and Finance	92	-	(11)	81
Aurecan, Ac.Usados y Rec.Energ. Andalucia, S.L.	M. Economy and Finance	244	-	(36)	208
Auremur	M. Economy and Finance	774	(32)	(43)	699
Aureval, S.L.	ICO	239	(17)	(13)	209
Berako, S.A.	ICO	-	4	(2)	2
Bioetanol Galicia, S.A.	Reg. Govt. Ind. & Trade Dept.	-	1,624	(9)	1,615
Bioetanol Galicia, S.A.	Reg. Govt. Ind. & Trade Dept.	180	-	(1)	179
Bioetanol Galicia, S.A.	IDAE	421	-	(2)	419
Bioetanol Galicia, S.A.	Igape	-	4,935	(28)	4,907
Bioetanol Galicia, S.A.	M. Economy and Finance	-	10,239	(57)	10,182
Cartera Ambiental, S.A.	M. Economy and Finance	7	40	(8)	39
Cogeneración Villaricos, S.A.	ICO-BEI	263	-	(13)	250
Cogeneración Villaricos, S.A.	Andalusia Reg. Government	499	-	(24)	475
Comercial Sear, S.L.	ICO	-	3	(3)	-
Complejo Medioambiental de Andalucía, S.A.	Envir.Dep. Andalusia Reg. Govern.	1,136	1,105	(138)	2,103
Ecocarburantes Españoles, S.A.	Murcia Reg. Government	12,734	-	(4,021)	8,713
Enernova Ayamonte, S.A.	Andalusia Reg. Government	551	(48)	(24)	479
Europea de Tratamientos Industriales, S.A.	MCT	9	-	(1)	8
Europea de Tratamientos Industriales, S.A.	M. Economy and Finance	565	-	(81)	484
Hidro-Limp, S.A.	ICO	-	7	(1)	6
Instalaciones Abengoa, Inabensa, S.A.	European Commission	2,445	(328)	(1,028)	1,089
Nueva Electricidad del Gas, S.A.	Andalusia Reg. Government	324	-	(22)	302
Procesos Ecológicos Vilches, S.A.	Andalusia Reg. Government	810	-	(59)	751
Puerto Real Cogeneración, S.A.	Andalusia Reg. Government	359	-	(40)	319
Rontealde, S.A.	Basque Reg. Government	2,206	-	(264)	1,942
Sanlúcar Solar Solúcar, S.A.	M. Science and Technology	-	344	(31)	313
Sanlúcar Solar Solúcar, S.A.	European Union	-	1,336	(29)	1,307
S.A. de Instalaciones de Control (Sainco)	European Commission	-	(56)	56	-
S.A. de Instalaciones de Control (Sainco)	European Commission	-	276	(276)	-
S.A. de Instalaciones de Control (Sainco)	European Commission	16	-	(16)	-
S.A. de Instalaciones de Control (Sainco)	ICEX	10	37	(37)	10
S.A. de Instalaciones de Control (Sainco)	M. Science and Technology	176	-	(137)	39
S.A. de Instalaciones de Control (Sainco)	M. Science and Technology	189	-	(188)	1
Suministros Petrolíferos del Mediterráneo, S.L.	Grant Impiva	13	-	(2)	11
Telvent Interactiva, S.A.	M. Science and Technology	-	21	(21)	-
Telvent Interactiva, S.A.	M. Science and Technology	58	-	(58)	-
Telvent Interactiva, S.A.	M. Science and Technology	60	-	(60)	-
Telvent Interactiva, S.A.	M. Science and Technology	73	-	(73)	-
Telvent Interactiva, S.A.	M. Science and Technology	243	(14)	(229)	-
Trademed, S.L.	ICO/Instituto Fomento Murcia	943	-	(105)	838
Unión Química Naval,	Andalusia Reg. Government	325	(5)	(40)	280
Urbaoil, S.A.	M. Science and Technology	-	13	(13)	-
Valcritec, S.A.	M. Economy and Finance	633	-	(251)	382
Adjustment to consolidation criteria		4,904	(1,341)	4,020	7,583
Total		**36,275**	**14,066**	**(3,539)**	**46,802**

Capital grants are related to investments in Tangible and Intangible Fixed Assets. There are no cases of non-compliance at this stage or expected whereby the Entity awarding the grant could claim it to be returned.

19.3. Movement on the caption "Other Deferred Income" in the year 2002 was as follows:

Description	Balance at 31.12.01	Increases	Decreases	Balance at 31.12.02
Deferred income from sale of wind power activity (See Note 19.4)	6,000	-	(6,000)	-
Other deferred income (See Note 19.5)	5,943	46,807	(1,371)	51,379
Total	**11,943**	**46,807**	**(7,371)**	**51,379**

19.4. Deferred Income.

In the year 2001, Asa Environment and Energy Holding AG, a 100% held subsidiary of Abengoa, S.A., concluded (on September 14, 2001 and October 30, 2001) an agreement with third parties for the sale of the whole of its wind power generation activity, including the companies that owned the production plants and the assets and resources associated to the promotion, management and construction thereof. The agreement reached involved the sale of the most important subsidiary in this line of activity (Desarrollos Eólicos, S.A.) and its own subsidiaries for a price of Th.Eur. 77,573, which had been fully collected at December 31, 2001.

According to interpretative studies supported by legal advisors of Abengoa, S.A., this sale agreement was subject to the relevant administrative notifications at December 31, 2001. For this reason, the amount received had been fully guaranteed to the acquirer. In particular, in spite of other interpretations of current legislation, subsequent to December 31,2001, a notification was received from the Secretary of State for Economy, Energy and Small and Medium-sized Companies, stating that the proceedings provided for in point 3 of Additional Provision 27 of Law 55/1999 dated December 29 had been initiated, whereby the authorization of the operation was subject to a favourable resolution thereof and the voting rights of the shares involved were suspended until such favourable resolution were obtained. At the date of formulation of the consolidated annual accounts for 2001, the Council of Ministers had not yet resolved on this matter and, although company management reaffirmed its belief that there were no circumstances that could justify an unfavourable resolution in the administrative proceedings initiated and, consequently, on the authorization, the application of a conservative criterion made it advisable not to recognise the result of this transaction in the year 2001, in view of the risk that it could be reverted in the event that it were not approved by the authorities.

Taking the foregoing considerations into account, in the year 2001 it was decided to make an accounting entry in accordance with the principle of conservative valuation. The difference between the price received for the sale and the sum of the net book value of the portfolio, any cost that may appear associated to the sale in the assets and the accounting provisions deemed relevant in the circumstances, is Th.Eur. 6,000.

In April 2001, Abengoa received the favourable resolution of the Council of Ministers and recognised the Th.Eur. 6,000 as income, which is reflected under the caption Extraordinary Income on the Profit and Loss Account (See Note 25.8).

19.5. Movement on the caption "Other Deferred Income" in the year was as follows:

Description	**Balance at 31.12.01**	**Increases**	**Decreases**	**Balance at 31.12.02**
Exchange rate gains	5,943	5,305	(1,371)	9,877
Huepil de Electricidad, S.A.	-	41,502	-	41,502
Total	**5,943**	**46,807**	**(1,371)**	**51,379**

Huepil de Electricidad, S.A. is the company that holds the concession for the Ralco-Charrúa High-Tension Line, which is among the Projects with Financing without Recourse in Process (See Note 13.6). Said company's assets include credits for a value of Th.Eur. 67,125 that are considered as Financial Assets in Project (See Note 13.3). The balancing item of this asset is included in Financing without Recourse in Process and deferred income, shown at a value of Th.Eur. 41,502 in this Note.

Note 20.- Provisions for Contingencies and Expenses.

20.1. Movement on the caption "Provisions for Contingencies and Expenses" in the year was as follows:

Description	Balance at 31.12.01	Increases	Decreases	Other Movements	Balance at 31.12.02
Provisions for Contingencies and Expenses	21,350	32,939	(20,354)	636	34,571

20.2. At the year end, provisions of Th.Eur. 32,939 had been made, Th.Eur. 32,136 of which were assigned, following the conservative valuation principle, to provide general and specific cover of business evolution risks, mainly outside Spanish territory.

During the year, provisions of Th.Eur. 18,677 (made in previous years) were applied, since it was considered that, even though the directors and legal advisors considered that Abengoa had sufficient arguments for the amounts subject to claims to be recognised in its favour, the time which had elapsed without the claims being resolved made it advisable to classify them as remote and apply the provision. If the claims materialise and are collected, the income will be recorded in the year in which this takes place. Likewise, an amount of Th.Eur. 1,677 was applied to several minor items for which provision had previously been made.

20.3. The rest of the balance at December 31, 2002 for an amount of Th.Eur. 2,435 was contributed by Befesa Medio Ambiente, S.A. and other companies, and relates to provisions for guarantees and other provisions (See Note 7.o), together with the remainder of the provision for disposal of the wind power generation activity (See Note 21).

Note 21.- Other Provisions.

In accordance with the conservative valuation accounting principle, in relation to the sale of the wind power generation activity in 2001, mentioned in Note 19.3, provisions of Th.Eur. 48,081 were made at the 2001 year end.

These provisions were focused to cover certain elements that might not have finally materialize, since there was a high degree of uncertainty, although, in the interest of said conservative valuation, which was based on the best estimates available at the closing date, they had to be adequately provided for.

Movement on this caption in the year was as follows:

Description	Amount
Balance at 31.12.01	48,081
Assets materialised	(11,864)
Profit on sale (See Note 25.8)	(17,867)
Integral treatment (See Note 25.2)	(18,000)
Transfer to Provision for Contingencies and Expenses	(350)
Balance at 31.12.02	-

During the year 2002, effects provided for materialised for an amount of approximately Th.Eur. 11,864, concerning basically the elimination of assets related to the sale of the wind power activity and, among others, assets belonging to the part of Abengoa's prior wind power activity that was not sold in the operation and which, due to the transaction agreements (among them, a no compete agreement) are no longer of operative value to Abengoa.

Th.Eur. 350 were maintained to cover possible aspects not yet concluded and were included in the Provision for Contingencies and Expenses (See Note 20) and an additional amount of Th.Eur. 17,867 was credited to extraordinary gains (See Notes 19.4 and 25.8), since the contingencies it covered were considered to have disappeared.

Note 22.- Non-Trade Payables.

22.1. The detail of debts with financial institutions is as follows:

Description	**Balance at 31.12.02**
Short-term debts	61,081
Long-term debts	549,975
Total	**611,056**

This amount includes debt denominated in foreign currency for an amount of Th.Eur. 16,313, Th.Eur. 1,988 relating to companies resident in Spain, and Th.Eur. 14,325 to companies resident abroad.

22.2. Loan and credit facility payments are analysed as follows:

2003	**2004**	**2005**	**2006**	**2007**	**Following**	**Total**
61,081	11,935	9,536	174,173	173,507	180,824	611,056

The amounts maturing in the year 2006 onwards include a long-term syndicated loan signed on May 28, 2002 for an amount of Th.Eur. 500,000. It was granted to Abengoa, S.A. with the security of the pledge of shares in certain subsidiaries and likewise guaranteed by subsidiary companies. The loan has an estimated term of 6 years and repayment of the principal will commence from the year 2006 onwards. The loan is intended to finance investments in projects and other investments in companies that allow the Group's business and lines of activity to be expanded. Traditionally, Abengoa has maintained this line of long-term financing within the conditions established with the financial institutions, implying compliance with certain conditions agreed between the parties, which are the usual ones in this type of financial operation.

22.3. Accrued interest due to financial institutions totals Th.Eur. 4,111, which is included under the caption "Short-term debts with credit entities".

22.4. Debt secured by real property mortgage totalled Th.Eur. 1,594 at December 31, 2002, coming, in general, from Befesa Medio Ambiente, S.A. and its subsidiaries.

22.5. Credit facilities for the discount of trade bills are renewable and may be extended at any moment. Therefore a quantification of credit limits is not relevant for the purpose of the annual accounts.

22.6. The equivalent for the breakdown of the most significant foreign currency debt with financial entities is as follows:

	Companies Located	
Currency	**Outside Spain**	**Spain**
Dirhams (Morocco)	114	-
Dollar (USA)	5,816	1,988
Peso (Argentine)	18	-
Peso (Mexico)	3,341	-
Peso (Uruguay)	2,525	-
Real (Brazil)	2,498	-
Sol (Peru)	13	-
Total	**14,325**	**1,988**

22.7. The average rate of the credit transactions is within market rates in each of the countries where each operation is formalised.

Note 23.- Tax Situation.

23.1. Abengoa, S.A. and 46 other Group companies (see Appendix V to these Notes) are taxed under the Special Regime for Company Groups for 2002, with the number 2/97. Likewise, Befesa Medio Ambiente, S.A. and 9 other companies (see Appendix V hereto) are taxed in the year 2002 under the Special Company Group Regime with numbers 4/01 B. The rest of the Group companies are subject to corporate tax under the General Regime.

23.2. In order to calculate the taxable income of the consolidated tax group and the individual tax companies, the book profit is adjusted in accordance with any timing or permanent differences that may exist, giving rise to the pertinent prepaid and deferred taxes, resulting from applying the accounting principle of accrual. In general, prepaid and deferred taxes arise as a result of making the valuation criteria and principles in the accounts of individual companies consistent with those of the consolidated group, to which the parent company's criteria and principles are applied.

23.3. The corporate income tax payable, under either the general regime or the special regime for groups of companies, is the result of applying the pertinent tax rate to each taxpayer, pursuant to current legislation in each one of the tax territories and/or countries in which the different companies have their registered offices. The tax allowances and credits to which the different companies are entitled, which relate mainly to double inter-Company and international taxation and to investments made, are likewise applied. Some companies taxed under special individual regimes, have been entitled to tax reductions based on the rules applicable to their activities.

23.4. Reconciliation of the accounting result with the taxable income is as follows:

Reconciliation Accounting Result with Taxable Income	Amount
Consolidated profits after tax	45,169
Permanent differences	
- Corporate income tax	(21,437)
- Originated from individual companies	20,132
- Originated from consolidation	21,682
Temporary differences	
- Originated from the individual companies	(6,366)
- Originated from consolidation	11,808
Offsetting of negative tax bases	(29,946)
Taxable Income	**41,042**

The permanent differences on consolidation arise mainly from the distribution of dividends, the provision for amortisation of Goodwill and the portfolio provisions for consolidated companies.

Temporary differences on consolidation originate from the adaptation of accounting criteria to those applied by the parent company.

The breakdown of the corporate income tax item on the consolidated profit and loss account for the year 2002 is as follows:

Description	Amount
Forecast Tax Expense	10,244
Capitalisation of Deferred Tax Assets (See Note 23.5)	(37,515)
Reversal of Deferred Tax Assets capitalised in previous years	5,834
Total	**(21,437)**

23.5. As established in a Resolution of the Spanish Institute of Accounting and Account Auditing dated March 15, 2002 on certain aspects of the 16th Valuation Rule of the General Accounting Plan, several Group companies have booked an amount of Th.Eur. 37,515 as deferred tax assets pending application.

The breakdown of said amount by item and the year in which it was generated is as follows:

Description	Previous Years	Year 2002	Total
Negative Tax Bases	11,441	4,781	16,222
Tax Credits	9,940	11,353	21,293
Total	**21,381**	**16,134**	**37,515**

The amount of this deferred tax asset (See Note 23.4), together with the prepaid tax recorded in earlier years, appears under the caption "Other Debtors" in the Assets of the Consolidated Balance Sheet for an amount of Th.Eur. 47,156 at December 31, 2002.

23.6. In accordance with the provisions of article 36 ter. 8) of Law 43/1995 of December 27, the Corporate Tax Act, the following is the information necessary to meet the formal requirements of the tax credit for reinvestment of the extraordinary profits generated by Abengoa, S.A. in the year 2002.

Transfer Date	Asset Transferred	Amount of Transfer (a)	Net Book Value (b)	Monetary Fall in Value Art. 15.11 Corp.Tax Act (c)	Income to be applied as Tax Credit (a-b-c)	Reinvestment Date
17-12-02	Tangible Fixed Assets	28,858	3,658	481	24,719	22-11-02

In accordance with article 84 of Law 43/1995 of December 27, the Corporate Tax Act, the reinvestment has been made a member of the Bioetanol Galicia, S.A. tax group, Bioetanol Galicia, S.A. itself in the present case. Said reinvestment materialised in the Bioethanol production plant with an annual capacity of 126.5 million litres, using cereals as raw materials, for use as gasoline additives, also obtaining a co-product with a high protein content for animal food, together with the operation of a simple cycle cogeneration plant of 24.8 Mw, for an amount of Th.Eur. 92,131.

23.7. Due to possible different interpretations of the tax legislation applicable to each one of the territories and/or countries in which the different companies are tax residents, there may be certain contingent tax liabilities. However, in the opinion of the tax advisors, the possibility of their materialisation is remote, and in any event, the amount, which could arise from this, would not significantly affect the annual accounts.

Note 24.- Guarantees Furnished with Third Parties and Other Contingencies.

Guarantees furnished to third parties, totalling Th.Eur. 518,801 at the year-end comprise guarantees for completed contracts as well as for bidding rights.

There are guarantees furnished between Group companies amounting to Th.Eur. 207,152. These guarantees are to secure financial operations recorded as liabilities on the consolidated balance sheet at December 31, 2002, all of which related to operations outside Spanish territory, relating to both foreign companies and Spanish companies operating abroad.

Note 25.- Income and Expenses.

25.1. Transactions carried out during the year by Abengoa, S.A. with Temporary Consortiums not included in the consolidation process amount Th.Eur. 35,337 (sales).

25.2. The caption "Other Operating Income" on the consolidated profit and loss account relates to ancillary income, operating grants and all income not included under other income captions, except extraordinary income. The breakdown is as follows:

Description	Amount
Ancillary income	30,442
Consortium Integration	1,065
Integral Treatment (Note 6.3)	26,829
Operating grants	9,172
Total	**67,508**

25.3. The volume of transactions carried out in foreign currency is as follows:

Description	Amount
Sales	448,565
Purchases	203,596
External Services (Received)	86,570
External Services (Provided)	107,517

25.4. The distribution of the net turnover by activity is as follows:

Business Groups	Amount	%
Bioenergy	240,465	15.80
Environmental Services.	424,619	27.90
Information Technology	210,027	13.80
Engineering and Industrial Construction	646,821	42.50
Total	**1,521,932**	**100.00**

25.5. The distribution by geographical area is as follows:

Geographical Area	Amount	%
Domestic Market	**910,168**	**59.80**
- European Union	94,354	6.20
- OECD countries	325,804	21.40
- Other countries	191,606	12.60
International Market	**611,764**	**40.20**
Total	**1,521,932**	**100.00**

25.6. The net aggregated turnover of the companies included in the consolidation, which are not resident in Spain, was Th.Eur. 533,895. The consolidated annual accounts include the accumulated reserves and retained earnings of the individual consolidated companies in the shareholders' equity, not considering the effect of the hypothetical distribution thereof, since said reserves and retained earnings are used as a financing source in each one of the companies.

25.7. The average number of employees in the year is, by categories, as follows:

	Average Number		
Categories	**Spain**	**Outside Spain**	**Total**
Engineers and University Graduates	972	292	1,264
Technical Staff	532	117	649
Clerical Staff	975	196	1,171
Workmen and Auxiliary Personnel	3,467	1,878	5,345
Total	**5,946**	**2,483**	**8,429**

To accumulate this information, the entities included in the consolidation were considered only in the cases where the full or proportional consolidation methods are applied.

25.8. The detail of extraordinary income and expenses is as follows:

Income	Amount
Profits on sale of Intangible and Tangible Fixed Assets (See Note 26.3)	25,557
Capital grants transfers to profit for the year	3,539
Other Extraordinary Income from disposal of wind power activity (See Notes 19.4 and 21)	23,867
Other extraordinary income	13,385
Total	**66,348**

Income	
Disposal/deterioration of Intangible, Tangible and Financial Assets	4,428
Variation in provisions for Tangible and Intangible Fixed Assets and Financial Investments	4,441
Other extraordinary expenses	38,240
Provision for Contingencies and Expenses (See Note 20.2)	32,939
Total	**80,048**

Net Extraordinary Losses	**(13,700)**

Other extraordinary expenses include items such as: preventive write-down of assets for an amount of 15,000 Th.Eur., commissions on credit transactions cancelled before maturity due to the remodelling of the structure of corporate debt (Th.Eur. 5,000); the allocation of claims made to an insurance company which are taking a long time to materialise (Th.Eur. 4,000) and other sundry items contributed by the different consolidated companies, among them adjustments of deferred tax assets from previous years in companies with losses in recent years (Th.Eur. 2,000).

25.9. The detail of the contributions to the profit and loss account after tax is as follows:

	Amount
Sub-consolidated Asa Iberoamérica	1,353
Sub-consolidated Siema	53,539
Sub-consolidated Bioenergy	1,986
Sub-consolidated Asa ICI	(18,210)
Sub-consolidated Information Technology	11,298
Sub-consolidated Abengoa and Consolidation process	(4,797)
Total	**45,169**

The individual annual accounts of the Spanish companies included in the consolidation are filed at the Companies Registry of the province in which their corporate headquarters are located, pursuant to current mercantile legislation.

25.10. The net turnover figures of the companies with electricity operations as defined in Note 7 t) are the following

Activity	Amount
Production under special regime: cogeneration	62,768
Production under special regime: hydraulic	311
Production under special regime: Transport	3,057
Production under special regime: Other	28,106
Total	**94,242**

25.11 The balance of consumption and other external expenses is Th.Eur. 1,025,104, of which Th.Eur. 747,212 relate to purchases, Th.Eur. 27,927 to variation in inventories, Th.Eur. 3 to purchases returned, Th.Eur. 120 to volume discounts on purchases and Th.Eur. 250,089 to work carried out by other companies.

The balance of personnel costs is Th.Eur. 241,957, of which Th.Eur. 193,203 relate to wages, salaries or similar and Th.Eur. 48,754 staff welfare charges or similar regimes.

25.12. The balance of the caption Work Carried out on Fixed Assets is Th.Eur. 47,663, relating to the expenses incurred by the companies on their fixed assets, using their equipment and personnel, which are capitalized. Of this amount, Th.Eur. 27,046 relate to purchase and sale transactions between companies in the consolidated group, to which consolidation criteria and principles, explained in Note 7.h, are applied. The rest relate to individual companies.

25.13. The balance of Other Financial Income is Th.Eur. 16,928, the most significant amounts relating to Other Financial Income Th.Eur.14,636 and Income from Fixed-Income Securities Th.Eur. 1,414.

25.14. The breakdown of Other Operating Expenses is as follows:

Description	Amount
External Services	216,344
Taxes	6,031
Other Management Expenses	14,044
Total	**236,419**

The caption External Services includes, among other items, rentals and royalties for an amount of Th.Eur. 32,476, transport for an amount of Th.Eur. 32,042, services of independent professionals for an amount of Th.Eur. 58,014, and other services for an amount of Th.Eur. 49,637.

Note 26.- Accounts with Related Companies.

26.1. The account held by Abengoa, S.A. with Inversión Corporativa I.C., S.A. at the year-end shows a nil balance.

26.2. Dividends paid to related companies in the year total Th.Eur. 6,605.

26.3. On December 17, 2002, Abengoa, S.A. sold some lands and installations that belonged to it to Iniciativa de Bienes Inmuebles, S.A., a subsidiary of Inversión Corporativa I.C., S.A. (See Note 17). The selling price was Th.Eur. 28,858, with capital gains of Th.Eur. 25,200 on the sale (See Note 25.8). The selling price was established in accordance with reports on the value prepared by independent professional experts.

26.4. On December 30, 2002, Telvent, S.A., the subsidiary which heads the Information Technologies Business Group, acquired 3.71% of Xfera, S.A. from Inversión Corporativa I.C., S.A. for an amount of Th.Eur. 25,000., of which Th.Eur. 5,000 have been paid since the year end, the rest of the payments being scheduled for March 2003. As a consequence of the sale, Telvent, S.A. has taken on Th.Eur. 99,963 in guarantees to the Spanish authorities, counter-guaranteed before a financial entity with a deposit of approximately Th.Eur. 50,000, classified as Cash and Banks on the balance sheet. This situation might be temporary in respect of the amount involved, since there current legislation may change.

Said investment in Xfera materialised for an amount that allowed the total cost incurred by Inversión Corporativa IC, S.A. (IC) as a consequence of this investment until said date to be offset.

The purchase is justified, therefore, by this shareholding's strategic interest for the Group's activity, the basis of the amount involved being the reimbursement of the costs and expenses incurred by IC until that date. The support for this amount is based on recovering it in the future through the supply of services and activities compatible with the business's current state of development, without taking Xfera, S.A.'s equity situation at the date of purchase into account.

Since the investment is strategic for the development of the Information Technology Business Group, Xfera's equity situation at the date of purchase and the forecasts for its future business development as an autonomous entity are irrelevant to Abengoa, once other prior uncertainties on the viability of Xfera's business were considered to have been overcome in December 2002, since the recovery of the investment made to date is evaluated exclusively through the discounted cash flows estimated on the basis of the institutional demand derived from the services that may currently be supplied to Xfera by the Abengoa entities. Consequently, only additional future disbursements, to the extent that they may materialise, could have repercussions for Abengoa and its group companies and, in any case, would be subject to the regular systems of control and recovery of the investment, together with the requirements for meeting the return rates on the amounts invested, which are required from any other disbursement of this kind by the entities that form Abengoa.

Abengoa, as a technological company with real possibilities of using the frequency spectrum awarded to Xfera and with support services that can compete with those received by the operator from any other supplier in terms of price and quality, has real expectations of recovering the investment that exceed the simple consideration of its positioning as a passive investor in this telecommunications project.

Neither the current amount of the investment committed or the other repercussions associated to the investment are in any case excessive or of any great significance for Abengoa as a whole. The company has, in fact, adopted an extremely conservative accounting principle, since it totally links, in this and future years, the amount invested to the identification of a intangible asset the valuation of which will, if appropriate, be effectively checked each year-end in the future, considering the evolution of the possibilities of the current business induced and ruling out any effect related to the evolution of the participation's equity or finances.

Note 27.- Other Information.

27.1. The total remuneration paid to the members of the Board of Directors in their capacity as such and to the Board of Directors Advisory Council members of Abengoa, S.A. in the year 2002, was Th.Eur. 256 for salaries and subsistence allowances, and Th.Eur. 45 for other items.

In addition, in the year 2002, the remuneration paid to the Senior Management of the Company in their capacity as such, considering the members thereof to be the group of seventeen people who form the corporate bodies of the Chairman's Office, the Strategy Committee and the Management of the Corporate Departments, was Th.Eur. 4,086, including both variable and fixed items.

27.2. There are no advances or loans given to the members of the Board of Directors or obligations contracted by them under guarantee.

27.3. In the year 2002, fees of Th.Eur. 867 were paid to Auditors and Audit Firms in relation to financial audit work on said year. In addition, Th.Eur. 358 were paid for other services.

Note 28.- Environment Information.

One of the 4 Business Groups into which Abengoa is structured concentrates its activity as supplier of environmental services, such a waste recycling, industrial cleaning and environmental engineering.

Befesa, the most important company in this Business Group, contributes assets of Th.Eur. 547,312, sales of Th.Eur. 403,061 and attributable profits of Th.Eur. 16,249 associated to the environmental activity to the Consolidated Financial Statements of Abengoa.

At the 2002 year end, Abengoa considered that it did not incur any environmental risks that required additional provision to be made.

One of Abengoa's objectives is for all its companies to hold Certificates for their Environmental Management Systems. The use of treatment techniques with preventive guarantees in respect of environment quality has been officially recognised through the environmental management certifications (ISO 900, ISO 14001 and EMAS). As a consequence of the foregoing, at the end of the year 2002, 67% of the Abengoa companies had Quality Management Systems certified through ISO 9000. Likewise, 33% of the companies had Environmental Management Systems certified through ISO 14000.

The percentage distribution by Business Group of the companies with Quality and Environment certifications is shown below:

Business Group	% Companies Certified under ISO 9000	% Companies Certified under ISO 14001
Information Technology	90	30
Engineering and Industrial Construction	71	29
Environmental Services	38	36
Bioenergy	-	-
Latin America	89	22

The Spanish companies of the Bioenergy Business Group, Ecocarburantes, S.A. and Bioetanol Galicia, S.A., are in the process of developing and implementing an integrated management model for Quality, Environment and Prevention of Risks at Work, with the objective of completing implementation of the system during the present year, in order to commence the certification procedures at the end of 2003 and obtain certification in 2004. The company High Plains (also belonging to the Bioenergy Business Group and located in the United States of America) is governed by local rules with greater influence in its sphere of production.

In 2002, two companies belonging to our Environmental Services Business Group obtained the Certificate of Verification, which demonstrates that the Environment Management System meets the requirements of the European Regulation on Eco-Management and Auditing (EMAS) and, therefore, three companies now hold said certificate and the adhesion of one of them to the EMAS has also been accepted.

Note 29.- Subsequent Events.

29.1. On January 31, 2003, Telvent, S.A., a subsidiary of Abengoa and holding of the Information Technology Business Group, acquired control of the Network Management Solution Division of Metso Corporation, by means of purchasing 100% of its subsidiaries in Canada and the United States, valued at M.Eur. 35, including the cash available. The two companies acquired, which will change their names to Telvent Canada and Telvent USA, have annual sales of MUSD 60 and employ more than 400 people in their offices in Calgary, Houston and Baltimore. The financing of this operation will involve a Leveraged Buy-Out. The Goodwill on Consolidation on this acquisition is initially estimated at approximately Th.Eur. 16,000. The final amount will be determined in 2003, once the process of taking control over the companies has been completed.

This acquisition will provide Telvent with a leading position internationally in the Information Control Systems market for the gasoline, gas and electricity energy sectors and the water sector. The Division acquired has a select portfolio of technological applications for the aforementioned market.

Telvent and Metso have been collaborating technologically for the last 9 years through the exclusive integrator agreement for Spain, which was previously established through Sainco, a subsidiary of Telvent.

29.2. Since 2002 year end there have been no other subsequent events in the consolidated companies which could be considered significant for the interpretation of the annual accounts or which could significantly affect either the individual companies or the group.

Note 30.- Order Book.

The breakdown of the Order Portfolio at December 31, 2002 by type of activity is as follows:

Activityd	Amount
Traditional Activity	551,199
Turnkey Activity	136,401
Recurrent Activity	120,670
Total	**808,270**

Appendix I

Consolidated Companies

Name	Registered Address	Shareholding Amount in Th.Eur.	Shareholding % of nominal capital	Parent Company	See (Page 5)	See (Page 5)	Activity (See Page 5)	Auditor
Abecnor Subestaciones, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	-	c	(4)	-
Abecom, S.A.	Seville (ES)	988	100.00	Inabensa	-	a-b	(4)	C
Abelec, S.A.	Santiago (CL)	1	99.90	Abengoa Chile	-	a-b	(4)	A
Abema Limitada	Santiago (CL)	2	100.00	Abengoa Chile/Abensur	-	a-b	(2); (4)	A
Abencor Suministros, S.A.	Seville (ES)	4,219	100.00	Asa ICI	-	a-b	(4)	C
Abener El Sauz, S.A. de C.V. (Aelsa)	Mexico D.F. (MX)	6	100.00	Abener Energía	-	a-b	(4)	A
Abener Energía, Ingeniería y Construcción Ind., S.A.	Seville (ES)	32,582	100.00	Asa ICI	-	a-b	(4)	A
Abener Inversiones, S.L. (antes Relsa)	Seville (ES)	22,861	100.00	Abener Energía	-	a-b	(4); (5)	-
Abengoa Bioenergía, S.L.	Seville (ES)	149,522	100.00	Abengoa	(**)	a-b	(1); (5)	-
Abengoa Brasil, S.A.	R. de Janeiro (BR)	318	100.00	Inabensa	-	a-b	(4)	E
Abengoa Chile, S.A.	Santiago (CL)	22,865	100.00	Asa Investment	-	a-b	(4)	A
Abengoa Comer. y Administraçao, S.A. (Abencasa)	R. de Janeiro (BR)	1,993	100.00	Asa Investment	-	a-b	(5)	-
Abengoa Limited	Edimburgh (UK)	29	100.00	Abener Energía	-	a-b	(4)	A
Abengoa México, S.A. de C.V.	Mexico D.F. (MX)	2,499	90.00	Asa Investment	-	a-b	(4)	A
Abengoa Perú, S.A.	Lima (PE)	3,469	99.90	Asa Investment	-	a-b	(4)	A
Abengoa Puerto Rico, S.E.	San Juan (PR)	8	99.51	Abengoa	-	a-b	(4)	A
Abenor, S.A.	Santiago (CL)	6	100.00	Enicar Chile	-	a-b	(4)	A
Abensur Medio Ambiente, S.A.	Seville (ES)	3,294	100.00	Alianza Medioambiental	-	a-b	(2)	B
Abensur Servicios Urbanos, S.A.	Seville (ES)	23,996	100.00	Befesa Medio Ambiente	-	a-b	(2)	B
Abensur Trading Company, S.A.	Montevideo (UR)	2,488	100.00	Abensur	-	a-b	(2); (5)	-
Abensurasa, A.I.E.	Seville (ES)	2,945	100.00	Abensur	-	a-b	(2)	C
Abentel Telecomunicaciones, S.A.	Seville (ES)	3,793	100.00	Asa ICI	-	a-b	(3)	A
Adenur	Montevideo (UR)	8	100.00	Alianza Medioambiental	-	a-b	(2)	-
Aguas de Baena, AIE	Cordova (ES)	325	100.00	Alianza Medioam./Abensur	-	a-b	(2)	D
Alfagrán, S.A.	Murcia (ES)	2,415	93.07	Alianza Medioambiental	-	a-b	(2)	B
Alianza Befesa Egmasa, S.L.	Huelva (ES)	76	50.00	Alianza Medioambiental	(**)	c	(2)	-
Alianza Medioambiental, S.L. (AMA)	Biscay (ES)	32,633	100.00	Befesa Medio Ambiente	-	a-b	(2); (5)	B
Altamira Medioambiental, S.L.	Alicante (ES)	99	100.00	Retraoil	(**)	a-b	(2)	-
Alto Bello, S.A.	Buenos Aires (AR)	394	80.00	Abengoa	-	a-b	(6)	E
Aluminios en Discos, S.A.	Huesca (ES)	2,000	66.67	Remetal	-	a-b	(2)	B
Aprovechamientos Energéticos Furesa, S.A.	Murcia (ES)	2,211	98.00	Abener Inversiones	-	a-b	(4)	C
Araucana de Electricidad, S.A.	Santiago (CL)	4	100.00	Enicar Chile	-	a-b	(4)	A
Arce Sistemas, S.A.	Biscay (ES)	1,769	100.00	Sainco Tráfico	-	a-b	(3)	A
Asa Bioenergy AG	Zug (CH)	118,811	100.00	Abengoa Bioenergía	(**)	a-b	(1); (5)	A
Asa Environment and Energy Holding AG (Asa E.E.H.)	Zug (CH)	214,592	100.00	Siema	-	a-b	(5)	A
Asa Iberoamérica, S.L. (antes Cartera Villamagna)	Sevilla	25,373	100.00	Abengoa	-	a-b	(5)	-
Asa ICI, S.L.	Sevilla	65,707	100.00	Abengoa	(**)	a-b	(4); (5)	-
Asa Investment AG	Zug (CH)	24,822	100.00	Asa Iberoamérica	-	a-b	(5)	A
Asa Investment Brasil	R. de Janeiro (BR)	-	100.00	Abengoa Brasil/MTC	(**)	a-b	(4)	-
Aser – Zinc	Biscay (ES)	15,626	100.00	MRH	-	a-b	(2); (5)	B
Aser, Compañia Industrial del Zinc, S.L. Aser II	Biscay (ES)	605	100.00	Aser Recuperación del Zinc	-	a-b	(2)	-
Aureca, Ac.Usadps y Rec. Energ.Princ. Asturias, S.A.	Madrid (ES)	3	100.00	Prisma	-	a-b	(2)	B
Aureca, Aceites Usados y Rec. Energ. Madrid, S.L.	Madrid (ES)	2,999	100.00	Tracemar	-	a-b	(2)	B
Aurecan,Aceites Usados y Rec. Energ. Andalucía, S.L.	Huelva (ES)	2,388	100.00	Tracemar	-	a-b	(2)	B
Auremur. Aceites Usados y Recup. Energ.Murcia, S.L.	Murcia (ES)	3,312	100.00	Tracemar	-	a-b	(2)	B
Aureval, S.L.	Valencia (ES)	1,923	100.00	Tracemar	-	a-b	(2)	B
AVR, S.L.	Madrid (ES)	3	99.90	Cartera Ambiental	-	a-b	(2)	-
Bargoa, S.A.	R. de Janeiro (BR)	10,952	90.00	Asa Invest./Abengoa C.y Ad.	-	a-b	(3); (4)	E
Befesa Gestión de Resíduos Industriales	Madrid (ES)	60	100.00	Alianza Medioambental	(**)	a-b	(2)	-
Befesa Medio Ambiente, S.A.	Biscay (ES)	338,083	91.71	Abengoa/Siema/Asa Env.	-	a-b	(2); (5)	B
Befesa México, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa México	-	a-b	(2)	-
Befesa Servicios Corporativos, S.A.	Madrid (ES)	991	100.00	Befesa Medio Ambiente	-	a-b	(2)	B

Consolidated Companies. (Continuation)

Name	Registered Address	Shareholding Amount in Th.Eur.	Shareholding % of nominal capital	Parent Company	See (Page 5)	See (Page 5)	Activity (See Page 5)	Auditor
Berako, S.A.	Biscay (ES)	689	100.00	Laitek Luz y Tecnología	(*)	a-b	(2)	B
Berako Equipos Especiales, S.L.	Biscay (ES)	3	100.00	Laitek Luz y Tecnología	(*)	a-b	(2)	B
BF Tiver	Asturias (ES)	28	94.00	Felguera Fluidos	-	a-b	(2)	-
Biocarburantes de Castilla y León, S.A.	Seville (ES)	301	50.00	Abengoa Bioenergía	-	c	(1)	A
Bioeléctrica de la Vega, S.A.	Seville (ES)	601	100.00	Abener Inversiones	-	a-b	(4)	-
Bioeléctrica Jiennense, S.A.	Seville (ES)	885	95.00	Abener Inversiones	-	a-b	(4)	-
Bioener Energía, S.A.	Biscay (ES)	36	50.00	Abener Inversiones	-	a-b	(4)	-
Bioetanol Galicia, S.A.	La Coruña (ES)	19,534	90.00	Abengoa Bioenergía	-	a-b	(1)	A
Biomasa de Cantillana, S.A.	Seville (ES)	60	100.00	Inabensa/Abener Inversiones	-	a-b	(4)	-
Borg Austral, S.A.	Buenos Aires (AR)	2,666	100.00	Alianza Medioamb./Rontealde	-	a-b	(2)	E
Borgu,S.A.	Montevideo (UR)	13	100.00	Teyma Uruguay	(*)	a-b	(4)	-
C.D. Puerto San Carlos, S.A. de C.V.	Mexico D.F. (MX)	13,587	100.00	Abener Energía	-	a-b	(4)	A
Carrierhouse Portugal, S.A.	Lisbon (PT)	1,202	100.00	Carrierhouse	-	a-b	(3)	A
Carrierhouse, S.A.	Madrid (ES)	2,872	100.00	Telvent, S.A.	-	a-b	(3)	A
Cartamb, S.L.	Madrid (ES)	726	99.80	Alianza Medioambiental	-	a-b	(2)	B
Cartera Ambiental, S.A.	Madrid (ES)	9,059	80.00	Alianza Medioambiental	-	a-b	(2)	B
Ciclafarma	Madrid (ES)	150	100.00	Alianza Medioambental	-	a-b	(2)	-
Cogeneración Villaricos, S.A.	Seville (ES)	5,951	99.22	Abener Inversiones	-	a-b	(4)	C
Comercial Sear, S.L.	Zaragoza (ES)	2,534	100.00	Alianza Medioambiental	(*)	a-b	(2)	B
Compañía Industrial Asúa-Erandio, S.A. (Aser I)	Biscay (ES)	18,039	100.00	Aser Recuperación del Zinc	-	a-b	(2)	B
Complejo Ambiental Andino	Lima (PE)	248	100.00	Alianza Med./Abengoa Perú	-	a-b	(2)	-
Complejo Medioambiental de Andalucía (Nota 6)	Huelva (ES)	23,850	100.00	Alianza Medioambental	(*)	a-b	(2)	B
Complejo Medioambiental de México	Mexico D.F. (MX)	-	100.00	Befesa México/Abemex	(**)	a-b	(4)	-
Complejo Medioambiental de Navarra	Navarra (ES)	60	100.00	Alianza Medioambental	-	a-b	(2)	-
Construc. Metálicas Mexicanas, S.A. de C.V.	Querétaro (MX)	2,438	69.69	Abengoa México/Eucomsa	-	a-b	(4)	A
Desarrollos Eólicos de Arico, S.A.	Tenerife (ES)	40	66.65	Siema	-	a-b	(4)	-
Desarrollos Eólicos El Hinojal, S.A.	Seville (ES)	84	99.88	Siema	-	a-b	(4)	-
Dinunzio	Mallorca (ES)	915	100.00	Retraoil	-	a-b	(2)	B
Donsplav	Donetsk (UA)	980	51.00	Remetal	-	a-b	(2)	-
Ecoagrícola, S.A.	Murcia (ES)	586	100.00	Abengoa Bioenergía	-	a-b	(1)	-
Ecocarburantes Españoles, S.A.	Murcia (ES)	10,172	95.10	Abengoa Bioenergía	-	a-b	(1)	A
Ecomat, S.A.	Biscay (ES)	4,018	70.00	Alianza Mediambiental	(*)	a-b	(2)	B
Edificio Valgrande, S.L.	Madrid (ES)	3	100.00	Telvent, S.A.	-	a-b	(6)	-
Eléctrica Biovega, S.A.	Seville (ES)	60	99.90	Abener Inversiones	-	a-b	(4)	-
ETBE Huelva	Sevila (ES)	14	90.00	Abengoa Bioenergía	(**)	a-b	(1)	-
Emp. Mixta de Serv. Munic. de El Ejido,S.A. (Elsur)	Almería (ES)	1,262	70.00	Abensurasa	-	a-b	(2)	C
Energías Renovables Leonesas, S.A. (Erlesa)	Madrid (ES)	541	50.00	Abensur	-	a-b	(2)	-
Enernova Ayamonte, S.A.	Huelva (ES)	2,281	91.00	Abener Inversiones	-	a-b	(4)	C
Enicar Chile	Santiago (CL)	1	100.00	Abengoa Chile	-	a-b	(5)	A
Europea de Cons. Metálicas, S.A. (Eucomsa)	Seville (ES)	3,625	50.00	Asa ICI	-	c	(4)	A
Europea de Tratam. Industriales, Etrinsa, S.A.	Murcia (ES)	1,358	100.00	Alianza Medioambental	-	a-b	(2)	B
Explotaciones Varias, S.A.	Ciudad Real (ES)	1,907	50.00	Abengoa	-	c	(6)	-
Felguera Fluidos, S.A.	Asturias (ES)	2,007	100.00	Alianza Medioambental	-	a-b	(2)	B
Financiera Soteland, S.A.	Montevideo (UR)	11	100.00	Asa Investment	-	a-b	(7)	-
Flores e Hijos, S.A.	Madrid (ES)	583	100.00	Retraoil	(*)	a-b	(2)	-
Fotovoltaica Solar Sevilla, S.A.	Seville (ES)	48	80.00	Solúcar	(**)	a-b	(4)	-
Galdán, S.A.	Navarra (ES)	735	50.00	Remetal	-	c	(2)	B
Gestión Integral de Recursos Humanos, S.A.	Seville (ES)	60	100.00	Abengoa	(**)	a-b	(8)	-
Greencell, S.A.	Seville (ES)	410	100.00	Siema/Asa Environ./Inabensa	(**)	a-b	(1)	-

Consolidated Companies. (Continuation)

Name	Registered Address	Shareholding Amount in Th.Eur.	Shareholding % of nominal capital	Parent Company	See (Page 5)	See (Page 5)	Activity (See Page 5)	Auditor
Hidro Clean, S.A.	Biscay (ES)	2,177	100.00	Ecomat/Laitek	(*)	a-b	(2)	B
Hidro Limp, S.A.	Biscay (ES)	473	100.00	Ecomat	(*)	a-b	(2)	B
Hidroalfa, S.A.	Seville (ES)	60	100.00	Abensur/Nicsa	-	a-b	(2)	-
Hidrobeta, S.A.	Seville (ES)	60	100.00	Abensur/Nicsa	-	a-b	(2)	-
Hidrogamma, S.A.	Seville (ES)	60	100.00	Abensur/Nicsa	-	a-b	(2)	-
High Plains Corporation	Kansas (USA)	120,298	100.00	Asa Bioenergy Holding	-	a-b	(1)	E
Huepil de Electricidad, S.A.	Santiago (CL)	1	100.00	Abengoa Chile	(**)	a-b	(4)	A
Inabensa Bharat	N. Delhi (India)	2	100.00	Inabensa	(**)	a-b	(4)	-
Inabensa France, S.A.	Pierrelate (FR)	500	100.00	Inabensa	-	a-b	(4)	-
Inabensa Inc.	San Juan (PR)	10	100.00	Inabensa	-	a-b	(4)	-
Inabensa Maroc, S.A.	Tangier (MA)	1,504	100.00	Inabensa	-	a-b	(4)	-
Inabensa Rio, Ltda.	R. de Janeiro (BR)	-	100.00	Abengoa Brasil/MTC	(**)	a-b	(4)	-
Inarco, S.L.	Madrid (ES)	3	100.00	Prisma	-	a-b	(2)	-
Iniciativas Hidroeléctricas, S.A.	Seville (ES)	1,226	50.00	Abensur	-	c	(2)	C
Iniciativas Medioambientales, S.A.	Seville (ES)	3	99.80	Abensur	-	a-b	(2)	-
Instalaciones Abengoa, Inabensa, S.A.	Seville (ES)	17,307	99.99	Asa ICI	-	a-b	(4)	A
Instalaciones Inabensa, Costa Rica	San José (CR)	-	100.00	Inabensa	(**)	a-b	(4)	-
Internet Datahouse, S.A.	Madrid (ES)	3,125	100.00	Telvent, S.A.	-	a-b	(3)	-
Internet Recicla, S.A	Madrid (ES)	61	100.00	Alianza Med./Telvent Sy R	-	a-b	(2)	-
Intersplav (consolida a través de P. Equiv.)	Sverdlovsk (UA)	3,726	50.84	Remetal	-	a-b	(2)	A
Inversora Enicar, S.A.	Montevideo (UR)	2	100.00	Abengoa Chile	-	a-b	(5)	A
L.T. 304 Noroeste, S.A. de C.V.	Mexico D.F. (MX)	5	100.00	Abengoa México	-	a-b	(4)	A
L.T. Rosarito y Monterrey, S.A. de C.V.	Mexico D.F. (MX)	11	100.00	Abengoa México	-	a-b	(4)	A
Laitek Luz y Tecnología, S.A.	Biscay (ES)	9,154	70.00	Alianza Medioambiental	(*)	a-b	(2)	B
Lineas Altamira, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	(**)	c	(4)	-
MRH Residuos Metálicos, S.L.	Biscay (ES)	42,747	100.00	Befesa Medio Ambiente	-	a-b	(2); (5)	B
MTC Engenharia, S.A.	R. de Janeiro (BR)	1,512	100.00	Asa Investment	-	a-b	(4)	E
Mundiland, S.A.	Montevideo (UR)	55	100.00	Telvent AG	-	a-b	(5)	A
Negocios e Inversiones de Centroamérica, S.A.	C.de Panamá (PA)	1,073	100.00	Abengoa	-	a-b	(5)	-
Negocios Industr. y Comerciales, S.A. (Nicsa)	Madrid (ES)	1,791	100.00	Abencor Suministros	-	a-b	(4)	C
Nicsa Trading Corporation	Miami (USA)	168	100.00	Nicsa	-	a-b	(4)	-
Nordeste Transmissora de Energía, S.A. (NTE)	R. de Janeiro (BR)	5	51.00	Inabensa	-	a-b	(4)	E
Nuema, Nuevas Energías Madrid, S.L.	Madrid (ES)	3	100.00	Prisma	-	a-b	(2)	-
Nueva Electricidad del Gas, S.A. (Nuelgas)	Seville (ES)	5,939	98.58	Asa ICI	-	a-b	(4)	A
Pandelco, S.A.	Montevideo (UR)	408	100.00	Teyma Uruguay	-	a-b	(4)	A
Planta de Tratamientos Ácidos	Mexico D.F. (MX)	1	100.00	Bef.México/Abemex	(**)	a-b	(2)	-
Prisma, Promoc. Ind. y Servicios Med., S.L.	Madrid (ES)	14,723	100.00	Alianza Medioambiental	-	a-b	(2); (5)	B
Procesos Ecológicos Carmona 1, S.A.	Seville (ES)	63	100.00	Procesos Ecológicos/AMA	-	a-b	(2)	-
Procesos Ecológicos Carmona 2, S.A.	Seville (ES)	90	100.00	Procesos Ecológicos/Abensur	-	a-b	(2)	-
Procesos Ecológicos Carmona 3, S.A.	Seville (ES)	60	100.00	Procesos Ecológicos/Abensur	-	a-b	(2)	-
Procesos Ecológicos Lorca 1, S.A.	Seville (ES)	180	100.00	Procesos Ecológicos/Abensur	-	a-b	(2)	-
Procesos Ecológicos Vilches, S.A.	Seville (ES)	1,148	100.00	Alianza Med./Procesos Ec.	-	a-b	(2)	C
Procesos Ecológicos, S.A. (Proecsa)	Seville (ES)	881	50.00	Alianza Medioambiental	-	c	(2); (5)	-
Procesos y Gestión Ambiental, S.A.	Barcelona (ES)	572	80.00	Cartera Ambiental	(*)	a-b	(2)	-
Proyectos Técnicos Industriales, S.A. (Protisa)	Madrid (ES)	550	100.00	Inabensa	-	a-b	(4)	A
Puerto Real Cogeneración, S.A. (Precosa)	Cadiz (ES)	176	90.02	Abener Inversiones	-	a-b	(4)	A
Recycling Logistics, S.A.	Biscay (ES)	60	100.00	Aser Recuperación del Zinc	-	a-b	(2)	B
Refinados del Alumino, S.A. (Refinalsa)	Valladolid (ES)	8,670	100.00	Remetal	-	a-b	(2)	B
Remetal, S.L.	Biscay (ES)	53,971	100.00	MRH	-	a-b	(2); (5)	B
Remetal Trading and Investment AG	Zurich (CH)	25	100.00	Remetal	-	a-b	(2)	-
Remetal TRP Ltd.	Manchester (UK)	14,423	100.00	Remetal	-	a-b	(2)	E

Consolidated Companies. (Continuation)

Name	Registered Address	Shareholding Amount in Th.Eur.	Shareholding % of nominal capital	Parent Company	See (Page 5)	See (Page 5)	Activity (See Page 5)	Auditor
Reromas, S.L.	Pontevedra (ES)	127	90.02	Retraoil	(*)	a-b	(2)	-
Residuos Sólidos Urbanos de Ceuta, S.L.	Ceuta (ES)	2,030	50.00	Abengoa	-	c	(2)	-
Retraoil, S.L.	La Rioja (ES)	3,510	100.00	Tracemar	-	a-b	(2)	B
Rontealde, S.A.	Biscay (ES)	36,510	90.00	Alianza Medioambiental	-	a-b	(2)	B
S.A. de Instalaciones de Control (Sainco)	Madrid (ES)	39,066	100.00	Telvent, S.A.	-	a-b	(3)	A
S.E.T. Sureste Peninsular, S.A. de C.V.	Mexico D.F. (MX)	816	100.00	Abengoa México	-	a-b	(4)	A
Sainco Brasil, S.A. (antes BST, S.A.)	R. de Janeiro (BR)	1,381	100.00	Sainco Tráfico	-	a-b	(3)	E
Sainco Denmark, ApS	Copenhague (DK)	17	100.00	Sainco	-	a-b	(3)	-
Sainco Electric Traffic, C.S.	Beijing (CN)	630	100.00	Sainco Tráfico	-	a-b	(3)	-
Sainco México, S.A. de C.V.	Mexico D.F. (MX)	1,293	99.98	Sainco	-	a-b	(3)	A
Sainco Portugal, S.A.	Lisbon (PT)	50	100.00	Abentel Telecomunicaciones	-	a-b	(3)	-
Sainco Scandinavia, AB	Ostersund (SE)	334	100.00	Sainco	-	a-b	(3)	-
Sainco Soc. Argentina de Ingenier. y Control, S.A.	Buenos Aires (AR)	572	100.00	Sainco Tráfico	-	a-b	(3)	E
Sainco Tráfico Thailand Ltd.	Bangkok (TH)	46	100.00	Sainco Tráfico	-	a-b	(3)	E
Sainco Tráfico, S.A.	Madrid (ES)	6,452	100.00	Sainco	-	a-b	(3)	A
Sainsel Sistemas Navales, S.A.	Seville (ES)	1,202	50.00	Sainco	-	c	(3)	A
Sanlucar Solar, S.A.	Seville (ES)	59	100.00	Solúcar/Asa Environment	-	a-b	(4)	-
Sanlúcar Solar Solúcar, S.A.	Seville (ES)	500	100.00	Siema	(**)	a-b	(4); (5)	-
Serv. Aux. de Administración, S.A. de C.V.	Mexico D.F. (MX)	5	100.00	Abengoa México	-	a-b	(4)	A
Serv. Integr. de Mant. y Operación, S.A. (Simosa)	Seville (ES)	109	100.00	Inabensa	-	a-b	(4)	C
Sistemas de Control de Energía, S.A. (Sicel)	Seville (ES)	1,245	100.00	Sainco	-	a-b	(3)	-
Sniace Cogeneración, S.A.	Madrid (ES)	8,686	90.00	Abener Inversiones	-	a-b	(4)	A
Soc. Inver. en Ener. y Medioambiente,S.A. (Siema)	Seville (ES)	93,008	100.00	Abengoa	-	a-b	(5)	A
Sondika Zinc, S.A.	Biscay (ES)	1,727	51.00	Comp. Ind Asria Erandio	-	a-b	(2)	B
Subestaciones y Líneas en el Bajo Oriental	Mexico D.F. (MX)	2	50.00	Abengoa México	(**)	c	(4)	-
Sul Transmissora de Energía - STE	Mexico D.F. (MX)	-	100.00	Abengoa Brasil/MTC	(**)	a-b	(4)	-
Suminis. Petrolíferos del Mediterráneo, S.L.	Valencia (ES)	825	99.90	Alianza Medioambiental	-	a-b	(2)	-
Tec – 88, S.L.	Biscay (ES)	715	100.00	Remetal	-	a-b	(2)	-
Telecom Ventures AG (Telvent)	Zug (CH)	8,757	100.00	Siema	-	a-b	(5)	A
Telvent Factory Holding AG	Zug (CH)	7,886	100.00	Telvent, S.A.	-	a-b	(3); (5)	A
Telvent Interactiva, S.A.	Madrid (ES)	240	100.00	Telvent, S.A.	-	a-b	(3)	A
Telvent Outsourcing, S.A. (antes Siatec)	Seville (ES)	476	100.00	Telvent, S.A.	-	a-b	(3)	C
Telvent, S.A.	Madrid (ES)	33,156	94.56	Abengoa/Telvent AG	-	a-b	(3); (5)	A
Telvent, B.V.	Amsterdam (NL)	50	100.00	Siema	-	a-b	(5)	-
Teyma Abengoa, S.A.	Buenos Aires (AR)	31,601	100.00	Asa Investment	-	a-b	(4)	E
Teyma Paraguay, S.A.	Asunción (PY)	91	100.00	Teyma Uruguay	-	a-b	(4)	-
Teyma Uruguay, S.A.	Montevideo (UR)	3,009	92.00	Asa Investment	-	a-b	(4)	A
Teytel, S.A.	Buenos Aires (AR)	12	99.90	Teyma Abengoa	(**)	a-b	(3)	
Trademed, Tratam. del Mediterráneo, S.L.	Murcia (ES)	2,020	100.00	Prisma	-	a-b	(2)	B
Tráfico e Ingeniería, S.A. (Trafinsa)	Asturias (ES)	1,035	100.00	Sainco Tráfico/Arce Sistemas	-	a-b	(3)	C
Tratamiento de Aceites y Marpoles, S.A.	Madrid (ES)	13,992	50.00	Alianza Medioambiental	-	a-b	(2);(5)	B
Trespi, S.L.	Valencia (ES)	362	100.00	Sum. Petrolif. del Med.	-	a-b	(2)	B
Tría Equip de Gestión Ambiental, S.L.	Barcelona (ES)	519	80.00	Cartera Ambiental	(*)	a-b	(2)	-
Unión Química y Naval, S.L. (Unquinaval)	Cadiz (ES)	2,778	100.00	Alianza Medioambiental	-	a-b	(2)	B
Urbaoil	Madrid (ES)	60	100.00	Tracemar	-	a-b	(2)	B
Valcritec, S.A.	Valladolid (ES)	6,786	100.00	Remetal/Refínalas	-	a-b	(2)	B
Vicente Fresno Aceites, S.L.	Biscay (ES)	177	95.00	Aureca	-	a-b	(2)	-
Zindes, S.A.	Biscay (ES)	4,154	51.00	Comp. Ind Asria Erandio	-	a-b	(2)	B

Appendix I

(*) Companies acquired during the year and/or acquisition of an additional holding in companies that were already consolidated in the prior year. The consolidation of these companies represented aggregated sales of Th.Eur. 29,512.

(**) Companies incorporated during the year. The consolidation of these companies represented aggregated sales of Th.Eur. 3,753.

The circumstances considered in article 2 of Royal Decree 1815/91, whereby the Rules for Formulation of Consolidated Annual Accounts were approved, are:

a. The parent Company shall hold a majority of the voting rights.
b. The parent Company shall have the right to appoint a majority of the members of the governing body.
c. The parent Company may hold a majority of the voting rights through agreements with other shareholders or members.

The percentage interests have been rounded up to two decimals.
Unless stated otherwise, the closing date of the latest annual accounts was December 31, 2002.

(1) Bioenergy Business Group.
(2) Environmental Services Business Group.
(3) Information Technology Business Group.
(4) Engineering and Industrial Construction Business Group.
(5) Holding Company.
(6) Acquisition and running of rural and urban property, together with other related activities.
(7) Financial services.
(8) Ancillary services.

A Audited by PricewaterhouseCoopers Auditores, S.L.
B Audited by Deloitte & Touche España, S.L.
C Audited by Auditoría y Consulta, S.A.
D Audited by Auditores y Consultores del Sur, S.A.
E Audited by Other Auditors.

Consolidated Associated Companies

Name	Registered Address	Shareholding: Amount in Th.Eur.	Shareholding: % of Nominal Capital	Parent Company	(*)	Art. of R.D. 1815/91 (****)	Activity	Auditor
ABG Servicios Medioambientales, S.A.	Biscay (ES)	38	20.00	Alianza Medioambiental	-	5º 3	(2)	-
Abalnor T&D	Mexico D.F. (MX)	-	25.00	Abengoa México	(*)	5º 3	(4)	
Aguas del Tunari, S.A.	Cochabamba (BO)	2,384	25.00	Abensur Trading Comp.	-	5º 3	(2)	-
Cogeneración del Sur, S.A.	Seville (ES)	130	45.00	Abencor Suministros	-	5º 3	(4)	C
Cogeneración Motril, S.A.	Seville (ES)	1,403	39.00	Abener Inversiones	-	5º 3	(4)	E
Consorcio Teyma M&C	Santiago (CL)	-	49.90	Abengoa Chile	-	5º 3	(4)	-
Deydesa 2000, S.L.	Álava (ES)	6,743	40.00	Remetal	-	5º 3	(2)	E
Digitek-Micrologic-Sainco Tráfico, AIE	Madrid (ES)	-	50.00	Sainco Tráfico	-	5º 3	(3)	-
Dragados Ind.-Electric Trafic-Indra-S.Tráfico, AIE	Madrid (ES)	3	22.75	Sainco Tráfico	-	5º 3	(3)	-
Ecología Canaria, S.A. (Ecansa)	Las Palmas (ES)	68	45.00	Unquinaval	-	5º 3	(2)	-
Ecolube	Madrid (ES)	5,526	30.00	Tracemar	-	5º 3	(2)	-
Expansión Transmissào de Energia Eletrica, Ltda.	R. de Janeiro (BR)	5,573	25.00	Abengoa Brasil	-	5º 3	(4)	-
Krasbilmet	Krasnoyarsk (RU)	639	32.00	Remetal	-	5º 3	(2)	-
Lineas Baja California Sur, S.A. de C.V.	Mexico D.F. (MX)	-	50.00	Abengoa México	(*)	5º 3	(4)	-
Línea de Transmisión de Comahue, S.A.	Buenos Aires (AR)	-	22.50	Teyma Abengoa	-	5º 3	(4)	-
Lineas Sistemas Nacional	Mexico D.F. (MX)	-	33.30	Abengoa México	-	5º 3	(4)	A
Líneas y Sub 506	Mexico D.F. (MX)	-	25.00	Abengoa México	(*)	5º 3	(4)	-
Líneas y Sub de México	Mexico D.F. (MX)	-	33.30	Abengoa México	(*)	5º 3	(4)	-
Mogabar, S.A.	Cordova (ES)	94	48.00	Abengoa	-	5º 3	(4)	-
Nap de la Américas	Madrid (ES)	1,111	20.00	Telvent, S.A.	(*)	5º 3	(3)	-
Obimet	Odessa (UA)	156	26.00	Remetal	-	5º 3	(2)	-
Sdem Inabensa, S.A.	Madrid (ES)	-	50.00	Inabensa	-	5º 3	(4)	-
Sociedade Combustiveis Bioquimicos, S.A.	Setúbal (PT)	46	40.00	Abengoa Bioenergía	-	5º 3	(1)	-
Subestaciones 410, S.A. de C.V.	Mexico D.F. (MX)	2	33.30	Abengoa México	-	5º 3	(4)	-
Subestaciones 611 BC, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	(*)	5º 3	(4)	-
Subestaciones 615, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	(*)	5º 3	(4)	-
Subestaciones y Lineas de México	Mexico D.F. (MX)	2	33.30	Abengoa México	(*)	5º 3	(4)	-
Tenedora de Acciones de Red Eléc. del Sur, S.A.	Lima (PE)	4,864	33.30	Abengoa Perú	-	5º 3	(5)	-
TSMC Ing y Construcción	Santiago (CL)	-	33.30	Abengoa Chile	-	5º 3	(4)	-
Tuca, AIE	Barcelona (ES)	3	50.00	Sainco Tráfico	-	5º 3	(3)	-
Tuxpan TXD, S.A. de C.V.	Mexico D.F. (MX)	2	33.30	Abengoa México	-	5º 3	(4)	A

(*) Companies incorporated during the year. The consolidation of these companies represented practically no aggregated sales, since these companies are, in general, in the phase prior to commencement of operations.

Article 5.3 of Royal Decree 1815/91, whereby the Rules for the Formulation of Consolidated Annual Accounts were approved, states that when one or more companies belonging to the group hold an interest of at least 20% in the capital of another Company which does not belong to the group, said Company shall be deemed to exist as an associated Company. Said percentage is reduced to 3% if the Company held is admitted to official listing on a stock exchange.

(1) Bioenergy Business Group.
(2) Environmental Services Business Group.
(3) Information Technology Business Group.
(4) Engineering and Industrial Construction Business Group.
(5) Holding Company.

A, C y E: See page 5 of Appendix I.

Consolidated Multi-Group Entities

Name of Entity	Registered Address	Shareholding Amount in Th.Eur.	Shareholding % of Nominal Capital	Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 2)	Auditor
Abecotel	Lima (PE)	-	60.50	Abengoa Perú	-	4º2.a	(4)	-
Abengoa	Lima (PE)	-	50.00	Abengoa Perú	-	4º2.a	(4)	-
Abensaih	Seville (ES)	4	65.00	Abensur	(*)	4º2.a	(2)	-
Arocastin Sta Pola	Elche (ES)	5	20.00	Inabensa	(*)	4º2.a	(4)	-
Atabal	Seville (ES)	3	53.00	Abensur	(*)	4º2.a	(2)	B
Atocha Ave	Madrid (ES)	18	33.34	Inabensa	(*)	4º2.a	(4)	-
Calatayud	Zaragoza (ES)	3	50.00	Abensur	-	4º2.a	(2)	B
Campus Aljarafe	Pontevedra (ES)	1	25.00	Inabensa	-	4º2.a	(4)	-
Centrales	Madrid (ES)	12	50.00	Inabensa	(*)	4º2.a	(4)	-
Chapín 2002	Seville (ES)	12	25.00	Inabensa	-	4º2.a	(4)	-
Colectores Motril	Madrid (ES)	3	50.00	Abensur	-	4º2.a	(2)	-
Consorcio Abengoa Perú Cosapi	Lima (PE)	-	13.00	Abengoa Perú	-	4º2.a	(4)	-
Consorcio FAT (Ferrovial-Agroman-Teyma)	Montevideo (UR)	575	40.00	Teyma Uruguay	-	4º2.a	(4)	-
Consorcio Isinelco	R. de Janeiro (BR)	346	25.00	Abengoa Brasil	(*)	4º2.a	(4)	-
Consortium	Madrid (ES)	3	50.00	Inabensa	(*)	4º2.a	(4)	-
Control Aéreo Gavá	Barcelona (ES)	42	30.00	Inabensa	-	4º2.a	(4)	-
Cosapi Abengoa	Lima (PE)	-	50.00	Abengoa Perú	-	4º2.a	(4)	-
CT Ilo	Lima (PE)	-	25.00	Inabensa	(*)	4º2.a	(4)	-
CT Illo 2- rehabilitación	Lima (PE)	-	50.00	Abengoa Perú	-	4º2.a	(4)	-
Deca	Seville (ES)	2	32.25	Abensur	-	4º2.a	(2)	B
Depurbaix	Barcelona (ES)	1	10.00	Abensur	-	4º2.a	(2)	D
Edar El Prat	Barcelona (ES)	3	50.00	Abensur	(*)	4º2.a	(2)	-
Edar Las Palmas	Madrid (ES)	3	50.00	Abensur	-	4º2.a	(2)	B
Eidra	Seville (ES)	2	42.00	Inabensa	(*)	4º2.a	(4)	-
Electrificación Alcobendas	Madrid (ES)	6	33.33	Inabensa	-	4º2.a	(4)	-
Electrificación Cádiz	Seville (ES)	9	33.33	Inabensa	-	4º2.a	(4)	-
Electrificación Corredor	Madrid (ES)	12	25.00	Inabensa	-	4º2.a	(4)	-
Erabil	Biscay (ES)	30	20.00	Inabensa	(*)	4º2.a	(4)	-
Estepa	Seville (ES)	4	65.00	Abensur Medio Ambiente	-	4º2.a	(2)	D
Explotación Utrera	Seville (ES)	3	50.00	Abensur Medio Ambiente	(*)	4º2.a	(2)	B
Fenollar	Valencia (ES)	3	50.00	Abensur	-	4º2.a	(2)	-
Gelida	Barcelona (ES)	3	50.00	Abensur	(*)	4º2.a	(2)	-
Groupement Manantali	Madrid (ES)	4	33.33	Inabensa	(*)	4º2.a	(4)	-
Guadalajara	Seville (ES)	3	55.00	Abensur Medio Ambiente	(*)	4º2.a	(2)	B
H. Campus de la Salud	Seville (ES)	12	20.00	Inabensa	(*)	4º2.a	(4)	-
Idam Almeria	Seville (ES)	2	50.00	Abensur	-	4º2.a	(2)	B
Idam Carboneras	Seville (ES)	3	43.00	Abensur	-	4º2.a	(2)	B
Idam Cartagena	Seville (ES)	1	37.50	Abensur	-	4º2.a	(2)	B
Inabensa-Sergesa I	Madrid (ES)	1	50.00	Inabensa	(*)	4º2.a	(4)	-
Inabesys	Seville (ES)	1	55.50	Inabensa	(*)	4º2.a	(4)	-
Inafer	Barcelona (ES)	6	60.00	Inabensa	-	4º2.a	(4)	-
Inelin	Madrid (ES)	12	48.50	Inabensa	-	4º2.a	(4)	-
Iscoaben 10	Madrid (ES)	180	33.00	Inabensa	-	4º2.a	(4)	-
Jerez Ferroviaria	Seville (ES)	12	10.00	Inabensa	-	4º2.a	(4)	-
Línea 1 (Montajes Guinovart,Inabensa)	Madrid (ES)	6	50.00	Inabensa	-	4º2.a	(4)	-
Línea 10	Madrid (ES)	120	50.00	Inabensa	-	4º2.a	(4)	-
Línea 400 kv	Madrid (ES)	24	25.00	Inabensa	(*)	4º2.a	(4)	-

Consolidated Multi-Group Entities
(Continuation)

Name of Entity	Registered Address	Shareholding: Amount in Th.Eur.	Shareholding: % of Nominal Capital	Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity	Auditor
Líneas Manantali	Madrid (ES)	12	25.00	Inabensa	-	4º2.a	(4)	-
Lluchmajor	Valencia (ES)	2	50.00	Abensur	-	4º2.a	(2)	D
Mataró	Madrid (ES)	6	50.00	Inabensa	-	4º2.a	(4)	-
Meirama	La Coruña (ES)	54	6.00	Abensur Medio Ambiente	-	4º2.a	(2)	-
Motril Salobreña	Granada (ES)	3	50.00	Abensur	-	4º2.a	(2)	-
MVA	Madrid (ES)	9	33.33	Inabensa	-	4º2.a	(4)	-
Negratín Almanzora	Seville (ES)	3	50.00	Abensur	(*)	4º2.a	(2)	-
Novo Hospital de Santiago	Pontevedra (ES)	3	5.00	Inabensa	-	4º2.a	(4)	-
Norsanet	Madrid (ES)	18	40.00	Sainco	-	4º2.a	(3)	-
Patronato de Deportes	Elche (ES)	4	20.00	Inabensa	(*)	4º2.a	(4)	-
Pista Santiago	Madrid (ES)	12	50.00	Inabensa	-	4º2.a	(4)	-
PL Huelva (Detea - Inabensa)	Seville (ES)	6	40.00	Inabensa	-	4º2.a	(4)	-
Poniente	Almería (ES)	3	50.00	Abensur Medio Ambiente	-	4º2.a	(2)	B
Ribera	Valencia (ES)	3	50.00	Abensur	(*)	4º2.a	(2)	-
Rincón de la Victoria	Málaga (ES)	3	50.00	Abensur	-	4º2.a	(2)	-
S/E Línea 6	Madrid (ES)	6	50.00	Inabensa	(*)	4º2.a	(4)	-
S/E Torre Arias	Madrid (ES)	1	80.00	Inabensa	(*)	4º2.a	(4)	-
S.T. – Acisa	Barcelona (ES)	1	50.00	Sainco Tráfico, S.A.	-	4º2.a	(3)	-
Sahechores	Valladolid (ES)	4	62.00	Abensur	-	4º2.a	(2)	D
Sainsel-Teyma Abengoa	Buenos Aires (AR)	20	100.00	Sainsel	-	4º2.a	(3)	-
Salillas	Madrid (ES)	18	33.00	Inabensa	(*)	4º2.a	(4)	-
Santa Justa Ave	Seville (ES)	9	33.00	Inabensa	-	4º2.a	(4)	-
Sector Este	Llobregat (ES)	3	50.00	Abensur	-	4º2.a	(2)	-
Serveis Lleida	Lérida (ES)	6	40.00	Inabensa	-	4º2.a	(4)	-
Sinamon	Madrid (ES)	18	33.30	Inabensa	-	4º2.a	(4)	-
ST- E.Otaduy - E. Cantábrico	Bilbao (ES)	6	34.00	Sainco Tráfico, S.A.	-	4º2.a	(3)	-
Sta. María de Guía	Las Palmas (ES)	6	100.00	Abensur Medio Ambiente	-	4º2.a	(2)	-
ST-FCC-Sice	Madrid (ES)	2	34.00	Sainco Tráfico, S.A.	-	4º2.a	(3)	-
Subestaciones Villaverde Bajo	Seville (ES)	9	33.33	Inabensa	-	4º2.a	(4)	-
Teulada - Moraira	Valencia (ES)	3	42.50	Abensur	-	4º2.a	(2)	-
Transur	Moquegua (PE)	-	50.00	Abengoa Perú	-	4º2.a	(4)	-
UTE Duro Felguera Plantas Industriales	Gijón (ES)	-	50.00	Felguera Fluidos	(*)	4º2.a	(2)	-
UTE ST-Sice	Madrid (ES)	-	50.00	Sainco Tráfico, S.A.	-	4º2.a	(3)	-
UTE Servicios y maquinaria Duro Felguera	Gijón (ES)	-	50.00	Felguera Fluidos	(*)	4º2.a	(2)	-
Utrera-Dos Hermanas	Seville (ES)	9	33.33	Inabensa	-	4º2.a	(4)	-
Vendrell	Barcelona (ES)	3	50.00	Abensur	-	4º2.a	(2)	-
Villareal	Seville (ES)	3	50.00	Abensur	(*)	4º2.a	(2)	-
Vimaben	Seville (ES)	6	50.00	Inabensa	(*)	4º2.a	(4)	-
Vinalopó	Seville (ES)	2	33.30	Abensur	(*)	4º2.a	(2)	-

(*) Companies/entities included in the consolidated group in the present year (See Note 6.8).

(**) Article 4.2.a of Royal Decree 1815/91, whereby the Rules for Formulation of Consolidated Annual Accounts were approved, defines multigroup companies as those for which the articles of association establish joint management.

(1) Bioenergy Business Group.
(2) Environmental Services Business Group.
(3) Information Technology Business Group.
(4) Engineering and Industrial Construction Business Group.

B, and D: See page 5 of Appendix I..

Appendix IV

Consolidated Companies with electricity operations (see Note 7t)

Name	Registered Address	Activity (*)	Remarks
Abenor, S.A.	Santiago (CL)	(9)	Operational
Aceites Usados y Recup. Energ. Murcia, S.L.	Murcia (ES)	(8)	Operational
Alfagrán, S.A.	Murcia (ES)	(8)	Operational
Aprovechamientos Energéticos Furesa, S.A.	Murcia (ES)	(1)	Test phase
Araucana de Electricidad, S.A.	Santiago (CL)	(9)	Operational
Aureca, Ac.Us. y Rec. Energ.Princ. Asturias, S.A.	Madrid (ES)	(8)	Operational
Aureca, Aceites Usados y Rec. Energ. Madrid, S.L.	Madrid (ES)	(8)	Operational
Aurecan, Aceites Usados y Rec. Energ. Andalucía, S.L.	Huelva (ES)	(8)	Operational
Aureval Aceites Usados y Recup. Energ. Valencia, S.L.	Valencia (ES)	(8)	Operational
Bioetanol Galicia, S.A.	La Coruña (ES)	(3)	Construction phase
Biomasa del Genil, S.A.	Seville (ES)	-	Dormant (Under disolution)
Biomasa del Guadiamar, S.A.	Seville (ES)	-	Dormant (Under disolution)
Cogeneración del Sur, S.A.	Seville (ES)	(1)	Operational
Cogeneración Motril, S.A.	Seville (ES)	(1)	Operational
Cogeneración Villaricos, S.A.	Seville (ES)	(1)	Operational
Desarrollos Eólicos de Arico, S.A.	Tenerife (ES)	(2)	Dormant
Desarrollos Eólicos de Monseivane, S.A.	Seville (ES)	(2)	Dormant (Under disolution)
Desarrollos Eólicos El Hinojal, S.A.	Seville (ES)	(2)	Dormant
Ecocarburantes Españoles, S.A.	Murcia (ES)	(3)	Operational
Eléctrica Biovega, S.A.	Seville (ES)	-	Dormant (Under disolution)
Energía de la Biomasa, S.A.	Barcelona (ES)	-	Dormant (Under disolution)
Energías Renovables Leonesas, S.A. (Erlesa)	Madrid (ES)	-	Dormant
Enernova Ayamonte, S.A.	Huelva (ES)	(4)	Operational
ETBE Huelva, S.A.	Seville (ES)	(3)	Construction phase
Fotovoltaica Solar Sevilla, S.A.	Seville (ES)	(5)	Construction phase
Greencell, S.A.	Seville (ES)	(10)	Construction phase
Huepil de Electricidad, S.A.	Santiago (CL)	(9)	Construction phase
Iniciativas Hidroeléctricas, S.A.	Seville (ES)	(7)	Construction phase
Nordeste Transmissora de Energía, S.A. (NTE)	R. de Janeiro (BR)	(9)	Construction phase
Nuema, Nuevas Energías Madrid, S.L.	Madrid (ES)	-	Dormant
Puerto Real Cogeneración, S.A.	Cadiz (ES)	(3)	Operational
Red Eléctrica del Sur, S.A.	Lima (PE)	(9)	Construction phase
Sanlucar Solar, S.A.	Seville (ES)	(6)	Construction phase
Sniace Cogeneración, S.A.	Madrid (ES)	(1)	Construction phase
Trademed, Tratamientos del Mediterráneo, S.L.	Murcia (ES)	(8)	Operational

(*) Electricity operations as described in Note 7 t) in accordance with the provisions of Law 54/1997.

(1) Production under Special Regime: Cogeneration . Primary energy type: Fuel.
(2) Production under Special Regime: Wind. Primary energy type: Wind.
(3) Includes production under Special Regime: Cogeneration. Primary energy type: Natural gas.
(4) Production under Special Regime: Cogeneration. Primary energy type: Natural gas.
(5) Production under Special Regime: Solar Photovoltaic. Primary energy type: Solar light.
(6) Production under Special Regime: Solar. Primary energy type: Solar light.
(7) Production under Special Regime: Hydraulic. Primary energy type: Water.
(8) Production under Special Regime: Other. Primary energy type: Industrial waste (used oils).
(9) Transport.
(10) Electricity production: Based on hydrogen. Primary type of energy: Hydrogen.

Appendix V

Companies taxed under the Special Regime for Company Groups at 12.31.02

Name		
Name	**Tax address**	**Shareholding**
Abengoa, S.A.	Seville (ES)	Parent Company
Abecom, S.A.	Seville (ES)	Instalaciones Abengoa, Inabensa, S.A.
Abencor Suministros, S.A.	Seville (ES)	Asa ICI, S.L.
Abener Energía, Ingeniería y Construcción Ind., S.A.	Seville (ES)	Asa ICI, S.L.
Abener Inversiones, S.L.	Seville (ES)	Abengoa, S.A.
Abengoa Bioenergía, S.L.	Seville (ES)	Abengoa, S.A.
Abentel Telecomunicaciones, S.A.	Seville (ES)	Asa ICI, S.L.
Aprovechamientos Energéticos Furesa, S.A. (Aprofursa)	Murcia (ES)	Abener Inversiones, S.L.
Arce Sistemas, S.A.	Biscay (ES)	Sainco Tráfico, S.A.
Asa Iberoamérica, S.L.	Seville (ES)	Abengoa, S.A.
Asa ICI, S.L.	Seville (ES)	Abengoa, S.A.
Bioeléctrica de la Vega, S.A.	Seville (ES)	Abener Inversiones, S.L.
Bioeléctrica del Viar, S.A.	Seville (ES)	Abener Inversiones, S.L.
Bioeléctrica Jiennense, S.A.	Seville (ES)	Abener Inversiones, S.L.
Bioetanol Galicia, S.A.	La Coruña (ES)	Abengoa Bioenergía, S.L.
Biomasa de Cantillana, S.A.	Seville (ES)	Abener Inversiones, S.L.
Biomasa del Genil, S.A.	Seville (ES)	Abener Inversiones, S.L.
Biomasa del Guadiamar, S.A.	Seville (ES)	Abener Inversiones, S.L.
Cogeneración Villaricos, S.A.	Seville (ES)	Abener Inversiones, S.L.
Desarrollos Eólicos de Monseivane, S.A.	Seville (ES)	Siema
Desarrollos Eólicos El Hinojal, S.A.	Seville (ES)	Siema
Ecoagrícola, S.A.	Cartagena (ES)	Abengoa Bioenergía, S.L.
Ecocarburantes Españoles, S.A.	Murcia (ES)	Abengoa Bioenergía, S.L.
Edificio Valgrande, S.L.	Madrid (ES)	Telvent, S.A.
Eléctrica Biovega, S.A.	Seville (ES)	Abener Inversiones, S.L.
Energía de la Biomasa, S.A.	Barcelona (ES)	Abener Inversiones, S.L.
Enernova Ayamonte, S.A.	Huelva (ES)	Abener Inversiones, S.L.
ETBE Huelva, S.A.	Seville (ES)	Abengoa Bioenergía, S.L.
Gestión Integral de Recursos Humanos, S.A.	Seville (ES)	Abengoa, S.A.
Greencell, S.A.	Seville (ES)	Siema
Instalaciones Abengoa, Inabensa, S.A.	Seville (ES)	Asa ICI, S.L.
Internet Datahouse, S.A.	Madrid (ES)	Telvent, S.A.
Negocios Industriales y Comerciales, S.A. (Nicsa)	Madrid (ES)	Abencor Suministros, S.A.
Proyectos Técnicos Industriales, S.A. (Protisa)	Madrid (ES)	Instalaciones Abengoa, Inabensa, S.A.
Puerto Real Cogeneración, S.A. (Precosa)	Cadiz (ES)	Abener Inversiones, S.L.
Sainco Tráfico, S.A.	Madrid (ES)	S.A. de Instalaciones de Control (Sainco)
Sanlúcar Solar Solúcar, S.A.	Seville (ES)	Siema
Sanlucar Solar, S.A.	Seville (ES)	Sanlúcar Solar Solúcar, S.A.
Serv. Integ. Mant. Operaciones, S.A. (Simosa)	Seville (ES)	Instalaciones Abengoa, Inabensa, S.A.
Sistemas de Control de Energías, S.A.	Seville (ES)	S.A. de Instalaciones de Control (Sainco)
Sniace Cogeneración, S.A.	Madrid (ES)	Siema
S.A. de Instalaciones de Control (Sainco)	Madrid (ES)	Telvent, S.A.
Soc. Inversora en Energ. y Medioambiente, S.A. (Siema)	Seville (ES)	Abengoa, S.A.
Telvent Interactiva, S.A.	Madrid (ES)	Telvent, S.A.
Telvent Outsourcing, S.A.	Madrid (ES)	Telvent, S.A.
Telvent, S.A.	Madrid (ES)	Abengoa, S.A.
Tráfico e Ingeniería, S.A.	Asturias (ES)	Sainco Tráfico, S.A.

Companies taxed under the Special Regime for Company Groups at 12.31.02 (Continuatión)

Befesa Tax Group Number 4/01 B		
Name	**Tax address**	**Shareholding**
Befesa Medio Ambiente, S.A.	Biscay (ES)	Parent Company
Alianza Medioambiental, S.L. (AMA)	Biscay (ES)	Befesa Medio Ambiente, S.A.
Aser Recuperación del zinc, S.L.	Biscay (ES)	MRH Residuos Metálicos, S.L.
Aser, Compañía Industrial del Zinc, S.L.	Biscay (ES)	Aser Recuperación del Zinc, S.L.
Compañía Industrial Asua-Erandio, S.A.	Biscay (ES)	Aser Recuperación del Zinc. S.L.
MRH Residuos Metálicos, S.L.	Biscay (ES)	Befesa Medioambiente, S.A.
Recycling Logistics, S.A.	Biscay (ES)	Aser Recuperación del Zinc, S.L.
Remetal, S.L.	Biscay (ES)	MRH Residuos Metálicos, S.L.
Rontealde, S.A.	Biscay (ES)	Alianza Medioambiental, S.L. (AMA)
Tec 88, S.L.	Biscay (ES)	Remetal, S.L.

Consolidated Directors' Report for the Year 2002

(Free translation from the original in Spanish)

Consolidated Directors' Report for the Year 2002

1.- Introduction.

1.1. The present Directors' Report is formulated in accordance with articles 171 and 202 of the Revised Text of the Limited Liability Companies Law, article 49 of the Commercial Code and the Seventh European Council Directive of June 13, 1983 (83/349/EEC).

Abengoa, S.A. is an industrial and technological company that, at the end of the year 2002, held a group formed by the following companies: the parent company itself, 200 subsidiaries and 31 associated companies. Likewise, it held direct or indirect interests in 224 Temporary Consortiums. In addition, the Group companies owns shareholdings of less than 20% in other companies.

Apart from this legal corporate structure, for operating management and administration purposes, Abengoa acts through the organizational structures, described in point 2.1. below.

1.2. In order to accurately measure and evaluate the business and the results achieved by Abengoa, the basis used must be the consolidated figures, which reflect the evolution of the business.

In addition to the accounting information provided in the Consolidated Annual Accounts and in the present Directors' Report, Abengoa is publishing an "Annual Report" describing the most important achievements in the year 2002. This Report is available in Spanish, English and French. Said Annual Report, which is printed before the General Shareholders' Meeting at which the Annual Accounts for 2002 are to be approved, includes both the consolidated financial statements of Abengoa and a description of the business strategy objectives and the most relevant accomplishments of the four Business Groups into which Abengoa was structured at December 31, 2002.

In addition to the printed edition, an abridged version of the Annual Report will be available in Internet, at the address http://www.abengoa.com. It is also possible to request a printed copy of the Annual Report from the aforementioned Internet address.

Furthermore, this web page also provides the regular information (quarterly or six-monthly) or significant events that it is compulsory for Abengoa to notify to the Stock Market National Commission under stock market rules.

1.3. The shares of Abengoa, S.A. have been listed on the stock exchange since November 29, 1996 and the Company files the legally required quarterly and six-monthly information.

All the shares of Abengoa, S.A. were first quoted on the Madrid and Barcelona Stock Exchange Markets and in the Stock Exchange Interconnection System on November 29, 1996. Simultaneously, a public offering was made by their shareholders Inversión Corporativa I.C., S.A. and its subsidiary Finarpisa, S.A., together with other shareholders.

For the two processes (listing and public offering), Abengoa published an Admission Prospectus and, together with their shareholders, the Initial Public Offering Prospectus. Both Prospectus were duly approved and registered by the Stock Market National Commission on November 12, 1996 and November 21, 1996, respectively.

The volume of shares included in the Public Offering was finally established at 33.03% of the share capital of Abengoa, S.A. and the offer concluded on November 29, 1996, the date on which the stock market operation was carried out.

Abengoa, S.A. had 6,038 shareholders as at June 30, 2002 according to the information provided by "Servicio de Compensación y Liquidación de Valores, S.A." on the occasion of the last General Shareholders' Meeting held on June 30, 2002. Leaving aside the interests held by the shareholders Inversión Corporativa I.C., S.A. and its subsidiary Finarpisa (55.16%), according to these data, the Company considers that Abengoa, S.A.'s free float capital at said date, leaving the reference shareholder's interest aside, was 44.84% at said date.

According to the data provided to the Company by Sociedad Rectora de la Bolsa de Valores de Madrid (governing body of the Madrid Stock Exchange), 34,488,670 shares were traded during 2002. The average daily volume traded in the year was 137,954 shares, in comparison with 110,031 in 2001 (25.2% higher). The minimum, maximum and average prices per share in the year 2002 were Euros 4.15, Euros 8.97 and Euros 6.02 respectively (the foregoing takes into account the split in the nominal value of Euro 1 per share to Euros 0.25 per share that took place in July 2001). The last price for the Abengoa shares in 2002 was Euros 5.60, 18.96% lower than on 31 December 2001 and 206.97% higher than the share price established for the public offering of shares on 29 November 1996.

1.4. Over recent years, Abengoa has carried out strategic actions that have consolidated the strategic plan defined in 1996 (the year in which the company was first listed on the Stock Exchange). In this period, it has taken advantage of the traditional activity's capacity as a springboard to generate businesses with greater value added and, at the same time, attain the diversification of activities and geographic markets.

The actions culminated in the year 2000 (mainly the acquisition of Befesa and the coming into operation of the first bioethanol production plant), were complemented by other strategic transactions in 2001 (sale of the wind power generation business). Likewise, in 2002, the steps taken concentrated on consolidating the capacities of the four business groups that today form Abengoa as an industrial and technological company, the activities of which are described later.

The following strategic operations performed over recent years should be highlighted:

Year 2000

- Acquisition of Befesa through a tender offer, with an investment of Mill.Euros 300.
- Coming into operation of the first Bioethanol plant in Spain, with a production capacity of 100 M.Litres/year, representing an investment of Mill.Euros 93.8.
- Capital increase in Abengoa, allowing the shareholders' equity to increase by Mill.Euros 75.1.

Year 2001

- Integration of Abengoa's Environment Division (specialised in environmental engineering) into Befesa, with a capital increase of Mill.Euros 12.4 in Befesa by means of the contribution of Abensur.
- Sale of the wind power activity for Mill.Euros 109.

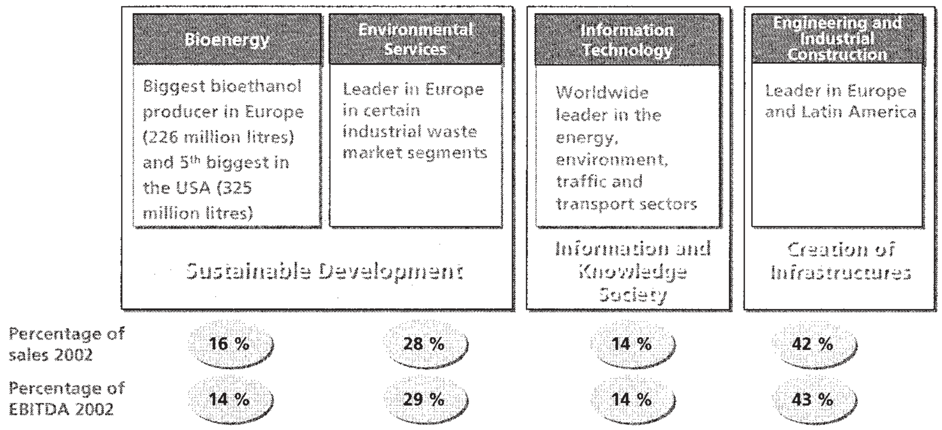
Year 2002

- Acquisition of High Plains Corporation, the fifth largest bioethanol producer in the United States, by means of a tender offer, with an investment of Mill.Euros 100.
- Coming into operation of the second Bioethanol plant in Spain, with a production capacity of 126 M.Litres/year, representing an investment of Mill.Euros 92.1.
- The United States Department of Energy (D.O.E.) awarded a R&D project for the technological improvement of the ethanol production process, employing biomass, optimising the economy of the process and increasing the energy yield in ethanol production, also reducing the cost of producing ethanol and making it more competitive compared to gasoline.

In this period of diversification and growth, Abengoa has received the support of the financial markets, obtaining the funds needed in order to grow. Growth has been financed mainly through four income sources: i) Capital increase, ii) Funds generated by the traditional activity, iii) Financing without recourse applied to projects and iv) Long-term corporate financing.

1.5. Current structure of Abengoa and nature of its business.

- The result of the operations performed in the period 2000 – 2002 mentioned above configured Abengoa as an industrial and technological company that provides solutions for Sustainable Development, the Information and Knowledge Society and Infrastructure Creation, acting through four business units.



- Apart from the fact that it is structured into these four business units, there are currently two types of activity in Abengoa at present: a) Engineering, Construction and Services, which, in turn, is formed by traditional engineering activity, financed turnkey projects and recurrent and service activity, and b) Sale of commodities. These two types of business source exist, to a greater or lesser degree, in each of the four business units.

a) Traditional engineering and construction activity: its main income source is based on Abengoa's capacity to obtain contracts and relates to private bids, public tenders and private or other types of award. In this respect, it makes no difference whether Abengoa is providing a service (performing works) or delivery a specific asset (manufacturing).

- Financed turnkey projects (integrated product): the main income source is Abengoa's capacity to obtain contracts, but this activity has a structured finance component (with or without capital investment).

  It is applied in significant High Tension Line projects (such as the ANEEL line in Brazil, the Ralco line in Chile and the CFE line in Mexico), Conventional and Combined Cycle Plants (such as El Sauz, CD S. Carlos), Cogeneration Plants (such as Motril), Biomass Plants (B. Jiennense, EHN), Bioethanol Plants (Castilla-León, Bioetanol Galicia, ETBE Huelva), Solar Plants and Electricity Plants with hydrogen fuel cells.

- Recurrent and service activities: their income source, although depending on a bid, is based on recurrent Operation and Maintenance (O&M) activity, spare parts and similar, the contracts for which usually have a term longer than one year. As significant examples, Sainco's contracts with electricity companies, the O&M contracts of Inabensa with vehicle manufacturers or electricity companies, Abentel with Telefónica, Sainco Tráfico with the Directorate General of Traffic and Municipal Councils, managements plants, industrial waste treatment, etc. may be highlighted.

b) Activities related to "commodities":

A sale of products activity, the income of which is correlated to the sale of a commodity. In this kind of activity, we distinguish between products: Metallic, Non-Metallic, Sale of electricity from any of Abengoa's production plants (Cogeneration, Biomass, Solar or others) and sale of ethanol and its derivatives.

- Metallic:

  Zinc. The income from this activity has two basic variables: i) a royalty and ii) the price of the metal. It falls within the Zinc Waste Recycling activity.

  Aluminium. This is encompassed in the Aluminium Waste Recycling activity.

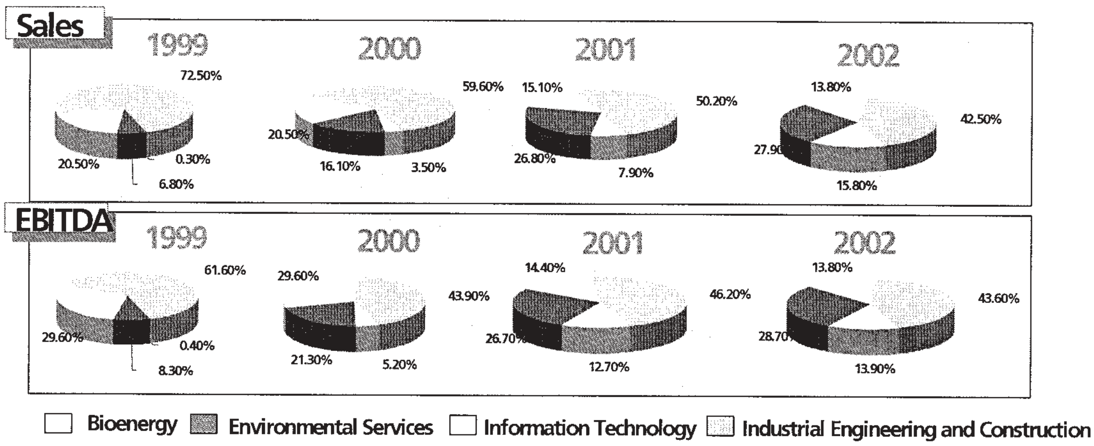
  Aluminium sales. Like zinc, a fee is obtained for withdrawing the waste, which, in turn, is treated, thus obtaining by-products that can be sold.

- Non-Metallic. Desulphurization: consists of recycling sulphur waste from refineries, which is transformed into sulphuric asset, generating, in turn, steam with which electricity is produced.

- Sale of electricity from any of Abengoa's production plants (Cogeneration, Biomass, Solar or other): Production of cogeneration or biomass plants; Energy Promoters (include Nuelgas, Cogesur, the bioenergy cogeneration activity and fuel cells), the part of electricity sales of the cogeneration plants of Environmental Services (Aureca, Aureval, Auremur).

- Sale of ethanol. Affected by i) the price of gasoline, ii) the price of grain and iii) the price of gas and DGS and CO2 derivatives.

Evolution of sales and EBITDA



- Today Abengoa offers a combination of businesses that represent a greater diversification in markets and customer portfolio and that reinforces its capacities in respect of its original Engineering business.

1.6. In the year 2002, Abengoa's net turnover was Mill.Euros 1,521.9, representing an increase of 10.3% on the preceding year.

The sales increase in the year 2002 was mainly due to the increase in the Bioenergy Business Group, which rose from Mill.Euros 108.5 in 2001 to Mill.Euros 240 in 2002, and the Environmental Services Business Group, which grew from Mill.Euros 369.9 in 2001 to Mill.Euros 425.0 in 2002.

The Earnings before Interest, taxes, depreciation and amortisation (Ebitda) was Mill.Euros 174.7, representing an increase of Mill.Euros 8.2 (4.9%) on 2001.

The net profit attributed was Mill.Euros 43.5, which shows an increase of Mill.Euros 2 (a 4.8% rise) on the profit after tax attributed the previous year (Mill.Euros 41.5).

The net cash flow generated in the year 2002 was Mill.Euros 118.3, which represented an increase of Mill.Euros 11.3 on the year 2001, an increase of 10.6%.

The Board of Directors proposes to the General Shareholders Meeting the distribution of a dividend of 0.14 Euros per share charged to the year 2002, representing a total pay-out of Mill.Euros 12.67 for the 90,469,680 outstanding shares.

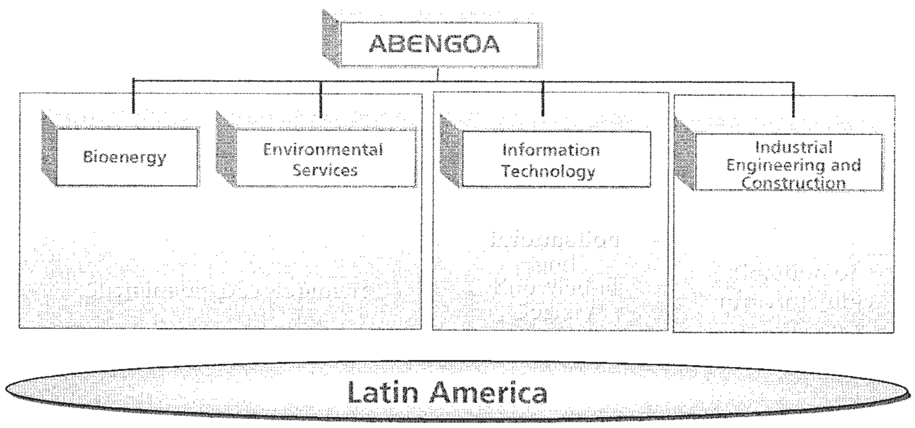
2.- Comments on the Evolution of the Business and Overall Situation of the Companies Included in the Consolidation.

2.1. General description and organization.

Abengoa was formed in Seville in 1941. Until 1996 it operated as an Engineering Company undertaking a range of activities. It is now an industrial and technological Company that provides solutions for sustainable development, the information and knowledge society and the creation of infrastructures.

At the 2002 year end, Abengoa's stock market capitalization was Mill.Euros 506.6, it was present in 38 countries and its sales in the year were Mill.Euros 1,521.9, with an Ebitda of Mill.Euros 174.7.

Abengoa operates through four Business Groups:



- The activities of the four Business Groups are as follows:

  - **Bioenergy**

    Production of ethyl alcohol from vegetable products (cereals, biomass). The alcohol (bioethanol) is used to manufacture ETBE (petrol component) or to be blended directly with petrol and gasoil. As it is a renewable energy, net CO_2 emissions are reduced (greenhouse effect).

  - **Environmental Services**

    Aluminium waste recycling, salt slag recycling, zinc waste recycling, industrial waste recycling, industrial cleaning and environmental engineering services (engineering and construction for water treatment and waste management).

  - **Information Technology**

    Systems and Service Development and Integration. Systems for: Information Control, Private Telecommunications Networks, Business Process Payment and Automation for the Energy, Environment, Traffic, Transport and Public Administration Sectors. Services of: Hosting, Management, Administration and Maintenance of Technical Infrastructures.

  - **Engineering and Industrial Construction**

    Engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industrial, transport and service sectors. Development, construction and operation of industrial plants and conventional power plants (cogeneration and combined-cycle) and renewable energy facilities (bioethanol, biomass, wind, solar and geothermal). Turnkey telecommunications networks and projects.

  - **Latin America**

    Market where Abengoa has had a stable presence for more than 30 years through local companies that carry on all the activities of the Business Groups autonomously, applying the management rules of Abengoa as a whole.

2.2. Recent evolution.

2.2.1. The evolution of the main balance sheet and profit and loss account figures over the last years is shown below:

Description	2002	Δ%	2001	Δ%	2000	Δ%	1999	Δ%	1998	1997
	M.Euros		M.Euros		M.Euros		M.Euros		M.Euros	M.Euros
Equity	310.8	-2.0	316.9	+4.9	302.0	+50.4	200.6	+8.7	185.2	181
Total Assets	2,311.3	+10.0	2,100.6	+11.4	1,885.4	+57.4	1,197.9	+21.7	984.6	763

Description	2002	Δ%	2001	Δ%	2000	Δ%	1999	Δ%	1998	1997
	M.Euros		M.Euros		M.Euros		M.Euros		M.Euros	M.Euros
Sales	1,521.9	+10.3	1,379.9	+14.6	1,204.6	+39.0	866.2	+10.3	785.2	693
EBITDA (1)	174.7	+4.9	166.5	+31.8	126.3	+43.0	88.3	+17.7	75.0	64
Pr. Attrib. to Parent Comp.	43.5	+4.8	41.5	+15.0	36.1	+64.9	21.9	+10.1	19.9	18
Net cash flow	118.3	+10.6	107.0	+20.5	88.8	+59.8	55.6	+15.5	48.1	37

(1) Earnings before interest, taxes, depreciation and amortization.

2.2.2. On the balance sheet, the most significant aspect is the variation in the fixed assets between 1998 and 1997 with respect to 1996 due to the full consolidation of "Sociedad Inversora en Energía y Medio Ambiente, S.A." (Siema) from 1997 onwards. This is shown under the caption "Fixed Assets in Projects", which rose from Mill.Euros 21.3 in 1996 to Mill.Euros 178.2 in 1997, to Mill.Euros 245.0 in 1998, to Mill.Euros 306.5 in 1999, to Mill.Euros 337.4 in 2000, to Mill.Euros 305.6 in 2001 and to Mill.Euros 384.3 in 2002, basically as a result of tangible fixed assets representing the investments in the projects of Siema. These investments are located in the activities of water and environmental management and in energy-producing plants and installations belonging to the different Project promotion companies in which interests are held either by Siema or other subsidiaries of Abengoa, S.A.

The investments in these promotion companies are generally made through Project Finance, a financing formula agreed with the financial institution whereby the latter recovers the financing through the funds generated by the project. This type of funding is, therefore, without recourse to the shareholders.

The balancing item of these investments appears in the balance sheet liabilities under the caption "Financing without Recourse Applied to Projects", which, at the 2002 year end totals Mill.Euros 140.4 under the long-term caption and Mill.Euros 129.6 at short-term, in comparison with Mill.Euros 139.6 and Mill.Euros 62.0 respectively in 2001.

- The change in the size and structure of Abengoa's balance sheet in the last three years relates to certain actions, of which the final effect on the balance sheet may be seen in the following variations:

  a) The full consolidation of the holding in Befesa at the year end 2000 (91.00%). For purposes of the profit and loss account, however, said consolidation affected only the contribution relating to the six-month period at the year end 2000, since the tender offer concluded in June 2000, and to a full year for the first time in 2001, which closed with a shareholding of 92.05%.

  b) Capital increase in Abengoa in the year 2000, which allowed Abengoa's shareholders' equity to be increased by Mill.Euros 75.1 and was concluded with the full support of the investors in the month of August 2000. The increase in the shareholders' equity represents approximately a third of that which already existed, which was increased to Mill.Euros 302.0.

  c) Signature of a syndicated loan in 2001 for an amount of Mill.Euros 340 maturing at 6 years, signed with 38 financial institutions and structured to reinforce the company's financial resources after the acquisition of Befesa through the tender offer subsequently launched on the stock market.

  d) Divestment in the wind power activity in October 2001, representing a net reduction on the balance sheet of Mill.Euros 83.9 in Fixed Assets in Projects and Mill.Euros 64.9 in Financing without Recourse Applied to Projects

  e) Acquisition of the United States company High Plains Corporation, with an investment of 100 million US dollars. The whole investment was made using the Abengoa's available treasury resources and is shown on the balance sheet for 2001.

  f) Signature of a syndicated loan in 2002 for an amount of Mill.Euros 500 maturing at 6 years, signed with 51 financial institutions and structured to reinforce the company's financial resources after the acquisitions of Befesa and High Plains.

2.2.3. The contribution of the Business Groups to the Sales and the Ebitda shows the recent contribution of Bioenergy and Environmental Services, the weight of which, particularly the contribution to the Ebitda, has already become very significant (42% overall).

	Sales 2002			Sales 2001		Sales 2000	
Business Group	**M.Euros**	**% over total**	**Δ 01/00**	**M.Euros**	**% over total**	**M.Euros**	**% over total**
Bioenergy	240.5	15.8	132.0	108.5	7.9	41.7	3.5
Environmental Services	424.6	27.9	54.7	369.9	26.8	193.6	16.1
Systems and Networks	210.0	13.8	1.1	208.9	15.1	247.3	20.5
Engineering and Industrial Construction	646.8	42.5	(45.7)	692.5	50.2	722.0	59.9
Total	**1,521.9**	**100.0**	**142.1**	**1,379.8**	**100.0**	**1,204.6**	**100.0**

	Ebitda 2002			Ebitda 2001		Ebitda 2000	
Business Group	**M.Euros**	**% over total**	**Δ 01/00**	**M.Euros**	**% over total**	**M.Euros**	**% over total**
Bioenergy	24.2	13.9	3.0	21.2	12.7	6.6	5.2
Environmental Services	50.1	28.7	5.7	44.4	26.7	26.9	21.3
Systems and Networks	24.1	13.8	0.1	24.0	14.4	37.4	29.6
Engineering and Industrial Construction	76.3	43.6	-0.6	76.9	46.2	55.4	43.9
Total	**174.7**	**100.0**	**8.2**	**166.5**	**100.0**	**126.3**	**100.0**

2.2.4. In the year 2002, Abengoa's operations abroad also showed significant variations, since it continued to increase in volume but, primarily, diversified, as a result of the Bioenergy activity in the United States. Specifically, sales abroad accounted for Mill.Euros 611.8 (40.2%) of the Mill.Euros 1,521.9 turnover registered in 2002. Sales in Spain amounted to Mill.Euros 910.1 (59.8%) compared with Mill.Euros 879.2 in 2001 (63.7%).

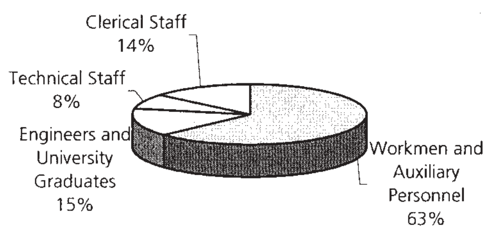
Local operations, that is, sales by local companies based in other countries, amounted to Mill.Euros 386.9, accounting for 25.4% of the total sales figure for 2002, while exports from companies based in Spain totalled Mill.Euros 224.9 (14.8%). In 2001 sales by local companies abroad accounted for 21.7% of the total figure and exports 14.6%.

The variation in the contribution of the different geographic areas may also be highlighted. Thus, Latin America, which represented 40% in 1999, dropped to 29.2% in 2000, 24.4% in 2001 and 21.9% in 2002. This variation was due to the greater weight of Europe, USA and Canada, with the inclusion of High Plains in 2002. The geographic distribution of sales was as follows:

(Exports and local company sales)	2002 M.Euros		2001 M.Euros		2000 M.Euros		1999 M.Euros	
USA & Canada	143.2	9.5%	5.8	0.4%	2.8	0.2%	0.3	0.0%
Latin America	333.7	21.9%	336.7	24.4%	352.3	29.2%	346.4	40.0%
Europe (rest)	94.4	6.2%	125.8	9.1%	76.5	6.3%	41.8	4.9%
Africa	10.9	0.7%	9.4	0.7%	14.2	1.2%	12.4	1.4%
Asia	29.6	1.9%	22.9	1.7%	10.6	0.9%	4.6	0.5%
Total foreign sales	**611.8**	**40.2%**	**500.6**	**36.3%**	**456.4**	**37.8%**	**405.5**	**46.8%**
-Local	386.9	25.4%	298.3	21.7%	253.5	21.0%	272.2	31.4%
-Exports	224.9	14.8%	202.3	14.6%	202.9	16.8%	133.3	15.4%
Total Spain	**910.1**	**59.8%**	**879.3**	**63.7%**	**748.2**	**62.2%**	**460.7**	**53.2%**
Consolidated total	**1,521.9**	**100.0%**	**1,379.9**	**100.0%**	**1,204.6**	**100.0%**	**866.2**	**100.0%**

2.2.5. With regard to the average number of employees, the comparative figures are as follows:

Average Number of Employees	2002	%	2001	2000	1999	1998	1997
Spain	5,946	71%	5,539	5,562	4,659	3,973	4,068
Abroad	2,483	29%	3,999	4,028	2,833	4,718	4,820
Total	**8,429**	**100%**	**9,538**	**9,590**	**7,492**	**8,691**	**8,888**



3.- Information on Significant Events after the Year End.

On January 31, 2003, Telvent, S.A., a subsidiary of Abengoa and the most important company in the Information Technology Business Group, acquired control of the Network Management Solution Division of Metso Corporation, by means of purchasing 100% of its subsidiaries in Canada and the United States, valued at M.Eur. 35, including the cash available. The two companies acquired, which will change their names to Telvent Canada and Telvent USA, have annual sales of MUSD 60 and employ more than 400 people in their offices in Calgary, Houston and Baltimore. The financing of this operation will involve a Leveraged Buy-Out.

This acquisition will provide Telvent with a leading position internationally in the Information Control Systems market for the gasoline, gas and electricity energy sectors and the water sector. The Division acquired has a select portfolio of technological applications for the aforementioned market.

No further events have occurred that could have a significant influence on the information contained in the Consolidated Annual Accounts formulated by the Directors as of today's date or that should be highlighted as significant for the different companies or the Group as a whole.

4.- Information on the Forecast Evolution of the Group.

4.1. In order to forecast the Group's prospects, it is necessary to take into account its evolution and development over recent years, from which it may be deduced that, in the medium term, there are prospects for growth. The strategy for the Group in the medium term is based on the growing contribution of the activities related to the Environmental markets, renewable fuels (bioenergy), together with continuity in the development of the Information Technology and Engineering and Industrial Construction activities.

4.2. In addition, as stated above, the reinforcement of Abengoa's capacity in the Environmental Services market through Befesa Medio Ambiente, S.A. and the increased bioethanol production capacity will also help to boost long-term prospects. To the extent to which current forecasts are met, Abengoa has a new base for its operations, which may remain stable and continuous over forthcoming years.

4.3. With the reservations appropriate to present circumstances, bearing in mind the increased flexibility in the organisational structure, the specialisation and the diversification of activities, within the investment possibilities forecast in the national market and the competitive capacity in the international market, together with the exposure of part of its activities to the sale of commodity products, the Group is expected to be in a position to continue to progress favourably in the future.

5.- Information on Research and Development Activities.

5.1. The program established for this type of activities have been substantially met. Abengoa, through the people responsible for this strategy in each business area, making a day-to-day effort regarding the increased degree of innovation in its technologies, as required by the characteristics of the activities carried out, essentially concentrating on the following objectives:

- Constant monitoring of the technologies which may affect each business area.
- Selection of the technologies portfolio which provides the Group companies with the maximum competitive advantage.
- Assimilation and implementation of the technology available from Transfer Agreements.
- Selection of the optimal channels to accede to technological development.
- Determination of the commercialization programmes for the technology developed.
- Use of institutional support for innovation and technology.

5.2. From among all this joint effort, attention should be drawn to the fact that, in 2002, the Research and Development activity was carried out in each Group Company in accordance with the needs arising from its respective market. Most of the projects fell within the scope of the R&D promoted by the Spanish authorities (actions taken by the Ministry of Industry and Energy) and the European authorities (Framework R&D Programs).

Abengoa performs its R&D either directly or through contracts with third parties, usually public bodies for innovation, university departments or other public and private entities. In addition, during the year, Abengoa made strategic investments in countries like the USA and Canada in pioneer companies that develop and own technologies in sectors defined as high priority, such as Biofuels and control systems, in order to facilitate the internalization and implementation of these technologies in these important emerging markets.

Research and Development is a strategic activity for Abengoa in order to plan its future. It is carried out in the Business Groups in accordance with the requirements of their respective markets in order to make the necessary competitive capacity permanently available.

5.3. In the year 2002, investment in R&D totalled Mill.Euros 9.9 in comparison with Mill.Euros 35.6 in 2001; Mill.Euros 17.5 in 2000, Mill.Euros 11.8 in 1999; Mill.Euros 13.0 in 1998 and Mill.Euros 6.1 in 1997, increasing the effort to update the Group's technological capacity, which totalled Mill.Euros 91.9 at December 31, 2002, being approximately Mill.Euros 76.4 at December 2001.

6. Quality and Environmental Management.

As a result of the path followed in earlier years, at the end of 2002, 67% of the Abengoa companies had Quality Management Systems certified under ISO 9000. Likewise, 33% of the companies had Environmental Management Systems certified under ISO 14000.

The percentage distribution by Business Group of the companies with Quality and Environment certifications is shown below:

Business Group	% Companies Certified under ISO 9000	% Companies Certified under ISO 14001
Information Technology	90	30
Engineering and Industrial Construction	71	29
Environmental Services	38	36
Bioenergy	-	-
Latin America	89	22

In the Bioenergy Business Group, attention should be drawn to the fact that the Spanish companies, Ecocarburantes, S.A. and Bioetanol Galicia, S.A., are in the development and implementation phase of an integrated management system for Quality, Environment and Safety at Work. The objective is to have the system fully implemented during the year 2003, in order to commence the certification procedures at the end of the year and obtain certification in 2004. The United States company, High Plains, is governed by local rules of greater influence in it sphere of production.

In 2002, two companies belonging to our Environmental Services Business Group obtained the Certificate of Verification, which demonstrates that the Environment Management System meets the requirements of the European Regulation on Eco-Management and Auditing (EMAS) and, therefore, three companies now hold said certificate and the adhesion of one of them to the EMAS has also been accepted.

As tools to improve the Quality and Environmental Management Systems, almost all the companies have implanted the new version of the two computer applications: one for management and problems resolution (PRR) and the other for processing the improvement actions (IA).

7. Information on the Acquisition of Own Shares.

7.1. Abengoa, S.A., together with its subsidiaries and associated companies, met the legal requirements on trading in own shares and does not currently hold any own shares on its portfolio and did not do so in 2002.

7.2. The parent Company did not accept any of its own shares as pledges or in any kind of mercantile deal or legal transaction.

7.3. Neither are there any shares of Abengoa, S.A., which are held by third parties that are able to act in their own name, but on behalf of companies belonging to the Group.

7.4. In the year 2001, incentive programs for management personnel and employees were introduced in Befesa Medio Ambiente, S.A. and Telvent Sistemas y Redes, S.A. These programs are based on the management personnel and employees' acquiring 401,946 shares in Befesa and 5,443 shares in Telvent Sistemas y Redes, S.A. through personnel loans granted to the purchasers by financial institutions. These loans bear a variable interest rate and mature at five years, being secured by the pledge of the shares acquired and, subsidiarily, by Abengoa. The holding of the shares by the management personnel and employees is linked to meeting a management objectives program over the next five years.

7.5. Finally, it is stated that any reciprocal holdings that have been established with companies in which shares are held are transitional and are within the limits of the Spanish Limited Liability Companies Act.

Governing Bodies

Board of Directors

Chairman:	Felipe Benjumea Llorente
Chairman:	Javier Benjumea Llorente
Directors:	José Luis Aya Abaurre
	José Joaquín Abaurre Llorente
Secretary:	Jesús Pérez Rodríguez
Legal Advisor:	Miguel Ángel Jiménez-Velasco Mazarío

Advisory Board to the Board of Directors

	Independent directors	Directors representing major shareholders
Chairman:	D. José B. Terceiro Lomba	
Members:	Jaime Carvajal Urquijo	Carlos Sundheim y Díaz-Trechuelo
	Cándido Velázquez-Gaztelu Ruiz	Ignacio Solís Guardiola
	Rafael Escuredo Rodríguez	Fernando Solís Martínez-Campos
	José M. Fernández Norniella	María Teresa Benjumea Llorente
Secretary:	Jesús Pérez Rodríguez	

Annual Corporate Governance Report, 2003

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I. Introduction.

Corporate Governance

The commencement of the Financial System Reform Act and the publication of the report on security and transparency in the markets carried out by the Aldama committee and the recent Transparency Act, have amended and improved – or recommended – in so far as corporate governance practices – via a group of rules and regulations, some of them clearly innovative, the system that has prevailed to date. And there are still more pending commencement in the near future.

From a formal perspective, corporate governance in small and medium sized listed companies was understood, until the aforementioned reforms, to be the minimum requirements needed to allow a complete response to the questionnaire that the National Securities Market Commission demanded as a result of the Olivencia Report and the recommendations included in it. Today, following the reform, listed companies can not merely take a passive or explanatory stance. Some of the Aldama Report recommendations have already been incorporated into prevailing law and must be complied with. The current measures, rulings and recommendations to date, form a single coherent and complete group, whose objective is to offer a real and transparent representation of the listed company, as an additional element for the investor to consider.

Corporate governance, as a group of practices – both required by law as well as being undertaken voluntarily – of each company in relation to the structure, organisation, operation, abilities and supervision of its governing bodies, is bound together in a fundamental principle, that is no other than the principle of the capital markets: the general principle of information; transparent, real, balanced, true and complete information. Only in this way can shareholders and potential investors be guaranteed an equality of treatment and opportunities.

The information obligation has two elements:

- the objective side: "What" is reported
  - Accounting or financial information
  - Relevant facts
  - Capital structure, shareholders
  - Corporate Governance legislation
  - Annual Corporate Governance Report

– the subjective side: "How" to report it
  - Periodic financial information
  - Relevant facts
  - Significant shareholdings
  - Issued / submitted Brochures
  - Website, etc.

Abengoa has made a significant effort within its company structure and its different components, to adapt itself and incorporate the initiatives put in place by the new legislation. Below we will briefly review each of these aspects and the innovations implemented by the company:

a) Accounting / Financial information.

This is perhaps the aspect that has suffered the least amendments. The periodic information obligations (quarterly, half yearly and annual) remain based on an information model created by the CNMV and that from the second quarter 2002 can only be submitted telematically (in coded electronic format), implemented voluntarily by Abengoa two years ago.

b) Relevant Facts.

The Financial System Reform Act has modified the previous definition, establishing it as the information whose knowledge thereof could reasonably affect an investor to purchase or transfer securities and therefore may appreciably influence the price. Nevertheless, the relevant fact concept continues to be non-specific and open (signifying that conducts or actions that warrant this consideration are not specified, partly because it is an almost impossible exercise due to the varied practices of corporate decisions that may be relevant but where a certain degree of legal uncertainty remains). There are two criteria that are used complementarily to determine the content of this concept: i) the practice followed by the CNMV on previous occasions, and ii) the practice followed by companies themselves on similar occasions. Here the basis of good governance is deduced; consistency; not only is the existence of internal and casuistic regulations of value but the consistency between this and the real conduct of the company and its administrators and senior management.

c) Related transactions.

c.1) These are transactions carried out between the company and its shareholders, administrators or directors that entail the transfer of business resources, obligations or opportunities.

Related transactions have a dual information channel:

a) Those that are relevant are individually reported as a relevant fact.

b) All transactions are summarised in the half yearly reporting.

c.2) Related transactions may potentially be a source of so-called conflicts of interest. In these cases, good governance practice recommends a series of measures in resolving them whenever possible: i) the abstention from voting for the adoption of the corresponding resolution by the people affected by the conflict of interest; ii) clear and immediately distributed complete information, and iii) independent evaluation.

Aware of the limitations imposed on it by its individual characteristics arising from its history and its composition, Abengoa wanted to adopt these transparency criteria and the criteria for the resolution of these potential conflicts as far as possible. Therefore on 24 February 2003, the Board of

Directors adopted, among other measures, the modification of the Board of Directors regulations and the Advisory Board's regulations.

d) Annual Corporate Governance Report

The questionnaire on the level of take-up of the Olivencia Report's recommendations proposed by the CNMV to be carried out by all listed companies has been fulfilled through the obligation to create and disseminate an annual corporate governance report.

The Annual Report reflects the specific principles of the company's governance structure (who and how are decisions made and what is decision making based on) in the same way that the periodic financial reporting is a summary of the main economic characteristics of the company for the period under consideration, collated in the balance sheet and the profit and loss account for this period.

Abengoa had already considered implementing this recommendation in 2002, and a specific chapter relating to the company's governance was therefore included in the 2002 Annual Report – and we have been doing so in subsequent years – completed with the new items included in the Aldama Report and in the Financial System Reform Act, distinguishing those actions already taken from those that were being finalised for their upcoming implementation. Therefore:

a) On 2 December 2002 the Audit Committee was constituted.

b) On 24 February 2003 the Appointments and Remunerations Committee was constituted.

c) On the same day, 24 February 2003, the Board of Directors drafted a proposal modifying the Company Bylaws for the purpose of incorporating the provisions relating to the Audit Committee, the proposal relating to the Regulation on the administration of shareholders' meetings, the partial amendments to the Regulations of the Board of Directors and the Regulations of the Advisory Board and, finally, the rules governing the Internal Regulations of the Audit Committee and the Appointments and Remunerations Committee, approved by the General Meeting of 29 June 2003.

Finally, following another of the Aldama Report recommendations, the Internal Corporate Governance Regulation was rewritten as a complete single text and was duly notified to the CNMV and is available on Abengoa's website.

e) Website

The obligation to provide the market with useful, truthful, complete and balanced information in real time would not be sufficient if the appropriate means of transmitting this information are not adequate, guaranteeing that it is disseminated effectively and usefully. Therefore, as a result of new technology, the Aldama Report, the Financial System Reform Act and the Transparency Act recommend and impose the use of listed companies' websites as an information tool (including historical, qualitative and quantitative company data in it) and as a distribution tool (including current or personalised information in real time that may be accessed by investors).

Abengoa has therefore introduced a new website since the end of the first quarter 2002, characterised firstly by a more direct, rapid and efficient on-screen presentation and secondly by a broad and comprehensive information content and documentation made available to the shareholders in particular and to the general public.

In conclusion, we should say that both the available information as well as its actual distribution portal – the website – are continuously being updated; corporate governance, the rules that regulate it and the laws that govern or recommend it continue, and will continue to constantly develop. In the same way that all companies engaged in growing must adapt themselves and anticipate the development of the markets, so must they also be forward looking, in relation to self regulation (that is, adopt their own code of conduct so that their operation and decisions may be evaluated from the outside), development, transparency and information in order to reassure market confidence and with it, their growth.

b. The Company's Shareholding Structure

i) Significant shareholdings

Abengoa S.A.'s share capital is represented by book-entry records managed by Iberclear (Sociedad de Gestión de los Sistemas de Registro, Comparación y Liquidación de Valores, S.A.), and comprises 90,469,680 shares of 0.25 Euro nominal value of the same class and series, representing 22.627.420 Euros of share capital. All the shares are admitted to official trade in the Madrid and Barcelona Stock Exchange Markets and in the Spanish Stock Exchange Interconnection System as of November 29, 1996.

As the capital is represented by book-entry records, there is no shareholders' registry separate to the significant shareholdings communications and the list (X-25) provided by Iberclear on the occasion of Shareholders' General Meetings. Pursuant to this information (Shareholders List as of June 25, 2003, provided by Iberclear and Significant Shareholdings Communications including the one received on September 11, 2003, from Vinuesa Inversiones, S.L.), the situation is as follow:

- Inversión Corporativa, I.C., S.A.: 50.00%
- Finarpisa, S.A. (Grupo Inversión Corporativa): 6.04%
- Vinuesa Inversiones, S.L.: 5.08%

The number of registered shareholders at the Shareholder's General Meeting held on 29 June 2003 was 7,707.

The Company is not aware of the existence of any agreements between shareholders undertaking to adopt, by means of joint voting, a common politics regarding the management of the company nor to significantly influence it.

Ii) Shareholdings of members of the Board of Directors

In accordance with the register of significant shareholdings and of directors' shareholdings that the company maintains and pursuant to the Internal Conduct Regulation in relation to the stock market, directors' shareholdings in the company's capital as at 31 December 2003 is as follows:

	Direct	Indirect	Total
Felipe Benjumea Llorente	0.059	-	0.059
Javier Benumea Llorente	0.002	-	0.002
José Joaquín Abaurre Llorente	0.013	-	0.013
José Luis Aya Abaurre	0.061	-	0.061
José B. Terceiro Lomba	0.111	0.111	0.222
Ignacio de Polanco Moreno	-	-	-
Corp. CaixaGalicia S.A.U.	0.001	-	0.001
Total	**0.247**	**0.111**	**0.358**

iii) Shareholders’ Agreements

The company has no evidence of the existence of any shareholders’ agreements or prevailing trade union agreement among its shareholders.

iv) <u>Treasury stock</u>

At 31 December 2003the company does not possess any of its own shares as treasury stock, nor has it acquired any of its own shares during 2003.

The Shareholders' General Meeting held on 29 June 2003 agreed to authorise the Board of Directors to make derived acquisitions, through purchases, of shares in the company that may be made either directly or via subsidiary companies or investees up to the maximum limit specified under current provisions at a price of between three Euro cents (0.03 Euros) per share minimum and one hundred and twenty Euros and twenty cents (120.20 Euros) per share maximum, being able to make use of this facility during a period of eighteen (18) months from this date and subject to that specified in Section Four of Chapter IV of the Revised Text of the Spanish Companies Act, expressly revoking the authorisation conferred to the Board of Directors, for the same purposes, by virtue of the agreement adopted by the Shareholders' General Meeting held on 30 June 2002. To date, the Board of Directors has not made use of the prior authorisation.

c. Administrative Structure of the Company.

I) The Board of Directors.

i.1) Composition: number of members and their names.

Following the modification of Article 39 of the Company Bylaws by agreement of the General Shareholders' Meeting held on 29 June 2003, the maximum number of seats on the Board of Directors, which to date has been four, was increased to seven. The aim of this modification was fundamentally intended to provide this administrative body with the number of directors that would on the one hand allow for a potentially more diverse composition and, on the other, facilitate delegation, attendance and the adoption of resolutions with minimum attendance and that would guarantee a multiple and plural presence on the Board of Directors.

The Board's composition takes the company's shareholding structure into account, so that it may firmly represent the highest possible percentage of the share capital and protect the general interests of both the company and its shareholders, while also being granted the degree of independence that is appropriate to the professional practices and requirements of any company. Pursuant to the appointments agreed at the same General Meeting, the Board currently comprises the following members:

Abaurre Llorente, José Joaquín.
Aya Abaure, José Luis.
Benjumea Llorente, Felipe.
Benjumea Llorente, Javier.
Méndez López, José Luis (*)
Polanco Moreno, Ignacio de
Terceiro Lomba, José B.

(*) Representing Corporación Caixa Galicia, S.A.U., legal entity Director of the Company.

Secretary non-Director and Legal Counsel: Miguel A. Jiménez-Velasco Mazarío.

i.2) Condition and Representation.

The total number of board members is considered to be sufficient in order to ensure the proper representation and effective operation of the Board of Directors.

Notwithstanding the fact that independence is a quality that must be common to all directors without exception, regardless of their origins or the reason for their appointment, and that they must be judged on the reliability, integrity and professionalism of their performance, pursuant to the guidelines included in the Olivencia and Aldama reports, Law 26/2003 and Ministerial Order 3722/2003, the current directors are classified as follows:

Felipe Benjumea Llorente	- Executive (Chairman)
Javier Benjumea Llorente	- Executive (Chairman)
José Joaquín Abaurre Llorente	- Dominial; External - Member of the Audit Committee.
José Luis Aya Abaurre	- Dominial; External Member of the Appointments and Remuneration Committee.
José Luis Méndez López (*)	- Independent ; External. Chairman of the Audit Committee.
José B. Terceiro Lomba	- Independent; External. Chairman of the Advisory Board. Member of the Audit Committee. Member of the Appointments and Remuneration Committee.
Ignacio de Polanco Moreno	- Independent; External Chairman of the Appointments and Remuneration Committee.

(*) Representing Corporación Caixa Galicia, S.A.U., legal entity Director of the Company.

As a result, the Board comprises a majority of external, non-executive directors who are equally divided between dominial and independent directors. Independent directors hold one third of the seats on the Board.

The first four directors listed are also members of the Board of Directors of Inversión Corporativa IC, S.A., a reference shareholder of Abengoa (56% share), and their appointment as directors was made at the proposal of this shareholder.

iii.3) Rules governing organisation and operation.

The Board of Directors is governed by the Board Regulations, the Company Bylaws and the Stock Exchange Code of Conduct. The Board Regulations were initially approved in the meeting of the Board of Directors held on 18 January 1998, with the clear aim of anticipating the current Good Governance regulations and ensuring effective internal regulation. They were last modified on 29 June 2003, in order to incorporate provisions relating to the Audit Committee established in the Financial System Reform Act.

- Structure.

  The Board of Directors has seven members today. The Rules governing the Board of Directors rule the duties and internal organization of the Board of

Direction. The Advisory Board of the Board of Directors has ten members and is an auxiliary board for advising the Board. It has its own internal Rules. Additionally, there exists the Internal Rules governing the Conduct regarding Stock Exchange, with which the members of the Board of Directors, the senior management and all those employees affected due to their duties or title have to comply with. The Rules of the General Shareholders Meetings governs the formal aspects and the internal regime of the holding of the shareholders meetings. Finally, the Board of Directors is assisted by the Audit and Appointments and Remuneration Committees, both with their own Internal Regime Rules. All these Rules, put together into the joint body of Corporate Governance Internal Rules is available on the Company's web site, www.abenga.com.

- Duties:

  It is the duty of the Board of Directors to take any action that may be necessary in order to pursue the company's corporate objective, and it is empowered to establish the company's financial targets, agree any relevant measures proposed by the Senior Management in order to achieve these targets, and ensure the future viability and competitiveness of the company, along with the presence of a suitable management and leadership team, supervising the development of the company's business.

- Appointments:

  The General Meeting or, where applicable, the Board of Directors, within the powers and limits set out in law, is the competent body for appointing members of the Board of Directors. In addition to meeting the requirements set out in law, appointees shall demonstrate that they are known to be trustworthy and have the knowledge, reputation and professional references that are relevant to the performance of their duties.

  Directors shall be appointed for a maximum of four years, without prejudice to the renewal of their appointment or their re-election.

- Removal

  Directors shall be removed from their position at the end of their tenure and under any other circumstance set out in law. They must furthermore relinquish their seat in cases involving their incompatibility, veto, serious sanction or any breach of their obligations as directors.

- Meetings:

  As per article 42 of the Company By-Laws, the Board of Directors meets whenever it is required in the interest of the Company and, at least, three times a year. During 2003 it met on a total of twelve occasions.

- Duties of Directors:

It is the duty of Directors to participate in the direction and monitoring of the company's management in order to maximise the value of the company to the benefit of its shareholders. Each Director shall act with the proper care of a dedicated professional and loyal representative, guided by the interests of the company, with complete independence, defending and protecting the interests of all shareholders to the best of their abilities.

By virtue of their appointment, Directors are under the following obligation:

- To gather information and prepare properly for each meeting session.
- To attend and participate actively in meetings and the decision-making process.
- To avoid the occurrence of any conflict of interest and notify the Board of any potential conflict of interest, where applicable, through the Secretary.
- Not to undertake duties with competitor companies.
- Not to use company information for private purposes.
- Not to use the company's business opportunities for their own interests.
- To maintain the confidentiality of any information received as a result of their appointment.
- To abstain in any votes on resolutions that may affect them.

- The Chairman:

In addition to the duties set out in law and in the Company Bylaws, the Chairman is the company's most senior executive, and as such is responsible for the effective management of the company, though always in accordance with the decisions and criteria established by the Shareholders' General Meeting and the Board of Directors. He/she is responsible for implementing the decisions taken by the company's administrative body, by virtue of the powers permanently delegated to him/her by the Board of Directors, which he represents in all its aspects. The Chairman also has the casting vote on the Board of Directors.

- The Secretary:

It is the Secretary's duty to exercise the powers attributed to him/her in law. Today, the titles of Secretary of the Board and Legal Adviser rely on the same person, who is responsible for ensuring that meetings are called and resolutions adopted by the company's administrative body in a valid manner. In particular, he/she will advise members of the Board regarding the legality of their deliberations and any resolutions they adopt, and is responsible for observing the Internal Corporate Governance Regulations, as both formal and material guarantor of the principle of legality which governs the actions of the Board of Directors.

The Secretary to the Board, as a specialised guarantor of the formal and material legality of the Board's actions, has the full support of the Board in performing his/her duties entirely independently of any criteria or the constancy of his/her position, and he/she is entrusted with defending the internal Corporate Governance regulations.

i.4) Remuneration and other rights.

- Payment:

  The position of Director is paid, pursuant to the contents of Article 39 of the Company Bylaws. The amount paid to directors may consist of a fixed amount agreed by the General Meeting, though it is not necessary that this amount be the same for all of them. They may also receive a share of the company profits of between 5 and 10% maximum of annual profits, after dividends have been subtracted, and may have their travel expenses reimbursed when such expenses relate to work carried out at the behest of the Board.

  The payments made during the 2003 financial year to all the members of the Board of Directors in their capacity as members of both the Board and the Advisory Board to the Board of Directors of Abengoa, S.A. amounted to 0,388M euros in the form of allocations and expenses, and 0,78 M euros for other items.

  In addition, the payment made during the 2003 financial year to the company's senior management, this being understood to include the group of seventeen people who form part of the Chairman's Office, the Strategy Committee and the Directors of the Corporate Departments amount in total, including both fixed and variable amounts, to 4,765 M euros.

- Resolutions:

Resolutions are adopted by a simple majority of the board members present (either in person or by proxy) at each session, with the exception of those cases specifically set out in law.

ii) The Advisory Board to the Board of Directors.

The Advisory Board to the Board of Directors of Abengoa, S.A. was established by agreement of the Extraordinary General Meeting held in January 1998 as an advisory body whose duties include the provisional of professional advice to facilitate the adoption of decisions by the company's administrative bodies, and whose powers include examining the development of the company's business through consultations submitted by the Board of Directors and through proposals presented for its consideration.

The creation of the Advisory Board in January 1998, again with the clear aim of anticipating and opening up new channels of internal self-regulation in pursuit of the effective, transparent and professional management of the company, involved the regulation of a process for the channelling of information provided by the company management, in order to ensure that this information was accurate, verifiable and complete.

The Advisory Board is configured as a management and decision-making body with complete autonomy. It has powers of consultation and specific technical assessment duties governed by criteria of independence and professionalism. The majority of its members are of known reputation, experience and qualifications and have no significant relationship with the company's executive management, in order to underline the independence inherent in the Advisory Board.

The Advisory Board contributes effectively to the defence of the company's general interests, independently of the company's actual management team, and its main duty is to provide professional and independent models and criteria so that the Board of Directors may make a proper evaluation and take the correct decisions.

ii.1) Composition

Pursuant to the contents of Article 46 of the Company Bylaws, Article 26 of the Board Regulations and Articles 3 and 6 of the Rules governing the Internal Regulation of the Advisory Board, the Advisory Board is currently composed of the following members:

José B. Terceiro Lomba	- Chairman
María Teresa Benjumea Llorente	- Member
Maximino Carpio García	"
Rafael Escudero Rodríguez	"
José M. Fernández-Norniella	"
Ignacio Solís Guardiola	"
Fernando Solís Martínez-Campos	"
Carlos Sundheim Losada	"
Cándido Velásquez-Gaztelu Ruiz	"
Daniel Villalba Vila	"

Secretary and non-Director: Miguel Ángel Jiménez-Velasco Mazarío ii.2) Condition and Representation.

- Appointment:

At the proposal of the Board of Directors, the Advisory Board comprises a maximum of ten members, of which more than half must be independent, something which is fulfilled by the present members, as per the list above.

The recent appointment of Maximino Carpio García and Daniel Villalba Vila to the Advisory Board has consolidated the professional and independent nature of the Board inherent since its initial establishment in 1998.

- Term:

Each member's appointment remains valid for a period of four years, without prejudice to the renewal of the position or the member's re-election. Removal may occur upon expiry of the term, resignation or dismissal, among other reasons.

- Payment:

The position of board member is a paid position, the amount of their remuneration being established for each financial year by the Board of Directors, pursuant to the contents of Article 39 of the Company Bylaws. This amount is shown in the Annual Financial Statements. In addition, any expenses incurred as a result of work carried out at the behest of the Board are reimbursed. (See point II, a.4) above).

- Meetings:

The Advisory Board meets at least once a quarter, and on any occasion that it is asked to do so by the Chairman in order to deal with urgent or extraordinary matters. The Board met four times during the 2003 financial year.

- Resolutions:

Resolutions are adopted by simple majority of the board members present (either in person or by proxy) at each session.

iii) <u>Committees formed by the Board of Directors</u>.

iii.1) The Audit Committee.

Pursuant to the provisions of the Financial System Reform Act, on 2 December 2002 Abengoa's Board of Directors established an Audit Committee and at the same time approved the Internal Regulations governing the Committee's operation. These Rules were ratified by the Shareholders' General Meeting on 29 June 2003, which at the same time approved the modification of Article 44 of the Company Bylaws, in order to incorporate the provisions relating to the operation, composition and organisation of this Committee.

<u>Composition</u>

Following the inclusion as independent committee members of José B. Terceiro Lomba, Ignacio de Polanco Moreno and Mr. José Luis Méndez López (Corporación Caixa Galicia), pursuant to the resolution adopted by the Shareholders' General Meeting on 29 June 2003, the Audit Committee currently comprises the following members:

- José L. Méndez López (*)	Chairman and independent non-executive director
- José B. Terceiro Lomba	Member and independent non-executive director
- José J. Abaurre Llorente	Member and dominial non-executive director

- Secretary and non-director: Miguel A. Jiménez-Velasco Mazarío

(*) Representing Corporación Caixa Galicia, S.A.U., legal entity Director of the Company.

As a consequence, the Audit Committee is entirely composed of non-executive directors, thus surpassing the requirements set out in the aforementioned Financial Systems Reform Act. Furthermore, the position of Chairman of the Committee must be held by a non-executive director, as set out in Article 2 of its Internal Regulations.

<u>Duties</u>

The duties and powers of the Audit Committee are as follows:

1. To announce the Annual Financial Statements as well as the quarterly and half-yearly financial statements, which must be submitted to the bodies that regulate or supervise the markets, with reference to any internal monitoring systems, the monitoring procedures followed and compliance through internal auditing processes, including where applicable, the accounting criteria applied.

2. To inform the Board of any change to the accounting criteria and any risks, whether on or off the balance sheet.

3. To inform the Shareholders' General Meeting regarding any questions raised by shareholders on issues falling within its competence.

4. To propose the appointment of external Accounts Auditors to the Board of Directors, so that the latter may submit this proposal to the Shareholders' General Meeting.

5. To supervise internal auditing procedures. The Committee shall have complete access to the internal auditing process, and shall provide information during the process for the selection, appointment, renewal and removal of its director, and when his or her payment is being established, with the duty to provide information about this department's budget.

6. To have knowledge of the company's financial information procedure and its internal monitoring systems.

7. To maintain relations with the company's external auditors in order to remain informed regarding any matters that may place the independence of said auditors at risk, and regarding any other matters relating to the procedure followed in order to audit the company's accounts.

8. To summon the Directors it considers appropriate to Committee meetings so that they may provide any information that the Audit Committee itself deems relevant.

9. To prepare an annual report on the activities of the Audit Committee, which must be included in the management report.

<u>Organisation and operation.</u>

The Audit Committee shall meet as frequently as is necessary in order to carry out its duties, and at least once a quarter.

The Audit Committee shall be considered validly formed when a majority of its members are present. Attendance may only be delegated to a non-executive Director.

Its resolutions shall be validly adopted when voted for by a majority of the Committee members present. In the event of a tie, the Chairman shall have the casting vote.

iii.2) Appointments and Remuneration Committee.

The Appointments and Remuneration Committee was established by Abengoa's Board of Directors on 24 February 2003, and its Internal Regulations were approved at the same time.

Composition

Following the inclusion as independent committee members of Mr. José B. Terceiro Lomba, Mr. Ignacio de Polanco Moreno and Mr. José Luis Méndez López (Corporación Caixa Galicia), pursuant to the resolution adopted by the Shareholders' General Meeting on 29 June 2003, the Committee currently comprises the following members:

- Ignacio de Polanco Moreno	Chairman and independent non-executive director
- José B. Terceiro Lomba	Member and independent non-executive director
- José Luis Aya Abaurre	Member and dominial non-executive director

- Secretary and non-member: José Marcos Romero

As a consequence, the Appointments and Remuneration Committee is entirely composed of non-executive directors, thus surpassing the requirements set out in the Financial Systems Reform Act. Furthermore, the position of Chairman of the Committee must be held by a non-executive director, as set out in Article 2 of its Internal Regulations.

Duties

The duties and powers of the Appointments and Remuneration Committee are as follows:

1. To inform the Board of Directors regarding the appointment, re-election, dismissal and payment of members of the Board of Directors and the Advisory Board, and the positions held on these Boards, and to provide information on the general payment and incentive policy for members of these boards and for senior management.

2. To provide prior information regarding all the proposals prepared by the Board of Directors for the General Meeting in relation to the appointment or removal of Directors, including cases of co-option by the Board of Directors itself.

3. To prepare an annual report on the activities of the Appointments and Remuneration Committee, which must be included in the management report.

Organisation and operation.

The Appointments and Remuneration Committee shall meet as frequently as is necessary in order to carry out the foregoing duties, and at least once every six months.

The Appointments and Remuneration Committee shall be considered validly formed when a majority of its members are present. Attendance may only be delegated to a non-executive Director.

Its resolutions shall be validly adopted when voted for by a majority of the Committee members present. In the event of a tie, the Chairman shall have the casting vote.

iii.3) The Strategy Committee.

This comprises the directors of the Business Groups, the Director of Organisation, Quality and Budgets, the Technical Secretary, the Director of Human Resources and the General Secretary.

It meets every month.

iii.4) The Stock Exchange Internal Code of Conduct.

This was implemented in August 1997. It applies to all directors, members of the Strategy Committee and to other employees on the basis of the activities they carry out and the information to which they have access.

It establishes obligations regarding the protection of information, the duty of secrecy, relevant aspects relating to stages prior to decision-making and publication, establishing the procedure for the maintenance of internal and external confidentiality, the registration of share ownership and transactions relating to securities and conflicts of interest.

The monitoring and supervising body is the General Secretary office.

iii.5) <u>The Professional Code of Conduct</u>.

At the request of the Human Resources department, during year 2003 the company has implemented a Professional Code of Conduct, which establishes the fundamental values that should govern the actions of all the company's employees, regardless of their position or responsibilities. Integrity of conduct, the strict observance of the law in force, professional rigour, confidentiality and quality have formed part of Abengoa's culture since its establishment in 1941, and these values still form an essential part of the company's corporate identity.

Throughout its history, Abengoa has grown on the basis of a series of shared values, the most important of which are explicitly listed below. These principles constitute the structure for our Ethical Code. The organization must use all channels to foster the knowledge and enforcement of the same, as well as establish mechanisms for monitoring and reviewing the situation so as to ensure the appropriate respect and updating of the Code.

1. Integrity.

Honorable behavior in professional activities forms part of the very identity of Abengoa and this attitude must be apparent in all actions by our personnel, both inside and outside the company. Demonstrable integrity becomes credibility in the eyes of our clients, suppliers, shareholders and other third parties with which we are connected and creates value in itself for both the individual concerned and the entire organization.

2. Legality.

The fulfillment of legal obligations is not merely an external requirement and therefore an obligation of the organization and its personnel. The law gives us security in our actions and reduces our business risk. Any action which implies a breach of current legality is expressly and absolutely prohibited. If there is any doubt as to the legally correct course of action to be taken, then the corresponding consultation must be made to the Legal Department.

3. Professional rigor.

The concept of professionalism at Abengoa is closely tied to our vocation for service in carrying out activities and to close involvement with the business project being developed.

All actions effected in the course of professional functions entrusted to personnel must be governed by professional responsibility and the principles established in the present NOC.

4. Confidentiality.

Abengoa expects that all personnel in its organization will uphold criteria of discretion and prudence in their communications and dealings with third parties (NOC 10/002).

The appropriate safekeeping of information in the possession of the Company requires all of Abengoa's employees to maintain strict control of all data, adequately guarding documents and not sharing this information with any person inside or outside of the organization who is not authorized to access the same.

In addition, the NOC establish specific policies to be followed in this regard for specific matters requiring high degrees of confidentiality (NOC 03/001).

5. Quality.

Abengoa is committed to quality in all of its actions, both internal and external. This is not a task for a specific group of individuals, or for the senior management, but rather it affects the daily activities of all the members of the organization.

Abengoa has implemented specific norms on quality (NOC 05/001) and these are the result of doing things with expertise, common sense, rigor, order and responsibility.

6. Corporate Culture and Common Management Systems.

Abengoa places great value on its corporate culture and the Common Management Systems as a key business asset. These define Abengoa's way of doing business, through the establishment of a series of Norms of Obligatory Compliance. The proper respect for these is a source of security and profitability for the development of Abengoa's activities.

It shall be the prerogative of the Presidency or of the Management Body delegated by the same to classify the severity of any breaches of the NOC.

In all cases, breaches of the same referring to those areas with a direct impact on the results of the activity or on the assumption of uncontrolled risks will be considered as Very Serious Faults.

d. Intergroup and Related Transactions

i) Transactions with significant shareholders.

Explotaciones Casaquemada, S.A. (an affiliate company of Inversión Corporativa, I.C., S.A., shareholder of reference of Abengoa) has granted a right on the surface of the land ("*derecho de superficie*") in favour of Sanlúcar Solar, S.A. (an affiliate company of Abengoa, S.A.), by means of a public deed granted on January 15, 2003, for thirty years on a plot of land of 70 Has, for a cumulative rent of 1,256 millions of euros for the whole duration of the right granted. Said plot shall be devoted by Sanlúcar Solar to the promotion, erection and running of a solar energy plant.

Also, Explotaciones Casaquemada, S.A. and Herrería La Mayor, S.A. (both companies being affiliate companies of Inversión Corporativa, I.C., S.A.) sold barley grown in set asides to Ecoagrícolas, S.A. (an affiliate company of Abengoa, S.A.) for a total amount of 28.400 euros. Said barley was used for the production of biofuels, within the U.E. Grants Program.

a) Transactions with administrators and directors

During 2003 there were no personal or company transactions between the company and its administrators or senior management.

b) Significant intra-group transactions

Abengoa, S.A. is (and acts as so) the parent company of a group of entities. As such, it performs a certain amount of activities and roles that complement the integral product that one or several Business Groups jointly offer to their clients. Thus, different companies and Business Groups share clients and they jointly develop their businesses acting one or other companies as head, on a case by case basis. This causes the companies to cross-selling within the Group.

Also, Abengoa co-ordinates and manages the financial resources through a centralised administration system, allowing the optimisation of said resources in those non-recourse financed businesses that arise out of the collection/payment cycle by using factoring and confirming procedures.

As a consequence of the on market conditions commercial operations, fulfilled on the light of the above and arising out of the ordinary business, or as a consequence of the financing operations, the resulting balances appear on the balance sheets of the affiliate companies, though they are eliminated in the process of the annual accounts consolidation.

d. Risk Control Systems

Abengoa's risk control structure is based on two foundations: the communal management systems and the internal audit services, whose definitions, objectives characteristics and functions are described below.

i) Communal management systems

Definition

Abengoa's communal management systems fulfil the internal rules of the company and its methodology for evaluating and controlling risks and represent a genuine guide for managing Abengoa's businesses, sharing the accumulated knowledge and setting criteria and operational standards.

Objectives

- To identify possible risks that, although associated with all business, must be minimised, being aware of them.

- To optimise day-by-day management, applying procedures designed to financial efficiency, expenses reduction, and information and management systems homogenisation and compatibility.

- To foment the synergy and the value creation for the different Business Groups of Abengoa, working in a collaborative ambience.

- To reinforce the corporate identity, respecting the shared values of all the companies within Abengoa.

- To grow through strategic development seeking innovation and new options for the medium and long terms.

The systems cover the whole organisation at three levels:

- all business groups and business lines;
- all levels of responsibility;
- all types of transactions.

In a group such as Abengoa, with more than 200 companies, a presence in nearly 40 countries and approximately 4,000 employees, it is essential to define a common system for managing the business that allows work to be done in an efficient, co-ordinated and consistent way.

ii) Internal audit

Definition

The function of Abengoa's internal audit is structured around the Joint Audit Services that encompass the audit teams of the companies, business groups and corporate services that act in a co-ordinated way and responsible to the Audit Committee of the Board of Directors.

General Objectives

- To anticipate the audit risks of the group's companies, projects and activities, such as frauds, financial damages, inefficient operations and risks that may affect the healthy operation of business in general.

- To control the application of and to promote the development of adequate and efficient management rules and procedures in accordance with the communal corporate management systems.

- To create value for Abengoa, promoting the construction of synergies and the monitoring of optimal management practices.

- To co-ordinate the criteria and the focus of the external auditors' work, seeking the best efficiency and profitability of both functions.

Specific objectives

- To evaluate the audit risk of Abengoa companies and projects in accordance with an objective procedure.

- To define various types of standard audit and internal control tasks in order to develop the corresponding Work Plans with the appropriate scope for each situation. This classification which is linked to the Audit Risk Evaluation, determines the Work Plans to be used and implies a type of appropriate recommendation and report and should therefore be used explicitly in these documents.

- To steer and co-ordinate the planning process for audit work and internal control in the companies and business groups, to define a notification procedure for these tasks and communication with the affected parties and to establish a method of coding these tasks for their adequate control and monitoring.

- To define the communication process of each audit job's results, the people that are affected and the format of the documents in which they appear.

- To review the application of the plans, the adequate implementation and supervision of the tasks, the timely distribution of the results and the monitoring of the recommendations and their corresponding implementation.

Audit Committee

Pursuant to Article 47 of Law 44/2002 of 22 December of the Financial System Reform measures, Abengoa's Board of Directors has appointed an Audit Committee that includes in its functions the "supervision of the internal audit services" and the "understanding of the financial reporting process and the company's internal control systems".

The Corporate Internal Audit manager reports systematically to this committee in relation to his own responsibilities of:

- the Annual Internal Audit Plan and its degree of completion;
- the level of implementation of the issued recommendations;
- a sufficient description of the principle areas reviewed and the most significant conclusions;
- other more detailed explanations that the Audit Committee may require.

There are Audit Committees in other group companies to which the Internal Audit manager of the corresponding business group reports.

f. General Shareholders' Meetings

i) Rules of Operation

Following the recommendation of the Special Commission for the Promotion of Transparency and Security in Financial Markets and Listed Companies, in March 2003 the Board of Directors drafted a structured and systematic regulation for the holding of shareholders' meetings, that was subject to approval at the General Shareholders' Meeting held on 29 June 2003, which unanimously approved the aforementioned regulation; a resolution that was notified to the CNMV on 30 June 2003. In addition to the provisions included in the Spanish Companies Act this regulation incorporates a basic group of rules for the good order and functioning of shareholders' meetings guaranteeing at all times, the right to information, to attendance, to vote and the right to representation for shareholders.

In accordance with that established under article 19 of the company's bylaws, there is no limitation on the shareholders' right to vote based on the number of shares held. The right to attend General Meetings is limited to a holding of 1,500 shares, without prejudice to the right to representation and grouping that applies to all shareholders.

ii) Information on the last Shareholders' General Meeting

The Abengoa General Ordinary Shareholders' Meeting of 29 June 2003 was held with the assembly, presence or representation of 256 shareholders (43 present and 213 represented) of a total 7,707 registered shareholders. The number of shares, present or represented was 59,036,720 or 65.256% of the total share capital.

The resolutions adopted, all by the favourable vote of the whole of the share capital present or represented, were the following:

1. Approval of the financial statements of Abengoa S.A. for 2002, comprising the balance sheet, profit and loss account and notes and the management report and proposal for the result's distribution for 2002.

2. Approval of the group's consolidated financial statements comprising the balance sheet, the profit and loss account, the notes and the management report for 2002.

3. The re-election of PricewaterhouseCoopers as the company's auditor of the accounts and of the consolidated group for 2003;

4. The amendment of article 44 of the company's bylaws for the purpose of incorporating the provisions relating to the Audit Committee.

5. The amendment of article 39 of the company's bylaws for the purpose of increasing the maximum number of directors from four to seven.

6. The appointment and acceptance as directors, of an independent nature, for a period of four years of Mr. Ignacio de Polanco Moreno and Mr. José B. Terceiro Lomba.

7. The approval of the Regulation governing the operation of the Shareholders' General Meetings.

8. The authorisation of the Board of Directors to increase the company's capital through the issuance of bonds or similar securities and for the derived acquisition of treasury stock.

9. The delegation to the Board of Directors for the interpretation, correction, execution, drafting and registration of the adopted and approved resolutions of the minutes of the meeting.

iii) Web

The company maintains its bilingual (Spanish and English) website permanently updated at www.abengoa.es.

The agreements adopted by the last General Meeting held on 29 June 2003 are recorded on this site. Likewise, the full text of the notice of the meeting, the agenda and the resolutions that were proposed for the meeting's approval were incorporated on the website on 9 June 2004.

On the occasion of future notice of meetings, the company will keep the information available on them updated, for the purpose of supporting the right to information, and with this, the right to vote, of the shareholders, on equal terms.

Finally, with the regulatory and technical progress to be established, the right to vote or to electronic delegation will be guaranteed under the protection of specific legal certainty.

g. Level of monitoring of the recommendations relating to corporate governance.

Since its establishment by the CNMV, the company completes the "report model on the governance of stock market listed companies" that is remitted to the Commission at the time of the notice of the Shareholders' Ordinary General Meeting (9 June 2003).

In the measure by which the information contained in this form is less detailed and developed than the current Corporate Governance Annual Report, we defer to it for the issues set out therein. Said Report is available at "www.abengoa.com (Legal and Financial Information / Reports to CNMV / Relevant Facts; Good Governance Questionnaire 2002)"

Likewise, pursuant to the Ministerial Order of 22 December 1999, actioned by Circular 1/2000 of the CNMV relating to the business development and prospects of listed companies assigned to the New Market segment, the company annually remits the relevant information required, similarly at the time of the notice of the Shareholders' Ordinary General Meeting (9 June 2003). Said information is available at "www.abengoa.com (Legal and Financial Information / Reports to CNMV / Relevant Facts; Other Communications (09.06.2003)"

h. Information tools

i) Web

The obligation to provide useful, true, complete and balanced information to the market in real time would not be sufficient if the suitable methods for transmitting this information were not appropriate, guaranteeing that it is distributed effectively and usefully. As a result, the Aldama Report and the Financial System Reform Act recommend, as a result of new technologies, the use of listed companies' websites as an information tool (including historical, qualitative and quantitative company data in it) and a distribution tool (including timely or individualized information in real time that may be accessible by investors).

At the end of the first quarter 2002, Abengoa therefore implemented a new company website, characterised on the one hand by a more direct, quick and efficient on-screen presentation, and on the other hand, with an information content and documentation made available to the general public, focussed on three fundamental aspects:

a) Commercial: the presentation of the company and its business groups, press news, newsletters etc.

b) Legal: communications, relevant facts, corporate governance internal regulations, etc.

c) Economic: periodic reporting, financial statements, share price, etc.

Both the information available as well as it actual distribution portal – the website – are continually updated; corporate governance, the rules that regulate it and the continually developing legislation that governs it or recommends it adheres to, and will be adhered to. Today there is a special, far-reaching concept that is being developed in a regulatory field; the regulation of shareholders' rights (information, voting, etc.) by non-habitual methods. Similar to all companies engaged in growing, Abengoa must adapt itself and anticipate, as in fact it has been doing, to the development of the markets as well as towards self-regulation (that is, adopting it own code of conduct by which its actions and decisions can be evaluated from outside the company), progress, transparency and information, which have to be anticipated in order to reassure the confidence of the market and therefore its growth.

ii) Shareholder Service Department

In order to establish a permanent contact with the company's shareholders, the company has a Shareholder Service Department whose manager is the General Secretary, with the objective of establishing a transparent and smooth communication with its shareholders and to allow access to the same timely and formatted information together with the institutional investors whose equal treatment is guaranteed. The distribution of true and reliable information on relevant facts, press releases and the periodic financial-economic information are supervised in particular.

A Shareholders mail box is available at www.abengoa.com

iii) Investor Relations Department

With the same objective as the Shareholder Service but in relation to investors, the company provides an investor relations department and stock market analysts responsible to the Director of Management Information Systems, assisted by the Finance Director, who is responsible for the design and implementation of the program for communication with the national and international financial markets for the purpose of understanding the principal characteristics and strategic actions of the company.

Management Structure

		Town/City	Postal Address	e-mail - tel.	Fax
Abengoa, S. A.					
Chairman:	Felipe Benjumea Llorente				
Chairman:	Javier Benjumea Llorente				
Corporate Services:					
• Financial Management	Jesús Pérez Rodríguez				
- Structured Financing	Ignacio García Alvear				
- Corporate Financing	Jesús García-Quilez				
• Administration, Accounting, Treasury and Procurement	José Marcos Romero	41018-Seville	Avda. de la Buhaira nº 2	95.493.71.11 abengoa@abengoa.com	95.493.70.02
• Taxation and Management Information System	Juan Carlos Jiménez Lora				
• Consolidation and Auditing	Antonio Rubio Merino				
• General Counsel - Legal Dept.	Miguel Ángel Jiménez-Velasco Mazarío.				
• Organisation, Quality and Budgeting	Jesús Viciana Cuartara				
• Technical Secretary	José Antonio Moreno Delgado				
• Human Resources	Alvaro Polo Guerrero				
Bioenergy					
Abengoa Bioenergía, S. A.					
Corporate					
• Chairman and Managing Director • Finance Manager • Operations Manager • General Counsel • Engineering Manager • Procurement, Quality and Information Systems Manager	Javier Salgado Leirado Amando Sánchez Falcón Timothy Newkirk Salvador Martos Barrionuevo Francisco A. Morillo León Antonio J. Vallespir de Gregorio	Chesterfield, St. Louis MO 63017, USA	1400 Elbridge Payne Road suite 212	1 636 728 0508	1 636 728 1148
Europe • General Manager • Expansion Manager • Sales Manager	Ginés de Mula G. de Riancho Gerardo Novales Montaner Pedro Carrillo Donaire	41018-Seville 28010-Madrid	Avda. de la Buhaira n.º 2 General Martínez Campos, 15-5º Ctro. Izqda.	95.493.71.11 91.448.65.99	95.493.70.12 91.448.78.20
USA • Managing Director • USA Business Dev. Manager	Javier Salgado Leirado Joaquín Alarcón de la Lastra Romero	Chesterfield, St. Louis MO 63017, USA	1400 Elbridge Payne Road suite 212	1 636 728 0508	1 636 728 1148
Ecocarburantes Españoles,S.A. • Chairman • General Manager	Eduardo Sánchez-Almohalla Serrano Ginés de Mula G. de Riancho	30350-Cartagena (Murcia)	Carretera Nacional 343, Km.7,5 Valle de Escombreras	968.16.77.08	968.16.70.70 - 87
Bioetanol Galicia, S.A. • Chairman • General Manager	José B. Terceiro Ginés de Mula G. de Riancho	15310-Teixeiro-Curtis (La Coruña)	Polígono Industrial Teixeiro Ctra. Nacional 634, Km. 664.3	981.77.75.70	981.78.51.31
Ecoagrícola, S.A. • Chairman • General Manager	Antonio Navarro Velasco Ignacio Benjumea Llorente	41018-Seville	Avda. de la Buhaira nº 2	95.493.71.11	95.493.72.01

Management Structure

		Town/City	Postal Address	e-mail - tel.	Fax
Biocarburantes Castilla y León, S.A.					
• Chairman	Ginés de Mula G. de Riancho	41018-Seville	Avda. de la Buhaira nº 2	95.493.71.11	95.493.70.12
High Plains Corporation					
• Managing Director • VP Marketing and Sales • General Counsel	Javier Salgado Leirado David Dykstra Chri Standlee	Chesterfield, St. Louis MO 63017, USA	1400 Elbridge payne Road suite 212	1 636 728 0508	1 636 728 1148
		Colwich KS 67030, USA	523 East Union Ave	1 316 796 1234	1 316 796 1523
		Portales, NM 88130, USA	1827 Industrial Dr.	1 505 356 3555	1 505 539 1060
		York, NE 68467, USA	1414 Road O	1 402 362 2285	1 402 362 7041
Abengoa Bioenergy, R&D					
• Chairman	Javier Salgado Leirado	Chesterfield, St. Louis MO 63017, USA	1400 Elbridge Payne Road suite 212	1 636 728 0508	1 636 728 1148
Environmental Services					
Befesa Medio Ambiente, S. A.					
• Chairman	Javier Molina Montes	28010 - Madrid	Fortuny, 18	91.308.40.44 befesa@befesa.es	91.310.50.39
• Deputy Chairman	Manuel Barrenechea Guimón				
Corporate Services		48903 Luchana-Baracaldo (Vizcaya)	Buen Pastor s/nº	94.497.05.33 befesa@befesa.es	94.497.02.40
• Legal Dept. • Consolidation and Auditing • Financial • Information and Management Systems • Human Resources	Antonio Marín Hita Asier Zarraonandía Ayo Eduardo Martín Onorato Ignacio García Hernández Alvaro Polo Guerrero				
Aluminium Waste Recycling	Federico Barredo Ardanza				
• Sales • Economic and Financial • Quality • Trading • Technical	Alvaro Aguirre Lipperheide Asier Zarraonandía Ayo Carlos Ruiz de Veye Fernando Zufia Sustacha Ignacio Alfaro Abreu	48950 - Erandio (Vizcaya)	Ctra. Luchana-Asúa, 13	94.453.02.00 remetal@remetal.com	94.453.00.97
Remetal, S.A.	Federico Barredo Ardanza	48950 - Erandio (Vizcaya)	Ctra. Luchana-Asúa, 13	94.453.02.00 remetal@remetal.com	94.453.00.97
Refinados del Aluminio, S.A. (Refinalsa)	Pablo Núñez Ortega	47011 - Valladolid	Ctra. De Cabezón, s/n	983.25 06.00 refinalsa@refinalsa.com	983.25.64.99
Galdán, S.A.	Pedro Ugartemendia Merino	31800 - Alsasua (Navarre)	Pol. Ind. Ibarrea	948.56.36.75 galdan@ctv.es	948.56.31.11
Aluminio en Discos, S.A. (Aludisc)	Manuel Barrenechea del Arenal	22600 - Sabiñánigo (Huesca)	Avda. de Huesca, 25	974.48.33.61 aludisc@telefonica.net	974.48.29.67
Deydesa, 2000, S.L.	Ion Olaeta Bolinaga	01170 - Legutiano (Villarreal de Álava)	Pol.Ind. Gojain - San Antolín, 6.	945.46.54.12 olaeta@deydesa2000.com	945.46.54.55
Intersplav	Victor Ivanovich Boldenkov	349218 Sverdlovsk (Ukraine)	Luganskaya Oblast	380.643.47.53.55 is@interplav.com.ua	380.642.50.13.40
Donsplav	Alexander Shevelev	83008 Donetsk (Ukraine)		380.622.53.47.69 donsplav@donsplav.dn.ua	380.622.53.30.63

Management Structure

		Town/City	Postal Address	e-mail - tel.	Fax
Salt Cake Recycling	Manuel Barrenechea Guimón				
• Deputy Manager • Economic and Financial	Carlos Ruiz de Veye Asier Zarraonandía Ayo	48950 - Asúa-Erandio (Vizcaya)	Ctra. Bilbao-Plencia, 21	94.453.50.30 aser@aser-zinc.com	94.453.33.80
Valcritec, S.A.	Rubén Calderón Alonso	47011 - Valldolid	Ctra. De Cabezón, s/n	983.26.40.08 refinalsa@refinalsa.com	983.26.40.77
Remetal TRP Limited	Adrián Platt	Shropshire SY13 3PA (England)	Fenns Bank Whitchurch	44.1948.78.04.41 enquires@remetaltrp.com	44.1948.78.05.09
Zinc and Desulpherisation Waste Recycling	Manuel Barrenechea Guimón				
• Sales • Procurement and Factory Admin. • Economic and Financial • Technical	Ana Martínez de Urbina Iñigo Urcelay González Isabel Herrero Sangrador Javier Vallejo Ochoa de Alda	48950 Asúa-Erandio (Vizcaya)	Ctra. Bilbao-Plencia, 21	94.453.50.30 aser@aser-zinc.com	94.453.33.80
Compañía Industrial Asúa-Erandio, S.A. (Aser)	Manuel Barrenechea Guimón	48950 - Asúa-Erandio (Vizcaya)	Ctra. Bilbao-Plencia, 21	94.453.50.30 aser@aser-zinc.com	94.453.33.80
Sondika Zinc, S.A.	Joseba Arróspide Ercoreca	48150 - Sondika (Vizcaya)	Sangroniz Bidea, 24	94.471.14.45 sondika-zinc@ sondika-zinc.com	94.453.28.53
Zindes, S.A.	Joseba Arróspide Ercoreca	48340 - Amorebieta (Vizcaya)	Barrio Euba, s/n	94.673.09.30 zindes@zindes.com	94.673.08.00
Rontealde, S.A.	Manuel Barrenechea Guimón	48903 - Luchana Barakaldo (Vizcaya)	Buen Pastor s/n	94.497.00.66 rontealde@rontealde.com	94.497.02.40
Industrial Waste Management	José Francisco Núñez Martín				
• Deputy Manager • Sales • Business Development • Industrial • Regional Manager Levante • Reg. Manager Southern Spain	Iñigo Molina Montes Antonio Rodríguez Mendiola Leopoldo Sánchez del Río Santiago Ortiz Domínguez Apolinar Abascal Montes Jacobo del Barco Galván	28010 - Madrid	Fernando el Santo, 27	91.700.08.09 bgri@befesa.es	91.700.08.12
Befesa Gestión de Residuos Industriales, S. A. (Begri)	José Francisco Núñez Martín	28010 - Madrid	Fernando el Santo, 27	91.700.08.09 bgri@befesa.es	91.700.08.12
Complejo Medioambiental de Andalucía, S.A. (CMA)	Santiago Ortiz Dominguez	21670 - Nerva (Huelva)	Ctra. Nerva - El Madroño, Km. 20	959.58.00.43 cma@zoom.es	959.58.00.43
Tratamientos del Mediterráneo, S.L. (Trademed)	Apolinar Abascal Montes	30350 - Cartagena (Murcia)	Ctra. Nal. 343, Km.9, Valle de Escombreras	968.16.70.01 trademed@befesa.es	968.16.70.22
Cartera Ambiental, S.A.	Antonio Rodríguez Mendiola	28864 - Ajalvir (Madrid)	Pol. Ind. Los Olivos - Atlántico, 23	91.884.46.72 cartera@cartera-ambiental.com	91.884.49.73
Suministros Petrolíferos del Mediterráneo, S.L. (SPM)	Apolinar Abascal Montes	46988 - Paterna (Valencia)	Ciudad de Barcelona, 21	96.134.08.80 spmgr@teleline.es	96.132.25.61
Borg Austral, S.A.	José Giménez Burló	1063 - Buenos Aires (Argentina)	Paseo de Colón, 728 - piso 10	5411.43.44.78.00	5411.43.44.78.77

Management Structure

		Town/City	Postal Address	e-mail - tel.	Fax
Ciclafarma, S.A.	Daniel González Martín	28010 - Madrid	Fernando el Santo, 27	91.700.08.09 bgri@befesa.es	91.700.08.12
Comercial Sear, S. L.	Roberto Caudevilla Mallén	50171 - La Puebla de Alfindén (Zaragoza)	Polígono Malpica-Alfindén C/. Almendro - Nave 75/81	976.10.72.11 comercialsear@befesa.es	976.10.72.17
Alianza Befesa Egmasa, S. L. (Albega)	Carmen Figal Fernández	21810 - Palos de la Frontera (Huelva)	Políg. Ind. Nuevo Puerto	959.36.93.46	959.36.93.30
Industrial and Hydrocarbon Cleaning	Alfredo Velasco Erquicia	28010 - Madrid	Fortuny, 18	91.308.40.44 befesa@befesa.es	91.310.50.39
Alfagrán, S.L.	Jesús Bueno Abella	30840 - Alhama de Murcia (Murcia)	Pol. Ind. Las Salinas C/. Salinas s/n	968.63.22.21 alfagran@infonegocio.com	968.63.22.33
Tratamientos de Aceites y Marpoles, S.L. (Tracemar)	Jesús Fuente de Prada Eduardo Pitto Romero	28003 Madrid	Guzmán el Bueno, 133 - Pla. 6ª	91.535.91.73	91.535.12.84
Europea de Tratamientos Industriales, S.A. (Etrinsa)	Antonio Navarro Mompean	30395-Cartagena (Murcia)	Polig. Ind. Cabezo Beaza. Avda. de Bruselas, 148 - 149	968.32.06.21 etrinsa@abengoa.com	968.12.21.61
Berako Limpiezas Industriales, S.A.	José Antonio Aguirre Allende	48510-Trapagarán (Vizcaya)	Carretera de San Vicente s/n	94.496.73.00 berako@berako.es	94.495.00.15
Hidro - Clean, S.A.	Jose María Ortiz de Zárate Apodaca	48510-Trapagarán (Vizcaya)	Carretera de San Vicente s/n	94.472.40.50 infobbo@hidroclean.com	94.472.40.51
Ecomat, S.A.	Jose Antonio Rivero Río	48480-Zarátamo (Vizcaya)	Polígono Barrondo, Pab.4	94.671.34.38 ecoatbi@telefonica.net	94.671.34.28
Befesa Tratamientos Especiales, S. L.	Ignacio Muñoz Donat	46988-Paterna (Valencia)	Ciudad de Barcelona, 21	96.134.08.80	96.132.25.61
Environmental Engineering	José Marañón Martín	41018-Seville	Avda. de la Buhaira, 2	95.493.71.11 abensur@abengoa.com	95.493.70.18
Abensur Servicios Urbanos • International • Economic and Financial	José Marañón Martín Fernando García Hoyo Justo Bolaños Hernández	41018 - Seville	Avda. de la Buhaira, 2	954.93.71.11 abensur@abengoa.com	954.93.70.18
Felguera Fluidos, S.A.	Rafael González García	33204 - Gijón (Asturias)	Ctra. Villaviciosa, 40	98.513.17.18 ffluidos@felguerafluidos.es	98.513.19.87
Elsur, S.A.	Manuel Caballos Piñero	04700 - El Ejido (Almería)	Plaza Mayor, 20	950.48.90.50 info@elsur.es	950.57.01.63
Abensur Medio Ambiente	Germán Ayora López	41018 - Seville	Avda. de la Buhaira, 2	954.93.71.11 abensur@abengoa.com	954.93.70.11
Latin America	Juan Abaurre Llorente	41018 - Seville	Avda. de la Buhaira, 2	95.493.71.11	954.93.70.18
Information Technology • Managing Director • Operations, Quality and I. S. • Administration • Financial and Auditing • Human Resources • Communications	 Manuel Sánchez Ortega José Carlos Saz Gimeno Miguel A. Fernández Moreno Ana M.ª Plaza Arregui Javier Ramos Robledo Cristina Poole Quintana	28108-Alcobendas (Madrid)	Valgrande, 6	902.33.55.99 info@telvent.com	91.714.70.03

Management Structure

		Town/City	Postal Address	e-mail - tel.	Fax
Sainco • General Manager	Ignacio González Domínguez	28108-Alcobendas (Madrid)	Valgrande, 6	902.33.55.99 sainco@ sainco.abengoa.com	91.714.70.03
Sainco Tráfico • Managing Director • General Manager	José Montoya Pérez Luis Fernández Mateo	28108-Alcobendas (Madrid)	Valgrande, 6	902.33.55.99 infoworld@ saincotrafico.com	91.714.70.03
Carrierhouse • Managing Director • General Manager	José Ignacio del Barrio Isidoro Costillo Iciarra	28108-Alcobendas (Madrid)	Valgrande, 6	902.33.55.99 info@carrierhouse.com	91.714.70.03
Internet Datahouse • Chairman • General Manager	José Ignacio del Barrio Luis Manuel Martínez Vía	28108-Alcobendas (Madrid)	Valgrande, 6	902.33.55.99	91.714.70.03
Sainco México • Chairman • General Manager	Luis Rancé Comes Enrique Barreiro Nogaledor	11300-México D.F. (Mexico)	Bahía de Santa Bárbara, 176 Col. Verónica Anzures	+52.55.52.60.34.64 luis.rance@ sainco.abengoa.com	+52.55.52.60.70.37
Sainco Brasil • General Manager	Marcio Leonardo	Jacarepagua CEP 22780-0 Río de Janeiro (Brazil)	Estrada do Camorim, 633	+55.212.441.30.15 bst.rj@bstsa.com.br	+55.212.441.30.15
Sainsel • General Manager	Víctor Hidalgo Vega	41006-Seville	Tamarguillo, 29	902.33.55.99 sainsel@sainsel.es	954.935.309
Sainco Electric Traffic • Managing Director	Carlos Dai	100176 Beijing Development Area (China)	4th Floor of No2 Plant No 8 North Hongda Rd.	+86.10.678.851.07 sainco@public.bta.net.cn	+86.10.678.851.12
Telvent Interactiva • General Manager	Adolfo Borrero Villalón	41006-Seville	Tamarguillo, 29-3ª Planta	902.33.55.99	95.492.64.24
Telvent Outsourcing • General Manager	Emilio Martín Rodríguez	41006-Seville	Tamarguillo, 29	902.33.55.99	95.466.08.52
Telvent Canada • Chairman • Deputy Chairman	DaveJardine José María Flores Canales	Calgary, Alberta T2W 3X6 (Canada)	10333 Soutport Road SW	1-403-253-8848	1-403-253-8848
Industrial Engineering and Construction	Alfonso González Domínguez	41018-Seville	Avda. de la Buhaira nº 2	95.493.71.11 eneria@abengoa.com	95.493.70.05
• **Energy**					
Abener • Manager - Construction - Financial and Economic - Draft Projects and Bids	Manuel J. Valverde Delgado José Luis Burgos de la Maza Alberto Moreno Serrallé Emilio Rodríguez-Izquierdo Serrano	41018-Seville	Avda. de la Buhaira nº 2	95.493.71.11 abener@abengoa.com	95.493.70.05
Shareholdings • Manager **C.D. Puerto San Carlos**	Pedro Rodríguez Ramos Javier Pariente López	11520 Mexico D.F. (Mexico)	Bahía de Santa Barbara 173 Col. Verónica Anzures	(52) 52.5.531.48.24 abener@abengoa.com	52.5.203.27.31
Abener México	Jaime I. García Muñoz	11520 Mexico D.F. (Mexico)	Bahía de Santa Barbara 173 Col. Verónica Anzures	(52) 52.5.531.48.24 abener@abengoa.com	52.5.203.27.31

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		Town/City	Postal Address	e-mail - tel.	Fax
Abener El Sauz S.A. De C.V.	José Luis Gómez Exposito	11520 Mexico D.F. (Mexico)	Bahía de Santa Barbara 173 Col. Verónica Anzures	(52) 52.5.531.48.24 abener@abengoa.com	52.5.203.27.31
Abengoa Puerto Rico	Ignacio Escudero Ortiz de la Tabla	Hato Rey, San Juan Puerto Rico 00917	Calle Bolivia, 33 - Oficina 202	(1) 787.620.57.78 abener@abengoa.com	787.620.57.77
Sanlúcar Solar Solúcar, S. A.	Rafael Osuna González-Aguilar	41018 Sevillle	Avda. de la Buhaira, 2	95.493.71.11 solucar@ solucar.abengoa.com	95.493.70.08
Nuelgas	Gonzalo Guinea Ibarra	41018 Seville	Avda. de la Buhaira, 2	95.493.71.11 nuelgas@abengoa.com	95.493.72.38
• Installations					
Inabensa					
• General Manager	Eduardo Duque García	41007 Seville	Manuel Velasco Pando, 7	95.493.61.11 inabensa@abengoa.com	95.493.60.06
- Deputy General Manager	Jorge Santamaría Mifsut				95.493.60.06
- Bids and Sales	Javier Valerio Palacio				95.493.60.16
- Exports	Emiliano García Sanz				95.493.60.16
- Operations and Logistics	Pedro Robles Sánchez				95.493.60.15
- Strategic Development	Fernando Medina Contreras				95.493.60.10
- Finance Manager	Juan Carlos Deán García-Adámez				95.493.60.09
Installations 1	Francisco Galván Gómez				95.493.60.12
Maintenance, Electricity and Instrumentation	Francisco Galván Gómez				
Regional Manager Southern Spain	Antonio Núñez García				95-493.60.14
Regional Manager Central Spain	Vicente Castiñeira García	28029 Madrid	Marqués de Encinares, 5	91.315.01.43 91.315.01.45	91-315.87.18
Regional Manager Galicia	José Macías Camacho	36330 Corujo (Vigo)	Bajada a la Gándara, Nave 8	986.29.94.51 986.29.94.53	986.29.80.14
Regional Manager Canaries	Fernando Celis Bautista	35001 Las Palmas	Castillo, 7	928.32.31.15 928.32.31.16	928.31.66.06
Railways	José Luis Alvarez Sancho	28029 Madrid	Marqués de Encinares, 5	91.315.01.43	91.315.32.89
Installations 2	Rafael González Reiné	41007 Seville	Manuel Velasco Pando, 7	95.493.61.11	95.493.60.13
Regional Manager Levante	Antonio Baos Fernández	46020 Valencia	Poeta Altet, 18 -bajo	96.360.28.00	96.361.86.08
Regional Manager Catalonia	Pedro Clares del Moral	08020 Barcelona	Perú, 214-216	93.303.45.40	93.307.00.94
Regional Manager Balearic Islands	Jaime Ferrari Fernández	07009 Palma de Mallorca	Gremio Tejedores, 34 Polg. Son Castello	971.20.51.12	971.75.83.34
Major Power Lines	Alberto Pizá Granados	41007 Seville	Manuel Velasco Pando, 7	95.493.61.11	95.493.60.13
Installations 3	Eduardo Dantas Lama	41007 Seville	Manuel Velasco Pando, 7	95.493.61.11	95.493.60.10
Electromechanics	Eduardo Dantas Lama	41007 Seville	Manuel Velasco Pando, 7		
Regional Manager Northern Spain	Iñigo Astigarraga Aguirre	48450 Etxebarri (Vizcaya)	Santa Ana, 26	94.440.05.00	94.440.02.52
Protisa	Isaac Criado Montero	28010 Madrid	Gral. Martínez Campos, 15 - 6ª y 7ª	91.448.31.50 protisa@abengoa.com	91.593.27.20
Workshop	Pedro Robles Sánchez	41007 Seville	Manuel Velasco Pando, 7	95.493.61.11	95.493.60.15
Seville Workshop	Antonio Jiménez Rodríguez	41007 Seville	Manuel Velasco Pando, 7	95.493.61.11	95.493.60.15
Alcalá de Henares Workshop	José Luis Collado González	28801 Alcalá de Henares (Madrid)	Ctra. M-300, Km 28,6	91.888.07.36	91-882.73.41

Management Structure

		Town/City	Postal Address	e-mail - tel.	Fax
Communications	José Luis Montells García	28108 Alcobendas (Madrid)	Valgrande, 6	91.714.70.00	91.714.70.04
Servicios Integrales de Mantenimiento y Operación, S. A. (Simosa)	Ignacio Sabido Castilla	41018 Seville	Avda. de la Buhaira, 2 simosa@simosa.abengoa.com	95.493.70.00	95.493.70.06
Abroad					
Inabensa France	Iñigo Astigarraga Aguirre	40000 Mont de Marsan	66, Avenue Barbe d'Or	(33)558.85.88.19 inabensafrance@ inabensa.com	(33)558.06.14.21
Inabensa Maroc	Juan Manuel Valladolid Moro	20000 Casablanca	179, Av. Moulay Hassan I - 1er étage	(212-2)227.43.46 (212-2)222.50.66 abengoa@casanet.net.ma	(212-2)222.97.36
Inabensa Bharat	G.C. Tather	110019 New Delhi	1302-03 Ansal Tower 38 Nehru Place	(91-11)641.40.93 inabensa@del3.vsnl.net.in	(91-11)641.40.93
Inabensa Costa Rica	José Marset Rams	San José de Costa Rica	Avda. nº 1 entrecalles 21 y 23 Edificio Sasso - Plta. 2ª	(506) 223.57.25	(506) 223.66.04
Inabensa Portugal	Crispim Manuel Ramos	2685 338 Prior Velho-Lisbon (Portugal)	Rua Profesor Henrique de Barros, 4 Edificio Sagre, 6º C	(351) 21.941.11.82	(351) 21.941.11.69
• **Telecommunications**					
Abentel Telecomunicaciones, S.A.					
General Manager	Vicente Chiralt Siles	28108 Alcobendas (Madrid)	Valgrande, 6	902.33.55.99 abentel@abengoa.com	91.714.70.04
Deputy Manager	Cristóbal Cuberos Vidal	41006-Seville	Tamarguillo, 29-4ª Planta	902.33.55.99	95.493.55.20
Deputy Manager	Alfonso Benjumea Alarcón				
Manager Andalusia	Diego Leal del Ojo González				
Manager Catalonia and Levante	Eduardo González Pinelo				
Manager Madrid and Extremadura	Elías Pozo Marcos	28850 San Fernando de Henares (Madrid)	Sierra de Guadarrama, 41 Pol. Ind. San Fernando de Henares II	91.677.92.20 / 78	91.678.25.52
Manager Canaries	Manuel Torres Moral				
Finance Manager	José Ignacio Santiago Jover	41006-Seville	Tamarguillo, 29-4ª Planta	902.33.55.99	95.493.55.20
Quality and Env. Management	Luis Giráldez González				
Quality and Env. Management	Luis Giráldez González				
• **Marketing and Manufacturing**					
Abencor Suministros, S. A.	Rafael Gómez Amores	41006 Seville	Tamarguillo, 29 - 1ª Planta	95.493.30.30 abencor@abencor.com	95.465.32.82
Nicsa	José Carlos Gómez García	28010 Madrid	Gral. Martínez Campos, 15	91-446.40.50 nicsa@nicsa.abengoa.com	91-448.37.68
Nicsa Trading Corporation	Agustín Limón Lobo	Florida 33326 U.S.A.	1786 North Commerce Parkway Weston	(1-954) 389.34.34 nicsa@bellsouth.net	(1-954) 389.34.35
Eucomsa	Luis Garrido Delgado	41710 Utrera (Seville)	Ctra. A-376 Km 22 Apartado 39 eucomsa@abengoa.com	95.586.79.00	95.486.06.93
Abecomsa	José Jerez Valero	41007 Seville	Carlos Serra, 2 - Nave 2H Polg. Industrial Ctra. Amarilla	95.451.37.36 abecomsa@terra.es	95.452.53.62
Comemsa	Norberto del Barrio Brun	38180 Guanajauto) (Mexico	Autopista Querétaro-Celaya, Km. 16 Calera de Obrajuelo Municipio de Apaseo el Grande	(52) 442.294.20.00 comemsa@comemsa.com.mx	(52) 442.294.20.08

Management Structure

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Latin America	Salvador Martos Hinojosa	41018-Seville	Avda. de la Buhaira, nº 2	95.493.71.11 abengoa@abengoa.com	95.493.70.16
Southern Cone	Antonio Frías Pecellín	C1063ACU-Buenos Aires (Argentina)	Paseo de Colón, 728 Piso 10	(5411)40007900 info@teyma.abengoa.com.ar	(5411) 40007977
Teyma Abengoa (Argentina)	Alejandro Conget	C1063ACU-Buenos Aires (Argentina)	Paseo de Colón, 728 Piso 10	(5411)40007900 info@teyma.abengoa.com.ar	(5411) 40007977
Abengoa Chile	Alejandro Conget	Santiago (Chile)	Las Araucarias, 9130 Quilicura	(56-2) 623 67 65 abengoa@abengoa-chile.cl	(56-2) 623 36 00
Teyma Uruguay/Teyma Paraguay	Brandon Kaufman	11100 Montevideo (Uruguay)	Avda. Uruguay, nº 1283	(598-2)90 22 120 teyma@teyma.com.uy	(598-2) 902 09 19
Abengoa Brasil	Antonio Frias Pecellín	CEP-20020-80 Río de Janeiro (Brazil)	Avda. Marechal Cámara, 160 Salas 1833-1834	(55-21) 2441 56 32 abengoabrasil@ abengoabrasil.com	(55-21)2441 30 15
MTC Engenhaira	Antonio Frias Pecellín / Rogério Ribeiro dos Santos	CEP-20020-80 Río de Janeiro (Brazil)	Avda. Marechal Cámara, 160 Salas 1833-1834	(55-21) 2441 56 32 mtc@abengoabrasil.com	(55-21)2441 30 15
Borg Austral (Argentina)	José Giménez Burló	C1063ACU-Buenos Aires (Argentina)	Paseo de Colón, 728 Piso 10	(5411)40007900 josegb@borg.com.ar	(5411) 40007977
Abengoa Perú	Ignacio Baena Blázquez	Lima (Peru)	Avda. Canaval y Moreyra, 654 Piso 7º San Isidro	(51-1)224 54 89 abengoaperu@ abengoaperu.com.pe	(51-1) 224 76 09
Bargoa (Brazil)	José Calvo / Angel Laffón	CEP-22780-070 Río de Janeiro (Brazil)	Estrada do Camorin, 633 Jacarepaguá	(55-21) 2441 10 10 bargoa@bargoa.com.br	(55-21) 2441 20 37
Sainco Brasil	Marcio Leonardo	CEP 20550-140 Río de Janeiro (Brazil)	Rua Visconde de Itamaraty, 168 Maracana	(55-21) 2568 95 65 bst.rj@bstsa.com.br	(55-21) 2568 35 14
Comemsa	Norberto del Barrio/ Antonio Manzano	38180-Guanajato (Mexico)	Autopista Querétaro-Celaya, Km. 16. Calera de Obrajuelos. Municipio de Apaseo El Grande	(52-442)294 20 00 comemsa@comemsa.com.mx	(52-442) 294 20 08
Abengoa México	Javier Muro de Nadal / Norberto del Barrio	11300 Mexico, D.F. (Mexico)	Bahía de Santa Bárbara, 174 Col. Verónica Anzures	(52-55) 5262 71 11 abengoa@a bengoamexico.com.mx	(52-55) 5262 71 50
Saincomex (Mexico)	Luis Rancé / Enrique Barreiro	11300 Mexico, D.F. (Mexico)	Bahía de Santa Bárbara, 174 Col.Verónica Anzures	(52-55) 5260 34 64 elizabeth.valdez@ saincomex.com	(52-55) 5260 70 37
Abengoa, S.A. Ecuador Branch	José Carlos García Escudero	Loja (Ecuador)	Manuel Montero con Alfredo Mora Reyes	(593) 7 57 59 37 info@abensur.abengoa-ec.com	(593) 7 579450
Integrated Human Resources Management	Alvaro Polo Guerrero	41006-Seville	Tamarguillo, 29	95.492.09.92	95.492.39.21
Focus-Abengoa Foundation	Anabel Morillo León	41004-Seville	Plaza de los Venerables, 8	95.456 26 96 focus@abengoa.com	95 456 45 95