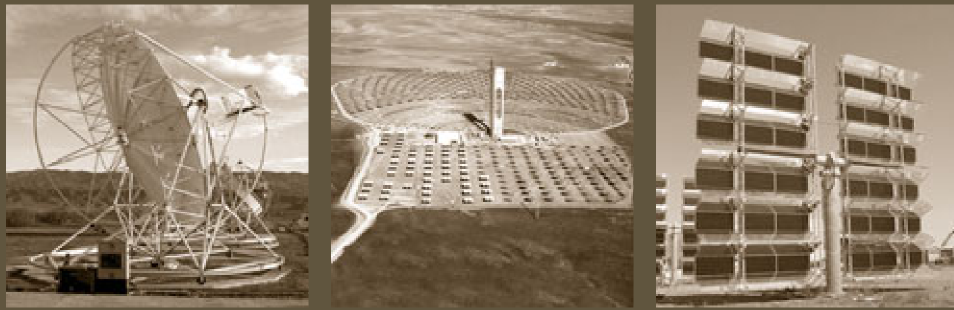
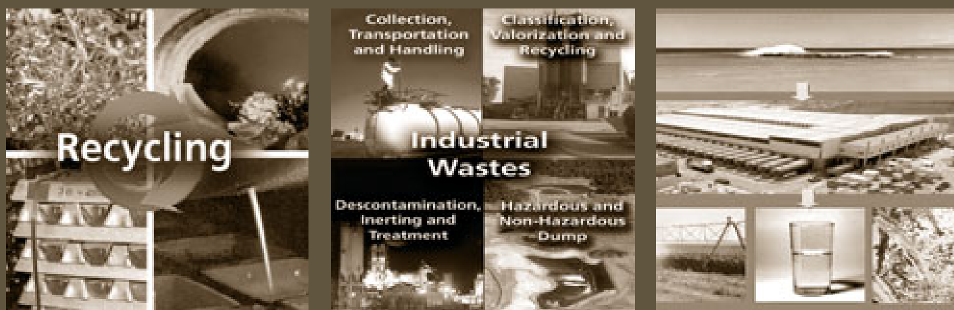
ABENGOA



With the sun... we produce thermoelectric and photovoltaic electric energy

With biomass... we produce ecologic fuels and animal feed



With wastes... we produce new materials by recycling, and we also treat and desalt water to achieve a sustainable globe

With Information Technology… we transform data into knowledge, providing effective operational and business real-time decision making for traffic, transport, energy and environment

With engineering... we construct and operate conventional and renewable energy power plants, power transmission systems and industrial infrastructures

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ABENGOA

Auditor’s Report

Consolidated Financial Statements for the 2005 Financial Year

PRICEWATERHOUSECOOPERS

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A free translation of the report on the consolidated annual accounts originally issued in Spanish and prepared in accordance with International Financial Reporting Standards adopted by the European Union. In the event of a discrepancy, the Spanish language version prevails.

AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

To the shareholders of
Abengoa, S.A.
Seville

1. We have audited the consolidated annual accounts of Abengoa, S.A. (parent company) and subsidiaries (the Group), consisting of the consolidated balance sheet at 31 December 2005, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity and related notes to the consolidated 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, 2004 of some companies listed in Appendix I and II of the enclosed consolidated annual accounts, in which Abengoa holds an interest of participation and whose total assets and net turnover represent a 44% and 39% of the corresponding consolidated accounts, respectively. Said annual accounts of such companies have been examined by other auditors (see Appendix I and II) 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.

2. The accompanying consolidated annual accounts for 2005 are the first which the Group has prepared under the International Financial Reporting Standards adopted by the European Union (IFRS-EU), which generally require that the financial statements present comparative information. In this respect, and in accordance with Spanish Corporate Law, the Parent Company's Directors have presented for comparative purposes for each item in the consolidated balance sheet, the consolidated income statement, the consolidated cash flow statement, the consolidated statement of changes in equity and the related notes to the consolidated annual accounts, the corresponding amounts for the previous year, which have been obtained through the application of IFRS –EU effective at 31 December 2005, as well as the amounts for 2005. Therefore, the figures for the previous year differ from those contained in the consolidated annual accounts for 2004 which were prepared under accounting standards effective in that year. The differences resulting from the application of IFRS-EU to consolidated equity at 1 January and 31 December 2004 and to the consolidated profits for 2004 of the Group are set out in note 5 to the accompanying consolidated annual accounts. Our opinion refers solely to the 2005 consolidated annual accounts. On 28 February 2005 we issued our audit report on the consolidated annual accounts for 2004, prepared under accounting standards effective in that year, in which we expressed an unqualified opinion.

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3. In our opinion, based on our audit and on other auditors' report (see Appendix I and II), the accompanying consolidated annual accounts for 2005 present fairly, in all material respects, the consolidated financial position of Abengoa, S.A. and its subsidiaries as at 31 December 2005 and the consolidated results of their operations, changes in consolidated net equity and consolidated cash flows for the year then ended and contain all the information necessary for their interpretation and comprehension in accordance with International Financial Reporting Standards adopted by the European Union which are consistent with those applied in the preparation of the consolidated financial statements for the previous year which have been included in the consolidated annual accounts for 2005 for comparative purposes.

4. The accompanying consolidated Directors' Report for 2005 contains the information that the Parent Company's Directors consider relevant to the Group's position, the development of its business and other matters and does not form an integral part of the consolidated annual accounts. We have verified that the financial information contained in the aforementioned Directors' Report coincides with that of the consolidated annual accounts for 2005. Our work as auditors is limited to checking the consolidated 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 accounting records of the Abengoa, S.A. and subsidiary companies.

PricewaterhouseCoopers Auditores, S.L.

Gabriel López
Partner

27 February 2006

1. Consolidated Financial Statements

   a) Consolidated Balance Sheet

   b) Consolidated Income Statement

   c) Consolidated Statement of Changes in Equity

   d) Consolidated Cash Flows Statement

   e) Notes to the Consolidated Financial Statements

2. Consolidated Management Report

Consolidated Financial Statements for the 2005 Financial Year

a) Consolidated Balance Sheets at 31 December 2005 and 2004

Consolidated Balance Sheets of Abengoa at December 31, 2005 and 2004

- Figures in thousands of euros -

Assets	31/12/2005	31/12/2004
A. Non-Current Assets		
I. Intangible Assets		
Goodwill	303,425	297,293
Other intangible assets	52,371	15,457
Provisions and depreciation	(7,129)	(2,802)
	348,667	**309,948**
II. Tangible Fixed Assets		
Tangible fixed assets	873,924	609,970
Provisions and depreciation	(331,201)	(251,353)
	542,723	**358,617**
III. Fixed Assets in Projects		
Intangible assets	419,359	213,189
Provisions and depreciation	(11,824)	(11,728)
Tangible fixed assets	306,139	357,384
Provisions and depreciation	(31,907)	(68,157)
	681,767	**490,688**
IV. Financial Investments		
Investments in associate companies	50,036	38,211
Financial assets available for sale	30,685	30,239
Financial accounts receivables	53,514	26,951
Deferred tax assets	136,831	119,964
	271,066	**215,365**
Total Non-Current Assets	**1,844,223**	**1,374,618**
B. Current Assets		
I. Inventories	**137,806**	**128,195**
II. Clients and Other Receivables Accounts		
Trade receivables for sales and services	365,823	299,048
Credits and other receivables	159,772	125,616
	525,595	**424,664**
III. Financial Investments		
Financial assets at fair value	122,768	99,786
Financial assets available for sale	2,108	331
Financial accounts receivables	245,494	205,912
Derivative financial instruments	9,364	5,072
	379,734	**311,101**
IV. Cash and Cash Equivalents	**435,366**	**252,145**
Total Current Assets	**1,478,501**	**1,116,105**
Total Assets	**3,322,724**	**2,490,723**

Consolidated Balance Sheets of Abengoa at December 31, 2005 and 2004

- Figures in thousands of euros -

Equity and Liabilities	31/12/2005	31/12/2004
A. Capital and Reserves		
I. Share Capital	**22,617**	**22,617**
II. Parent Company Reserves	**226,622**	**226,302**
III. Other Reserves	**(20,302)**	**(10,391)**
IV. Translation Differences		
At fully or proportionally consolidated companies	23,539	(26,265)
At companies consolidated by the equity method	3,916	(637)
	27,455	**(26,902)**
V. Retained Earnings	**138,704**	**92,451**
B. Minority Interest	**131,095**	**109,067**
Total Equity	**526,191**	**413,144**
C. Non-Current Liabilities		
I. Long-Term non-Recourse Financing (Project Financing)	**386,365**	**203,939**
II. Loans and Borrowing		
Bank loans	530,002	529,456
Obligations and other loans	134,198	120,345
Obligations under financial leasing	22,701	14,997
	686,901	**664,798**
III. Provisions for Other Liabilities and Expenses	**47,702**	**36,860**
V. Deferred Taxes Liabilities	**49,327**	**69,532**
VI. Employee Benefits	**1,605**	**2,163**
Total Non-Current Liabilities	**1,171,900**	**977,292**
D. Current Liabilities		
I. Short-Term non-Recourse Financing (Project Financing)	**284,475**	**160,838**
II. Loans and Borrowing		
Bank loans	166,699	61,646
Obligations and other loans	28,059	7,775
Obligations under financial leasing	8,462	9,157
	203,220	**78,578**
III. Suppliers and Other Trade Accounts Payables	**1,011,179**	**799,811**
IV. Current Tax Liabilities	**92,455**	**43,126**
V. Derivative Financial Instruments	**30,843**	**17,152**
VI. Provisions for Other Liabilities and Expenses	**2,461**	**782**
Total Current Liabilities	**1,624,633**	**1,100,287**
Total Shareholder's Equity and Liabilities	**3,322,724**	**2,490,723**

b) Consolidated Income Statement for the 2005 and 2004 Financial Years

Consolidated Income Statement of Abengoa for the Years ended December 31, 2005 and 2004

- Figures in thousands of euros -

		31/12/2005	31/12/2004
	Net turnover	2,023,515	1,746,052
	Variation in inventories	(817)	25,067
	Other operating income	35,704	19,534
	Materials consumed	(1,162,857)	(1,060,682)
	Personnel expenses	(325,908)	(274,087)
	Depreciation and amortization expense	(52,906)	(52,787)
	Research and development costs	(18,305)	(15,220)
	Other operating expenses	(334,975)	(260,526)
	Other net income/expenses		
I.	**Net Operating Profit**	**163,451**	**127,351**
	Financial income	22,709	3,140
	Financial expenses	(70,409)	(63,713)
	Net Exchange Differences	(1,695)	(6,496)
	Other net financial income/expenses	(9,362)	(11,225)
II.	**Net Financial Loss**	**(58,757)**	**(78,294)**
III.	**Participation in Profits/(Losses) of Associate Companies**	**5,359**	**3,634**
IV.	**Consolidated Profit before Tax**	**110,053**	**52,691**
	Corporate income tax	(31,572)	7,508
V.	**Consolidated Profit after-Tax**	**78,481**	**60,199**
	Profit attributable to minority interests	(12,477)	(7,812)
VI.	**Profit for the Year attributable to the Parent Company**	**66,004**	**52,387**
	Number of ordinary shares in circulation (thousands)	90,470	90,470
VII.	**Earnings per Share for the Year's Result**	**0.73**	**0.58**

c) Consolidated Statement of Changes in Equity

Consolidated Statement of Changes in Equity of Abengoa for the Year ended December 31, 2005 and 2004

- Figures in thousands of euros -

	Share Capital	Reserves Parent Company and Other Reserves	Accumulated Translation Difference	Accumulated Earnings	Minority Interest	Total
A. Balance at 1 January 2004	**22,617**	**229,333**	**(17,227)**	**48,540**	**36,140**	**319,403**
I. Gross Earnings at fair value:						
Financial assets available for sale	0	(2,475)	0	0	0	(2,475)
	0	**(2,475)**	**0**	**0**	**0**	**(2,475)**
II. Gains/Losses on cash flow hedges	**0**	**(15,778)**	**0**	**0**	**0**	**(15,778)**
III. Translation differences	**0**	**0**	**(9,675)**	**0**	**0**	**(9,675)**
IV. Gross Income/Expenses recognised directly in Equity	**0**	**(18,253)**	**(9,675)**	**0**	**0**	**(27,928)**
Tax effect	0	6,811	0	0	0	6,811
V. Net Income/Expenses recognised directly in Equity	**0**	**(11,442)**	**(9,675)**	**0**	**0**	**(21,117)**
VI. Profit for the year	**0**	**0**	**0**	**52,387**	**7,876**	**60,263**
VII. Employee Stock Plan	**0**	**(2,654)**	**0**	**0**	**0**	**(2,654)**
VIII. Distribution of 2003 Profit	**0**	**674**	**0**	**(12,666)**	**0**	**(11,992)**
IX. Other Movements of Equity	**0**	**0**	**0**	**4,190**	**65,051**	**69,241**
B. Balance at 31 December 2004	**22,617**	**215,911**	**(26,902)**	**92,451**	**109,067**	**413,144**
C. Balance at 1 January 2005	**22,617**	**215,911**	**(26,902)**	**92,451**	**109,067**	**413,144**
I. Gross Earnings at fair value:						
Financial assets available for sale	**0**	**126**	**0**	**0**	**0**	**126**
	0	**126**	**0**	**0**	**0**	**126**
II. Gains/Losses on cash flow hedge	**0**	**(20,452)**	**0**	**0**	**0**	**(20,452)**
III. Translation differences	**0**	**0**	**54,357**	**0**	**0**	**54,357**
IV. Gross Income/Expenses recognised directly in Equity	**0**	**(20,326)**	**54,357**	**0**	**0**	**34,031**
Tax effect	0	7,115	0	0	0	7,115
V. Net Income/Expenses recognised directly in Equity	**0**	**(13,211)**	**54,357**	**0**	**0**	**41,146**
VI. Profit for the year	**0**	**0**	**0**	**66,004**	**12,477**	**78,481**
VII. Employee Stock Plan	**0**	**3,301**	**0**	**0**	**0**	**3,301**
VIII. Distribution of 2004 Profit	**0**	**319**	**0**	**(12,984)**	**0**	**(12,665)**
IX. OtherMovements of Equity	**0**	**0**	**0**	**(6,767)**	**9,551**	**2,784**
D. Balance at 31 December 2005	**22,617**	**206,320**	**27,455**	**138,704**	**131,095**	**526,191**

d) Consolidated Cash Flow Statement

Consolidated Cash Flow Statement of Abengoa for the Years ended December 31, 2005 and 2004

- Figures in thousands of euros -

	31/12/2005	31/12/2004
A. Cash Flows of Operating Activities		
I. Cash generated by operations		
Consolidated profit after-tax	78,481	60,199
Adjustments to the profit:		
Amortisations and provisions	46,324	52,787
Taxes	31,572	(7,508)
Profit/loss through sale of tangible assets	6,627	(5,538)
Profit/loss through sale of shares	(8,170)	105
Result in investments available for sale	(126)	4,205
Results of financial assets at fair value	(17,353)	5,413
Results of secondary financial documents	500	5,267
Shares in profits/losses of associate companies	(5,358)	(3,634)
Other non-monetary items	7,796	(3,893)
	140,293	**107,403**
II. Variations in working capital		
Inventories	(130,123)	25,678
Clients and other collectable accounts	(46,699)	15,931
Suppliers and other payable accounts	279,415	(12,288)
Other circulating assets/liabilities	(43,798)	(126,528)
	58,795	**(97,207)**
Net Cash Flows from Operating Activities	**199,088**	**10,196**
B. CashFlows from Investment Activities		
I. Investments		
Companies in the group, multigroup and associate companies	(6,467)	(6,142)
Tangible fixed assets	(292,473)	(178,415)
Intangible assets	(212,314)	(18,497)
Other assets	(33,061)	(11,945)
Translation difference and perimeter variation effect	0	0
	(544,315)	**(214,999)**
II. Disinvestments		
Companies in the group, multigroup and associate companies	0	0
Tangible fixed assets	26,918	26,739
Intangible assets	41,403	235
Other assets	10,752	0
Translation difference and perimeter variation effect	9,551	65,064
	88,624	**92,038**
Net Cash Flows from Investment Activities	**(455,691)**	**(122,961)**
C. Cash Flows from Finance Activities		
Income from outside resources	624,497	128,214
Repayment from outside resources	(171,689)	(14,709)
Dividends paid	(12,984)	(12,666)
Other finance activities	0	0
Net Cash Flows from Finance Activities	**439,824**	**100,839**
Net Increase/Decrease of Cash and Equivalents	**183,221**	**(11,926)**
Cash or equivalent at the beginning of the year	252,145	264,471
Cash in Banks at the Close of the Year	**435,366**	**252,545**

e) Notes to the Consolidated Financial Statements for the 2005 Financial Year

Notes to the Consolidated Financial Statements for the Financial Year Ended at 31 December 2005

Note 1. General Information.

Abengoa, S.A. is an industrial and technology Company which, at the end of the 2005 financial year, held a group (hereinafter called Abengoa or group, without distinction) comprising 233 companies: the parent Company itself, 200 subsidiary companies, 30 associate companies and 2 Joint Ventures. Moreover, the various companies in the group take part in 252 Temporary Consortiums. In addition, the group companies hold interests of less than 20% in other companies.

Abengoa, S.A., the parent company in the group, was founded in Seville on 4 January 1941 as a limited partnership and was subsequently transformed into a corporation on 20 March 1952. It is registered in the Mercantile Register of Seville, initially on page 2921, folio 107 of volume 47 of Corporations and currently, since the latest adaptation and amendment of the articles of association as a result of the coming into force of the revised Public Limited Companies Act, in volume 573, book 362 of section 3 of Corporations, folio 94, page SE-1507, entry 296. The company´s current registered office is located in Seville, at Avenida de la Buhaira, 2.

The corporate purpose is laid down in article 3 of the articles of association. Within the varied range of activities that make up the corporate objects, as an applied engineering and equipment company, Abengoa provides comprehensive solutions in the energy, telecommunications, transport, water, environment, industry and services sectors.

Abengoa is a technology company that applies innovative solutions for sustainable development in the infrastructures, environment and energy sectors. It operates in over 70 countries.

Until 2005, Abengoa operated through four business groups. However, as from 2006, once the activity related to solar energy is considered sufficiently developed to form a business group, five business groups will be given consideration, whose activities are as follows:

- Solar:

  The main company is Solucar Energía and its activity focuses on the design, development, financing, construction and operation of electrical power generation plants, using the sun as a primary source of energy. It has the know-how and technology to operate thermoelectric solar plants: central receiver systems, parabolic cylinder collector and parabolic disk, as well as photovoltaic solar plants with and without concentration.

- Bioenergy:

  The main company is Abengoa Bioenergía, which engages in the production and development of biofuels for transport, including bioethanol and biodiesel, among others, which use biomass as a raw material (cereals, cellulose biomass, oilseed). Biofuels are used in the production of ETBE (a petrol additive) or in direct mixtures with petrol or diesel. As renewable energy sources, biofuels reduce CO2 emissions and contribute to the safety and diversification of the energy supply, reducing the dependence on the fossil fuels used in the car industry and helping to comply with the Kyoto protocol.

- Environmental Services:

  Befesa Medio Ambiente, the main company in Abengoa's environmental services, focuses its activity on environmental services for industry, on the construction of infrastructures, recycling aluminium waste, zinc, handling industrial waste and on environmental engineering.

- Information Technologies:

  Telvent, the main company in Abengoa's information technologies business, provides high value-added solutions in four industrial sectors (energy, traffic, transport and the environment). Its technology enables companies to take business decisions in real-time using data acquisition and control systems, as well as advanced operational applications that provide information that is secure and effective for enterprises.

- Industrial Construction and Engineering:

  Abeinsa is the company in Abengoa which leads this business group, whose activity is the engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industry, transport and services sectors. Development, construction and operation of industrial plants and conventional (cogeneration and combined cycle) and renewable (bioethanol, biodiesel, biomass, solar wind and geothermic) power plants, telecommunications turnkey projects and networks.

As the solar activity has been designated a business group, the information mechanisms required for that activity to be a differentiated line of business have been laid down, although, at the moment, no separate figures have been included in Note 6 due to the fact that none of the operating units have yet entered services.

For the preparation of the consolidated Financial statements, a group is understood to exist when the parent company has one or more subsidiary companies over which it exercises direct or indirect control. The principles applied during the preparation of the consolidated financial statements of Abengoa, together with the consolidation perimeter are listed in Note 2.2.

Annexes I and VI to these notes contain a breakdown of the identification data of the 200 and 195 subsidiary companies included in the consolidation perimeter in the 2005 and 2004 financial years, respectively, using the full consolidation method.

Annexes II and VII to these notes contain a breakdown of the identification data of the 30 and 29 associate companies included in the consolidation perimeter in the 2005 and 2004 financial years, respectively, using the equity method.

Annexes III and VIII to these notes contain a breakdown of the identification data of the 134 and 133 Joint Ventures included in the consolidation perimeter in the 2005 and 2004 financial years, respectively, using the proportional consolidation method.

Note 2. Summary of Significant Accounting Policies.

The following is a description of the significant accounting policies applied during the preparation of these consolidated financial statements.

2.1. Basis of Presentation.

The consolidated financial statements at 31 December 2005 have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted for use in the European Union and approved by the regulations of the European commission and in force at 31 December 2005. These are the first consolidated financial statements to be presented in accordance with said standards (See Note 5).

Unless indicated otherwise, the following policies have been applied constantly to all the financial years included in these consolidated financial statements.

Up to the financial year ending on 31 December 2004, inclusive, the consolidated financial statements were prepared in accordance with the provisions laid down in current mercantile legislation and with the standards laid down in the General Accounting Plan and in Royal Decree 1815/1991, which adopt the standards for the preparation of consolidated financial statements (Generally Accepted Accounting Principles (GAAP)) Given that these standards differ in certain areas from the criteria laid down in IFRS, Abengoa's management has restated the figures for 2004 in order to present comparative information in accordance with IFRS.

The consolidated financial statements under the historic cost convention, modified by the restatement of certain assets in accordance with IFRS1 (Note 5) and by the cases laid down by the IFRS in which certain assets, are valued at their fair value.

The preparation of the consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires that management exercise its judgment in the process of applying the accounting policies of Abengoa. Note 4 shows the areas that involve a higher level of judgment or complexity or the areas where the hypotheses and estimates are significant for the consolidated financial statements.

The figures contained in the instruments that make up the consolidated financial statements (balance sheet, income statement, statement of changes in equity, statement of cash flows and these notes) are given in thousands of €.

Unless indicated otherwise, the percentage of the holding in the share capital of the companies includes both the direct and indirect holding corresponding to the companies in the group that are direct shareholders and not the total holding of the parent company.

2.2. Consolidation Principles.

a) Subsidiary companies.

Subsidiary companies are all the companies over which Abengoa has the power to direct the financial and operating policies that are usually accompanied by a holding with more than half the voting rights. When evaluating whether or not the group controls another company, consideration is given to the existence and effect of the potential voting rights that may be currently exercised or converted, together with possible pacts with other shareholders. The subsidiary companies are consolidated from the date on which control is transferred to the group and are excluded from the consolidation on the date on which such control ceases to exist.

Subsidiary companies are accounted for using the acquisition method. The acquisition cost is the fair value of the assets delivered, of the receivables issued and the payables due or assumed on the date of exchange, plus the costs directly attributable to the acquisition. The identifiable assets acquired and the identifiable contingencies and liabilities assumed in a combination of businesses are initially valued at their fair value on the date of acquisition, regardless of the scope of minority interests. The excess of the acquisition cost over the fair value of Abengoa's holding in the identifiable net assets acquired is recognised as goodwill. If the acquisition cost is lower than the fair value of the net assets of the acquired subsidiary company, the difference is recognised directly in the income statment.

The results of internal operations are eliminated and deferred until they have been carried out with regard to third parties outside the group.

The reciprocal receivables and payables between group companies included in the consolidation perimeter are eliminated in the consolidation process.

With a view to presenting the different sections of these consolidated financial statements consistently, the valuation standards and principles followed by the parent company have been applied to all the companies included in consolidation.

Annexes I and VI to this report identify the 20 and 25 companies/entities which in the 2005 and 2004 financial years, respectively, were included in the consolidation perimeter and have been consolidated using the full consolidation method.

The inclusion in the perimeter of the aforementioned companies has not significantly affected the global consolidated figures as of December 2004 or December 2005.

The following is a list of the company/entities which, during the 2004 and 2005 financial years, left the consolidation perimeter (full consolidation):

Company Name	**Year of exit**	**% Holding**	**Reason**
Abensur Medio Ambiente, S.A.	2004	100.0	Merged with Befesa CTA, S.A.
Ecomat Fabricación de Equipos, S.L.	2004	100.0	Sale of the company
Inabensa Inc.	2004	100.0	Wind up of the company
Internet Recicla, S.A	2004	100.0	Wind up of the company
L.T. 304 Noroeste, S.A. de C.V.	2004	100.0	Wind up of the company
Negocios e Inversiones de Centroamérica, S.A. (Nica)	2004	100.0	Wind up of the company
Nueva Electricidad del Gas, S.A. (Nuelgas)	2004	98.6	Sale of the company
Sdem Inabensa, S.A.	2004	50.0	Wind up of the company
Sinaben Multimedia, AIE	2004	50.0	Wind up of the company
Telvent Datahouse, S.A.	2004	100.0	Merged with Telvent Housing, S.A.
Teytel, S.A.	2004	100.0	Sale of the company
Abengoa Limited	2005	100.0	Wind up of the company
ABP Holding	2005	99.9	Wind up of the company
ALA Transmissora de Energía Ltda.	2005	100.0	Wind up of the company
Baltasar Lobato	2005	50.0	Wind up of the company
Ciclafarma	2005	100.0	Wind up of the company
Desarrollos Eólicos de Arico, S.A.	2005	66.7	Wind up of the company
ICX Sistemas, S.A.	2005	100.0	Merged with Telvent Interactiva, S.A.
Proyectos Técnicos Industriales, S.A. (Protisa)	2005	100.0	Merged with Inabensa
Subestaciones Baja California Sur, S.A. de C.V.	2005	50.0	Wind up of the company

The contribution in terms of sales and results by sold companies no longer included in the consolidation perimeter for the consolidated results in the 2005 fiscal year is not significant (in 2004, € 2,519 and € 2,635 thousands respectively).

b) Associate companies.

Associate companies are all the companies over which Abengoa has a significant influence but not control, usually accompanied by a holding of between 20% and 50% of the voting rights. Investments in associate companies are recorded using the equity method and are initially recognised at cost. The group's investment in associate companies includes the goodwill (net of any accumulated loss from deterioration) identified in the acquisition.

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

The profits not derived from transactions between the group and its associate companies are eliminated in accordance with the percentage of the group's holding in the associate companies. Unrealised losses are also eliminated unless the transaction provides evidence of loss through the imparment of the assets being transferred. When necessary to ensure consistency with the policies adopted by the group, the accounting policies of the associate companies are modified.

Annexes II and VII to this report identify the 7 and 6 Companies / Entities which in the 2005 and 2004 financial years, respectively, were incorporated into the consolidation perimeter and have been consolidated using the equity method.

The following is a list of the companies/entities which, during the 2005 and 2004 financial years, left the consolidation perimeter (equity method):

Company Name	**Year of exit**	**% Holding**	**Reason**
Dragados Indust.-Electric Trafic-Indra-S.Tráfico, AIE	2004	22.8	Change of consolidation method
Nap de las Américas – Madrid, S.A.	2004	20.0	Sale of the company
Tuca, AIE	2004	50.0	Wind up of the company
Conservación y Desarrollo Sostenible, S.A.	2005	40.0	Sale of the company
Krasbilmet	2005	32.0	Wind up of the company
Línea de Transmisión de Comahue, S.A.	2005	22.5	Wind up of the company
Mogabar, S.A.	2005	48.0	Wind up of the company
Progresia C.L.M., S.L.	2005	33.3	Sale of the company
Viryanet, Ltd.	2005	20.0	Sale of the company

Without significant effects on the results regarding the consolidated figures for the 2004 and 2005 financial years.

c) Joint business.

Holdings in joint businesses are integrated using the proportional consolidation method.

The group combines its holding in the assets, liabilities, income and expenses and cash flows of the controlled entity line by line in conjunction with the items of its accounts that are similar.

Participation in the profits or losses from the sales of the group's assets to the controlled companies is recognised jointly by the part corresponding to other participants However, the holding in the profits or losses of the jointly controlled company resulting from the purchase by a group company of assets of the jointly controlled company is not recognised until the said assets are sold to an independent third party. A loss in the transaction is recognised immediately if it reveals the equity of the current assets or a loss through a decline in value. The accounting policies of the jointly controlled companies have been modified as necessary to ensure consistency with the policies applied by the group.

d) Joint Ventures.

A Joint-Venture is a system of collaboration between enterprises for a certain determined or undetermined period of time for the development or execution of works, services or supplies.

The proportional part of the items on the balance sheet and the income statement account of the joint-venture are integrated into the balance sheet and income statement account in accordance with the shareholding percentage.

The amount of the operating funds provided by the companies of the Group to the 118 Joint Ventures excluded from the consolidation perimeter totals € 157 thousands (€ 243 thousands in 2004) and is included in the Financial Investments heading of the consolidated balance sheet. The net business figure proportional to the shareholding represents 0.53% (0.45% in 2004) of the consolidated net business figure. The aggregate net profits proportional to the shareholding total € 309 thousands (€ 64 thousands in 2004).

During the financial year, 35 Joint Ventures that have begun their activity and/or been involved in significant activity during the year 2005 have been incorporated into the perimeter. These Joint Ventures have contributed € 37,018 thousands (€ 12,530 thousands in 2004) to the consolidated net business figure for the year.

During the financial year, 34 Joint Ventures have left the perimeter due to their ceasing activities or their activities becoming insignificant. Their net business figures, proportional to the shareholding, for the 2004 financial year totalled € 6,465 thousands (€ 22,474 thousands in 2003).

2.3. Financial information by segments.

A business segment is a group of assets and transactions responsible for supplying products or services subject to risks and performance levels different to those of other business segments. A geographical segment is responsible for providing products or services within a specific economic environment subject to risks and performance levels different to those of other segments that operate in other economic environments (See Note 6).

The economic transactions are completed between the different segments at market price.

2.4. Transactions in foreign currencies.

a) Functional currency.

The items included in the financial statements of each of the companies in the group are valued using the currency of the main economic environment in which the company operates (functional currency).

b) Transactions and balances.

Transactions in foreign currencies are converted into the functional currency using the rates of exchange current on the dates of the transactions. The income statement in foreign currency resulting from the liquidation of these transactions and the translation at the closing exchange rate of the monetary assets and liabilities designated in foreign currency are recognised in the income statment, unless they are different in the equity, such as the qualified cash flow covers and the qualified net investments covers.

c) Translation of the financial statements in foreign currencies of companies abroad.

The results and financial situation of all the companies in the group with a functional currency different to the presentation currency are translated into the presentation currency as follows:

1) All the assets, rights and liabilities are translated into the presentation currency using the exchange rate current on the date on which the accounts of the companies are closed.

2) The items of the statement of operations of each foreign company are translated into the presentation currency using the annual average exchange rate calculated as the arithmetical average of the closing exchange rates of each of the 12 months of the year.

3) The difference between the amount corresponding to the equity of the foreign company, including the balance of the income statement account calculated in accordance with section 2) above, translated at the historic exchange rate, the equity resulting from the translation of the assets, rights and obligations in accordance with section 1) above, are recorded, as positive or negative, as applicable, in the equity of the consolidated balance sheet under the heading titled Accumulated Translation Difference.

The results of the companies to which the equivalence procedure applies are translated to national currency, where applicable, at the average exchange rate for the year, calculated as per section 2) of this point c).

The adjustments to the goodwill and to the fair value that arise in the takeover of a foreign company are treated as assets and liabilities of the foreign entity and are translated at the closing exchange rate.

2.5. Tangible fixed assets.

In accordance with the IFRS 1, with regard to the transition to the IFRS, the amortised cost of the tangible fixed assets at 31 December 2003 has been taken as the book value of the fixed assets in accordance with Spanish standards as a result of the management of Abengoa assuming the fact that the revaluations of assets that have taken place in accordance with the regulations in force in the countries in which the companies belonging to Abengoa reflect their market value in a more approximate way. In addition, in accordance with the aforementioned standard, certain elements of fixed assets have been revalued (basically land and buildings) as explained in Note 5.2.

As a general criterion, the elements that make up the tangible fixed assets are recognised by their cost less the depreciation of the corresponding accumulated losses through impairment, except in the case of land, which is presented at the net value of the said losses through impairment.

The expenses are directly attributable to the acquisition of the items.

The subsequent costs are included in the book amount corresponding to the assets or are recognised as a separate asset only when it is probable that the future economic profits associated with the elements will flow to the group and the cost element can be reliably determined. The other repairs and maintenance are charged to the income statement during the corresponding financial year.

The work carried out by the company for its fixed assets are valued at their production cost, entered as ordinary income in the income statement account.

The annual depreciation coefficients used to calculate the depreciation of the elements that make up the tangible fixed assets are as follows:

Elements	**Coefficient**
Buildings	2% - 3%
Installations	4% - 12% - 20%
Machinery	12%
Tools and tooling	15% - 30%
Furniture	10% - 15%
Works equipment	30%
Equipment for information processing	25%
Vehicles	8% - 20%

The residual value and the service life of the assets are reviewed and, where applicable, adjusted on the closing date of the companies' accounts.

When the book amount of an asset is higher than its estimated recoverable amount, its value is reduced immediately to the recoverable amount.

The income statement for the sale of tangible fixed assets are calculated by comparing the income obtained with the book amount and are included in the income statement. When the revalued assets are sold, the amounts included in revaluation reserve funds are transferred to reserves from accumulated profits. In accordance with the conditions of the transition (See Note 5) and the criteria used by the company, for the transactions subsequent to 1 January 2004, there are no assets that require the classification of revalued assets for the purposes of the IFRS.

The cost can also include profit or loss from qualified cash flow covers from the acquisitions of tangible fixed assets in foreign currency transferred from the equity.

In addition, in accordance with their functionality, certain assets (safety deposits for waste) are amortised in accordance with the volume of waste entering the installations. Given that there is also the obligation to meet certain costs related to the closure of the installations, the corresponding funds are provided annually in accordance with the aforementioned volume of waste.

2.6. Intangible assets.

a) Goodwill.

The goodwill represents the excess of the acquisition cost over the fair value of the group's shareholding in the identifiable net assets of the subsidiary/associate company acquired on the date of acquisition. The goodwill related to the acquisitions of subsidiary companies is included in intangible assets. The goodwill related to the acquisitions of associate companies is included in investments in associate companies. Goodwill is verified annually for impairment losses and is taken to cost less accumulated impairment losses. The profit or loss for the sale of an entity includes the book amount of the goodwill related to the sold entity.

In order to include these amounts in the verifications of impairment losses, the goodwill is allocated to the cash generation units (CGU).

b) Computer software.

The licences for computer software acquired are capitalised based on acquisition cost and the cost of preparation for the use of the specific programme. These costs are amortised over their estimated useful lives, normally five years. The maintenance expenses of these computer programs are directly attributed as expenses in the corresponding financial year.

c) Research and development.

Research expenses are recognised as expenses corresponding to the financial year in which they occur, where there is an individualised list of each specific project. The expenses corresponding to development projects (related to the design and testing of new or improved products) are recognised as intangible assets when there is a probability of the project being a success with regard to its technical and commercial viability and its costs can be reliably estimated. The other development expenses are recognised as expenses corresponding to the financial year in which they occur. The development expenses previously recognised as an expense are not recognised as an asset in subsequent financial years. Development expenses with a finite service life which are capitalised are amortised from the beginning of the commercial production of the product in on a straight-line basis during the period in which they are expected to generate profit.

Grants or subsidised loans for financing research and development projects are released to profit and loss in accordance with similar treatment and degree of completion rates with which they are capitalised or classified as operating expenses, in accordance with pre-established rules.

2.7. Interest expense.

Interest expense incurred in the construction of any qualifying asset are capitalised during the period required to complete and prepare the asset for the appropriate use. Other interest expenses are recorded as expenses for the financial year in which they are incurred.

The costs corresponding to no-recourse factoring transactions, when the book entries involve the de-recognition of factorised financial assets, are applied as expenses at the moment of the transfer to the bank.

2.8. Asset impairment losses.

At the date of the end of each financial year, Abengoa reviews the non-current assets to determine whether or not there are indications of their having suffered any impairment loss. If there is any such indication, the recoverable amount of the asset is calculated in order to determine the scope of the impairment loss (where applicable). Should the asset not generate cash flows independent from other assets, Abengoa calculates the recoverable amount of the cash generation unit to which the asset belongs.

In addition, at the year end the possible impairment of goodwill and intangible assets that have not yet come into operation or have an undefined service life is analysed, where applicable.

The recoverable amount is the higher of market value less selling costs and current use value, this being the present value of estimated future cash flows. To calculate the current use value, the hypotheses used include discount rates, growth rates and expected changes in selling prices and costs. The directors estimate the pre-tax discount rates that include the value of money over time and the risks associated with the cash generation unit. The growth rates and variations in prices and costs are based on internal and sector forecasts and experience and future expectations, respectively

Should the recoverable amount be lower than the net book value of the assets, the corresponding impairment loss is charged to the Depreciation and provisions heading in the consolidated income statement. The impairment losses recognised in an asset in previous financial years are reversed and charged to this heading when there was a change in the estimates of the recoverable amount, increasing the value of the asset up to the limit of the book value the asset would have had if thewrite-down had not been applied, except in the case of write-down of goodwill, which is not reversible.

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2.9. Financial investments.

Financial investments are classified in the following categories: a) financial assets at fair value with changes in results, b) loans and accounts receivable, c) investments where the intention is for them to be held to maturity and d) financial assets available for sale. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at the moment of initial recognition and reviews the classification at the year end.

a) Financial assets at fair value with changes in results.

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

b) Loans and accounts receivable.

This category includes the loans and accounts receivable considered as non-derivative financial assets with fixed or determinable payments that are not listed on an active market. They arise when a group company supplies money, assets or services directly to a debtor without the intention of negotiating with the account receivable. They are included in current assets except for maturities of over 12 months from the date of the balance sheet, which are classified as non-current assets. The loans and accounts receivable are included under Trade debtors and other accounts receivable on the assets side of the balance sheet.

c) Investments held to maturity.

This category includes the investments where the intention is for them to be held until maturity and which correspond to non-derivative financial assets with fixed or determinable payments and fixed maturities for which the group's management has the positive intention and capacity for holding them to maturity.

d) Financial assets available for sale.

This category includes the financial assets not considered as derivatives that are available for sale and not included in any of the other categories. They are included in non-current assets unless management wishes to sell the investment in the 12 months following the closing date of the accounts of each company.

The acquisitions and sales of investments are recognised on the trading date, i.e. the date on which the acquisition or sale of the asset takes place. The investments are initially recognised at the fair value plus the costs of the transaction for all the financial assets not recognised at their fair value with changes in results. The investments are written off when the rights to receive cash flows from the investments have expired or have been transferred and all the risks and benefits resulting from their ownership have been substantially transferred.

Financial assets available for sale and the financial assets at fair value with changes in results are subsequently recorded into the books at their fair value. The accounts receivable and loans and investments where the intention is to hold them until their maturity recorded at their amortised cost in accordance with the effective interest rate method.

Realised and unrealised gains and losses resulting from changes in the fair value of the category of financial assets at fair value with changes in results are included in the income statement for the financial year in which they occur.

Unrealised gains or losses resulting from changes in the fair value of non-monetary securities classified as available for sale are recognised in shareholders' equity. When the securities classified as available for sale are sold or impaired, the adjustments accumulated in fair value are included in the income statement as gains or losses on securities.

The fair values of the listed investments are based on current purchase prices. If the market for a financial asset is not a two-way market (and for the securities that are not listed), the fair value is established by using valuation techniques that include the use of recent free transactions between interested and duly informed parties, referring to other substantially equal instruments, the analysis of discounted cash flows and price setting models for improved options to reflect the specific circumstances of the issuer.

On the date of each close of the balance sheet, the objective evidence of a financial asset or a group of financial assets having suffered impairment losses is assessed.

In the case of capital securities classified as available for sale, to determine whether or not the securities have suffered impairment losses, consideration shall be given to the possibility of a significant or prolonged fall in the fair value of the securities below their cost. If there is any evidence of this type for the financial assets available for sale, the accumulated loss, determined as the difference between the acquisition cost and the current fair value less whatsoever loss through impairment of the value in the said financial assets previously recognised in the profits or losses, is eliminated from the equity and recognised in the income statement. The impairment losses recognised in the income statement by equity items are not reversed through the income statement.

2.10. Inventories.

Inventories are valued at the lower of cost and net realisable value. Cost is determined by the first-in-first-out (FIFO) method. The cost of the finished products and work in progress include design costs, raw materials, direct labour costs, other direct costs and manufacturing overheads (based on a normal operating capacity), but it does not include interest expenses. Net realisable value is the estimated selling price in the normal coures of business less the applicable variable selling costs.

Cost of the inventories includes transfers from equity of gains or losses arising from cash flow hedging transactions related to inventory sale and purchase transactions.

Cost of inventories includes the transfers from the equity of gains or losses arising from cash flow hedging transactions related to operations in foreign currency.

Inventories include the accumulated amount of progress billings in accordance with the accounting criterion mentioned in Note 2.19.

2.11. Trade accounts receivable.

Trade accounts receivable are initially recognised atfair value and subsequently at their written-down cost in accordance with the effective interest rate method, less the provision for impairment losses. A provision is established for impairment losses of trade receivables when there is objective evidence of the group being incapable of collecting all the amounts owed in accordance with the original terms of the accounts receivable. The amount of the provision is the difference between the book amount of the assets and the value of the estimated future cash flows discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

2.12. Cash and cash equivalents.

Cash and cash equivalents include the cash amount, the deposits on demand in credit institutions, other short-term investments wtih high liquidity with an original maturity of three months or less and bank overdrafts. On the balance sheet, bank overdrafts are classified as borrowings under current liabilities.

2.13. Parent company shares.

Parent company shares are classified as equity. No shares of this kind have been held during the financial year.

2.14. Grants.

Outright grants are recognised at their fair value when it is considered that there is a reasonable certainty of the grant being collected and that the conditions laid down by the competent body when the subsidies were awarded will be fulfilled.

Operating grants are deferred and recognised in the income statement during the requisite periods to match them with the relevant expenses.

Capital grants are recorded as a decrease in the value of the subsidised assets and released to the income statement on a straight-line basis during the expected service lives of the corresponding assets.

2.15. Borrowings.

Borrowings are initially recognised at their fair value, net of the costs of the transaction. Subsequently, they are valued at their amortised cost; whatsoever difference between the funds obtained (net of the related costs) and the repayment value is recognised in the income statement during the life of the debt in accordance with the effective interest rate method.

Borrowings are classified as current liabilities unless there is an unconditional right to defer their repayment for at least 12 months after the year end.

2.16. Deferred taxes.

Deferred taxes are calculated in accordance with the balance sheet method on the temporary differences between the taxable bases of the assets and liabilities and their book values in the consolidated financial statements. However, if the deferred taxes arise from the initial recognition of a liability or an asset in a transaction other than a business combination and which, at the time of the transaction, does not affect either book results or taxable income, said deferred taxes are not recorded in the accounts. Deferred tax is determined by using official tax rates or rates that are about to be approved on the closing date of the accounts of each company and which are expected to be applicable when the corresponding deferred tax asset is realised or liability is paid.

The deferred tax assets are recognised to the extent that profits may be expected to be generated in the future which can be used to offset the timing differences.

Deferred taxes are recognised due to the temporary differences arising from investments in subsidiary and associate companies, except when the date on which the temporary differences will reverse can be controlled and there is a probability of them not reversing in the foreseeable future.

2.17. Share-based compensations.

Certain companies in the group have contracted a series of obligations with regard to share-based incentive programmes for executives and employees. The fair value of the employee services received in exchange for the granting of the share is recognised as an expense. The total amount charged to expenses during the accrual period is determined by reference to the fair value of the shares awarded, excluding the effect of the accrual conditions that are not market conditions.

2.18. Provisions.

Provisions are recorded when:

- There is a present obligation, whether legal or implicit, as a result of past events;
- There is a greater probability of the need for an outlay of resources to settle the obligation than the reverse; and
- The amount has been estimated reliably.

When there are a number of similar obligations, the probability of the need for an outgoing flow for the corresponding settlement is determined by considering the type of obligations as a whole. A provision is recognised even if the probability of a cash outlay with regard to any item included in the same class of obligations is low.

2.19. Recognition of income.

a) Ordinary income.

Ordinary income includes the fair value of sales of goods and services supplied without including the amounts corresponding to the taxes applied to these transactions, deducting all the discounts and returns and sales within the group from the amount of the transaction.

Ordinary income is recognised as follows:

- The sale of goods is recognised when a group company has delivered the products to the customer, the customer has accepted them and the collection of the corresponding accounts receivable is reasonably assured.
- The sale of services is recognised in the financial year in which the services are provided, by reference to the finalisation of the specific transaction evaluated on the basis of the real service provided as a percentage of the total service to be provided.
- Income from interest is recognised by using the effective interest rate method. When a collectable account undergoes loss through impairment, the book amount is reduced to its recoverable value, discounting estimated future cash flows at the original effective interest rate of the instrument and the discount is recorded as a reduction in interest income. Income from interest on loans that has undergone loss impairment is recognised when the cash is collected or on the basis of the recovery of the cost when the conditions are guaranteed.
- Dividend income is recognised when the right to receive the payment is established.

b) Building contracts.

When the result of a building contract cannot be estimated reliably, the income from the contract is recognised only up to the limit of the costs of the contract whose recovery is considered probable. With building contracts, the costs are recognised as they are incurred.

When the results of a building contract can be estimated reliably and the contract is probably going to be profitable, the income from the contract is recognised during the term of the contract. When it is probable that the costs of the contract will exceed the total income from the contract, the expected loss is recognised immediately as an expense. To determine the appropriate amount to be recognised in a certain period, the percentage of completion method is used. The level of completion is determined by reference to the costs of the contract at the balance sheet date as a percentage of the total estimated costs for each contract. The costs arising during the financial year in relation to the future activity of a contract are excluded from the costs of the contract to determine the completion percentage. They are presented as inventories, advance payments and other assets, depending on their nature.

The gross amounts owed by customers for the work of all the contracts in progress are presented as assets when the costs plus the recognised profits (less the recognised losses) exceed the amount billed to that date. The amounts yet to be paid by customers and withholdings are included in trade accounts receivable and other accounts receivable.

The gross amounts owed to customers for the work of all the contracts in progress are presented as liabilities when the partial billings exceed the costs plus the recognised profits (less the recognised losses).

c) Integrated products.

Certain projects have materialised through various companies in the Group (See Note 9) in which the company (in association with other companies or exclusively) wins a contract for periods of between 20 and 30 years, including the initial construction period, which can have a maximum duration of two years. These contracts include the construction of the infrastructures and the future services associated with the operation and maintenance of the concessions concerned during concession period (induced business).

These infrastructures are constructed for the account of the concessionary entity and financed with a mid-term loan (in general around 2 years) and then by financing without resource from a bank, which requires the pledge of the shares of the concessionary company, the delegation of the financial rights to collection of payment in favour of the bank and the fulfilment of debt coverage ratios and the subordination of the payment of dividends and interests to shareholders as long as said ratios are fulfilled.

Based on the above comments, each of these projects absorbs, in addition to the of the infrastructure constructions costs, the financial costs corresponding to the financing of the project, which are capitalised until the asset comes into operation (except for delays that could be considered the responsibility of the concessionary company), operating and maintenance costs and the general and administrative costs.

Thesecosts are recovered through the charging by the concessionary entity of an annual fee during the concessionary period which, in certain cases, is maintained in real terms updated by inflation. It is therefore not necessary to create any sinking funds. Where applicable, the updating is annual and is based on the official inflation rate of the country of the currency in which the charge is denominated and the fluctuations of local currency with regard to a currency basket.

The book method followed in this type of project is in keeping with the criteria laid down in the drafts of IFRIC regarding infrastructure works and consists of the following:

1) The profit which may be allocated to the construction phase is recognised in accordance with the degree of completion method, applying values that do not exceed the amounts financed by the associated project finance contracts under any circumstances. The total construction costs are recorded under Intangible fixed assets, are amortised on a straight-line basis over the concession period and are weighted, where applicable, by the reductions forecast in the annual base charges.

2) The annual attribution to the income statement during the concessionary period is carried out as follows:

    - Ordinary income: the updated base charge of each financial year.

    - Operating expenses: operating and maintenance costs, general and administrative costs and the corresponding amortisation charge in accordance with the criterion explained in paragraph a) above.

    - Financial expenses: both the financial expenses obtained and the exchange differences resulting from the fluctuations of the part denominated in foreign currency.

3) For the accounting related to integrated products, the following procedure is followed:

    - Book transfer from tangible fixed assets to intangible fixed assets once the construction phase is over and the assets have entered operation.

    - Interest is capitalised up to entry into service.

    - Intangible fixed assets are amortised in accordance with the straight-line method, weighted, where applicable, by any reductions that may be allowed in the basic annual rates.

    - The charges for each financial year must be considered as operating income in each year.

    - The operating and maintenance costs of each year will be included in costs according to costs occurring (accrual) in each period.

    - At the end of the financial year, each project is analysed to evaluate whether or not it is necessary to recognise impairment due to the non-recovery of the amounts invested.

However, should the licensor of the concession be responsible for paying the services to the operator and should said licensor substantially retain all the demand risks associated with the concession, the construction services are considered as a long term account receivable. The account receivable reduced by the annual charge to be received for this item.

2.20. Leasing.

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

Financial leasing is recognised at the beginning of the contract as the lowest fair value of the leased asset and the present value of the minimum payments from the lease. Each lease payment is broken down into the reduction of the debt and the financial charge so that a constant interest rate is obtained on the balance of the debt pending repayment. The payment obligation resulting from the lease, net of the financial charge, is recognised under long term liabilities. The part of the interest of the financial charge is charged to the income statement during the term of the lease in order to obtain a constant regular interest rate on the balance of the debt pending repayment for each period. The fixed assets acquired under financial leasing contracts are depreciated in the shorter of the useful life of the asset and the term of lease.

The leases in which a group company is the lessee and does not conserve a significant part of the risks and advantages resulting from the ownership are classified as operatiing leases. The payments for operatiing leases (net of any incentive received from the lessor) are charged to the income statement on a straight-line base over the term of lease.

2.21. Non-current assets (or disposal groups) held for sale.

Non-current assets (or disposal groups) are classified as assets held for sale and are recognised at the lower of book value and the fair value less selling costs if their book value is recovered mainly through a sale transaction instead of continued use and they are not subject to depreciation.

The Group adopted IFRS 5 early, on 1 January 2004, in accordance with the provisions laid down in the standard. The early adoption of IFRS 5 has led to a change in the accounting policies for non-current assets (or disposal groups) held for sale. The non-current assets (or disposal groups) held for sale are not classified or presented as current liabilities or assets. There is no difference in the valuation of the non-current assets (or disposal groups) held for sale or for continued use.

The application of IFRS 5 did not affect the consolidated financial statements of the previous financial year.

2.22. Dividend payment.

Payments of dividends to the shareholders of the parent company are recognised as a liability in the group's consolidated financial statements during the year in which the dividends are approved by the shareholders of the said company.

2.23. Electrical activities.

The Electricity Sector Act 54/1997 of 27 November and its subsequent developments regulate the various activities aimed at the supply of electricity, consisting of its production or generation, transport, distribution, commercialisation and intra-community and international exchange, as well as the technical and economic management of the electricity system. The said scope of activity also includes the self-producers and special producers regulated by the said act.

Royal Decree 437/1998, of 20 March, which adopts the standards for the adaptation of the General accounting plan to the companies in the electricity sector, including those in the groups mentioned in the above paragraph, lays down the obligation of including certain information in their financial statements. The said obligations are also applicable to the consolidated financial statements of the groups that are involved in one or more electrical activities.

The consolidation perimeter includes certain companies whose activity can be understood as one of those considered above as electrical.

Annexe IV lists the companies and their activities.

Note 9 "Fixed assets and projects" provides a list of the investments made in each activity.

2.24. Environmental assets.

The equipment, installations and systems applied to the elimination, reduction and control of possible environmental impacts are recorded with criteria similar to the fixed assets of a similar nature.

Specific provisions are made for environmental contingencies when, in accordance with a principle of maximum prudence, circumstances so recommend.

2.25. Severance indemnities.

Severance indemnities are paid to employees as a consequence of the company's decision to terminate their employment contracts before the normal retirement age or when employees voluntarily accept redundancy in exchange for the said indemnities. The group recognises these indemnities when it has undertaken, in a way that can be demonstrated, to terminate the employment of current workers in accordance with a formal plan without the possibility of withdrawal or to provide severance indemnities.

2.26. New standards and interpretations IFRSIC.

The IASB has recently adopted and published certain accounting standards, improvements to the current standards, as well as IFRSIC interpretations which came into force after 31 December 2005 and which have not yet been adopted by the European Union. Abengoa has not applied any of these new standards in advance and their application is not expected to give rise to significant effects on the group's financial statements.

Note 3. Financial risk management.

3.1. Financial risk factors.

The activities Abengoa carries out through its five business groups are exposed to various financial risks: Market risk (including exchange-rate risk, fair value interest risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The risk management model at Abengoa focuses on the uncertainty of financial markets and seeks to minimise the potential adverse effects on the group's financial profitability.

Risk management at Abengoa is controlled by the Group's Corporate Financial Department in accordance with the Internal Mandatory Management Norms in force. This department identifies, evaluates and covers the financial risks in close collaboration with the Group's operative units. The Internal Management Norms provide written policies for global risk management, as well as for specific areas such as the exchange rate risk, interest rate risk, liquidity risk, use of derivatives and non-derivatives and investment of excess liquidity.

a) Market risk.

Abengoa’s companies operate on an international scale and, therefore, are exposed to exchange-rate risks resulting from transactions in foreign currencies (especially the dollar and the euro). The exchange rate risk is the result of future business transactions, recognised liabilities and assets and net investments in transactions abroad.

In order to control the exchange rate risk arising from future business transactions, recognised liabilities and assets, the companies in the group use contracts subject to terms. The exchange-rate risk arises when future transactions, recognised liabilities and assets are denominated in a currency that is not the company's functional currency.

For financial reporting purposes , each subsidiary company designates contracts with the corporate financial department in which the fair value or cash flows are to be hedged, as applicable. In turn, at corporate level, external exchange-rate contracts are applied as hedges for the exchange-rate risk over certain assets, liabilities and future transactions.

Abengoa's risk management policy is to cover the transactions of collections and payments in currencies other than the functional currency scheduled for the following 12 months. Approximately 95% of the sales forecast in each of the currencies other than the functional currency are classified as highly probable scheduled transactions for the purposes of hedge accounting.

b) Credit risk.

Most of the accounts receivable and work in progress correspond to customers located in various industries and countries. In most cases, the contracts require payments as the project is developed, begun or delivered.

It is usual practice for the company to reserve the right to cancel the work should there be material breach, in particular, non-payment.

In addition to the above, with most contracts, the company has the firm commitment of a bank for the purchase, without resources, of the accounts receivable. In these agreements, the company pays the bank for assuming the credit risk, together with an interest and margin for the finance. In all cases, the company assumes the validity of the accounts receivable.

At the end of the financial year, the company has factoring without recourse lines totalling € 1,400 millions approximately.

Financial expenses during the year 2005 resulting from the said factoring transactions totalled € 12,424 thousand. (€ 12,198 thousands in 2004)

c) Liquidity risk.

A careful management of the liquidity risk involves the maintenance of sufficient cash and negotiable securities, the availability of finance by means of a sufficient amount of committed credit facilities and the capacity for liquidating market positions. Given the dynamic character of the underlying businesses, the objective of the group's cash department is to maintain flexibility in finance through the availability of committed lines of credit.

d) Fair value and cash flow interest rate risk.

The group's interest rate risk is the result of long-term external resources. The external resources issued at variable rates expose the group to cash flow interest rate risk.

The group manages the cash flow interest rate risk through the purchase of options in exchange for a premium through which the company assures the payment of a maximum fixed interest rate. In addition and under certain conditions, the company uses swaps at variable to fixed interest rate.

3.2. Accounting for derivatives and hedging transactions.

The group's activities expose it fundamentally to financial risks resulting from variations in exchange rates, interest rates and changes in the fair values of certain assets and supplies (mainly zinc, aluminium, grain, ethanol and gas). To cover these exposures to the exchange-rate and to fully or partially hedgethe purchase/sale transactions of physical tonnes of these commodities, Abengoa uses (interest options) future currency contracts and future contracts over the aforementioned commodities. It does not use derivative financial instruments for speculative purposes.

The hedgingderivatives are recognised at the beginning of the contract by their fair value and the said value is subsequently adjusted. The method for recording the resulting profit or loss into the books depends on whether or not the derivative is classed as a hedging instrument and on the nature of the item covered. In accordance with the above, there can be three types of derivatives:

a) Hedgingof the fair value of recognised assets or liabilities or a firm commitment (hedgingof the fair value);

b) Cover for scheduled transactions (hedgingof cash flows);

c) Hedgingof a net investment in transactions abroad.

At the beginning of each transaction, the relation between the hedginginstruments and the items covered is recorded, as well as the object of their risk management and the strategy for carrying out the various hedgingtransactions. Their evaluation is recorded appropriately at the beginning of the hedging and subsequently on an ongoing basis, to ascertain whether or not the derivatives used in the hedging transactions are very effective when offsetting the changes in the fair values or in the cash flows of the goods covered.

Note 12 includes information about the fair values of various derivatives used in hedging transactions. Note 17 shows the movements in the hedge fund included in equity.

a) Cover of the fair value.

The changes in the fair value of the designated derivatives which meet the conditions to be classified as fair value hedging transactions are recognised in the income statement, together with whatsoever change in the fair value of the hedged assets or liability and attributable to the risk covered.

b) Cash flow cover.

The cash part of changes in the fair value of the derivatives designated and which are classified as cash flow covers are recognised in equity. The gain or loss corresponding to the non-cash part is immediately recognised in the income statement.

The amounts accumulated in equity are transferred to the income statement in the financial year in which the hedged item will affect the profit or loss. However, when the hedged scheduled transaction results in the recognition of a non-financial assets or liability, the profit and loss previously deferred in equity are transferred from equity and included in the initial valuation of the cost of the asset or the liability.

When the hedging instrument matures or is sold, or when a hedging transaction no longer meets the requirements for the application of hedging accounting, the profit or loss accumulated in the equity up to that moment will continue to form a part thereof and is recognised when the anticipated transaction is finally recognised in the income statement. However, if the said transaction is no longer probable, the profit or loss accumulated in the equity is immediately transferred to the income statement.

c) Net investment hedging.

At present, there neither is nor has been any net investment hedging in transactions abroad.

For the derivatives that do not meet the criterion for the application of hedge accounting. The changes in the fair value of any derivative not classified for hedge accounting are recognised immediately in the income statement.

3.3. Estimation of the fair value.

The fair value of financial instruments traded on active markets (such as the derivatives with an official price and the investments acquired for trading and those available for sale) is based on market prices at the end of the financial year. The market price used by Abengoa for the financial assets is the current buyer price; the appropriate market price for financial liabilities is the current vendor price.

The fair value of the financial instruments not listed on a two-way market is determined using valuation techniques. The company uses a variety of methods and draws up hypotheses that are based on the market conditions in force on each date on the balance sheet. The market prices for similar instruments are used for the long-term debt. To determine the fair value of the remaining financial instruments, other techniques, such as estimated discounted cash flows, are used. The fair value of the interest rate exchange is calculated as the current value of the estimated future cash flows. The fair value of the exchange rate contracts subject to terms is determined by using the deferred exchange rates on the market on the date of the balance sheet.

The nominal value less the estimated credit adjustments of the collectable and payable accounts is assumed to be near the corresponding fair values. The fair value of the financial liabilities for the presentation of financial information is estimated by discounting the future contractual cash flows at the current market interest rate available for the group for similar financial instruments.

Note 4. Accounting Estimates and Judgements.

In Abengoa's consolidated financial statements corresponding to the 2005 and 2004 financial years, estimates made by the top-level management of the group and the consolidated companies have been used occasionally, subsequently ratified by the corresponding directors, to quantify some of the assets, liabilities, income, expenses and commitments recorded in the said accounts. Basically, these estimates refer to the following:

- Asset impairment losses (See Note 2).
- The service life of the tangible and intangible assets (See Notes 2, 7 and 8).
- The amount of certain provisions (See Note 24).
- The valuation of the goodwill (See Note 7).
- The fair value of certain non-listed assets (See Note 12).
- Tax on profits (See Note 32).

Despite the fact that these estimates were made in accordance with the best information available at the end of each financial year concerning the facts under analysis, future events may require their modification (upwards or downwards) in the coming financial years. This would be carried out in accordance with the provisions laid down in the IAS 8, prospectively recognising the effects of the changed estimation in the corresponding consolidated income statement .

Note 5. Transition to International Financial Reporting Standards (IFRS).

5.1. Basis for transition to IFRS.

5.1.1. Application of IFRS 1.

Abengoa's consolidated financial statements at 31 December 2005 were the first consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).

The data of Abengoa's transition to IFRS is 1 January 2004, when the company prepared its opening balance in accordance with IFRS on the said date.

In the preparation of these initial consolidated financial statements in accordance with IFRS 1, the group has applied all the mandatory exceptions and some of the optional exemptions to the retroactive application of IFRS.

5.1.2. Exemptions to retroactive application.

The following is a list of the exemptions to retroactive application which Abengoa has chosen to apply:

a) Business combinations.

The group has opted not to reconstruct business combinations prior to 1 January 2004 by applying IFRS principles and, consequently, the business combinations that took place prior to the said date have not been re-stated.

b) Fair value as an attributed cost.

In accordance with the IFRS 1, with regard to the initial transition to IFRS, attributed cost of the tangible fixed assets at 1 January 2004 has been taken as the book value of the fixed assets in accordance with Spanish standards as a result of the management of Abengoa assuming the fact that the assets restatements that have taken place in accordance with the regulations in force in the countries in which the companies belonging to Abengoa reflect their market value in a more approximate way.

c) Accumulated translation differences.

Abengoa, S.A, has chosen to value the accumulated translation differences prior to 1 January 2004 at zero. This exemption has been applied to all the subsidiary companies in accordance with the provisions laid down in IFRS 1.

Accordingly, the translation differences generated prior to 31 December 2003 have been classified under the heading "Other available reserves" within the equity chapter. Consequently, in the event of the sale of a part-owned company, the income statement would only include the translation differences generated after the aforementioned date.

d) Assets and liabilities of subsidiary, associate and jointly controlled companies.

Shareholdings in joint businesses can be consolidated by proportional consolidation or valued by their equity method using the same criterion for all the shares in joint businesses held by the group. Abengoa maintains the criterion of consolidation through the proportional consolidation method (IAS 31), in accordance with the criterion similar to that previously applied for the purposes of the accounts according to the General accounting plan, of all the shares in companies or businesses in which it holds a control shared with its other shareholders.

e) Clasification of financial assets and financial liabilities.

The group has reclassified various securities as investments available for sale (See Note 12) and as financial assets at a fair value with changes in the results (See Note 11).

f) Share-based payments.

The group has opted to apply the exemption related to share-based payments. The group has applied the IFRS 2, since 1 January 2004, to all the options issued prior to 7 November 2002, but which have not matured at 1 January 2005. The application of this exemption is detailed in Note 5.2.2.

g) Initial valuation of financial assets and liabilities at their fair value.

The group has not applied the exemption considered in the reviewed IAS 39 regarding the initial recognition at fair value with changes in results of financial instruments for which there is not an active two-way market. Therefore, this exemption is not applicable.

5.2. Conciliation between IFRS and local accounting principles (General accounting plan).

5.2.1. Summary of adjustments to equity and profit for 2004.

The following shows the reconciliation between the consolidated equity of Abengoa under the General accounting plan in Spain and the equity resulting from the application of the IFRS on 1 January 2004 and 31 December 2004. It also gives the reconciliation between the consolidated profit of Abengoa for the financial year 2004 under the General accounting plan in Spain and the profit at 31 December 2004 as a result of the application of the IFRS in force on the said date.

	Equity figures at 01/01/2004	**Equity figures at 31/12/2004**	**Profit figures at 31/12/04**
Consolidated amount under the General accounting plan in Spain	**330,782**	**362,611**	**51.784**
Incorporation of the external shareholders heading	**47,093**	**120,064**	**-**
Start-up expenses	(13,510)	(17,078)	2,123
Research and development costs	(41,402)	(36,862)	(1,872)
Restructuring of assets	(61,878)	(61,710)	167
Selective restatement of tangible fixed assets	58,397	58,076	(321)
Goodwill	(20,940)	(4,410)	19,426
Exchange differences and financial instruments	3,727	(26,086)	(16,936)
Valuation of financial investments	17,293	(5,187)	(14,818)
Recognition of income (work in progress)	4,941	6,568	2,743
Stock plans	(939)	(5,510)	(2,453)
Other Adjustments	(8,526)	(5,705)	1,220
Tax effect	14,673	33,726	12,175
Minority interests by adjustments	(10,308)	(5,353)	(851)
Total adjustments	**(58,472)**	**(69,531)**	**603**
Consolidated amount under the IFRS	**319,403**	**413,144**	**52,387**

5.2.2. Explanation of the main differences between the General accounting plan and the IFRS.

As a continuation of the above, the following is an explanation of the main differences between the accounting principles applied to obtain the opening balance sheet at 1 January 2005 under the IFRS and the end of the previous year under the General accounting plan.

- Initial costs: under the General accounting plan, this type of expense was capitalised and amortised on a straight-line basis in a maximum period of five years. In general, under the IFRS, they are recorded as expenses for the year (IAS38).

- R&D expenses: as with the previous case, under the General accounting plan, they could be capitalised and amortised within a maximum term of five years. In general, under the IFRS, the research and development expenses are recorded directly against expenses for the financial year, except in the cases of development expenses that meet certain requirements, which are capitalised and amortised over the corresponding useful life.

- Restructuring of assets: as a consequence of the application of the IFRS, the existence of assets susceptible to restructuring in accordance with the provisions laid down in IAS 36 was determined and they were then restructured.

  To calculate the value for the use of these assets, projected cash flows are used based on financial budgets approved by the directors and covering a period of five years. Constant growth rates and discount rates have been used for the businesses associated with the said assets, pre-tax and including the effect of these specific associated risks.

  The restructured assets are as follows:

	Book value Cost	**Use value**	**Restructuring**
- Tangible fixed assets			
Technical installations and machinery	81,540	25,771	55,769
- Accounts receivable and inventories	12,089	5,980	6,109
Total	**93,629**	**31,751**	**61,878**

  The restructured tangible fixed assets correspond to the assets from the subsidiary companies Befesa Salt Slag, Ltd., Aluminio en Discos, S.A., Proyectos Ecológicos Vilches, S.A. and various power cogeneration companies.

Furthermore, at 1 January 2004 and 31 December 2004, the subsidiary Befesa Medio Ambiente had assets totalling €12,089 thousands and €12,808 thousands, respectively, resulting from the agreement signed by the subsidiary Befesa Construcción y Tecnología Ambiental, S.A. for the construction of various mini power stations in operation as from 1999 and 2000. However the company owning the power stations has not yet signed their provisional acceptance and therefore legal actions have been taken in order to obtain the repayment of the debt or the execution of the guarantees in favour of Befesa Construcción y Tecnología Ambiental, S.A. Likewise the corresponding administrative concession for the hydroelectric use of the aforementioned mini power stations is mortgaged in favour of Befesa Construcción y Tecnología Ambiental, S.A. Nevertheless, once the financial forecasts for the corresponding assets have been analysed and in accordance with the provisions laid down in the IAS 36, Grupo Befesa has restructured the said assets and recorded them at their recoverable value in accordance with the aforementioned criteria.

- Selective restatement of tangible fixed assets: in application of the IFRS 1, certain intangible fixed assets have been restated: land and buildings.

  The selective restatement is as follows:

	Book value GAP cost	**Market value**	**Value after revaluation**
Land	3,892	39,145	35,253
Buildings and constructions	13,970	37,114	23,144
Total	**17,862**	**76,259**	**58,397**

  The market value has been obtained from independent expert valuations.

- Goodwill: Abengoa has applied the exemption laid down by the IFRS 1 so as not to recalculate the business combinations prior to 1 January 2004. Furthermore the goodwill in foreign currency has been converted to local currency in accordance with the IFRS 1 and IAS 21 (under the General accounting plan, they were converted at the historic exchange rate). Finally, under the IFRS, the goodwill is no longer amortised although it is subject to an annual impairment test in accordance with the IAS 36.

- Exchange differences and financial instruments: The financial derivatives maintained by Abengoa correspond to interest rate and exchange rate hedging transactions and are carried out to reduce the risks associated with the said transactions. In accordance with the IAS 39, the said transactions are classified as cash flow hedging and the variations in the value of the hedging document are recorded into the books in reserves until the hedge is cancelled, which is when the amount recorded in the books up to the said date in said heading is attributed to the income statement. Furthermore, in accordance with the General accounting plan, the positive exchange differences not liquidated must be deferred in as much as they exceed the negative exchange differences attributed to the results during the period. In accordance with the IFRS, all the exchange differences, whether positive or negative, liquidated or otherwise, are recognised in the income statement.

- Valuation of financial investments: In accordance with the General accounting plan, the financial assets are valued at their acquisition price or at their market value, if the latter were lower, and are removed from the balance sheet when they are sold, transferred or matured. The financial assets are classified in a series of categories that determine their valuation at fair value and strict criteria are established regarding the removal of financial assets from the balance sheet, based on the evaluation of the risks and benefits associated with the ownership of the transferred asset.

- Recognition of income (work in progress): Under the General accounting plan, at Abengoa, the recognition of the margin of work executed was limited by the certificates/bills issued to customers. In accordance with the IAS 11, the result is recognised in accordance with the level of progress to be applied to the work executed at the close.

- Stock plans: Under the IFRS, the liabilities must be recognised by the amount paid to the employee and the personnel expense corresponding to the difference between the price of sale to the employee and the agreed repurchase price must be spread. In the case of listed shares, the spreading of the expense is determined by the list value with regard to that of the initial sale.

- Tax effect: Under the General accounting plan, the time differences showed the different attribution from the tax and accounting point of view of income and expenses. In accordance with the IFRS, the concept of time difference arises, which corresponds to the difference between the book value of an asset or liability and its tax base, where the corresponding advance or deferred tax is generated. Furthermore, the time difference resulting from the tax effect of the adjustments to the consolidated equity of the first application of the IFRS has been calculated.

- On the other hand, the opening balance at on 1 January 2005 incorporates other bills that do not affect the equity and which represent various reclassifications in the assets and liabilities accounts of the balance sheet, such as the following: rights over assets under financial lease (IAS 17); capital subsidies; charges to be spread over several years (financial leasing expenses, debt formalisation, etc); non-existence of extraordinary income and expenses and the consideration of the external shareholder heading as a part of the stockholders' equity.

Note 6. Financial information by segments.

6.1. Information by business segments.

The segments identified to show the information correspond to the four business groups in which Abengoa has operated up to 2005 (See Note 1). The said segments are as follows.

- Bioenergy.
- Environmental services.
- Information Technologies.
- Industrial construction and engineering.

a) The distribution by segments of the consolidated net turnover for the financial years ending at 31 December 2004 and 2005 is as follows:

Segment	Amount at 31/12/05	Amount at 31/12/2004
Bioenergy	392,674	335,203
Environmental services	402,403	357,762
Information Technologies	362,558	281,056
Corporate and industrial construction and engineering	865,880	772,031
Net turnover	2,023,515	1,746,052

b) The contributions to results after tax by segments for the financial years ending at 31 December 2004 and 2005 are as follows:

Segment	Amount at 31/12/05	Amount at 31/12/2004
Bioenergy	12,574	14,620
Environmental services.	17,468	16,182
Information Technologies	13,893	23,234
Corporate and industrial construction and engineering	34,546	6,163
After-tax profits	78,481	60,199

c) The assets and liabilities by segments at 31 December 2004 and 2005 are as follows:

	Bio.	Environ. Services	IT	Ind. Const. and Eng.	Corp. Act. and Adjustments	Total at 31/12/04
Assets						
Tangible Fixed Assets	205,245	144,318	52,837	260,756	(15,312)	647,844
Intangible assets	2,796	5,664	6,071	1,768	495,110	511,409
Financial Investments	12,759	48,980	30,552	98,717	24,357	215,365
Current Assets.	261,914	286,195	248,708	451,796	(132,508)	1,116,105
Total Assets	**482,714**	**485,157**	**338,168**	**813,037**	**371,647**	**2,490,723**
Liabilities						
Equity	132,796	170,131	129,794	101,778	(121,355)	413,144
Non-current Liabilities	177,273	63,891	32,371	211,970	491,787	977,292
Current Liabilities	172,645	251,135	176,003	499,289	(1,215)	1,100,287
Total Liabilities	**482,714**	**485,157**	**338,168**	**813,037**	**371,647**	**2,490,723**

	Bio.	Environ. Services	IT	Ind. Const. and Eng.	Corp. Act. and Adjustments	Total at 31/12/05
Assets						
Tangible fixed assets	259,445	176,073	54,726	323,017	3,694	816,955
Intangible assets	560	5,855	5,924	2,528	741,335	756,202
Financial Investments	3,349	41,192	40,059	58,650	127,816	271,066
Current Assets	409,347	290,792	273,568	552,207	(47,413)	1,478,501
Total Assets	**672,701**	**513,912**	**374,277**	**936,402**	**825,432**	**3,322,724**
Liabilities						
Equity	162,452	175,483	150,404	151,349	(113,497)	526,191
Non-current Liabilities	261,946	54,884	28,032	219,869	607,169	1,171,900
Current Liabilities	248,303	283,545	195,841	565,184	331,760	1,624,633
Total Liabilities	**672,701**	**513,912**	**374,277**	**936,402**	**825,432**	**3,322,724**

The criteria used to obtain the figures for assets and liabilities by segments are as follows:

1. The figures have been grouped together by each segment based on the use of the sub-consolidated figures of each of the business heads maintained by the group.

2. The Corporate activity and Adjustments column includes both the assets and liabilities of general use, which are not distributed to the other activities and which are mainly included in the balance sheet of the parent company, as well as the adjustments effected during the consolidation process.

3. The group also has auxiliary activities, portfolio companies and companies dedicated to the exploitation of property, whose dimension is not significant (less than 5%) enough to present separate information, which is why they are included in the corporate activity column.

6.2. Information by geographic segments.

a) The sales distribution by geographical segments at 31 December 2004 and 2005 is as follows:

Geographic area	Amount at 31/12/05	%	Amount at 31/12/2004	%
Domestic market	**1,041,707**	**51.5**	**1,045,765**	**59.9**
- USA and Canada	270,269	13.4	225,215	12.9
- European Union	122,184	6.0	120,464	6.9
- Latin-America	492,300	24.3	295,049	16.9
- Other countries	97,055	4.8	59,359	3.4
Foreign market	**981,808**	**48.5**	**700,087**	**40.1**
Total	**2,023,515**	**100.0**	**1,745,852**	**100.0**

b) The distribution of net investments in (Intangible and Tangible) Fixed Assets by geographical segments at 31 December 2004 and 2005 is as follows:

Geographic area	Balance as of 31/12/2005	Balance as of 31/12/2004
Domestic market	**576,860**	**524,183**
- USA and Canada	99,572	67,353
- European Union	20,784	17,888
- Latin-America	571,002	252,244
- Other countries	1,514	292
Foreign market:	**692,872**	**337,777**
Total	**1,269,732**	**861,960**

Note 7. Intangible Assets.

7.1. The statement and movement of the main types of intangible assets, broken down between those generated internally and other intangible assets, are as follows:

Cost	Goodwill Fund	Development Projects	Other Intangible Assets	Total
Balances as of 1 January 2004	297,176	-	17,595	314,771
Increases	10,971	-	1,996	12,967
Decreases	(274)	-	(119)	(393)
Other movements	(10,580)	-	(4,015)	(14,595)
Balances as of 31 December 2004	**297,293**	**-**	**15,457**	**312,750**
Increases	1,217	37,487	10,699	49,403
Decreases	(5,422)	-	(2,194)	(7,616)
Other movements	10,337	-	(9,078)	1,259
Balances as of 31 December 2005	**303,425**	**37,487**	**14,884**	**355,796**

Accumulated depreciation	Goodwill Fund	Development Projects	Other Intangible Assets	Total
Balances as of 1 January 2004	-	-	(9,832)	(9,832)
Increases (changes)	-	-	(3,958)	(3,958)
Decreases	-	-	180	180
Other movements	-	-	10,808	10,808
Balances as of 31 December 2004	**-**	**-**	**(2,802)**	**(2,802)**
Increases (changes)	-	-	(4,494)	(4,494)
Decreases	-	-	167	167
Other movements	-	-	-	-
Balances as of 31 December 2005	**-**	**-**	**(7,129)**	**(7,129)**

In general, the amounts corresponding to "Other Movements" show incomings and outgoings of companies on the consolidation perimeter, as well as regularisations between definitive balances from the previous financial year of individual companies regarding those provided for consolidation; the net effect is not significant.

The heading titled "Development Projects" includes the amounts invested in two projects: "Design and development of the pilot plants for the production of bioethanol using cellulose biomass" (€ 10.5 million at 31 December 2005) and "Development of plants with high-performance thermoelectric solar technology” (€ 27 million at 31 December 2005).

In addition, Abengoa makes significant investments in R&D&I spending, which are included in the income statement in accordance with the criteria laid down in IFRS. The amount for spending on research and development for the financial year is 2005 and 2004 in addition to the capitalised projects totals € 18,305 and € 15,220 thousands, respectively and approximately.

7.2. The consolidation goodwill by part-owned companies at 31 December 2004 and 2005 is as follows:

Goodwill	Balance as of 31/12/2005	Balance as of 31/12/2004
Companies consolidated by line by line / proportional method		
Abengoa Bioenergy Corp.	37,726	32,674
Abengoa Chile Consolidado	-	5,414
Befesa Aluminio Valladolid, S.A.	422	422
Befesa Aluminios Bilbao, S.L.	18,230	18,230
Befesa Argentina, S.A.	525	470
Befesa Gestión de PCB, S.A	180	180
Befesa Gestión de Residuos Industriales, S.L.	29,897	29,897
Befesa Medio Ambiente, S.A.	162,587	162,587
Befesa Tratamientos y Limpiezas Industriales, S.L.	15,016	15,016
Befesa Zinc Amorebieta, S.A.	2,663	2,663
Befesa Zinc Aser, S.A.	4,268	4,268
Befesa Zinc Sondika, S.A.	854	854
Construcciones y Depuraciones, S.A.	3,006	3,006
Construcciones Metálicas Mexicanas, S.A. de C.V.	651	136
Gestión de Residuos del Cerrato, S.L.	1,232	1,232
ICX Sistemas	-	15
Miner & Miner Consulting Engineers, Inc.	3,435	1,820
Nordic Biofuels of Ravenna	932	764
Telvent Australia Pty Ltd	836	-
Telvent Canadá, Ltd.	19,333	16,232
Telvent USA, Inc.	1,632	1,413
Totals	**303,425**	**297,293**

With regard to the goodwill, at the end of the financial year, estimates have been made of the recoverable amount of the Cash Generation Units (CGU) to which they have been allocated. The recoverable amount is determined on the basis of the current use value calculation. These calculations use cash flow forecasts based on financial budgets adopted by the directors and discounted by means of discount rates similar to those used in the same types of business by the group. At the year end, it has not been considered necessary to record impairment losses.

Note 8. Tangible Fixed Assets.

8.1. The statement and movements for the 2004 and 2005 financial years regarding the different categories of tangible fixed assets are given the following table:

Cost	**Land and Buildings**	**Technical Installations and Machinery**	**Advances and Fixed Assets in Progress**	**Other Fixed Assets**	**Total**
Balances as of 1 January 2004	157,498	331,808	7,081	93,639	590,026
Increases	5,152	15,742	16,452	5,478	42,824
Decreases	(2,707)	(9,106)	(20,665)	(1,511)	(33,989)
Other movements	860	2,258	4,413	3,578	11,109
Balances as of 31 December 2004	**160,803**	**340,702**	**7,281**	**101,184**	**609,970**
Increases	36,845	33,314	14,964	31,675	116,798
Decreases	(849)	(2,655)	(18,092)	(12,972)	(34,568)
Other movements	(9,102)	141,727	23,153	25,946	181,724
Balances as of 31 December 2005	**187,697**	**513,088**	**27,306**	**145,833**	**873,924**

Accumulated depreciation	**Land and Buildings**	**Technical Installations and Machinery**	**Advances and Fixed Assets in Progress**	**Other Fixed Assets**	**Total**
Balances as of 1 January 2004	(18,225)	(162,994)	-	(53,499)	(234,718)
Increases	(4,596)	(17,195)	-	(5,112)	(26,903)
Decreases	1,684	4,534	-	1,504	7,722
Other movements	1,870	515	-	161	2,546
Balances as of 31 December 2004	**(19,267)**	**(175,140)**	**-**	**(56,946)**	**(251,353)**
Increases	(2,902)	(24,382)	-	(7,936)	(35,220)
Decreases	125	30	-	868	1,023
Other movements	1,315	(36,756)	-	(10,210)	(46,651)
Balances as of 31 December 2005	**(20,729)**	**(236,248)**	**-**	**(74,224)**	**(331,201)**

In general, the amounts corresponding to "Other movements" show the inclusion of certain companies considered as Project companies in previous fiscal years, as well as regularisations between definitive balances from the previous financial year of individual companies regarding those provided for consolidation.

8.2. The fixed assets not used in operations are not significant.

8.3. It is the companies' policy to take out all the insurance policies considered necessary for covering the possible risks that might affect the tangible fixed assets.

8.4. In compliance with the agreements laid down in the town planning collaboration agreement by and between the town planning department of Seville, Iniciativas de Bienes Inmuebles, S.A. (IBISA) and Abengoa, S.A. on 1 March 2004, at the end of the 2005 financial year the group company Centro Tecnológico Palmas Altas, S.A. (CTPA) acquired land owned by IBISA amounting to € 31 million. The said amount corresponds to that for which IBISA acquired the land from Abengoa, S.A. in 2002 (amounting to € 28,858 thousands) plus costs, which were basically financial, attributable to the value of the land from that date. The agreements between the parties included the commitment, should the value of the land acquired by IBISA from Abengoa, S.A., for whatsoever reason, be finally higher than the acquisition price plus expenses, that Ibisa would undertake to transfer the difference between both values to Abengoa, S.A. or award a buyback option under the same terms and conditions, which has been the option taken.

Subsequently, CTPA carried out an exchange with the City Hall of Seville whereby it acquired 80.94% of the ownership of land in Palmas Altas to install a technology centre in exchange for the urban use of 14,480.76 square metres of its land. The valuation of the exchanged assets totals € 17,940 thousands.

The aforementioned valuation involves capital gains on the cost of the land exchanged totalling € 8,738 thousands without considering the tax effect susceptible to recognition under IFRS. However, given that the transaction is pending valuation with no monetary transaction related to the lands and rights exchanged having been closed and or registered in the Companies Book at the date of closure, which will take place when the agreement is recorded as a public document, the recognition of the capital gains will be carry out at the moment when a monetary transaction is carried out involving any of the lands forming part of the exchange.

By virtue of the commitments assumed by IBISA and Abengoa, CTPA shall finalise the installation of the technology centre in the maximum term of three years from when the works licence is awarded. On the other hand, given that the urban use transferred will occur once the town planning project has been definitively approved, constituting a future asset until then, CTPA has provided sufficient guarantee for the value of the said asset (€ 17,940 thousands), a guarantee that will be returned once the said plan has been definitively approved.

Note 9. Project Finance.

9.1. The consolidation perimeter includes holdings in various companies whose corporate purpose is "single-project".

The companies that own the projects usually finance them through the concept known as "project finance" (no-recourse financing applied to projects).

In this regard, the base of the finance agreement between the company and the bank lies in the allocation of the cash flows the project generates to the repayment of the financing and to satisfying the financial load, with exclusion or quantified payment of whatsoever other asset resource, in such a way that the recovery of the investment by the bank is exclusively through the cash flows of the project financed, with subordination to whatsoever other debt to which the no-recourse financing applied to projects is derived as long as the said finance has not been fully repaid.

Accordingly, we have finance without recourse formulas that are applied to specific business projects. In the companies that own the projects, besides the shareholding of Abengoa, S.A. or its subsidiaries, there are usually other shareholders, such as electricity companies, regional governments and other local shareholders.

The no-recourse financing applied to projects can have the following as usual guarantees:

- Pledge of the shares of the developer company awarded by the shareholders of the said company.
- Assignment of collection rights.
- Limitations on the disposal of the assets of the project.

On occasions, the shareholders have purchase options over the installations at a stipulated price, a fact that is taken into account when determining the book entries of the project and, where necessary, the necessary funds are provided so that the differences between the consolidated net assets and the acquisition value established in the purchase option is shown, avoiding the existence of losses in the transaction in whatsoever case.

9.2. The amounts and variations during the 2004 and 2005 financial years with regard to project finance are as follows:

No-recourse financing applied to projects	Balance as of 01/01/04	Increases	Decreases	Other movements	Balance as of 31/12/04
Long term	175,424	67,491	(38,976)	-	203,939
Short term	93,049	120,746	(52,957)	-	160,838
Total no-recourse financing	**268,473**	**188,237**	**(91,933)**	**-**	**364,777**

No-recourse financing applied to projects	Balance as of 31/12/04	Increases	Decreases	Other movements	Balance as of 31/12/05
Long term	203,939	237,663	(49,118)	(6,119)	386,365
Short term	160,838	254,727	(122,571)	(8,519)	284,475
Total no-recourse financing	**364,777**	**492,390**	**(171,689)**	**(14,638)**	**670,840**

On the assets side of the balance sheet ("Financial accounts receivable" of under the current assets), there are reserve accounts at the beginning inception of the debt amounting to € 4,751 thousands related to project finance.

9.3. The amounts and variations during the 2004 and 2005 financial years with regard to investments in projects financed without recourse are as follows:

Intangible assets	Balance as of 01/01/04	Increases	Decreases	Other movements	Balance as of 31/12/04
Intangible assets	207,681	5,530	(22)	-	213,189
Accumulated depreciation	(4,287)	(7,441)	-	-	(11,728)
Net intangible assets	**203,394**	**(1,911)**	**(22)**	**-**	**201,461**

Intangible assets	Balance as of 31/12/04	Increases	Decreases	Other movements	Balance as of 31/12/05
Intangible assets	213,189	244,511	(47,434)	9,093	419,359
Accumulated depreciation	(11,728)	(6,451)	13,480	(7,125)	(11,824)
Net intangible assets	**201,461**	**238,060**	**(33,954)**	**1,968**	**407,535**

Cost	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Balances as of 1 January 2004	17,460	215,395	163,006	5,965	401,826
Increases	8	45,641	89,745	197	135,591
Decreases	-	(476)	-	-	(476)
Other movements	(11,072)	(28,965)	(139,549)	29	(179,557)
Balances as of 31 December 2004	**6,396**	**231,595**	**113,202**	**6,191**	**357,384**
Increases	-	-	175,145	530	175,675
Decreases	-	-	-	-	-
Other movements	(5,096)	(134,434)	(81,600)	(5,790)	(226,920)
Balances as of 31 December 2005	**1,300**	**97,161**	**206,747**	**931**	**306,139**

Accumulated depreciation	Land and Buildings	Technical Installations and Machinery	Advances and Fixed Assets in Progress	Other Fixed Assets	Total
Balances as of 1 January 2004	(4,837)	(47,209)	-	(3,866)	(55,912)
Increases	(35)	(16,633)	-	(660)	(17,328)
Decreases	-	-	-	4	4
Other movements	4,684	21	-	374	5,079
Balances as of 31 December 2004	**(188)**	**(63,821)**	**-**	**(4,148)**	**(68,157)**
Increases	(42)	(2,994)	-	(414)	(3,450)
Decreases	-	-	-	-	-
Other movements	-	35,672	-	4,028	39,700
Balances as of 31 December 2005	**(230)**	**(31,143)**	**-**	**(534)**	**(31,907)**

The heading "Other Movements in Tangible Fixed Assets" includes the transfer from tangible fixed assets to the intangible assets of the products integrated once the construction and commencement phase has ended (See Note 2.19) and the outgoings of certain companies not considered Projects companies in this financial year.

In addition, the variations in advances and fixed assets in progress for € 89,745 thousands correspond basically to the construction of the transmission line Sobradinho-Colinas in Brazil, a company in preoperational phase (See Note 9.5) and, in accordance with the above, to the reclassification of the projects in progress in previous years and which this year are considered as an intangible asset once their construction is finished.

9.4. The cancellation of the no-recourse financing applied to projects is scheduled, to date, in accordance with the following calendar as per the cash-flow forecasts to be generated by the projects.

2006	2007	2008	2009	2010	Subsequent	Total
284,475	34,304	35,014	35,202	35,510	246,335	670,840

9.5. The no-recourse financing applied to projects includes, as no-recourse financing in progress, the cash transactions consisting of the obtaining of financial resources, generally through banks, that are included in project development, which are normally carried out under the modality of project finance. This obtaining of resources is considered as a concept similar to the traditional advance payments customers make during the different phases of the execution of a work or project; the no-recourse financing in progress has the particularity with regard to the traditional advance payments of customers in that it is usually a bank that provides the funds and they correspond to temporary transactions (usually with a term less than two years) during the assets/projects construction and launch phase which, once finalised and commissioned, are the object of transactions financed through the modality of project finance (See Note 9.1).

The temporary cash transactions remain in this heading until the definitive formalisation of the no-recourse financing applied to projects.

However, if during the transitional period, there is a risk of non-compliance with of the terms agreed for the formalisation of the project finance (or for the construction that will finally give rise to the finance), they are reclassified to the corresponding section of the balance sheet heading in accordance with their nature; which is usually Bank loans.

At 31/12/05, the two projects of this nature are as follows:

The Sobradinho-Colinas line, whose concession belongs to the company ATE II Transmissora de Energia, S.A., and the batch A line - Pará-Tocantins transmission lines, whose concession belongs to the company ATE III Transmissora de Energia, S.A. The most significant figures for these two projects are given in the following table:

Item	**ATE II**	**ATE III**
Project start date	March 2005	February 2006
Anticipated finalisation date	March 2007	February 2008
Contract amount (EPC)	€ 325.854 thousands	€ 203,573 thousands
Execution at 31/12/05	€ 130,342 thousands	-
Short-term finance start date	March 2005	March 2005
Short-term finance maturity date	March 2007	March 2006
Amount drawn	€ 246,300 thousands	-
Long-term anticipated finance start date	June 2006	March 2007
Long-term finance duration	Up to 20 years	Up to 15 years
Total amount long-term finance	€ 255,256 thousands	€ 110,780 thousands

The Londrina-Assis-Sumaré transmission line project, whose concession belongs to the company Abenasa Transmissao de Energia, Ltda. and which was classified in this heading at 31/12/04, has also now been definitively formalised as no-recourse financing applied to projects.

Note 10. Investments in Associated Companies.

The investments in associated companies during the 2004 and 2005 financial years are as follows:

Company	Balance as of 01/01/2004	Yearly allocation	Other movements	Balance as of 31/12/2004
Agua y Gestión de Servicios Ambientales, S.A.	-	434	5,358	5,792
Cogeneración del Sur, S.A.	70	2	-	72
Cogeneración Motril, S.A.	2,506	523	240	3,269
Deydesa 2000, S.L.	7,928	161	(243)	7,846
Ecología Canaria, S.A. (Ecansa)	700	172	1	873
Expansion Transmissao de Energía Electrica Ltda.	6,651	827	(946)	6,532
Expansion Transmissao Itumbiara Marimbondo, Ltda.	139	208	3,873	4,220
Intersplav	3,377	520	(1,506)	2,391
Tenedora de Acciones de Red Eléctrica del Sur, S.A.	5,879	787	(233)	6,433
Other companies.	1,184	-	(401)	783
Total	**28,434**	**3,634**	**6,143**	**38,211**

Company	Balance as of 31/12/2004	Yearly allocation	Other movements	Balance as of 31/12/2005
Agua y Gestión de Servicios Ambientales, S.A.	5,792	721	80	6,593
Cogeneración del Sur, S.A.	72	1	157	230
Cogeneración Motril, S.A.	3,269	1,540	(643)	4,166
Deydesa 2000, S.L.	7,846	-	(636)	7,210
Ecología Canaria, S.A. (Ecansa)	873	52	(52)	873
Expansion Transmissao de Energía Electrica Ltda.	6,532	1,913	1,985	10,430
Expansion Transmissao Itumbiara Marimbondo, Ltda.	4,220	690	1,388	6,298
Intersplav	2,391	270	80	2,741
Inversiones Eléctricas Transam Chile Limitada	-	-	5,032	5,032
Tenedora de Acciones de Red Eléctrica del Sur, S.A.	6,433	220	(524)	6,129
Other companies	783	(49)	(400)	334
Total	**38,211**	**5,358**	**6,467**	**50,036**

The most significant movement in the fiscal year corresponds to the inclusion of Inversiones Eléctricas Transam Chile Limitada within the consolidation perimeter.

The goodwill included in the acquisition price totals € 4,483 thousands relates in its entirety to companies Deydesa 2000, S.L. and Intersplav.

The amount of the holdings corresponding to companies located outside Spain totals € 30,630 thousands (€ 19,576 thousands in 2004).

Note 11. Financial Assets at Fair Value with Changes in Results.

The financial assets at fair value with changes in results are as follows:

At 1 January 2004	**100,150**
Entries	-
Disposals	(1,373)
Adjustment at fair value	-
Exchange differences	-
At 31 December 2004	**98,777**
Entries	8,073
Disposals	(1,435)
Adjustment at fair value	17,353
Exchange differences	-
At 31 December 2005	**122,768**
Less: Non-current part	**-**
Current part	**122,768**

At the end of the 2005 financial year, the book amount of these financial assets maintained held for trading totals € 106,850 thousands (€ 100,150 thousands in 2004).

11.1. The market-value financial assets with changes in the results include in their entirety stockholdings in IBEX-listed companies.

11.2. The financial results heading of the income statement includes the net profits obtained from the sale of securities listed on an organised secondary market for the approximate amount of € 8,073 thousands.

Note 12. Financial Assets Available for Sale.

The financial assets available for sale during the 2004 in 2005 financial years are as follows:

At 1 January 2004	**29,780**
Entries	6,007
Disposals	(4,208)
At 31 December 2004	**31,579**
Entries	8,094
Disposals	(6,880)
At 31 December 2005	**32,793**
Less: Non-current part	(30,685)
Current part	2,108

During 2004 and 2005, there were no provisions for impairment losses in the financial assets available for sale.

12.1. The financial assets available for sale include mainly holdings in companies not listed on a secondary market.

12.2. The following is a list of the companies which, in accordance with current standards, have not been included in the consolidation perimeter for the 2005 financial year (See Note 2.2) and in which the level of direct and indirect participation of the parent company is greater than 5% and lower than 20%, where the net book value of the aforementioned holdings is € 29,618 thousands.

Long-term securities	**% shareholding 2005**	**% shareholding 2004**
Aquanima	-	5.00
Banda 26, S.A.	9.00	9.00
Cisep	-	12.50
Grupo Empresarial Gea XXI, S.A.	14.29	14.29
Holding Estructuras	5.00	-
Nextell Communication Solutions, S.A.	10.00	10.00
Norpost, S.A.	10.00	10.00
02 Diesel	13.00	-
Vetejar	8.67	8.67
Viryanet, Ltd.	9.96	-
Xfera Móviles, S.A.	5.63	5.63

Short-term securities	**% shareholding 2005**	**% shareholding 2004**
BC International Corp.	9.90	9.90
Chekin	14.28	14.28
Comeesa	6.08	6.90
Mediación Bursátil, S.V.B., S.A.	8.00	8.00

12.3. All the necessary notifications have been sent to the companies in which the direct or indirect shareholding is more than 10%, in compliance with of article 86 of the rewritten text of the Limited Companies Act.

12.4. There are no substantive circumstances that affect the portfolio securities, such as lawsuits, seizures, etc.

12.5. In general, the securities are stated in national currency; for the values given in foreign currency, the corresponding exchange differences are recorded in order to provide them with the cover required to guarantee their value.

12.6. There are no firm purchase and/or sale commitments that may be considered significant with regard to the financial statements as a whole.

12.7. The amount of the interests accrued and not collected is not significant.

12.8. The average profitability rate of the fixed income securities is in line with market rates.

12.9. As a result of the negotiations associated with the renewal of the administrative guarantees, on 30 December 2002, Telvent GIT, S.A. a subsidiary of Abengoa, S.A. and head of the information technologies business group, exercised, in advance, a purchase option awarded in 2000 by Inversión Corporativa IC., S.A. (a holding company with most of the shares of Abengoa, S.A.) over 3.71% of Xfera, S.A. amounting to € 25,000 thousands, as a consequence of the counter-guarantee obligations assumed by Abengoa. The set holding had been simultaneously (December 2002) acquired for a similar amount by Inversión Corporativa IC, S.A. in application of the purchase option and deferred sale contracts that had been signed in 2000 with Mercapital Telecommunications.

This acquisition materialised once (in accordance with the press release issued by the Ministry of Science and Telecommunications on 26 December 2002) the agreements had been reached between the operators and the government to ensure certain preliminary conditions required by Abengoa to exercise the option. These conditions included the redefinition and substantial reduction of the guaranteed commitments before the government. The agreements were finally materialised in the resolution of the Secretary of State for Telecommunications and for the Information Society on 21 March 2003. However, until the said measure was formerly implemented, and as a consequence of the acquisition of its holding in Xfera, Telvent GIT, S.A. initially took over the responsibility for the guarantees (a) amounting to € 99,963 thousands with regard to the Spanish government, for which it made monetary deposits (in euros and in dollars) for a value of approximately € 50,000 thousands as guarantee for the compliance with the commitments (which were to be materialised gradually and over a period of 10 years after the date of the commercial launch) regarding investment, commercialisation, employment and the development of the network acquired by Xfera Móviles, S.A. with regard to the UMTS B-2 licence; and (b) for € 7,781 thousands as a guarantee for the claim filed before the government for the amounts corresponding to the radioelectric public domain reserved for the 2001 and 2002 financial years.

At present, this holding is maintained in the group under the ownership of the company Telvent Investments, S.A. (a holding company that is owned 100% by Abengoa, S.A.), which acquired the holding in the 2004 financial year according to the corresponding book cost.

As previously indicated, during the 2003 financial year, on 21 March, the Secretary of State for Telecommunications and the Information Society adopted a resolution whereby the amounts and terms of the commitments assumed by Xfera were modified, which represented a significant decrease in the guarantees constituted up to that time. This enabled the operator’s shareholders to begin proceedings to replace the amount and the characteristics of the 26 original guarantees (at that time for a total amount of € 2,687,184 thousands, net of the amounts drawn on 18 December 2002 totalling € 312,980 thousands as a consequence of the partial compliance with the assumed milestones) by one single floating guarantee amounting to € 467,797 thousands.

Consequently, the amount counter-guaranteed by Telvent GIT for the said item, in accordance with the share percentage in the capital of Xfera, became € 25,541 thousands, and the previously constituted monetary deposits were released. At present, after renegotiations concerning the investment and operation experiences, the guarantees have been reduced to a floating guarantee of € 176,100 thousands, for which the group is to offer a counter-guarantee of € 9,938 thousands.

The incapacity shown by one of the partners (Vivendi) to instrument to its quota-part of the process for the reduction and substitution of the guarantees agreed in December 2002 meant that to make the substitution possible, the other shareholders had to assume the proportional part of the guarantees corresponding to the dissident shareholder. Consequently, the shares corresponding to the holding, not including this shareholder, during 2003, the company, with the other shareholders assuming their proportion of the rights and obligations (except for the guarantees that had been provided for the appeal against the rate) and therefore the shares in Xfera at the symbolic value of one Euro. In the case of Telvent GIT, S.A., it meant the acquisition of 5,390,876 additional shares, increasing its holding from 3.72% to 5.46% with no increase to the book value.

During the 2004 financial year, the group increased its holding to 5.63%, with the cost of € 760 thousands for the resolution of the arbitrator's decision as a consequence of the shareholders’ agreement and motivated by the incompatibility (Orange takeover bid) with regard to Vodafone's holding (6.986%) in the share capital of Xfera. This decision was based on the valuation at 29 January 2001 (updated by the subsequent payments) initially made by two international business banks and then submitted to arbitration by a third International bank due to the differences in the results, according to conclusions finally made in the month of January 2004.

In addition, in the 2004 financial year, the company subscribed in its percentage to the increase in capital agreed on 15 December 2003, which meant a payment of € 1,467 thousands, as well as 50% of the new increase in capital agreed in December 2004, which represented a payment of € 677 thousands.

During the 2005 financial year, the remaining 50% of the increase in capital has been paid out. The payment has totalled € 678 thousands.

As a consequence of the said transactions, the total acquisition cost of the shares in Xfera totals, at the end of the 2005 financial year, the amount of € 27,713 thousands, whereas with regard to the guarantees constituted by the company as a consequence of the said investment at the end of 2005, the amount was € 9,938 thousands, an amount reached as a consequence of the materialisation of new reductions in the amounts and the nature of the global commitments corresponding to Xfera, which currently maintains only one floating guarantee amounting € 176,100 thousands. In addition, Telvent maintains guarantees for the rate of the radioelectric spectrum up to 2005 for an accumulated amount of € 10,740 thousands (€ 1,376 thousands corresponding to the rate of the 2005 financial year), an item that is not settled since it is systematically appealed against by Xfera and guaranteed by its shareholders, together with a guarantee of € 790 thousands as a guarantee for a loan awarded by a bank to Xfera.

As is usual in no-recourse projects finance contracts for shareholders, the total amount of the shares of Xfera Móviles, S.A. are pledged in guarantee of the fulfilment of a contract signed by said company with its main technology suppliers, where the pledge also covers future shares that may be acquired as a consequence of the increases in capital as they are decided.

The total acquisition cost of 5.64% of Xfera corresponding to 19,808,123 shares and the corresponding impact on the average unit cost of the shares to date is as follows:

Item	Amount	Cost	Shareholding
Acquisition of the holding in 12/2002	25,000	2.18 €	3.71%
Allocation of shares in Vivendi in 2003	-	0.00 €	1.75%
Return of the guarantee amount	(869)	N/A	N/A
Purchase of Vodafone shares in 2004	760	1.32 €	0.17%
Increases in capital during 2004	2,144	1.00 €	N/A
Increases in capital during 2005	678	1.00 €	N/A
Balance as of 31/12/2005	**27,713**	**1.40 €**	**5.63%**

The investment in Xfera responded and continues to respond to the strategic interest it holds for the activity of the information technologies business group. Given the strategic character of the investment for the development of UMTS technology in the said business group, the tacit capital gains, goodwill, are identified from the beginning with the updated cash flows estimated by the demand of third parties for the services Abengoa is estimated as capable of supplying through its companies related to this shareholding (generation of induced business).

When the shareholding of 3.71% was acquired in Xfera (on 30/12/02), consideration was given, on the one hand, to the price paid in the transaction (which totalled only the restitution of the costs and expenses to IC up to that date as a consequence of the investment for an approximate amount of € 25 million) and, on the other, the theoretical book value of the said shareholding corrected by the tacit capital gains at the moment of the acquisition, based on the aforementioned cash flows estimated by the demands of third parties which totalled € 31.7 million.

In accordance with IAS 39, the holding in the company is considered as an "Asset available for sale" (See Note 2.9.d), although, as indicated, from the moment the shareholding was taken, it was considered that the financial investment as such lacked value for the group. In addition, in accordance with the IAS 22 and 38, the overprice paid is considered allocated to the induced business as a goodwill implicit in the price. Accordingly, the criterion followed is that of repaying the aforementioned goodwill to counter the income consigned by the materialisation of the induced business. Accordingly, during the 2004 financial year, a fund of € 4,100 thousands was provided corresponding to the repayment of the intangible assets as a result of signing pluri-annual contracts during 2004 with third parties totalling the amount of € 15 million, extendable to 25 and in euros, thanks to the strategic agreement signed with Xfera on 14 November 2003.

During the 2005 financial year, no new agreements have materialised, although mention must be made of the fact that Xfera has begun the investment process required for the commercial launch of the UMTS telephone service, which is estimated to be implemented halfway through the 2006 financial year. Consequently, the persons in charge at Telvent estimate that during the said financial year, the current negotiations for certain contracts for the provision of services will materialise.

In whatsoever case, mention must be made of the fact that as notified by Abengoa and IC to the CNMV (National Securities Market Commission) as relevant events on 6 and 7 November 2003, IC is obliged to Abengoa to guarantee to the latter all the amount paid for the acquisition of the shareholding in Xfera assumed as a consequence of the said shareholding up to the commercial launch and provision of services of Xfera and insofar as the said commercial launch is not finally formalised, regardless of the net book value for which the shareholding is registered.

Note 13. Derivative Financial Instruments.

The derivative financial instruments are as follows:

Item	**31/12/05**		**31/12/04**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Contracts of interest rate-cash flow hedge	-	-	-	773
Contracts of interest rate-fair value hedge	9,230	-	-	-
Deferred foreign currency contracts-cash flow hedge	134	5,499	5,072	6,340
Deferred foreign currency contracts-fair value hedge	-	-	-	-
Deferred inventory contracts-cash flow hedge	-	25,344	-	10,039
Deferred inventory contracts-fair value hedge	-	-	-	-
Total	**9,364**	**30,843**	**5,072**	**17,152**

As in the previous year, with the aim of minimizing the volatility of interest rates on financial operations, specific contracts are entered into to cover possible variations that may arise. Thus, at 31st December 2005, 83.3% of the syndicated loan is covered by interest rate derivatives, until the loan falls due. The average reference rate of the syndicated loan in 2005 was 2.19%.

Note 14. Inventories.

14.1. At 31 December 2004 and 2005, the inventories were as follows:

Item	Amount at 31/12/05	Amount at 31/12/2004
Goods for resale	6,811	9,001
Raw materials and other supplies	40,117	29,685
Work in progress and semi-finished products	2,640	1,274
Projects in progress	44,805	49,928
Finished products	34,825	29,515
Advance payments	8,608	8,792
Total	**137,806**	**128,195**

The amount of the inventories corresponding to companies located outside Spain totals € 95,636 thousands (€ 55,457 thousands in 2004).

14.2. There are no limits on the availability of the inventories owing to factors such as guarantees, pledges, deposits, except for the normal guarantees for the construction of projects, which are released as the contractual milestones are reached.

Note 15. Cash Equivalents and Cash.

The cash and bank balance at 31 December 2005 totals € 435,366 thousands (€ 252,145 thousands in 2004), which represent availabilities of liquid cash means and balances in favour of companies in the group in current accounts immediately available in banks and credit institutions.

Of the said amount, € 230,904 thousands (€ 198,027 thousands in 2004) corresponds to companies located in Spain and € 204,462 thousands (€ 54,118 thousands 2004) to companies located abroad. In addition, the amount corresponding to companies related to project finance (See Note 9) totals € 157,937 thousands (€ 56,502 thousands in 2004).

The breakdown of the said balances by the main currencies in which they are nominated is as follows:

	31/12/05		31/12/04	
Currency	**Spanish companies**	**Foreign companies**	**Spanish companies**	**Foreign companies**
Euro	218,542	3,869	161,211	605
American dollar	5,000	168,544	36,816	26,768
Canadian dollar	3	4,341	-	1,914
Swiss franc	1	36	-	387
Pound sterling	9	83	-	103
Argentinean peso	24	171	-	604
Chilean peso	-	1,343	-	3,217
Mexican peso	230	1,500	-	13,294
Brazilian real	-	8,296	-	6,558
Others	7,095	16,279	-	668
Total	**230,904**	**204,462**	**198,027**	**54,118**

Note 16. Share Capital.

The share capital at 31 December 2005 is € 22,617,420, made up of 90,469,680 ordinarily shares in a single series and class, or with identical economic and voting rights, with a unit par value of € 0.25, fully subscribed and paid in. All the shares are represented by accounting entries and are admitted to official trading on the stock markets of Madrid, Barcelona and the stock exchange linkup (official stock market) as from 29 November 1996; in June 2000, there was an increase in capital, whose shares are listed on the stock exchange as from 31 August 2000.

In accordance with the notifications received by the company in compliance with the provisions laid down in current regulations governing the obligation to notify shareholdings and in accordance with information provided additionally by associated companies, the significant shareholders at 31 December 2005 are as follows:

Shareholders	**% Holding**
Inversión Corporativa IC, S.A. (*)	50.00
Finarpisa, S.A. (*)	6.04
State Street Bank and Trust Co	5.01

(*) Corporate Investment Group.

The ordinary general shareholders meeting of Abengoa, S.A. on 26 June 2005 authorised the board of directors as follows:

1.- To increase the share capital once or more to the figure of € 11,308,710, equivalent to 50% of the share capital at the moment of the authorisation, within a maximum term of five years.

2.- To approve the issue of bonds which may be converted into shares with the consequent increase in share capital to € 261,585 thousands in a maximum term of five years.

3.- To approve the issue of other securities that recognise or create a debt or contribution of capital within the legal limits applicable in each case.

4.- To acquire own shares within the legal limits for a price of between € 0.03 and € 120.20 per share within the maximum term of 18 months.

On 15 September 2004, the board of directors of Abengoa, based on the fact that the value of the company at the said date, of around seven euros per share during the last quarter, did not reflect the company's true growth potential, considered it of interest to the company from the financial point of view to invest in its own shares. However, taking into account that the company is, by definition, a shareholder with greater information than the rest of the market and that, albeit unintentionally, its operations may influence the price of the company shares, it proceeds to adopt the corresponding norms and precautions with a view to guaranteeing no artificial influence on prices. Consequently, making use of the faculties awarded by the general shareholders meeting, the board of directors agreed the implantation of a programme to enable the acquisition of own shares, allocating a maximum amount of € 15 million during the last financial year, which could not exceed 5% of the share capital under any circumstances, and subject at all times to applicable legislation and, in particular, to the provisions laid down in title VII of the Stock Market Act 24/1988 and in the company's internal code of stock market conduct. During the 2004 and 2005 financial years, Abengoa, S.A. has not acquired any bought-back shares.

The general shareholders meeting of Abengoa, S.A. on 16 October 2005 authorised the board of directors for the following:

1.- To adopt, if considered appropriate, a plan for the acquisition of shares by the directors of the company (hereinafter called the "Plan") subject to the following basic terms and conditions:

- For: Directors of Abengoa (business group directors, business unit directors, technical managers and R&D&I managers and corporate services managers) belonging to all its subsidiaries and business areas, present or future, who voluntarily wish to take part in the plan. The plan will not include any member of the board of directors of Abengoa.

- Those taking advantage of the plan will be able to access a bank loan for the purchase at market value of the shares of Abengoa already issued and in circulation, in accordance with the Stock Market Act, with the guarantee of Abengoa, in accordance with article 81.2 of the Limited Companies Act and up to a maximum of €87 million. The term of repayment of the loan will be approximately 5 years.

- Share volume: Up to 3,200,000 shares of Abengoa, representing 3.53% of the company's share capital.

- Maximum term for the adoption of the plan by the board of directors: until 31 December 2006.

- To empower the board of directors to establish, should the plan be adopted, all the remaining terms and conditions, especially those related to those eligible for the plan and to the banks financing the acquisition of the shares by the directors.

2.- So that in order to execute, where applicable, the plan for the acquisition of shares by the company's directors or with whatsoever other considered appropriate, it may proceed to the secondary acquisition, by purchase or on a payment basis, of shares of the company either directly or through subsidiary or part-owned companies up to the maximum limit laid down in current legislation at a price of between three eurocents (€ 0.03) and one hundred and twenty euros and twenty eurocents (€ 120.20) per share, making use of this faculty during a period of eighteen (18) months from this date and subject to the provisions laid down in section 4 of chapter IV of the revised Limited Companies Act. For these purposes, the authorisation awarded to the board of directors by virtue of the agreement adopted by the ordinary general shareholders meeting of 26 June 2005 is expressly revoked.

Note 17. Parent Company Reserves.

The amount and movement of the accounts that form part of the Parent company reserves heading during the 2004 and 2005 financial years are as follows:

Item	Balance as of 01/01/2004	Distribution results 2003	Other movements	Balance as of 31/12/2004
Share issue premium	110,009	-	-	110,009
Revaluation reserve	3.679	-	-	3,679
Other parent company reserves:				
- Distributable	107,417	674	-	108,091
- Non-distributable	4,523	-	-	4,523
Total other reserves	**225,628**	**674**	**-**	**226,302**

Item	Balance as of 31/12/2004	Distribution results 2004	Other movements	Balance as of 31/12/2005
Share issue premium	110,009	-	-	110,009
Revaluation reserve	3,679	-	-	3,679
Other parent company reserves:				
- Distributable	108,091	320	-	108,411
- Non-distributable	4,523	-	-	4,523
Total other reserves	**226,302**	**320**	**-**	**226,622**

The legal reserve, which totals € 4,523 thousands has been provided in accordance with article 214 of the Limited Companies Act, which lays down that, in whatsoever case, a figure equal to 10% of the profits of the year shall be allocated until at least 20% of the share capital is reached.

The legal reserve may not be distributed. If used to offset losses in the event of no other sufficient reserves being available for that purpose, it must be replenished through future profits.

The Revaluation reserves heading includes the net effect of the updating of balance sheets in accordance with the provisions laid down in Royal Decree-Law 7/1996; the balance of the said heading is unavailable until it has been verified and accepted by the tax department; the said verification must be carried out within the three years following the date of the end of the balance containing the updating transactions (31 December 1996). Consequently, the term ended on 31 December 1999. Once the verification has been carried out or the term for the said verification has ended, the balance of the account can be used to eliminate negative book results, to an increase in share capital or, after 10 years from the date of the close of the balance showing the updating transactions, to freely available reserves.

The proposal for the distribution of the results of 2005 and other reserves of the parent company to be presented to the general shareholders meeting, together with the approved distribution of 2004, is as follows:

Distribution bases	**Amount at 31/12/05**	**Amount at 31/12/2004**
Profit for the year	13,627	12,984
Distribution		
To voluntary reserves	57	318
To dividends	13,570	12,666
Total	**13,627**	**12,984**

Note 18. Other Reserves.

The amount and movement of Other reserves during the 2004 and 2005 financial years are as follows:

Item	Cover Trans. Reserves	Invest. Avail. for Sale Reserves	Share Plans Reserves	Total
Balance as of 1 January 2004	(1,207)	-	4,912	3,705
- Results for fair value of the financial year	-	(2,475)	-	(2,475)
- Transfer to profits	(15,778)	-	-	(15,778)
- Tax on results of fair value	5,945	866	(2,654)	4,157
- Other movements	-	-	-	-
Balance as of 31 December 2004	**(11,040)**	**(1,609)**	**2,258**	**(10,391)**

Item	Cover Trans. Reserves	Invest. Avail. for Sale Reserves	Share Plans Reserves	Total
Balance as of 31 December 2004	(11,040)	(1,609)	2,258	(10,391)
- Results for fair value of the financial year	(37,437)	126	1,515	(35,796)
- Transfer to profits	16,985	-	-	16,985
- Tax on results of fair value	7,158	(44)	-	7,114
- Other movements	-	-	1,786	1,786
Balance as of 31 December 2005	**(24,334)**	**(1,527)**	**5,559**	**(20,302)**

Note 19. Translation Differences.

19.1. The amount of the translation differences of the companies in the group and associate companies at the end of the 2004 and 2005 financial years is as follows:

Item	Amount at 31/12/05	Amount at 31/12/04
Translation differences:		
- Group	23,539	(26,265)
- Associate companies	3,916	(637)
Total	**27,455**	**(26,902)**

19.2. The consolidated companies by full consolidation/proportional consolidation and by the equity method at the end of the 2004 and 2005 financial years is as follows:

Companies GI/PI	Amount at 31/12/05	Amount at 31/12/04
Abeinsa Brasil Projetos e Construcoes Ltda.	1,098	-
Abenasa Transmissao de Energia, Ltda. (ATE)	7,649	-
Abengoa Bioenergy Corporation	(7,543)	(21,174)
Abengoa Brasil, S.A.	(4,299)	547
Abengoa Chile, S.A.	4,784	-
Abengoa México, S.A. de C.V.	310	-
Asa Environment, AG	2,698	(597)
Bargoa, S.A.	-	(1,329)
Befesa Argentina, S.A.	(438)	(657)
Befesa Salt Slag Ltd.	(354)	(499)
C.D. Puerto San Carlos, S.A. de C.V.	(378)	-
Enicar Chile, S.A.	(3,996)	-
Miner & Miner Consulting Engineers, Inc.	546	-
Mundiland, S.A.	1,956	-
NTE - Nordeste Transmissora de Energía, S.A.	7,006	-
STE-Sul Transmissora de Energia, Ltda.	3,217	(333)
Telvent Brasil, S.A.	749	408
Telvent Canadá, Ltd.	3,627	-
Telvent México, S.A. de C.V.	359	-
Telvent USA, Inc.	618	-
Telvent, S.A.	-	(329)
Teyma Abengoa, S.A.	1,772	-
Teyma Uruguay, S.A.	1,130	-
Other negative < € 300 thousands	(2,219)	(4,711)
Other positive < € 300 thousands	5,247	2,409
Total	**23,539**	**(26,265)**

Companies EM	Amount at 31/12/05	Amount at 31/12/04
Expansion Transmissào de Energia Eletrica, Ltda.	2,294	(54)
Expansion Transmissao Itumbiara Marimbondo, Ltda.	1,644	144
Intersplav	-	(727)
Other positive < € 300 thousands	263	-
Other negative < € 300 thousands	(285)	-
Total	**3,916**	**(637)**

The attributed amount in this financial year has totalled € 54,357 thousands (€ 9,675 thousands in 2004), due fundamentally to the revaluation of the US and Canadian dollars and certain Latin American currencies, including the Brazilian real, the Chilean and Argentinean pesos as well as the devaluation of the Swiss franc.

Note 20. Accumulated Earnings.

The amount and movement of the accounts that form part of the Accumulated earnings heading during the 2004 and 2005 financial years are as follows:

Item	Balance as of 01/01/04	Distribution results 2003	Results 2004	Other movements	Balance as of 31/12/04
Reserves in companies consolidated by GI/PI	(1,297)	32,117	-	9,714	40,534
Stockholdings in Companies using the equity method	2,788	2,266	-	(5,524)	(470)
Dividends and Reserves of the Dominant Corporation	-	12,666	-	(12,666)	-
Reserves	**9,754**	**47,049**	**-**	**(8,476)**	**40,064**
Consolidated results for the financial year	47,810	(47,810)	60,199	-	60,199
Results attributed to external shareholders	(761)	761	(7,812)	-	(7,812)
Results attributed to the parent company	**47,049**	**(47,049)**	**52,387**	**-**	**52,387**
Total accumulated earnings	**48,540**	**-**	**52,387**	**(8,476)**	**92,451**

Item	Balance as of 31/12/04	Distribution results 2004	Results 2005	Other movements	Balance as of 31/12/05
Reserves in companies consolidated by GI/PI	40,534	35,769	-	(4,917)	71,386
Stockholdings in Companies using the equity method	(470)	3,634	-	(1,850)	1,314
Dividends and Reserves of the Dominant Corporation	-	12,984	-	(12,984)	-
Reserves	**40,064**	**52,387**	**-**	**(19,751)**	**84,138**
Consolidated results for the financial year	60,199	(60,199)	78,481	-	78,481
Results attributed to external shareholders	(7,812)	7,812	(12,477)	-	(12,477)
Results attributed to the parent company	**52,387**	**(52,387)**	**66,004**	**-**	**66,004**
Total accumulated earnings	**92,451**	**-**	**66,004**	**(19,751)**	**138,704**

The reserves in companies consolidated by full consolidation/proportional consolidation and by the equity method are as follows:

	Balance as of 31/12/05		Balance as of 31/12/04	
	GI/PI	**EM**	**GI/PI**	**EM**
Bioenergy	44,929	-	15,210	-
Environmental Services	48,305	4,479	31,995	399
Information Technologies	27,161	-	29,107	-
Industrial Construction and Engineering	9,590	1,768	(10,826)	(869)
Corporate Activity and resulting from the Consolidation process	(58,599)	(4,933)	(24,952)	-
Total	**71,386**	**1,314**	**40,534**	**(470)**

Note 21. Minority Interests.

2.1. The minority interests heading during the 2004 and 2005 financial years is as follows:

Company	Balance as of 01/01/04	Other movements	Allocation result 05	Balance as of 31/12/04
Abengoa Bioenergía, S.A.	-	4,358	(310)	4,048
Abengoa México, S.A. de C.V.	454	(15)	2	441
Abengoa Perú, S.A.	(1)	-	-	(1)
Alianza Befesa Egmasa, S.L.	249	(153)	179	275
Aprovechamientos Energéticos Furesa, S.A.	30	-	(12)	18
Bargoa, S.A.	651	(9)	(132)	510
Befesa Argentina, S.A.	46	(4)	-	42
Befesa Desulfuración, S.A.	4,732	-	67	4,799
Befesa Escorias Salinas, S.A.	7	-	-	7
Befesa Medio Ambiente, S.A.	8,989	(1,190)	548	8,347
Befesa Plásticos, S.L.	222	-	(9)	213
Befesa Zinc Amorebieta, S.A.	2,271	(32)	184	2,423
Befesa Zinc Sondika, S.A.	1,004	(24)	142	1,122
Bioetanol Galicia, S.A.	2,024	-	417	2,441
Cogeneración Villaricos, S.A.	41	-	(1)	40
Construcciones Metálicas Mexicanas, S.A. de C.V. (Comemsa)	293	(319)	177	151
Ecocarburantes Españoles, S.A.	703	-	409	1,112
Enernova Ayamonte, S.A.	27	-	(39)	(12)
ETBE Huelva, S.A.	226	-	112	338
Europea de Construcciones Metálicas, S.A.	3,637	-	(567)	3,070
Explotaciones Varias, S.A.	1,262	-	(49)	1,213
Galdán, S.A.	245	-	247	492
Iniciativas Hidroeléctricas, S.A.	1,224	-	(56)	1,168
L.T. 304 Noroeste, S.A. de C.V.	(15)	15	-	-
L.T. Rosarito y Monterrey, S.A. de C.V.	(265)	265	-	-
Miner & Miner Consulting Engineers, Inc.	-	204	8	212
Nordeste Transmissora de Energía, S.A. (NTE)	14,453	5,730	888	21,071
Nordic Biofuels of Ravenna	-	1,361	(105)	1,256
Nueva Electricidad del Gas, S.A.	79	(79)	-	-
Pandelco, S.A.	(38)	2	4	(32)
Procesos Ecológicos Vilches, S.A.	59	-	(96)	(37)
Procesos Ecológicos, S.A. (Proecsa)	(142)	400	(53)	205
Puerto Real Cogeneración, S.A.	(163)	-	(59)	(222)
S.E.T. Sureste Peninsular, S.A. de C.V.	(178)	3	(7)	(182)
Sainsel Sistemas Navales, S.A.	846	-	(286)	560
Servicios Auxiliares de Administración, S.A. de C.V.	(10)	1	3	(6)
Sniace Cogeneración, S.A.	879	-	267	1,146
STE - Sul Transmissora de Energía, Ltda.	-	9,967	61	10,028
Telvent GIT, S.A.	2,430	45,969	70	48,469
Teyma Uruguay, S.A.	343	17	30	390
Consolidated Befesa	270	884	354	1,508
Consolidated Bioenergía	-	10	637	647
Consolidated Telvent GIT	209	(936)	3,521	2,794
Eliminations IFRS	(10,953)	(1,310)	1,266	(10,997)
Total	**36,140**	**65,115**	**7,812**	**109,067**

Company	Balance as of 31/12/05	Other movements	Allocation results 05	Balance as of 31/12/05
AB Bioenergy France, S.A.	-	18	(16)	2
Abengoa Bioenergía, S.A.	4,047	(703)	54	3,398
Abengoa México, S.A. de C.V.	441	53	28	522
Abengoa Perú, S.A.	(2)	1	-	(1)
Abengoa Servicios S.A. de C.V.	-	-	(1)	(1)
Alianza Befesa Egmasa, S.L.	275	11	(99)	187
Aprovechamientos Energéticos Furesa, S.A.	17	-	(11)	6
Bargoa, S.A.	511	(439)	(152)	(80)
Befesa Argentina, S.A.	42	4	4	50
Befesa Desulfuración, S.A.	4,800	(3)	186	4,983
Befesa Escorias Salinas, S.A.	7	-	-	7
Befesa Medio Ambiente, S.A.	8,346	(83)	606	8,869
Befesa Plásticos, S.L.	213	-	12	225
Befesa Zinc Amorebieta, S.A.	2,423	(42)	337	2,718
Befesa Zinc Sondika, S.A.	1,122	(32)	204	1,294
Bioetanol Galicia, S.A.	2,441	-	678	3,119
Cogeneración Villaricos, S.A.	40	-	(6)	34
Construcciones Metálicas Mexicanas, S.A. de C.V. (Comemsa)	151	(200)	159	110
Ecocarburantes Españoles, S.A.	1,112	-	371	1,483
Enernova Ayamonte, S.A.	(12)	-	76	64
ETBE Huelva, S.A.	338	-	646	984
Europea de Construcciones Metálicas, S.A.	3,070	-	(69)	3,001
Explotaciones Varias, S.A.	1,214	(1,214)	-	-
Fotovoltaica Solar Sevilla, S.A.	-	198	-	198
Galdán, S.A.	491	(491)	-	-
Iniciativas Hidroeléctricas, S.A.	1,169	1	(156)	1,014
Miner & Miner Consulting Engineers, Inc.	212	43	209	464
Nordeste Transmissora de Energía, S.A. (NTE)	21,072	6,698	1,314	29,084
Nordic Biofuels of Ravenna	1,256	(1,256)	-	-
Pandelco, S.A.	(33)	7	(8)	(34)
Procesos Ecológicos, S.A. (Proecsa)	206	-	(1)	205
Procesos Ecológicos Vilches, S.A.	(36)	57	512	533
Puerto Real Cogeneración, S.A.	(222)	104	7	(111)
Residuos Ind. de la Madera de Córdoba, S.A.(Rimacor)	-	500	17	517
Sainsel Sistemas Navales, S.A.	560	(282)	(313)	(35)
Servicios Auxiliares de Administración, S.A. de C.V.	(6)	(1)	4	(3)
SET Sureste Peninsular, S.A. de C.V.	(181)	43	(13)	(151)
Sniace Cogeneración, S.A.	1,147	-	504	1,651
STE - Sul Transmissora de Energía, Ltda.	10,028	3,536	604	14,168
Telvent GIT, S.A.	48,469	(49)	3,241	51,661
Teyma Uruguay, S.A.	390	53	82	525
Consolidated Befesa	1,507	(176)	(797)	534
Consolidated Bioenergía	648	109	65	822
Consolidated Telvent GIT	2,791	1,689	2,108	6,588
Eliminations NIIF	(10,997)	1,400	2,091	(7,506)
Total	**109,067**	**9,627**	**12,477**	**131,095**

Other movements include the effects of the share changes in the different companies and the translation differences affecting the companies located outside Spain.

21.2. The list of companies/entities outside the group with a shareholding equal to or higher than 10% of the capital of any subsidiary company included in the consolidation perimeter is as follows:

Company in which the shares are held	Shareholder	% Holding
Abecnor Subestaciones, S.A. de C.V.	Elecnor, S.A.	50.00
Alianza Befesa Egmasa, S.L.	Egmasa. Empresa de Gestión Medioambiental, S.A.	50.00
Befesa Desulfuración, S.A.	Fertiberia, S.A.	10.00
Biocarburantes de Castilla y León, S.A.	Ebro Puleva, 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
Construcciones Metálicas Mexicanas, S.A. de C.V.	Cía. Española de Financiación del Des., Cofides, S.A.	24.40
Donsplav	Scarp	49.00
ETBE Huelva, S.A.	Cepsa (Cía. Española de Petróleos, S.A.)	10.00
Europea de Construcciones Metálicas, S.A.	Tractebel España, S.A.	50.00
European Tank Clean Company (ET2C)	Sodi	49.97
Explotaciones Varias, S.A.	Layar Castilla, S.A.	50.00
Fotovoltaica Solar Sevilla, S.A.	IDAE	20.00
Galdán, S.A.	Fagor Ederlan Coop. Ltda.	50.00
Inapreu, S.A.	Preufet, S.A.	50.00
Iniciativas Hidroeléctricas, S.A.	Suma de Energías, S.L.	45.00
Intersplav	Donets Non-Ferrius Metals Research Institute	43.16
Líneas Baja California Sur, S.A. de C.V.	Elecnor, S.A.	50.00
Nordeste Transmissora de Energía, S.A. (NTE)	Dragados Industrial, S.A.	49.99
Procesos Ecológicos, S.A. (Proecsa)	Global Plasma Environment, S.A.	49.99
Residuos Sólidos Urbanos de Ceuta, S.L. (Resurce)	Esys Montenay España, S.A.	50.00
Sainsel Sistemas Navales, S.A.	Saes Capital, S.A.	50.00
Sniace Cogeneración, S.A.	Bosques 2000, S.L.	10.00
STE – Sul Transmissora de Energía, Ltda.	Controles y Montajes	49.90
Subestaciones 615, S.A. de C.V.	Elecnor, S.A.	50.00
Subestaciones Baja California Sur, S.A. de C.V.	Elecnor, S.A.	50.00
Telvent GIT, S.A.	CEDE & Co.	31.99

Note 22. Loans and Borrowing.

22.1. The loans and borrowing are as follows:

Non-current	**Balance as of 31/12/05**	**Balance as of 31/12/04**
Loans with banks	530,002	529,456
Obligations and other loans	134,198	120,345
Liabilities from financial leasing	22,701	14,997
	686,901	664,798
Current	**Balance as of 31/12/05**	**Balance as of 31/12/04**
Loans with banks	166,699	61,646
Obligations and other loans	28,059	7,775
Liabilities from financial leasing	8,462	9,157
	203,220	78,578
Total outside resources	**890,121**	**743,376**

Of this amount, there are debts in foreign currency amounting to € 42,982 thousands (€ 35,907 thousands in 2004), all of which correspond to companies resident abroad (See Note 22.5).

In addition to the amounts shown in the table in the "Suppliers and other payable accounts" heading of the liabilities of the balance sheet, the payable accounts are recorded for an approximate amount of € 68 million at 31 December 2005 (€ 44 million in 2004) which are implemented through the financial concept of "Confirming without resource" in accordance with the contract signed with various banks, in the cases in which the companies in the group receiving the "confirming" had advanced the collection of the bills.

22.2. The cancellation of the bank credits and loans is scheduled in accordance with the following calendar:

2006	**2007**	**2008**	**2009**	**2010**	**Subsequent**	**Total**
166,699	23,161	4,294	1,619	167,905	333,023	696,701

The maturities for the year 2010 and subsequent include a long-term syndicated financing operation signed on 20 July 2005, awarded to Abengoa, S.A., comprising a loan amounting to € 500,000 thousands guaranteed by certain part owned companies of the industrial construction and engineering business groups, bioenergy and environmental services and a line of credit of € 100,000 thousands. The loan has a term of seven years and the repayment of the capital is to begin as from the year 2010. The finance is for investments in projects and other investments in companies to enable the extension of the group's businesses and lines of activity. Traditionally, Abengoa maintains this line of long-term finance within the conditions agreed with the banks, which implies the compliance with certain terms and conditions agreed by and between the parties and which are commonplace in this type of financial transaction.

In addition, the company has access to a total number of short-term lines of credit which enable the provision of funds amounting € 100 million approximately. At the end of the financial year, the amount available is 100% of the same.

22.3. The amount corresponding to financial expenses with banks due totals € 2,087 thousands (€ 2,049 thousands in 2004), included in the "Short-term debts with banks" heading.

22.4. There are no debts with a real mortgage guarantee at 31 December.

22.5. The exchange value by currencies of the most significant debts in foreign currencies maintained by the companies in the group with banks is as follows:

	31/12/05		31/12/04	
	Companies Resident		Companies Resident	
Currency	**Abroad**	**Spain**	**Abroad**	**Spain**
Dirhams (Morocco)	8,124	-	1,089	-
Dollar (Canada)	2,684	-	-	-
Dollar (USA)	4,866	-	1,964	-
Peso (Argentina)	1,907	-	1,165	-
Peso (Chile)	29	-	23	-
Peso (Mexico)	6,470	-	5,789	-
Peso (Uruguay)	3,536	-	410	-
Real (Brasil)	14,555	-	25,192	-
Sol (Peru)	115	-	5	-
Yuan (China)	696	-	270	-
Total	**42,982**	**-**	**35,907**	**-**

22.6. The average rate of credit transactions is within the market rates in each country in which each transaction is formalised.

22.7. The liabilities from financial leasing are as follows:

	Balance as of 31/12/05	Balance as of 31/12/04
Financial leasing liabilities minimum payments per lease:		
- Short-term	8,077	13,812
- Long-term	21,644	8,434
Future financial charges for financial leasing	1,442	1,908
Current value of liabilities for financial leasing	**31,163**	**24,154**

22.8. The "Obligations and other loans" heading includes the sale and leaseback transactions carried out by the subsidiary company Abengoa Bioenergy Corporation as follows:

- Sale and Leaseback York plant. Initial amount $ 56.8 M. Carried out with General Electric Capital Corporation (48.72%) and with the Bank of America Leasing Corporation and Merrill Lynch Leasing (51.28%).

- Sale and Leaseback Colwich plant. Amount $ 27.7 M. Carried out with Bank of America Leasing Corporation (26.30%) and Merrill Lynch Leasing (73.70%).

In accordance with the accounting methods adopted, despite the fulfilment of the mathematical criteria required by comparable standards and the criteria based on the negotiation of the transaction by the intervening banks and despite having transferred 100% of the fixed assets at the plants, the net book value of the affected assets is maintained in the assets of the consolidated balance.

Although, for operating reasons, the transaction has been formalised through the subsidiary company ABC, from the consolidated viewpoint of the group, it implies the transfer of the asset and the payment of a regular rent during the corresponding period of use. In this situation, Abengoa is responsible for the future payments accepted over the next 8 years (York) and 10 years (Colwich) for the rent of the asset, its use and exploitation, which shall represent an average annual repercussion of approximately $ 8.81 M (€ 7.47 M), as it is considered an operative expense necessary for the development of the activity, as well as the maintenance of the plant in optimum working conditions and remaining as the operator of the plant should the purchase option not be exercised.

Although it is not obliged to exercise it, the entity has the option for repurchasing the installations within a certain term or at the end of the period at market price. If ABC or the Abengoa group were to decide not to exercise the said option, the group undertakes to provide the solution which is applied by the lessor to enable the transfer of the asset to third parties or its disposal or management in any other way.

The administrators understand that the non-consideration of these leases as financial would represent a truthful image of the financial situation of the entity and the consolidated group, bearing in mind the corporate business strategy, the argument used in the transaction by their participating banks and, in particular, the fact that there is no commitment by the company to the exercise of the purchase option over the assets, nor can it be considered that the conditions of the transaction do not involve reasonable doubt that the said transaction will take place.

Furthermore, this "Obligations and other loans" heading includes the balances payable in the long term to official entities (Ministry of Industry and Energy, and others) by virtue of the return of subsidised loans, without interest, awarded for research and development projects. At the end of the 2005 financial year, the amount for this item totals € 32,039 thousands.

No 23. Deferred Taxes.

The movements during the 2004 and 2005 financial years in assets and liabilities due to deferred taxes were as follows:

Assets for deferred taxes	Amount
At 1 January 2004	85,396
Increase / Decrease due to income statement	32,118
Increase / Decrease due to equity	-
Other Movements	2,450
At 31 December 2004	**119,964**
Increase / Decrease due to income statement	308
Increase / Decrease due to equity	(1,422)
Other Movements	17,981
At 31 December 2005	**136,831**

Liabilities for deferred taxes	Amount
At 1 January 2004	42,400
Increase / Decrease due to income statement	12,530
Increase / Decrease due to equity	-
Other Movements	14,602
At 31 December 2004	**69,532**
Increase / Decrease due to income statement	(17,073)
Increase / Decrease due to equity	-
Other Movements	(3,132)
At 31 December 2005	**49,327**

The assets for deferred taxes charged to the net assets during financial years 2004 and 2005 correspond entirely to the results of the interest rate contracts for the operations of cash flow coverage.

The assets for deferred taxes basically corresponds to tax credits for negative taxable amounts pending in the sum of approximately € 20 million, tax credits for deductions pending in the sum of € 48 million, as well as deductions of € 12 million arising out of the consolidation process. In addition, the application of IAS has generated an amount of taxes advanced for approximately € 36 million, mostly corresponding to the adjustments made in accordance with IFRS 1 (See Note 5).

The liabilities for deferred taxes correspond to consolidation adjustments and the application of IFRS basically because of re-appraisals as explained in Note 5.

No 24. Provisions and other Liabilities.

The movement of the heading "Risk and expenses funds" for the 2004 and 2005 financial years is as follows:

Item	Balance as of 01/01/04	Increases	Decreases	Other movements	Balance as of 31/12/04
Funds for other liabilities and expenses	22,221	38,492	(9,854)	(13,999)	36,860

Item	Balance as of 01/01/05	Increases	Decreases	Other movements	Balance as of 31/12/05
Funds for other liabilities and expenses	36,860	16,485	(4,377)	(1,266)	47,702

At the end of the financial year, appropriations to the fund totalled € 16,485 thousands, with a view to providing heading for risks inherent to the evolution of the business in Latin-America, for risks related to projects currently under development in the form of research and development or similar and for specific risks for fiscal contingencies or that could arise as a consequence of arbitration or judicial proceedings posed by Abengoa in businesses outside Spain, in which, in the opinion of the administrators and the legal advisers, Abengoa has sufficient arguments for the amounts claimed being recognised in its favour and for the dismissal of possible counterclaims.

In the financial year, funds totalling € 4,377 thousands (provided in previous financial years) have been applied in the understanding that, although the administrators and legal advisers considered that Abengoa has sufficient arguments for the claimed amounts being recognised in its favour, the delayed terms for the resolution of the claims recommend their classification as possible contingent assets, proceeding with the application of the fund; in the event of materialisation and collection of the claims, they would be recorded as income for the year.

Note 25. Other Operating Income.

The "Other operating income" heading of the consolidated income statement corresponds to Income from subsidies to operation and all the other income not included in other income headings. The details are as follows:

Item	Amount at 31/12/05	Amount at 31/12/04
Income from Various Services	31,351	12,239
Official capital grants	4,232	5,254
Others	121	2,041
Total	**35,704**	**19,534**

Note 26. Personnel Expenses.

Personnel expenses at the end of the 2004 and 2005 financial years are as follows:

Item	Amount at 31/12/05	Amount at 31/12/04
Wages ans salaries	268,527	222,014
Welfare charges	55,866	49,620
Stock plans	1,515	2,453
Total	**325,908**	**274,087**

Note 27. Other Operating Expenses.

The "Other operating expenses" at the end of the financial years are as follows:

Item	Amount at 31/12/05	Amount at 31/12/04
Outside services	286,492	243,522
Taxes	17,186	12,407
Other Management Expenses	31,297	4,597
Total	**334,975**	**260,526**

Leasing and charges amounting to € 46,038 thousands (€ 39,429 thousands in 2004), transport amounting to € 16,926 thousands (€ 27,953 thousands in 2004), independent professional services amounting to € 67,344 thousands (€ 65,593 thousands in 2004), advertising amounting to € 3,989 thousands (€ 3,366 thousands in 2004) and other services amounting to € 55,223 thousands (€ 44,877 thousands in 2004).

Note 28. Financial Income and Expenses.

Financial income and expenses at the end of the 2004 and 2005 financial years are as follows:

Financial expenses	Amount at 31/12/05	Amount at 31/12/04
Interest expense		
- Loans with banks	(48,201)	(38,645)
- Other debts	(21,043)	(13,747)
Losses of financial assets at fair value	(1,165)	(5,413)
Losses interest-rate contracts: Cash flow cover	-	-
Losses interest-rate contracts: Cover of the fair value	-	(5,908)
Total	**(70,409)**	**(63,713)**

Financial income	Amount at 31/12/05	Amount at 31/12/04
Income from debt interest	2,780	3,140
Profits from financial assets at fair value	18,528	-
Profits from interest-rate contracts: Cash flow cover	-	-
Profits from interest-rate contracts: Cover of the fair value	1,401	-
Total	**22,709**	**3,140**

Net Financial Expenses	**(47,700)**	**(60,573)**

Note 29. Net Exchange Differences.

Net exchange differences at the end of the 2004 and 2005 financial years are as follows:

Financial expenses	Amount at 31/12/05	Amount at 31/12/04
Losses from transactions in foreign currency	(23,006)	(20,838)
Losses exchange rate contracts Cash flow cover	-	-
Losses exchange rate contracts Cover of the fair value	(4,002)	(6,656)
Total	**(27,008)**	**(27,494)**

Financial income	Amount at 31/12/05	Amount at 31/12/04
Profits from transactions in foreign currency	23,850	19,609
Profits exchange rate contracts Cash flow cover	-	-
Profits exchange rate contracts Cover of the fair value	1,463	1,389
Total	**25,313**	**20,998**

Net Exchange Differences	**(1,695)**	**(6,496)**

Note 30. Other net Financial Income / Expenses.

The "Other net financial income/expenses heading" at the end of the 2004 on 2005 financial years is as follows:

Other financial expenses	Amount at 31/12/05	Amount at 31/12/04
Losses from the sale of financial investments	(43)	(117)
Other financial losses	(33,720)	(21,831)
Losses inventory contracts: Cash flow cover	-	-
Losses inventory contracts: Cover of the fair value	-	(638)
Total	**(33,763)**	**(22,586)**

Other financial income	Amount at 31/12/05	Amount at 31/12/04
Profits from the sale of financial investments	8,170	12
Income on shareholdings	3,989	3,579
Other financial income	11,604	7,770
Profits inventory contracts: Cash flow cover	-	-
Profits inventory contracts: Cover of the fair value	638	-
Total	**24,401**	**11,361**

Other net financial income/expenses	**(9,362)**	**(11,225)**

Note 31. Operating Leases.

The future minimum payments to be made by the non-cancellable operating leases at the end of 2005 financial year is as follow:

Item	**Balance as of 31/12/05**
Short-term	306,737
Long-term	963,131
Total	**1,269,868**

Note 32. Corporate Income Tax.

Corporate income tax at the end of the 2004 and 2005 financial years is as follows:

Item	**Amount at 31/12/05**	**Amount at 31/12/04**
Current tax	48,953	12,080
Deferred tax (Note 23)	(17,381)	(19,588)
Total	**31,572**	**(7,508)**

The tax on the group's pre-tax profits differs from the theoretical amount that would have been obtained by using the average weighted tax rate applicable to the profits of consolidated companies. This difference at the end of the 2004 and 2005 financial years is as follows:

	Amount at 31/12/05	**Amount at 31/12/04**
Profit before taxes	**110,53**	**52,691**
Tax calculated at national tax rates applicable to profits in the respective countries	19,859	10,661
Tax-free result	**129,912**	**63,352**
Permanent differences	12,522	(26,023)
Tax credits and un recognized deductions in previous years	(2,568)	(2,815)
Tax expenses	**48,953**	**12,080**

Note 33. Earnings per Share.

The basic earnings per share are calculated by dividing the profits attributable to the company's shareholders by the average weighted number of ordinary shares in circulation during the financial year. No own shares are maintained in the possession of the company or its subsidiaries (See Note 2.13).

Item	Amount at 31/12/05	Amount at 31/12/04
Profits attributable to the company's shareholders	66,004	52,750
Weighted average number of ordinary shares in circulation (thousands)	90,470	90,470
Basic earnings per share (€ per share)	**0.73**	**0.58**

There are no factors which modify the amount of the basic earnings per share.

Note 34. Dividends per Share.

The dividends paid in June 2005 and June 2004 totalled € 12,666 thousands (€ 0.14 per share) and € 12,666 thousands (€ 0.14 per share), respectively. In the general shareholders meeting of 9 April 2006, a dividend per share of € 0.15 is to be proposed with regard to 2005, which will represent the total dividend of € 13,570 thousands. These consolidated financial statements do not show this dividend.

Note 35. Contingencies.

At the end of the financial year, the total amount of the guarantees with third parties totals € 419,422 thousands (€ 444,258 thousands in 2004), corresponding to guarantees and surety bond insurance in guarantee of the compliance with the obligations undertaken in contracted works, tenders and with regard to subsidies received.

As deposits for various transactions with financial entities (excluding the syndicated loan of Abengoa, S.A. referred to in Note 22), at 31 December 2005, there are guarantees between companies in the group totalling € 804,604 thousands (€ 590,437 thousands in 2004), with an amount of € 438,037 thousands (€ 315,578 thousands in 2004) corresponding to transactions outside Spain involving both foreign companies and Spanish companies in operations abroad.

At the end on 31/12/2005, Abengoa and its group of companies support claims and legal controversies in their favour and against their favour, as a natural consequence of their business and economic and technical claims that the parties to a contract usually file against each other. The most significant of these claims is currently substantiated abroad and refers to a contract for the repowering of electricity generation units which, for various reasons, has been cancelled group company that won the contract as a consequence of its impossible execution as defined as a result of the client's failure, in time and form, to obtain the administrative permits required for the works.

As a consequence of the above. the company winning the tender claimed substantial economic amounts not recognised in the attached financial statements or in those prepared in previous financial years, due to their consideration as contingent assets. The said claims were finally counterclaimed in 2003 by the customer, including intangible losses and claims for indirect damages much higher than the total amount of the original contract (around $ 200 M). The administrators of Abengoa anticipate that this disagreement may be resolved appropriately in a reasonable period of time and therefore understand that it does not constitute liabilities susceptible to recognition in the books. The said opinion is corroborated by the company's legal advisers, especially regarding the limitation laid down in the contract of exclusion of liability for indirect damages and the limitation for direct damages.

Note 36. Other Information.

36.1. Fixed assets allocated to electrical activities.

The balances of intangible, tangible and financial fixed assets both in general and with regard to projects, allocated to electrical activities as per Note 2.22 are as follows:

Activity	Balance as of 31/12/04	Increase	Decreases	Other movements	Balance as of 31/12/05
Special production: Cogeneration	179,049	30,026	(8,942)	16,239	216,372
Special production: Hydraulics	8,216	-	(9)	-	8,207
Special production: Other	10,046	28	(1)	83,855	93,928
Transport	255,636	159,532	(28,327)	194,906	581,747
Costs Spanish companies	214,980	39,235	(8,952)	100,094	345,357
Costs foreign companies	237,967	150,351	(28,327)	194,906	554,897
Total Cost	**452,947**	**189,586**	**(37,279)**	**295,000**	**900,254**

Activity	Balance as of 31/12/04	Increase	Decreases	Other movements	Balance as of 31/12/05
Special production: Cogeneration	(77,548)	(3,738)	2,132	(4,440)	(83,594)
Special production: Hydraulics	(247)	(264)	-	-	(511)
Special production: Other	(5,502)	(458)	-	(47,724)	(53,684)
Transport	(8,927)	(6,189)	-	4,248	(10,868)
Accumulated depreciation Spanish companies	(83,297)	(4,460)	2,132	(52,164)	(137,789)
Accumulated depreciation foreign companies	(8,927)	(6,189)	-	4,248	(10,868)
Total accumulated depreciation	**(92,224)**	**(10,649)**	**2,132**	**(47,916)**	**(148,657)**
Net amount	**360,723**				**751,597**

Other movements correspond basically to the entry into the consolidation perimeter of the company ATE II, as well as the adaptation of both percentages of company shareholdings and initial balances for the year.

The total amount allocated to electrical activities it is broken down in Fixed assets in projects and other fixed assets as follows:

	Balance as of 31/12/05	**Balance as of 31/12/04**
Fixed assets in projects	690,001	355,351
Other fixed assets	61,596	5,372
Total	**751,597**	**360,723**

The balances of No-recourse Financing Applied to Projects allocated to electrical activities as per Note 2.23 are as follows:

	Balance as of 31/12/05	Balance as of 31/12/04
Short-term bank debts	36,029	44,314
Long-term bank debts	290,552	188,846
Total	**326,581**	**233,160**

The balances of No-recourse Financing in Progress allocated to electrical activities as per Note 2.23 are as follows:

	Balance as of 31/12/05	**Balance as of 31/12/04**
Short-term bank debts	246,379	113,596
Long-term bank debts	-	-
Total	**246,379**	**113,596**

36.2. <u>Average number of employees</u>.

The average number of employees during the 2004 and 2005 financial years, separated into categories, is as follows:

	Average Number		**Average Number**	
Categories	**2005**	**%**	**2004**	**%**
Senior Manager	388	3.50	346	3.70
Middle Manager	1,117	10.10	939	10.10
Engineers and Uni. Graduates	1,613	14.50	1,217	13.00
Skilled and Semi-skilled	1,416	12.80	1,289	13.90
Laborers	6,548	59.10	5,527	59.30
Total	**11,082**	**100.00**	**9,318**	**100.00**

The mean number of staff is split between Spain (54%) and abroad (46%).

To gather this information, all the entities that form part of the consolidation perimeter have been considered, exclusively in the cases in which the full consolidation or proportional consolidation method is applied for the purposes of preparing the consolidated accounts.

36.3. Relations with associated companies.

The account Abengoa maintains with Inversión Corporativa I.C., S.A., at the end of the 2004 and 2005 financial years has a zero balance.

The dividends distributed to associated companies during the year have totalled € 7,098 thousands (€ 7,098 thousands in 2004).

The transactions completed during the 2004 and 2005 financial years with significant shareholders additional to the purchase of the land as per Note 8.4 are as follows:

- Constitution of a land right by Explotaciones Casaquemada, S.A. (a subsidiary company of Inversión Corporativa, I.C., S.A., a shareholder of reference in Abengoa) in favour of Fotovoltaica Solar Sevilla, S.A. (a subsidiary company of Abengoa), by virtue of a public deed dated 24 December 2004, for an initial term of 30 years, over a plot of land of 12 ha, for an accumulated charge for the entire term of € 216.4 thousands, used for the development, construction and operation by Fotovoltaica Solar Sevilla, S.A. of a photovoltaic solar plant of 1.2 MW.

36.4. Salaries and other payments.

The post of member of the board is paid in accordance with the provisions laid down in article 39 of the articles of association. The payment of the administrators can consist of a fixed amount agreed in the general shareholders meeting, which does not have to be the same for each one. Similarly, they may receive a share in the profits of the company of between 5 and 10% of the annual profits once the dividend corresponding to the financial year in question has been paid out, together with compensation for travel expenses related to work entrusted by the board.

The payments made during the financial year 2005 to the members of the board of directors and to the advisory board of the board of directors of Abengoa, S.A. have totalled € 930 thousands (€ 786 thousands in the financial year 2004) for allowances and salaries and € 233 thousands (€ 296 thousands in the 2004 financial year) for other items.

In addition, during the 2005 financial year, the payments made to the top-level management of the company, considering the inclusion of 15 people that constitute the presidency, strategy committee and management team, have totalled € 5,519 thousands (€ 4,842 thousands in the 2004 financial year) for both fixed and variable items.

There are no advance payments or credits awarded to the members of the board nor obligations assumed with them as guarantees.

There is a commitment for pensions awarded during the 2005 and 2004 financial years for a value totalling € 1,059 thousands.

36.5. Since 19 July 2003, the date on which the Stock Market Act 26/2003 came into force, modifying Act 24/1988, of 20 July, and the revised text of the Limited Companies Act, with a view to reinforcing the transparency of limited companies, the members of the border have not maintained, except for those indicated below, shares in the capital of companies that carry out activities of the same, similar or complementary kind as that laid down in the corporate purpose of the parent company. Furthermore, they have not carried out nor do they carry out activities on their own account or on behalf of any other party that are of a similar or complementary nature to the activities laid down in the corporate purpose of Abengoa, S.A. On the other hand, there are no companies susceptible to the application of the horizontal consolidation laid down in article 42 of the code of commerce in either 2005 or 2004.

The following shows the members of the board that are also members of other listed companies:

Spanish Tax No.	Name	Listed company	Position
35203147	José Terceiro Lomba	U.Fenosa	Member of the board
35203147	José Terceiro Lomba	Iberia	Member of the board, member of the executive commission
35203147	José Terceiro Lomba	Grupo Prisa	Member of the board, chairman of the audit committee
2191423	Ignacio de Polanco Moreno	Grupo Prisa	Adviser

In accordance with the record of significant shareholdings the company maintains in accordance with the provisions laid down in the internal code of stock market conduct, the percentages of shares of the administrators in the company's capital at 31/12/05 are as follows:

	Direct %	Indirect %	Total %
Felipe Benjumea Llorente	0.059	-	0.059
Javier Benjumea Llorente	0.002	-	0.002
José Joaquín Abaurre Llorente	0.003	-	0.003
José Luis Aya Abaurre	0.061	-	0.061
José B. Terceiro Lomba	0.111	0.111	0.222
Ignacio de Polanco Moreno	-	-	-
Daniel Villalba Vilá	0.003	-	0.003
Carlos Sebastián Gascón	-	-	-
Mercedes Gracia Díez	0.0005	-	0.0005
Total	**0.2395**	**0.111**	**0.3505**

36.6. Auditors' fees.

During the financial year 2005, fees were paid amounting to € 2,063 thousands (€ 1,656 thousands in 2004) for the financial audits that include the audit at the end of the year and the regular review of information and the audit under the US Gaap criteria of the company listed in the USA. Of the said amount, € 1,360 thousands correspond to the main auditor of the group PricewaterhouseCoopers (€ 1,193 thousands in 2004).

Furthermore, in the financial year 2005, € 564 thousands have been paid to auditing firms for other work, basically for the implantation of the requirements of the Sarbanes-Oxley Law. € 84,000 corresponds to the main auditor.

In the 2004 financial year, € 2,787 thousands were paid to auditing firms for other work. Of this amount, € 2,310 thousands correspond to the work carried out by PricewaterhouseCoopers related to the floating of Telvent GIT, S.A. and the rest, amounting to € 477 thousands, corresponds mainly to the work related to the implantation project for the IAS in Abengoa, due diligence work and other minor activities. Of this amount, a total of € 135 thousands corresponds to the main auditor.

36.7. Environmental information.

One of the business groups of Abengoa focuses its activity on the provision of environmental services, such as the recycling of waste, industrial cleaning and environmental engineering.

Befesa, the head company of the said business group, provides the consolidated financial statements of Abengoa for the 2005 and 2004 financial years with assets totalling € 513,912 and € 485,157 thousands, sales of € 402,403 and € 357,762 thousands and attributable results of € 16,085 and € 14,898 thousands related to the environmental activity.

At the end of the 2005 financial year, Abengoa estimates that there are no environmental risks that require additional funds.

It is Abengoa's objective for all its companies to obtain certificates for its environmental management systems. The use of treatment techniques with guarantees for environmental quality has been officially recognised through environmental management certificates (ISO 9001, ISO 14001 and EMAS). As a consequence of the above, at the end of the 2005 financial year, quality management systems compliant with the ISO 9001 have been attained for 92% of the companies of Abengoa; similarly, there are environmental management systems certified as compliant with the ISO 14001 for 74% of the companies.

The distribution of the percentages of the companies certified in quality and the environment by business group is as follows:

Business group	**% companies certified as compliant with the ISO 9001**	**% companies certified as compliant with the ISO 14001**
Information Technologies	92 %	77 %
Industrial construction and engineering.	96 %	65 %
Environmental services.	89 %	78 %
Bioenergy	80 %	60 %

The Spanish companies of the bioenergy group, Ecocarburantes Españoles, S.A. and Bioetanol Galicia S.A., have developed and implanted a comprehensive quality, environment and occupational hazard prevention management model, and have been certified by an international body in 2004. The North American company Abengoa Bioenergy Corp. is governed by local standards which have greater influence in its production area.

As tools for improving the management of the quality and environment Systems, a new version of two computer applications has been installed in almost all the companies in the group: for the management and resolution of problems (IRP) and for processing improvement actions (AM).

36.8. Post-balance-sheet event.

In January 2006, Nefinsa reported its interest in exercising the sale option of 4.88% of the share capital it held in the subsidiary company Befesa Medio Ambiente, S.A. The said sale operation was recognised by Abengoa at a price of € 16.30 per share in the agreement signed in December 2002 by and between Abengoa and Terraire, S.A. (currently taken over by Nefinsa, S.A.) by virtue of which the latter transferred to Alianza Medioambiental (a subsidiary 100% of Abengoa) its holding (47.5%) in Complejo Medioambiental de Andalucía, S.A. and, at the same time, Terraire (Nefinsa) acquired 4.88% of the share capital of Befesa Medio Ambiente owned by Asa Environement & Energy Holding (a subsidiary of Abengoa). The repurchase by Abengoa, S.A. was carried out on 19 January 2006 at the agreed price.

On 23 January 2006, in accordance with the agreements adopted by the general shareholders meeting of 16 October 2005, a plan for the acquisition of shares for the group's directors was adopted by the Board of Directors under the following basic terms and conditions:

- For: 122 Directors of Abengoa (business group directors, business unit directors, technical managers and R&D&I managers and corporate services managers) belonging to all its subsidiaries and business areas, present or future, who voluntarily wish to take part in the plan. The plan will not include any member of the board of directors of Abengoa.

- Share volume: Up to 3,200,000 shares of Abengoa, representing 3.53% of the company's share capital.

- Those taking advantage of the plan will be able to access a bank loan for the purchase at market value of the shares of Abengoa already issued and in circulation, for a term of up to 31 December 2006, in accordance with the Stock Market Act, with the guarantee of Abengoa and excluding personal liability, in accordance with article 81.2 of the Limited Companies Act and up to a maximum of €87 million (including expenses, commissions and interests). The term of repayment of the loan shall be five years and six months.

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method

Name	Registered Address	Shareholding Amount in thousands of €.	Shareholding % of nominal capital	Parent Company	See (Page 5)	Activity (See Page 5)	Auditor
AB Bioenergy France, S.A. (*)	Montardon (FR)	19	51.00	Abengoa Bioenergía	a-b	(1)	A
ABC Issuing Company, Inc. (*)	Chesterfield (USA)	1	100.00	Abengoa Bioenergy	a-b	(1)	-
Abecnor Subestaciones, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	c	(4)	-
Abecom, S.A.	Seville (SP)	988	100.00	Inabensa	a-b	(4)	C
Abeinsa Brasil Projetos e Construcoes Ltda. (*)	R. de Janeiro (BR)	-	99.90	Abengoa Brasil / Befesa Brasil	a-b	(4)	B
Abeinsa, Ingeniería y Construcción Industrial, S.L.	Seville (SP)	90,642	100.00	Abengoa / Siema	a-b	(4); (5)	A
Abelec, S.A.	Santiago (CL)	2	100.00	Abengoa Chile	a-b	(4)	A
Abema Limitada	Santiago (CL)	1	100.00	Abengoa Chile / Befesa CTA	a-b	(2); (4)	A
Abenasa Transmissao de Energia, Ltda. (ATE)	R. de Janeiro (BR)	73,853	100.00	Abengoa / Abengoa Brasil	a-b	(4)	E
Abenasa Transmissao de Energia, Ltda. (ATE II)	R. de Janeiro (BR)	-	100.00	Abengoa / Befesa Brasil	a-b	(4)	-
Abencor Suministros, S.A.	Seville (SP)	4,133	100.00	Abeinsa	a-b	(4)	C
Abener El Sauz, S.A. de C.V. (Aelsa)	Mexico D.F. (MX)	6	100.00	Abener / Abengoa México	a-b	(4)	A
Abener Energía, S.A.	Seville (SP)	54,523	100.00	Abeinsa	a-b	(4)	A
Abener Garabito Energía, S.A.	Mexico D.F. (MX)	4	100.00	Abener / Abengoa	a-b	(4)	-
Abener Inversiones, S.L.	Seville (SP)	22,861	100.00	Abener / Nicsa	a-b	(4); (5)	-
Abener México, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abener / Abengoa México	a-b	(4)	-
Abengoa Bioenergía, S.L.	Seville (SP)	145,200	100.00	Abengoa / Siema	a-b	(1); (5)	-
Abengoa Bioenergía San Roque, S.A.	Seville (SP)	15	99.90	Abengoa Bioenergía	a-b	(1)	-
Abengoa Bioenergy Corporation	Kansas (USA)	138,596	100.00	Asa Bioenergy Holding	a-b	(1)	A
Abengoa Bioenergy R&D, Inc.	San Luis (USA)	5	100.00	Abengoa Bioenergy Corp.	a-b	(1)	A
Abengoa Brasil, S.A.	R. de Janeiro (BR)	12,794	100.00	Sociedad Inv. Líneas de Brasil	a-b	(4)	E
Abengoa Chile, S.A.	Santiago (CL)	19,491	100.00	Asa Investment	a-b	(4)	A
Abengoa Comer. y Administraçao, S.A. (Abencasa)	R. de Janeiro (BR)	1,862	100.00	Asa Investment	a-b	(5)	-
Abengoa México, S.A. de C.V.	Mexico D.F. (MX)	1,736	90.00	Asa Investment	a-b	(4)	A
Abengoa Perú, S.A.	Lima (PE)	3,241	100.00	Asa Investment	a-b	(4)	A
Abengoa Puerto Rico, S.E.	San Juan (PR)	8	99.51	Abengoa/Abencor Suministros	a-b	(4)	A
Abengoa Servicios S.A. de C.V. (*)	Mexico D.F. (MX)	4	99.80	Abengoa México / Saxa	a-b	(4)	A
Abensur Trading Company, S.A.	Montevideo (UY)	2,488	100.00	Befesa CTA	a-b	(2); (5)	-
Abentel Telecomunicaciones, S.A.	Seville (SP)	4,645	100.00	Abeinsa	a-b	(3)	A
AB Bioenergy Hannover GmbH (*)	Hannover (DE)	28	100.00	Abengoa Bioenergía	a-b	(1)	A
Alianza Befesa Egmasa, S.L.	Huelva (SP)	92	50.00	Alianza Medioambiental	c	(2)	-
Alianza Medioambiental, S.L. (AMA)	Biscay (SP)	97,633	100.00	Befesa Medio Ambiente	a-b	(2); (5)	B
Alto Bello, S.A.	Buenos Aires (AR)	182	100.00	Asa Invest. / Teyma Abengoa	a-b	(6)	E
Aluminios en Discos, S.A.	Huesca (SP)	2,400	100.00	Befesa Aluminio Bilbao	a-b	(2)	B
Aprovechamientos Energéticos Furesa, S.A.	Murcia (SP)	2,211	98.00	Abener Inversiones	a-b	(4)	C
Arce Sistemas, S.A.	Biscay (SP)	1,769	100.00	Telvent Tráfico y Transporte	a-b	(3)	A
Asa Bioenergy Holding, AG	Zug (CH)	118,811	100.00	Abengoa Bioenergía	a-b	(1); (5)	A
Asa Environment and Energy Holding AG	Zug (CH)	214,592	100.00	Siema	a-b	(5)	A
Asa Iberoamérica, S.L.	Seville (SP)	24,936	100.00	Abeinsa	a-b	(5)	-
Asa Investment AG	Zug (CH)	24,822	100.00	Asa Iberoamérica	a-b	(5)	A
Asa Investment Brasil, Ltda.	R. de Janeiro (BR)	-	100.00	Abengoa Brasil / Befesa Brasil	a-b	(4)	-
Aser Recuperación del Zinc, S.L.	Biscay (SP)	15,626	100.00	MRH-Residuos Metálicos	a-b	(2); (5)	B
ATE III Transmissora de Energia, S.A.	R. de Janeiro (BR)	-	100.00	Abengoa / Befesa Brasil	a-b	(4)	-
Befesa Zinc Sur, S.L.	Biscay (SP)	605	100.00	Aser-Zinc	a-b	(2)	-
Aznalcóllar Solar, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Bargoa, S.A.	R. de Janeiro (BR)	9,275	90.00	Asa Investment / Abencasa	a-b	(3); (4)	E
Befesa Aluminio Bilbao, S.L.	Biscay (SP)	53,971	100.00	MRH-Residuos Metálicos	a-b	(2); (5)	B
Befesa Aluminio Valladolid, S.A.	Valladolid (SP)	8,671	100.00	Befesa Aluminio Bilbao	a-b	(2)	B
Befesa Argentina, S.A.	Buenos Aires (AR)	6,623	100.00	AMA / Befesa Desulfuración	a-b	(2)	E
Befesa Brasil, S.A.	R. de Janeiro (BR)	1,044	100.00	Asa Investment / AMA	a-b	(4)	E
Befesa Chile Gestión Ambiental Limitada	Santiago (CL)	182	100.00	Abengoa Chile / AMA	a-b	(2)	-

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (Continuation)

Name	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of nominal capital	Parent Company	See (Page 5)	Activity (See Page 5)	Auditor
Befesa Construcción y Tecnología Ambiental, S.A.	Seville (SP)	24,011	100.00	Befesa Medio Ambiente	a-b	(2)	B
Befesa Desulfuración, S.A.	Biscay (SP)	36,510	90.00	Alianza Medioambiental	a-b	(2)	B
Befesa Escorias Salinas, S.A.	Valladolid (SP)	6,786	100.00	Befesa A.B. / Befesa A.V.	a-b	(2)	B
Befesa Fluidos, S.A.	Asturias (SP)	2,007	100.00	Alianza Medioambiental	a-b	(2)	B
Befesa Gestión de PCB, S.A.	Murcia (SP)	1,358	100.00	Alianza Medioambiental	a-b	(2)	B
Befesa Gestión de Residuos Industriales, S.L.	Murcia (SP)	55,522	100.00	Alianza Medioambiental	a-b	(2)	B
Befesa Gestión de Residuos Ind. Portugal, S.L.	Lisbon (PT)	50	100.00	Befesa GRI	a-b	(3)	-
Befesa Limpiezas Industriales México, S.A. de C.V.	Mexico D.F. (MX)	1	100.00	Befesa Méx. / Abengoa Méx.	a-b	(2)	-
Befesa Medio Ambiente, S.A.	Biscay (SP)	278,034	92.29	Abengoa / PIM	a-b	(2); (5)	B
Befesa México, S.A. de C.V.	Mexico D.F. (MX)	10,167	100.00	Befesa Medio Amb./A. México	a-b	(2)	-
Befesa Perú, S.A.	Lima (PE)	690	100.00	AMA / Abengoa Perú	a-b	(2)	-
Befesa Plásticos, S.L.	Murcia (SP)	2,415	93.07	Alianza Medioambiental	a-b	(2)	B
Befesa Salt Slag Ltd.	Manchester (UK)	21,399	100.00	Befesa Aluminio Bilbao	a-b	(2)	E
Befesa Servicios Corporativos, S.A.	Madrid (SP)	2,626	100.00	Befesa Medio Ambiente	a-b	(2)	B
Befesa Técnicas del Suelo, S.A.	Madrid (SP)	48	100.00	Alianza Medioambiental	a-b	(4)	-
Befesa Tratamientos y Limpiezas Industriales, S.L.	Biscay (SP)	22,834	100.00	Alianza Mediambiental	a-b	(2)	B
Befesa Zinc Amorebieta, S.A.	Biscay (SP)	4,154	51.00	Befesa Zinc Aser	a-b	(2)	B
Befesa Zinc Aser, S.A.	Biscay (SP)	18,039	100.00	Aser Recuperación del Zinc	a-b	(2)	B
Befesa Zinc Comercial, S.A.	Biscay (SP)	60	100.00	Aser Recuperación del Zinc	a-b	(2)	B
Befesa Zinc Sondika, S.A.	Biscay (SP)	1,727	51.00	Befesa Zinc Aser	a-b	(2)	B
BF Tiver, S.L.	Asturias (SP)	28	94.00	Befesa Fluidos	a-b	(2)	-
Bioeléctrica Jiennense, S.A.	Seville (SP)	885	95.00	Abener Inversiones	a-b	(4)	-
Bioener Energía, S.A.	Biscay (SP)	36	50.00	Abengoa Bioenergía	a-b	(4)	-
Bioetanol Galicia, S.A.	La Coruña (SP)	19,534	90.00	Abengoa Bioenergía	a-b	(1)	A
Borgu,S.A.	Montevideo (UY)	16	100.00	Teyma Uruguay	a-b	(4)	-
C.D. Puerto San Carlos, S.A. de C.V.	Mexico D.F. (MX)	13,916	100.00	Abener / Abengoa / A. México	a-b	(4)	A
Captación Solar, S.A. (*)	Seville (SP)	60	99.90	Abener Inversiones / Abener	a-b	(4)	-
Centro Industrial y Logístico Torrecuellar, S.A. (*)	Seville (SP)	60	99.90	Abeinsa / Inabensa	a-b	(4)	-
Centro Tecnológico Palmas Altas, S.A.	Seville (SP)	60	100.00	Abengoa / Abeinsa	a-b	(6)	-
Cogeneración Villaricos, S.A.	Seville (SP)	5,951	99.20	Abener Inversiones	a-b	(4)	C
Complejo Medioambiental de Navarra, S.A.	Navarra (SP)	60	100.00	Alianza Medioambiental	a-b	(2)	-
Construc. Metálicas Mexicanas, S.A. de C.V.	Querétaro (MX)	1,922	75.70	Abengoa México/Eucomsa	a-b	(4)	A
Construcciones y Depuraciones, S.A.	Seville (SP)	3,800	100.00	Befesa CTA	a-b	(2)	B
Copero Solar, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Copero Solar Uno, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Copero Solar Dos, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Copera Solar Tres, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Desarrollos Eólicos El Hinojal, S.A.	Seville (SP)	84	100.00	Siema	a-b	(4)	-
Donsplav	Donetsk (UA)	980	51.00	Befesa Aluminio Bilbao	a-b	(2)	-
Ecoagrícola, S.A.	Murcia (SP)	586	100.00	Abengoa Bioenergía / Ecocarb.	a-b	(1)	A
Ecocarburantes Españoles, S.A.	Murcia (SP)	10,172	95.10	Abengoa Bioenergía	a-b	(1)	A
Enernova Ayamonte, S.A.	Huelva (SP)	2,281	91.00	Abener Inversiones	a-b	(4)	C
Enicar Chile, S.A.	Santiago (CL)	21	100.00	Abengoa Chile	a-b	(5)	A
ETBE Huelva, S.A.	Seville (SP)	2,034	90.00	Abengoa Bioenergía	a-b	(1)	A
Europea de Cons. Metálicas, S.A. (Eucomsa)	Seville (SP)	3,625	50.00	Abeinsa	c	(4)	A
European Tank Clean Company (ET2C)	Bordeaux (FR)	19	50.00	Befesa TLI	a-b	(2)	-
Faritel, S.A.	Montevideo (UY)	12	100.00	Pandelco	a-b	(4)	-
Financiera Soteland, S.A.	Montevideo (UY)	87	100.00	Asa Investment	a-b	(7)	-
Fotovoltaica Solar Sevilla, S.A.	Seville (SP)	800	100.00	Solúcar Energía	a-b	(4)	-
Galdán, S.A.	Navarra (SP)	735	50.00	Befesa Aluminio Bilbao	c	(2)	B

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (Continuation)

Name	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of nominal capital	Parent Company	See (Page 5)	Activity (See Page 5)	Auditor
Gestión de Residuos del Cerrato, S.L.	Palencia (SP)	1,242	100.00	Befesa GRI	a-b	(2)	B
Gestión Integral de Recursos Humanos, S.A.	Seville (SP)	61	100.00	Telvent Corp. / Siema	a-b	(8)	-
Greencell, S.A.	Seville (SP)	386	100.00	Abengoa Bioenergía/Inabensa	a-b	(1)	A
Hidro Abengoa, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Befesa México / Befesa CTA	a-b	(2)	-
Hynergreen Technologies, S.A.	Seville (SP)	250	100.00	Abeinsa / Inabensa	a-b	(4)	-
Inabensa Bharat Private Limited	N. Delhi (IN)	8	100.00	Inabensa / Abener	a-b	(4)	-
Inabensa France, S.A.	Pierrelate (FR)	550	100.00	Inabensa	a-b	(4)	-
Inabensa Maroc, S.A.	Tánger (MA)	1,504	100.00	Inabensa	a-b	(4)	-
Inabensa Portugal, S.A.	Lisbon (PT)	280	100.00	Inabensa	a-b	(3)	-
Inabensa Rio, Ltda.	R. de Janeiro (BR)	-	100.00	Abengoa Brasil / Befesa Brasil	a-b	(4)	-
Inapreu, S.A. (*)	Barcelona (SP)	2,318	50.00	Inabensa	a-b	(4)	-
Iniciativas Hidroeléctricas, S.A.	Seville (SP)	1,226	50.00	Befesa CTA	c	(2)	C
Iniciativas Medioambientales, S.A.	Seville (SP)	4	100.00	Befesa GRI	a-b	(2)	-
Instalaciones Inabensa, S.A.	Seville (SP)	17,307	100.00	Abeinsa	a-b	(4)	A
Inversora Enicar, S.A.	Montevideo (UY)	2,025	100.00	Abengoa Chile	a-b	(5)	A
Klitten, S.A. (*)	Montevideo (UY)	-	100.00	Teyma Uruguay	a-b	(4)	-
L.T. 43 Río Bravo, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa / Abengoa México	a-b	(4)	-
L.T. 707 Norte Sur, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa / Abengoa México	a-b	(4)	-
L.T. Rosarito y Monterrey, S.A. de C.V.	Mexico D.F. (MX)	2,675	100.00	Inabensa/Asa Invest./A.México	a-b	(4)	A
Líneas 612 Norte Nordeste, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa / Abengoa México	a-b	(4)	-
Lineas Altamira, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	a-b	(4)	-
Líneas Baja California Sur, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	c	(4)	-
Miner & Miner Consulting Engineers, Inc.	Colorado (USA)	6,809	70.00	Telvent GIT	a-b	(3)	-
MRH Residuos Metálicos, S.L.	Biscay (SP)	42,747	100.00	Befesa Medio Ambiente	a-b	(2); (5)	B
Mundiland, S.A.	Montevideo (UY)	2,334	100.00	Telvent Factory Holding	a-b	(5)	A
Negocios Industr. y Comerciales, S.A. (Nicsa)	Madrid (SP)	1,791	100.00	Abencor Suministros	a-b	(4)	C
Nicsa Industrial Supplies Corporation	Miami (USA)	168	100.00	Nicsa	a-b	(4)	-
Nicsa México, S.A.	Mexico D.F. (MX)	4	100.00	Nicsa / Abengoa México	a-b	(4)	-
Nicsa Suministros Industriales, S.A.	Buenos Aires (AR)	3	100.00	Nicsa / Teyma Abengoa	a-b	(4)	-
Nordic Biofuels of Ravenna	Chesterfield (USA)	5,934	100.00	Abengoa Bioenergy Corp.	c	(1)	-
NTE - Nordeste Transmissora de Energía, S.A.	R. de Janeiro (BR)	28,667	50.01	Abengoa Brasil	a-b	(4)	E
Palmucho, S.A. (*)	Santiago (CL)	2	100.00	Abengoa Chile / Enicar Chile	a-b	(4)	A
Pandelco, S.A.	Montevideo (UY)	502	100.00	Teyma Uruguay	a-b	(4)	A
Peninsular 615, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa / Abengoa México	a-b	(4)	-
Plataforma Solar Sanlúcar la Mayor, S.A. (*)	Seville (SP)	60	100.00	Solúcar / Inabensa	a-b	(4)	-
Procesos Ecológicos Carmona 1, S.A.	Seville (SP)	63	100.00	Procesos Ecológicos / AMA	a-b	(2)	-
Procesos Ecológicos Carmona 2, S.A.	Seville (SP)	90	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	-
Procesos Ecológicos Carmona 3, S.A.	Seville (SP)	60	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	-
Procesos Ecológicos Lorca 1, S.A.	Seville (SP)	180	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	-
Procesos Ecológicos Vilches, S.A.	Seville (SP)	1,265	95.00	Procesos Ecológ./Befesa CTA	a-b	(2)	C
Procesos Ecológicos, S.A. (Proecsa)	Seville (SP)	657	50.00	Befesa CTA	c	(2); (5)	-
Proyectos de Inv. Medioambientales, S.L.U.	Biscay (SP)	251,156	100.00	Asa Environment / Siema	a-b	(5)	-
Puerto Real Cogeneración, S.A. (Precosa)	Cadiz (SP)	176	94.56	Abener Inversiones	a-b	(4)	A
Remetal Trading and Investment AG	Zurich (CH)	25	100.00	Befesa Aluminio Bilbao	a-b	(2)	-
Residuos Sólidos Urbanos de Ceuta, S.L. (Resurce)	Ceuta (SP)	2,030	50.00	Abengoa	c	(2)	-
Sainsel Sistemas Navales, S.A.	Seville (SP)	1,202	50.00	Telvent E. y M.A.	c	(3)	A
Sanlúcar Solar, S.A.	Seville (SP)	4,465	100.00	Solúcar Energía/Asa E&EH	a-b	(4)	-
Serv. Aux. de Administración, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abengoa México	a-b	(4)	A
Serv. Integr. de Mant. y Operación, S.A. (Simosa)	Seville (SP)	109	100.00	Inabensa / Nicsa	a-b	(4)	C
SET Sureste Peninsular, S.A. de C.V.	Mexico D.F. (MX)	1,697	100.00	Abengoa México / Inabensa	a-b	(4)	A
Siema AG	Zug (CH)	8,757	100.00	Siema	a-b	(5)	A

Dependent Companies included in the Consolidation Perimeter using the Global Integration Method (Continuation)

Name	Registered Address	Shareholding		Parent Company	See (Page 5)	Activity (See Page 5)	Auditor
		Amount in thousands of €	% of nominal capital				
Sinalan, S.A.	Montevideo (UY)	13	100.00	Teyma Uruguay	a-b	(4)	-
Sistemas de Control de Energía, S.A. (Sicel)	Seville (SP)	1,245	100.00	Telvent E.y M.A./Telvent GIT	a-b	(3)	-
Sistemas de Desarrollo Sustentables, S.A. de C.V.	Mexico D.F. (MX)	-	100.00	Befesa México / A. México	a-b	(2)	-
Sniace Cogeneración, S.A.	Madrid (SP)	8,686	90.00	Abener Inversiones	a-b	(4)	A
Soc. Inver. en Ener. y Medioambiente,S.A. (Siema)	Seville (SP)	93,008	100.00	Abengoa	a-b	(5)	A
Sociedad Inversora Lineas de Brasil, S.L. (*)	Seville (SP)	12,798	100.00	Asa Iberoamérica, S.L.	a-b	(5)	-
Sociedade Combustiveis Bioquimicos, S.A. (SCB)	Setúbal (PT)	46	100.00	Abengoa Bioenergía / Siema	a-b	(1)	-
Solar Processes, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Solnova Electricidad, S.A.	Seville (SP)	60	100.00	Solúcar Energía / Inabensa	a-b	(4)	-
Solnova Electricidad Dos, S.A. (*)	Seville (SP)	60	99.99	Solúcar / Inabensa	a-b	(4)	-
Solnova Electricidad Tres, S.A. (*)	Seville (SP)	60	99.99	Solúcar / Inabensa	a-b	(4)	-
Solúcar Energía, S.A.	Seville (SP)	500	100.00	Abeinsa/Abencor Suministros	a-b	(4); (5)	-
STE - Sul Transmissora de Energía, Ltda.	R. de Janeiro (BR))	13,176	50.01	Abengoa Brasil	a-b	(4)	E
Subestaciones 611 Baja California, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa México	a-b	(4)	-
Subestaciones 615, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	c	(4)	-
Telvent Argentina, S.A.	Buenos Aires (AR)	572	100.00	Telvent Tráfico y Transporte	a-b	(3)	A
Telvent Australia Pty Ltd. (*)	Perth (AU)	4,140	100.00	Telvent GIT	a-b	(3)	A
Telvent B.V.	Amsterdam (NL)	80	100.00	Siema	a-b	(5)	-
Telvent Brasil, S.A.	R. de Janeiro (BR)	1,189	100.00	Telvent Tráfico y Transporte	a-b	(3)	E
Telvent Canadá, Ltd.	Calgary (CA)	26,287	100.00	Telvent GIT	a-b	(3)	A
Telvent China, Ltd.	Beijing (CN)	1,070	100.00	Telvent Tráfico y Transporte	a-b	(3)	-
Telvent Corporation, S.L.	Madrid (SP)	24,297	100.00	Abengoa / Siema	a-b	(5)	-
Telvent Danmark, A/S	Copenhague (DK)	17	100.00	Telvent E. y M.A.	a-b	(3)	-
Telvent Deutschland GmbH	Hamburgo (DE)	27	100.00	Telvent E. y M.A.	a-b	(4)	-
Telvent Energía y Medio Ambiente, S.A.	Madrid (SP)	39,066	100.00	Telvent GIT	a-b	(3)	A
Telvent Factory Holding AG	Zug (CH)	9,353	99.95	Telvent Investment	a-b	(3); (5)	A
Telvent GIT, S.A.	Madrid (SP)	54,824	62.23	Telvent Corp./Siema AG/Abengoa	a-b	(3); (5)	A
Telvent Housing, S.A.	Madrid (SP)	2,872	100.00	Telvent GIT	a-b	(3)	A
Telvent Interactiva, S.A.	Madrid (SP)	240	100.00	Telvent GIT/Telvent E. y M.A.	a-b	(3)	A
Telvent Investment, S.L.	Madrid (SP)	7,000	100.00	Telvent Corporation	a-b	(5)	-
Telvent México, S.A. de C.V.	Mexico D.F. (MX)	1,293	100.00	Telvent E. y M.A.	a-b	(3)	A
Telvent Netherlands BV (*)	Culemborg (NL)	1,702	100.00	Telvent GIT	a-b	(3)	A
Telvent Outsourcing, S.A.	Seville (SP)	476	100.00	Telvent GIT/Telvent E. y M.A.	a-b	(3)	C
Telvent Portugal, S.A.	Lisbon (PT)	1,202	100.00	Telvent Housing	a-b	(3)	A
Telvent Scandinavia, A/S	Ostersund (SE)	334	100.00	Telvent E. y M.A.	a-b	(3)	-
Telvent Servicios Compartidos, S.L.	Madrid (SP)	210	100.00	Telvent GIT/Telvent E. y M.A.	a-b	(8)	A
Telvent Thailand Ltd.	Bangkok (TH)	66	100.00	Telvent Tráfico y Transporte	a-b	(3)	E
Telvent Tráfico y Transporte, S.A.	Madrid (SP)	6,452	100.00	Telvent E. y M.A./Telvent GIT	a-b	(3)	A
Telvent USA, Inc.	Houston (USA)	11,307	100.00	Telvent Canadá	a-b	(3)	A
Teyma Abengoa, S.A.	Buenos Aires (AR)	29,140	100.00	Asa Invest./Befesa Argentina	a-b	(4)	A
Teyma Paraguay, S.A.	Asunción (PY)	113	100.00	Teyma Uruguay	a-b	(4)	-
Teyma Uruguay ZF, S.A. (*)	Montevideo (UY)	19,222	100.00	Teyma Uruguay	a-b	(4)	A
Teyma Uruguay, S.A.	Montevideo (UY)	2,810	92.00	Asa Investment	a-b	(4)	A
Tráfico e Ingeniería, S.A. (Trafinsa)	Asturias (SP)	1,034	100.00	Telvent T y T/Arce Sistemas	a-b	(3)	C
Transmisión 610 Norte, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa México	a-b	(4)	-
Transportadora Cuyana, S.A.	Buenos Aires (AR)	3	100.00	Teyma Abengoa / Abengoa	a-b	(4)	A
Transportadora del Atlántico, S.A.	Buenos Aires (AR)	3	100.00	Teyma Abengoa / Abengoa	a-b	(4)	A
Transportadora Río de la Plata	Buenos Aires (AR)	3	80.00	Teyma Abengoa	a-b	(4)	A

(*) Companies incorporated or acquired and consolidated for the first time in the year.

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, 2004.

(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.

Appendix II

Associated Companies included in the Consolidation Perimeter using the Participation Method

Name	Registered Address	Shareholding		Parent Company	(*)	Art. of R.D. 1815/91	Activity	Auditor
		Amount in thousands of €	% of Nominal Capital					
Abalnor T&D, S.A. de C.V.	Mexico D.F. (MX)	1	25.00	Abengoa México	-	5º 3	(4)	-
ABG Servicios Medioambientales, S.A.	Biscay (SP)	150	20.00	Alianza Medioambiental	-	5º 3	(2)	-
Abenor, S.A.	Santiago (CL)	7,376	20.00	Abengoa Chile/Transam	-	5º 3	(4)	A
Agua y Gestión de Servicios Ambientales, S.A.	Seville (SP)	5,310	43.50	Befesa M.A. / Codesa	-	5º 3	(2)	-
Aguas del Tunari, S.A.	Cochabamba (BO)	2,384	25.00	Abensur Trading Comp.	-	5º 3	(2)	-
Araucana de Electricidad, S.A.	Santiago (CL)	5,323	20.00	Abengoa Chile/Transam	-	5º 3	(4)	A
Cogeneración del Sur, S.A.	Seville (SP)	260	45.00	Abencor Suministros	-	5º 3	(4)	C
Cogeneración Motril, S.A.	Seville (SP)	1,403	39.00	Abener Inversiones	-	5º 3	(4)	E
Consorcio Teyma M&C	Santiago (CL)	11	49.90	Abengoa Chile	-	5º 3	(4)	-
Deydesa 2000, S.L.	Álava (SP)	6,763	40.00	Befesa Aluminio Bilbao	-	5º 3	(2)	E
Ecología Canaria, S.A. (Ecansa)	Las Palmas (SP)	68	45.00	Befesa TLI	-	5º 3	(2)	-
Expansion Transmissào de Energia Eletrica, Ltda.	R. de Janeiro (BR)	7,618	25.00	Abengoa Brasil	-	5º 3	(4)	E
Expansion Trans. Itumbiara Marimbondo, Ltda.	R. de Janeiro (BR)	5,401	25.00	Abengoa Brasil	-	5º 3	(4)	-
Geida Skikda, S.L.	Madrid (SP)	150	50.00	Codesa / Befesa CTA	-	5º 3	(2)	-
Geida BeniSaf, S.L.	Madrid (SP)	150	50.00	Codesa / Befesa CTA	-	5º 3	(2)	-
Geida Tlemcen, S.L.	Madrid (SP)	1	34.00	Befesa CTA	(*)	5º 3	(2)	-
Hospital del Tajo	Seville (SP)	1,336	20.00	Inabensa	(*)	5º 3	(4)	-
Huepil de Electricidad, S.A.	Santiago (CL)	14,447	20.00	Abengoa Chile/Transam	-	5º 3	(4)	A
Inversiones Eléctricas Transam Chile Limitada	Santiago (CL)	5,418	20.00	Abengoa Chile	(*)	5º 3	(4)	A
Intersplav	Sverdlovsk (UA)	3,726	40.00	Befesa Aluminio Bilbao	-	5º 3	(2)	A
Líneas Sistemas Nacional, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	A
Líneas y Subestaciones 506, S.A. de C.V.	Mexico D.F. (MX)	1	25.00	Abengoa México	-	5º 3	(4)	-
Líneas y Subestaciones de México, S.A. de C.V.	Mexico D.F. (MX)	2	33.30	Abengoa México	-	5º 3	(4)	-
Residuos Ind. de la Madera de Córdoba,S.A.	Cordova (SP)	607	69.90	Alianza Befesa Egmasa	-	5º 3	(2)	-
Subestaciones 410, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	-
Subest. y Lineas Bajío Oriental, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	-
Subestaciones y Líneas de México, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	-
Tenedora de Acciones de Redesur, S.A.	Lima (PE)	4,368	33.30	Abengoa Perú	-	5º 3	(5)	-
TSMC Ing. y Construcción	Santiago (CL)	13	33.30	Abengoa Chile	-	5º 3	(4)	-
Tuxpan TXD, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	A

(*) Companies incorporated or acquired and consolidated for the first time in the year.

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.

Joint Ventures included in the Consolidation Perimeter using the Proportional Integration Method

Name of Entity	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of Nominal Capital	Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 3)	Auditor
Adis Segovia Valdestrilla	Madrid (SP)	-	7.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Almanjayar	Madrid (SP)	2	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Almendralejo	Madrid (SP)	4	60.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Argelia	Madrid (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Biocarburantes de Castilla y León, S.A.	Seville (SP)	16.900	50,00	Abengoa Bioenergía	-	4º2.a	(1)	A
Campus Aljarafe	Pontevedra (SP)	-	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Casa del Depore	Zamora (SP)	60	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Centrales	Zamora (SP)	6	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Centro Contingencias Gava	Barcelona (SP)	4	30.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Chapin 2002	Seville (SP)	3	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Cifuentes	Seville (SP)	3	55.00	Befesa CTA	-	4º2.a	(2)	-
Ciudad de la Justicia	Madrid (SP)	1	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Consistorio	Madrid (SP)	6	30.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Consorcio ACI	Lima (PE)	-	41.00	Abengoa Perú	(*)	4º2.a	(4)	-
Consorcio Ambiental del Plata	Montevideo (UY)	-	40.00	Teyma Uruguay	-	4º2.a	(4)	-
Consorcio FAT (Ferrovial-Agroman-Teyma)	Montevideo (UY)	1,225	40.00	Teyma Uruguay	-	4º2.a	(4)	-
Consorcio Telar Klitten	Montevideo (UY)	-	50.00	Teyma Uruguay	-	4º2.a	(4)	-
Consortium Kenya	Madrid (SP)	3	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Consortium Tanzania	Madrid (SP)	3	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Control Aéreo Gava	Barcelona (SP)	27	30.00	Instalaciones Inabensa	-	4º2.a	(4)	-
CPD´S	Madrid (SP)	6	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Edar Las Palmas UTE	Gran Canarias (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
Edar Motril	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
Eidra	Seville (SP)	1	42.00	Instalaciones Inabensa	-	4º2.a	(4)	-
El Piloto	Lima (PE)	-	23.00	Abengoa Perú	-	4º2.a	(4)	-
Electrificación L-3	Madrid (SP)	6	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Elsan - Pacsa - Tecnocontrol - Telvent T y T	Madrid (SP)	2	33.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Emisa - ST	Madrid (SP)	-	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Energía Línea 9	Barcelona (SP)	1	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Energía Noroeste	Seville (SP)	3	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Erabil	Biscay (SP)	6	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Explotaciones Varias, S.A.	Ciudad Real (ES)	1.907	50,00	Abengoa	-	4º2.a	(5)	-
Ferial Badajoz	Madrid (SP)	-	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Forum Solar	Madrid (SP)	3	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Geinso Geriátrico	Barcelona (SP)	2	33.34	Instalaciones Inabensa	-	4º2.a	(4)	-
Groupement	Madrid (SP)	1	33.33	Instalaciones Inabensa	-	4º2.a	(4)	-
Guadalajara	Seville (SP)	3	55.00	Befesa CTA	-	4º2.a	(2)	B
H. Campus de la Salud	Seville (SP)	2	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Hospital Aranjuez	Madrid (SP)	30	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Huesna UTE	Seville (SP)	6	33.33	Befesa CTA	-	4º2.a	(2)	-
IDAM Cartagena	Seville (SP)	1	37.50	Befesa CTA	(*)	4º2.a	(2)	-
Inacom	Madrid (SP)	1	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Incyel	Madrid (SP)	5	37.50	Instalaciones Inabensa	-	4º2.a	(4)	-
Inelin	Madrid (SP)	6	48.50	Instalaciones Inabensa	-	4º2.a	(4)	-
Jerez Ferroviaria	Seville (SP)	1	10.00	Instalaciones Inabensa	-	4º2.a	(4)	-
La Lama	Pontevedra (SP)	1	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Libia-Lineas	Seville (SP)	-	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-

Joint Ventures included in the Consolidation Perimeter using the Proportional Integration Method (Continuation)

Name of Entity	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of Nominal Capital	Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 3)	Auditor
Linea 1	Madrid (SP)	6	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Línea 400 kv	Madrid (SP)	6	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Linea 9	Barcelona (SP)	6	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Líneas Manantali	Madrid (SP)	3	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Lluchmayor UTE	Seville (SP)	2	50.00	Befesa CTA	-	4º2.a	(2)	D
Nat Electricidad	Madrid (SP)	12	33.33	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Novo Hospital de Santiago	Pontevedra (SP)	-	5.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Parke Lanbarren	Guipúzcoa (SP)	1	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Pl Huelva	Seville (SP)	2	40.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Preufet Juzgados	Barcelona (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Pridesa - ASA (Almería) (IDAM Almería)	Seville (SP)	1	50.00	Befesa CTA	-	4º2.a	(2)	-
Primapen I	Madrid (SP)	12	33.33	Instalaciones Inabensa	-	4º2.a	(4)	-
Primapen II	Madrid (SP)	12	33.33	Instalaciones Inabensa	-	4º2.a	(4)	-
Primapen III	Asturias (SP)	36	33.33	Instalaciones Inabensa	(*)	4º2.a	(4)	-
S/E Libia	Madrid (SP)	-	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
S/E Villaverde Bajo	Seville (SP)	3	33.34	Instalaciones Inabensa	-	4º2.a	(4)	-
Saih Duero	Seville (SP)	4	70.00	Befesa CTA	(*)	4º2.a	(2)	-
Segria Sud	Seville (SP)	4	60.00	Befesa CTA	-	4º2.a	(2)	-
Semi-Inabensa	Madrid (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Serveis Lleida	Barcelona (SP)	2	40.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Sinamón	Madrid (SP)	18	33.33	Instalaciones Inabensa	-	4º2.a	(4)	-
SS/EE Cantabria	Barcelona (SP)	2	33.34	Instalaciones Inabensa	-	4º2.a	(4)	-
ST - Acisa	Barcelona (SP)	3	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
ST - E. Otaduy - Excavaciones Cantábricas	Biscay (SP)	6	34.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
ST - Excavaciones Cantábricas - E. Otaduy	Biscay (SP)	1	34.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
ST-Indra Sist.-Excav. Cantábricas-E.Otaduy	Biscay (SP)	6	30.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Teatinos	Málaga (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
Telvent - Sice - FCC	Madrid (SP)	5	34.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Telvent T y T - Acisa	Barcelona (SP)	-	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Telvent T y T - Telvent Argentina	Córdoba (AR)	1	50.00	Telvent Argentina	-	4º2.a	(3)	-
Telvent UTE	Buenos Aires (AR)	2	50.00	Telvent Argentina	(*)	4º2.a	(3)	-
Telvent-Inabensa	Barcelona (SP)	3	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Torre	Bilbao (SP)	6	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Torretriana 2	Madrid (SP)	1	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
UTE Abensaih	Seville (SP)	4	65.00	Befesa CTA	-	4º2.a	(2)	-
UTE Abensaih Construcción	Seville (SP)	3	50.00	Telvent E y MA	(*)	4º2.a	(3)	-
UTE Abensaih Construcción	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Abensaih Mantenimiento	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Abensaih Mantenimientos	Seville (SP)	3	50.00	Telvent E y MA	(*)	4º2.a	(3)	-
UTE Albox	Seville (SP)	-	50.00	Codesa	-	4º2.a	(2)	-
UTE Almería Explotación	Seville (SP)	2	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Avinyo	Barcelona (SP)	-	40.00	Codesa	-	4º2.a	(2)	-
UTE Bascara	Barcelona (SP)	-	40.00	Codesa	-	4º2.a	(2)	-
UTE Canal Aguerri Balaguer	Lérida (SP)	2	33.33	Befesa CTA	-	4º2.a	(2)	-
UTE Cartuja	Seville (SP)	-	100.00	Codesa	-	4º2.a	(2)	-
UTE Cazorla	Seville (SP)	6	100.00	Codesa	-	4º2.a	(2)	-
UTE Deca	Málaga (SP)	2	32.25	Befesa CTA	-	4º2.a	(2)	-
UTE Duro Felguera Plantas Industriales	Gijón (SP)	-	50.00	Befesa Fluidos	-	4º2.a	(2)	-
UTE Espluga	Barcelona (SP)	-	40.00	Codesa	-	4º2.a	(2)	-

Joint Ventures included in the Consolidation Perimeter using the Proportional Integration Method (Continuation)

Name of Entity	Registered Address	Shareholding		Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 3)	Auditor
		Amount in thousands of €	% of Nominal Capital					
UTE Estepa	Seville (SP)	4	65.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Fuente Álamo	Valencia (SP)	3	33.00	Codesa	-	4º2.a	(2)	-
UTE Gelida	Barcelona (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Guiamet	Seville (SP)	7	60.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Idam Atabal	Seville (SP)	3	53.00	Befesa CTA	-	4º2.a	(2)	-
UTE Idam Carboneras	Málaga (SP)	3	43.00	Befesa CTA	-	4º2.a	(2)	-
UTE Itóiz	Biscay (SP)	4	35.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Jucar Vinalopo	Seville (SP)	2	33.34	Befesa CTA	-	4º2.a	(2)	-
UTE Lubet	Seville (SP)	-	75.00	Codesa	-	4º2.a	(2)	-
UTE Meirama	La Coruña (SP)	54	6.00	Befesa CTA	-	4º2.a	(2)	-
UTE Montemayor	Seville (SP)	-	60.00	Codesa	-	4º2.a	(2)	-
UTE Negratín - Almanzora	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Ojen	Seville (SP)	-	70.00	Codesa	-	4º2.a	(2)	-
UTE Operación Verano	Madrid (SP)	2	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
UTE Poniente	Almería (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Ranillas	Seville (SP)	2	15.00	Codesa	(*)	4º2.a	(2)	-
UTE Ribera	Valencia (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Riegos Marismas	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Riegos Villareal	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Rincon de la Victoria	Málaga (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Sahechores	Seville (SP)	4	62.00	Befesa CTA	-	4º2.a	(2)	-
UTE Saih Duero	Seville (SP)	30	30.00	Telvent E y MA	(*)	4º2.a	(3)	-
UTE Sector Este	Barcelona (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Selectiva Poniente	Almería (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Servicios y maquinaria Duro Felguera	Gijón (SP)	-	50.00	Befesa Fluidos	-	4º2.a	(2)	-
UTE Sevic	Barcelona (SP)	-	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
UTE Sigüenza	Seville (SP)	3	55.00	Befesa CTA	-	4º2.a	(2)	-
UTE Skikda	Madrid (SP)	75	25.00	Codesa	(*)	4º2.a	(2)	-
UTE Skikda	Seville (SP)	1	25.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE TTT - Iceacsa (Explotación Cent.)	La Coruña (SP)	3	50.00	Telvent Tráf. y Transp.	(*)	4º2.a	(3)	-
UTE TTT - Inabensa	Barcelona (SP)	1	50.00	Telvent Tráf. y Transp.	(*)	4º2.a	(3)	-
UTE TTT- Meym 2000 (Postes SOS)	Barcelona (SP)	2	50.00	Telvent Tráf. y Transp.	(*)	4º2.a	(3)	-
UTE Túneles Malmasín	Biscay (SP)	5	25.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
UTE Utrera	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Vilanova	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Villanueva	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Zaindu Hiru	Biscay (SP)	-	29.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Utrera Dos Hermanas	Seville (SP)	9	33.33	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Vendrell UTE	Barcelona (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
Zuera Electrificación	Madrid (SP)	6	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-

(*) 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

Companies with Electricity Operations included in the Consolidation Perimeter (See Note 36.1)

Name	Registered Address	Activity (*)	Remarks
Abenasa Transmissao de Energia, Ltda. (ATE)	Rio de Janeiro (BR)	9	Construction phase
Abenasa Transmissao de Energia, Ltda. (ATE II)	Rio de Janeiro (BR)	9	Construction phase
Abenor, S.A.	Santiago (CL)	9	Operational
Aprovechamientos Energéticos Furesa, S.A. (Aprofursa)	Murcia (SP)	1	Operational
Araucana de Electricdad, S.A.	Santiago (CL)	9	Operational
Befesa Desulfuración, S.A	Biscay (SP)	8	Operational
Befesa Plásticos,S.L.	Murcia (SP)	8	Operational
Biocarburantes de Castilla y León, S.A.	Salamanca (SP)	3	Construction phase
Bioetanol Galicia, S.A.	La Coruña (SP)	3	Operational
Captación Solar, S.A.	Seville (SP)	5	Construction phase
Cogeneración del Sur, S.A.	Seville (SP)	1	Operational
Cogeneración Motril, S.A.	Seville (SP)	1	Operational
Cogeneración Villaricos, S.A.	Seville (SP)	1	Operational
Copero solar, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Uno, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Dos, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Tres, S.A.	Seville (SP)	5	Construction phase
Desarrollos Eólicos El Hinojal, S.A.	Seville (SP)	2	Dormant
Ecocarburantes Españoles, S.A.	Murcia (SP)	3	Operational
Enernova Ayamonte, S.A.	Huelva (SP)	4	Operational
Expansión Transmissào de Energia Eletrica, Ltda.	Rio de Janeiro (BR)	9	Construction phase
Expansion Transmissao Itumbiara Marimbondo, Ltda.	Rio de Janeiro (BR)	9	Construction phase
Fotovoltaica Solar Sevilla, S.A.	Seville (SP)	5	Construction phase
Huepil de Electricidad, S.A.	Santiago (CL)	9	Operational
Iniciativas Hidroeléctricas, S.A.	Seville (SP)	7	Operational
Nordeste Transmisora de Energía, S.A. (NTE)	Rio de Janeiro (BR)	9	Operational
Palmucho, S.A.	Santiago (CL)	9	Construction phase
Procesos Ecológicos Vilches, S.A.	Seville (SP)	3	Operational
Puerto Real Congeneración, S.A.	Cadiz (SP)	3	Operational
Sanlúcar Solar, S.A.	Seville (SP)	6	Construction phase
Sniace Congeneración, S.A.	Madrid (SP)	1	Operational
Solar Processes, S.A.	Seville (SP)	5	Construction phase
Solnova Electricidad, S.A.	Seville (SP)	6	Operational
Solnova Electricidad Uno, S.A.	Seville (SP)	6	Operational
Solnova Electricidad Dos, S.A.	Seville (SP)	6	Operational
STE- Sul Trasmisora de Energía, Ltda.	Rio de Janeiro (BR)	9	Construction phase

(*) 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.

Companies taxed under the Special Regime for Company Groups at 12.31.05

Name		
Name	**Tax address**	**Shareholding**
Abengoa, S.A.	Seville (SP)	Parent Company
Abecom, S.A.	Seville (SP)	Instalaciones Inabensa, S.A.
Abeinsa, Ingeniería y Construcción Industrial, S.L.	Seville (SP)	Abengoa, S.A.
Abencor Suministros, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Abener Energía, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Abener Inversiones, S.L.	Seville (SP)	Abener Energía, S.A.
Abengoa Bioenergía, S.L.	Seville (SP)	Abengoa, S.A.
Abengoa Bioenergía San Roque, S.A.	Seville (SP)	Abengoa Bioenergía, S.L.
Abentel Telecomunicaciones, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Aprovechamientos Energéticos Furesa, S.A. (Aprofursa)	Murcia (SP)	Abener Inversiones, S.L.
Asa Iberoamérica, S.L.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Aznalcóllar Solar, S.A.	Seville (SP)	Solúcar Energía, S.A.
Bioeléctrica Jiennense, S.A.	Seville (SP)	Abener Inversiones, S.L.
Bioetanol Galicia, S.A.	La Coruña (SP)	Abengoa Bioenergía, S.L.
Captación Solar, S.A.	Seville (SP)	Abener Inversiones, S.L. / Abener Energía, S.A.
Centro Industrial y Logístico Torrecuellar, S.A.	Seville (SP)	Abeinsa IyCI, S.L. / Instalaciones Inabensa, S.A.
Centro Tecnológico Palmas Altas, S.A.	Seville (SP)	Abengoa, S.A.
Cogeneración Villaricos, S.A.	Seville (SP)	Abener Inversiones, S.L.
Copero solar, S.A.	Seville (SP)	Solúcar Energía, S.A.
Copero Solar Huerta Uno, S.A.	Seville (SP)	Solúcar Energía, S.A.
Copero Solar Huerta Dos, S.A.	Seville (SP)	Solúcar Energía, S.A.
Copero Solar Huerta Tres, S.A.	Seville (SP)	Solúcar Energía, S.A.
Desarrollos Eólicos El Hinojal, S.A.	Seville (SP)	Siema
Ecoagrícola, S.A.	Cartagena (SP)	Abengoa Bioenergía, S.L.
Ecocarburantes Españoles, S.A.	Murcia (SP)	Abengoa Bioenergía, S.L.
Enernova Ayamonte, S.A.	Huelva (SP)	Abener Inversiones, S.L.
ETBE Huelva, S.A.	Seville (SP)	Abengoa Bioenergía, S.L.
Fotovoltaica Solar Sevilla, S.A.	Seville (SP)	Solúcar Energía, S.A.
Gestión Integral de Recursos Humanos, S.A.	Seville (SP)	Abengoa, S.A.
Greencell, S.A.	Seville (SP)	Abengoa Bioenergía, S.L.
Hynergreen Technologies, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Instalaciones Inabensa, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Negocios Industriales y Comerciales, S.A. (Nicsa)	Madrid (SP)	Abencor Suministros, S.A.
Plataforma Solar Sanlúcar La Mayor, S.A.	Seville (SP)	Solúcar Energía, S.A. / Instalaciones Inabensa, S.A.
Proyectos Técnicos Industriales, S.A. (Protisa)	Madrid (SP)	Instalaciones Inabensa, S.A.
Puerto Real Cogeneración, S.A. (Precosa)	Cadiz (SP)	Abener Inversiones, S.L.
Sanlúcar Solar, S.A.	Seville (SP)	Solúcar Energía, S.A.
Servicios Integrales de Mantenimiento y Operación, S.A. (Simosa)	Seville (SP)	Instalaciones Inabensa, S.A.
Sniace Cogeneración, S.A.	Madrid (SP)	Abener Inversiones, S.L.
Sociedad Inversora en Energía y Medioambiente, S.A. (Siema)	Seville (SP)	Abengoa, S.A.
Sociedad Inversora Líneas Brasil, S.L.	Seville (SP)	Asa Iberoamérica, S.L.
Solar Processes, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solnova Electricidad, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solnova Electricidad Dos, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solnova Electricidad Tres, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solúcar Energía, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Telvent Corporation, S.L.	Madrid (SP)	Abengoa, S.A.
Telvent Investment, S.L.	Madrid (SP)	Telvent Corporation, S.L.

Companies taxed under the Special Regime for Company Groups at 12.31.05 (Continuation)

Befesa Tax Group Number 4/01 B		
Name	**Tax address**	**Shareholding**
Proyectos de Inversiones Medioambientales, S.L.	Biscay (SP)	Parent Company
Befesa Medio Ambiente, S.A.	Biscay (SP)	Proyectos de Inversiones Medioambientales, S.L.
Alianza Medioambiental, S.A. (AMA)	Biscay (SP)	Befesa Medio Ambiente, S.A.
Aser Recuperación del Zinc, S.L.	Biscay (SP)	MRH Residuos Metálicos, S.L.
Befesa Aluminio Bilbao, S.L.	Biscay (SP)	MRH Residuos Metálicos, S.L.
Befesa Desulfuración, S.A.	Biscay (SP)	Alianza Medioambiental, S.L. (AMA)
Befesa Tratamiento y Limpiezas Industriales, S.L.	Biscay (SP)	Alianza Medioambiental, S.L. (AMA)
Befesa Zinc Aser, S.A.	Biscay (SP)	Aser Recuperación del Zinc. S.L.
Befesa Zinc Comercial, S.A.	Biscay (SP)	Aser Recuperación del Zinc, S.L.
MRH Residuos Metálicos, S.L.	Biscay (SP)	Befesa Medio Ambiente, S.A.

Consolidated Companies

		Shareholding					
Name	Registered Address	Amount in thousands of €.	% of nominal capital	Parent Company	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 (SP)	988	100.00	Inabensa	a-b	(4)	C
Abeinsa, Ingeniería y Construcción Industrial, S.L.	Seville (SP)	90,642	100.00	Abengoa	a-b	(4); (5)	-
Abelec, S.A.	Santiago (CL)	2	100.00	Abengoa Chile	a-b	(4)	A
Abema Limitada	Santiago (CL)	1	100.00	Abengoa Chile / Befesa CTA	a-b	(2); (4)	A
Abenasa Transmissao de Energia, Ltda. (ATE)	R. de Janeiro (BR)	168	100.00	Abengoa	a-b	(4)	E
Abenasa Transmissao de Energia, Ltda. (ATE II) (*)	R. de Janeiro (BR)	-	100.00	Abengoa Brasil	a-b	(4)	-
Abencor Suministros, S.A.	Seville (SP)	4,133	100.00	Abeinsa	a-b	(4)	C
Abener El Sauz, S.A. de C.V. (Aelsa)	Mexico D.F. (MX)	6	100.00	Abener / Abengoa	a-b	(4)	A
Abener Energía, S.A.	Seville (SP)	54,523	100.00	Abeinsa	a-b	(4)	A
Abener Garabito Energía, S.A.	Mexico D.F. (MX)	4	100.00	Abener / Abengoa	a-b	(4)	-
Abener Inversiones, S.L.	Seville (SP)	22,861	100.00	Abener	a-b	(4); (5)	-
Abener México, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abener	a-b	(4)	-
Abengoa Bioenergía, S.L.	Seville (SP)	144,805	100.00	Abengoa / Siema	a-b	(1); (5)	-
Abengoa Bioenergy Corporation	Kansas (USA)	139,692	100.00	Asa Bioenergy Holding	a-b	(1)	A
Abengoa Bioenergy R&D, Inc.	St. Luis (USA)	4	100.00	Abengoa Bioenergy Corp.	a-b	(1)	A
Abengoa Brasil, S.A.	R. de Janeiro (BR)	318	100.00	Inabensa	a-b	(4)	E
Abengoa Chile, S.A.	Santiago (CL)	19,645	100.00	Asa Investment	a-b	(4)	A
Abengoa Comer. y Administraçao, S.A. (Abencasa)	R. de Janeiro (BR)	1,872	100.00	Asa Investment	a-b	(5)	-
Abengoa Limited	Edimburgo (UK)	29	100.00	Abener	a-b	(4)	A
Abengoa México, S.A. de C.V.	Mexico D.F. (MX)	1,750	90.00	Asa Investment	a-b	(4)	A
Abengoa Perú, S.A.	Lima (PE)	3,266	100.00	Asa Investment	a-b	(4)	A
Abengoa Puerto Rico, S.E.	San Juan (PR)	8	99.51	Abengoa/Abencor Suministros	a-b	(4)	A
Abenor, S.A.	Santiago (CL)	6,006	100.00	Enicar Chile	a-b	(4)	A
Abensur Trading Company, S.A.	Montevideo (UR)	2,489	100.00	Befesa Const. y Tec. Amb.	a-b	(2); (5)	-
Abentel Telecomunicaciones, S.A.	Seville (SP)	4,645	100.00	Abeinsa / Abener	a-b	(3)	A
ABP Holding (*)	Lima (PE)	1	99.90	Abengoa Perú	a-b	(4)	-
ALA Transmissora de Energia, Ltda. (*)	R. de Janeiro (BR)	-	100.00	Inabensa Río	a-b	(4)	-
Alianza Befesa Egmasa, S.L.	Huelva (SP)	92	50.00	Alianza Medioambiental	c	(2)	-
Alianza Medioambiental, S.L. (AMA)	Biscay (SP)	97,633	100.00	Befesa Medio Ambiente	a-b	(2); (5)	B
Alto Bello, S.A.	Buenos Aires (AR)	199	100.00	Asa Invest. / Teyma Abengoa	a-b	(6)	E
Aluminios en Discos, S.A.	Huesca (SP)	2,400	100.00	Befesa Aluminio Bilbao	a-b	(2)	B
Aprovechamientos Energéticos Furesa, S.A.	Murcia (SP)	2,211	98.00	Abener Inversiones	a-b	(4)	C
Araucana de Electricidad, S.A.	Santiago (CL)	3,482	100.00	Enicar Chile	a-b	(4)	A
Arce Sistemas, S.A.	Biscay (SP)	1,769	100.00	Telvent Tráfico y Transporte	a-b	(3)	A
Asa Bioenergy Holding, 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.	Seville (SP)	24,936	100.00	Abeinsa	a-b	(5)	-
Asa Investment AG	Zug (CH)	24,822	100.00	Asa Iberoamérica	a-b	(5)	A
Asa Investment Brasil, Ltda.	R. de Janeiro (BR)	-	100.00	Abengoa Brasil	a-b	(4)	-
Aser Recuperación del Zinc, S.L.	Biscay (SP)	15,626	100.00	MRH	a-b	(2); (5)	B
Aser, Compañía Industrial del Zinc, S.L. (Aser II)	Biscay (SP)	605	100.00	Aser Recuperación del Zinc	a-b	(2)	-
Aznalcóllar Solar, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía	a-b	(4)	-
Baltasar Lobato	Madrid (SP)	2	50.00	Telvent E. y M.A.	c	-	-
Bargoa, S.A.	R. de Janeiro (BR)	10,268	90.00	Asa Invest./Abengoa C.y Ad.	a-b	(3); (4)	E
Befesa Aluminio Bilbao, S.L.	Biscay (SP)	53,971	100.00	MRH	a-b	(2); (5)	B
Befesa Aluminio Valladolid, S.A.	Valladolid (SP)	8,670	100.00	Befesa Aluminio Bilbao	a-b	(2)	B
Befesa Argentina, S.A.	Buenos Aires (AR)	6,623	100.00	Alianza Med./Befesa Desulf.	a-b	(2)	E
Befesa Brasil, S.A.	R. de Janeiro (BR)	767	100.00	Asa Investment/AMA	a-b	(4)	E
Befesa Chile, S.A.	Santiago (CL)	160	100.00	A. Chile/AMA	a-b	(2)	-

Consolidated Companies. (Continuation)

Name	Registered Address	Shareholding Amount in thousands of €	% of nominal capital	Parent Company	See (Page 5)	Activity (See Page 5)	Auditor
Befesa Construcción y Tecnología Ambiental, S.A.	Seville (SP)	24,011	100.00	Befesa Medio Ambiente	a-b	(2)	B
Befesa Desulfuración, S.A.	Biscay (SP)	36,510	90.00	Alianza Medioambiental	a-b	(2)	B
Befesa Escorias Salinas, S.A.	Valladolid (SP)	6,787	100.00	Befesa A.B. / Befesa A.V.	a-b	(2)	B
Befesa Fluidos, S.A.	Asturias (SP)	2,007	100.00	Alianza Medioambiental	a-b	(2)	B
Befesa Gestión de PCB, S.A.	Murcia (SP)	1,358	100.00	Alianza Medioambiental	a-b	(2)	B
Befesa Gestión de Residuos Industriales, S.L.	Murcia (SP)	55,522	100.00	Alianza Medioambiental	a-b	(2)	B
Befesa Gestión de Residuos Ind. Portugal, S.L. (*)	Lisbon (PT)	50	100.00	Befesa GRI	a-b	(3)	-
Befesa Limpiezas Industriales México, S.A. de C.V.	Mexico D.F. (MX)	1	100.00	Befesa México / Abemex	a-b	(2)	-
Befesa Medio Ambiente, S.A.	Biscay (SP)	284,315	92.29	Abengoa / PIM	a-b	(2); (5)	B
Befesa México, S.A. de C.V.	Mexico D.F. (MX)	669	100.00	Alianza Medioamb./A. México	a-b	(2)	-
Befesa Perú, S.A.	Lima (PE)	664	100.00	Alianza Med./Abengoa Perú	a-b	(2)	-
Befesa Plásticos, S.L.	Murcia (SP)	2,415	93.07	Alianza Medioambiental	a-b	(2)	B
Befesa Salt Slag Ltd.	Manchester (UK)	21,399	100.00	Befesa A. Bilbao/Befesa Escorias	a-b	(2)	E
Befesa Servicios Corporativos, S.A.	Madrid (SP)	991	100.00	Befesa Medio Ambiente	a-b	(2)	B
Befesa Técnicas del Suelo, S.A.	Madrid (SP)	48	80.00	Alianza Medioambiental	a-b	(4)	-
Befesa Tratamientos y Limpiezas Industriales, S.L.	Biscay (SP)	22,834	100.00	Alianza Mediambiental	a-b	(2)	B
Befesa Zinc Amorebieta, S.A.	Biscay (SP)	4,154	51.00	Befesa Zinc Aser	a-b	(2)	B
Befesa Zinc Aser, S.A.	Biscay (SP)	18,039	100.00	Aser Recuperación del Zinc	a-b	(2)	B
Befesa Zinc Comercial, S.A.	Biscay (SP)	60	100.00	Aser Recuperación del Zinc	a-b	(2)	B
Befesa Zinc Sondika, S.A.	Biscay (SP)	1,727	51.00	Befesa Zinc Aser	a-b	(2)	B
BF Tiver, S.L.	Asturias (SP)	28	94.00	Befesa Fluidos	a-b	(2)	-
Biocarburantes de Castilla y León, S.A.	Seville (SP)	8,000	50.00	Abengoa Bioenergía	c	(1)	A
Bioeléctrica Jiennense, S.A.	Seville (SP)	885	95.00	Abener Inversiones	a-b	(4)	-
Bioener Energía, S.A.	Biscay (SP)	36	50.00	Abener Inversiones	a-b	(4)	-
Bioetanol Galicia, S.A.	La Coruña (SP)	19,534	90.00	Abengoa Bioenergía	a-b	(1)	A
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	a-b	(4)	A
Centro Tecnológico Palmas Altas, S.A. (*)	Seville (ES	60	100.00	Abengoa	a-b	(6)	-
Ciclafarma	Madrid (SP)	152	100.00	Alianza Medioambiental	a-b	(2)	-
Cogeneración Villaricos, S.A.	Seville (SP)	5,951	99.20	Abener Inversiones	a-b	(4)	C
Complejo Medioambiental de Navarra, S.A.	Navarra (SP)	60	100.00	Alianza Medioambiental	a-b	(2)	-
Construc. Metálicas Mexicanas, S.A. de C.V.	Querétaro (MX)	2,474	75.70	Abengoa México/Eucomsa/Saxa	a-b	(4)	A
Construcciones y Depuraciones, S.A. (*)	Seville (ES	3,800	100.00	Befesa CTA	a-b	(2)	B
Copero Solar, S.A. (*)	Seville (ES	60	100.00	Solúcar Energía	a-b	(4)	-
Copero Solar Uno, S.A. (*)	Seville (ES	60	100.00	Solúcar Energía	a-b	(4)	-
Copero Solar Dos, S.A. (*)	Seville (ES	60	100.00	Solúcar Energía	a-b	(4)	-
Copera Solar Tres, S.A. (*)	Seville (ES	60	100.00	Solúcar Energía	a-b	(4)	-
Desarrollos Eólicos de Arico, S.A.	Tenerife (SP)	40	66.65	Siema	a-b	(4)	-
Desarrollos Eólicos El Hinojal, S.A.	Seville (SP)	84	100.00	Siema	a-b	(4)	-
Donsplav	Donetsk (UA)	984	51.00	Befesa Aluminio Bilbao	a-b	(2)	-
Ecoagrícola, S.A.	Murcia (SP)	586	100.00	Abengoa Bioenergía	a-b	(1)	A
Ecocarburantes Españoles, S.A.	Murcia (SP)	10,172	95.10	Abengoa Bioenergía	a-b	(1)	A
Enernova Ayamonte, S.A.	Huelva (SP)	2,281	91.00	Abener Inversiones	a-b	(4)	C
Enicar Chile, S.A.	Santiago (CL)	783	100.00	Abengoa Chile	a-b	(5)	A
ETBE Huelva, S.A.	Seville (SP)	2,034	90.00	Abengoa Bioenergía	a-b	(1)	A
Europea de Cons. Metálicas, S.A. (Eucomsa)	Seville (SP)	3,625	50.00	Abeinsa	c	(4)	A
European Tank Clean Company (ET2C)	Bordeaux (FR)	19	50.00	Befesa Tratam. y Limp. Ind.	a-b	(2)	-
Explotaciones Varias, S.A.	Ciudad Real (SP)	1,907	50.00	Abengoa	c	(6)	-
Faritel, S.A.	Montevideo (UR)	-	100.00	Pandelco	a-b	(4)	-
Financiera Soteland, S.A.	Montevideo (UR)	88	100.00	Asa Investment	a-b	(7)	-
Fotovoltaica Solar Sevilla, S.A.	Seville (SP)	800	100.00	Solúcar Energía	a-b	(4)	-

Consolidated Companies. (Continuation)

Name	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of nominal capital	Parent Company	See (Page 5)	Activity (See Page 5)	Auditor
Galdán, S.A.	Navarra (SP)	735	50.00	Befesa Aluminio Bilbao	c	(2)	B
Gestión de Residuos del Cerrato, S.L. (*)	Palencia (SP)	1,242	100.00	Befesa GRI	a-b	(2)	B
Gestión Integral de Recursos Humanos, S.A.	Seville (SP)	60	100.00	Abengoa	a-b	(8)	-
Greencell, S.A.	Seville (SP)	386	100.00	Abengoa Bioenergía	a-b	(1)	-
Hidro Abengoa, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Befesa Con.y Tec. Ind./A.Mex.	a-b	(2)	-
Huepil de Electricidad, S.A.	Santiago (CL)	11,511	100.00	Abengoa Chile	a-b	(4)	A
Hynergreen Technologies, S.A.	Seville (SP)	250	100.00	Abeinsa / Inabensa	a-b	(4)	-
ICX Sistemas, S.A. (*)	Seville (SP)	1,778	100.00	Telvent GIT	a-b	(3)	A
Inabensa Bharat Private Limited	N. Delhi (India)	8	100.00	Inabensa	a-b	(4)	-
Inabensa France, S.A.	Pierrelate (FR)	550	100.00	Inabensa	a-b	(4)	-
Inabensa Maroc, S.A.	Tangier (MA)	1,504	100.00	Inabensa	a-b	(4)	-
Inabensa Portugal, S.A.	Lisbon (PT)	280	100.00	Inabensa	a-b	(3)	-
Inabensa Rio, Ltda.	R. de Janeiro (BR)	-	100.00	Abengoa Brasil	a-b	(4)	-
Iniciativas Hidroeléctricas, S.A.	Seville (SP)	1,226	50.00	Befesa Const. Y Tec. Amb.	c	(2)	C
Iniciativas Medioambientales, S.A.	Seville (SP)	4	100.00	Befesa GRI	a-b	(2)	-
Instalaciones Inabensa, S.A.	Seville (SP)	17,307	100.00	Abeinsa	a-b	(4)	A
Intersplav (consolidate by the Equity Method)	Sverdlovsk (UA)	3,726	50.84	Befesa Aluminio Bilbao	a-b	(2)	A
Inversora Enicar, S.A.	Montevideo (UR)	1,586	100.00	Abengoa Chile	a-b	(5)	A
L.T. 43 Río Bravo, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abengoa / Abengoa México	a-b	(4)	-
L.T. 707 Norte Sur, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abengoa / Abengoa México	a-b	(4)	-
L.T. Rosarito y Monterrey, S.A. de C.V.	Mexico D.F. (MX)	2,682	100.00	Inabensa / Asa Investment	a-b	(4)	A
Líneas 612 Norte Nordeste, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abengoa / Abengoa México	a-b	(4)	-
Lineas Altamira, S.A. de C.V.	Mexico D.F. (MX)	2	100.00	Abengoa México	a-b	(4)	-
Líneas Baja California Sur, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	c	(4)	-
Miner & Miner Consulting Engineers, Inc. (*)	Colorado (USA)	6,356	70.00	Telvent GIT	a-b	(3)	-
MRH Residuos Metálicos, S.L.	Biscay (SP)	42,747	100.00	Befesa Medio Ambiente	a-b	(2); (5)	B
Mundiland, S.A.	Montevideo (UR)	2,352	100.00	Telvent Factory Holding	a-b	(5)	A
Negocios Industr. y Comerciales, S.A. (Nicsa)	Madrid (SP)	1,791	100.00	Abencor Suministros	a-b	(4)	C
Nicsa Industrial Supplies Corporation	Miami (USA)	168	100.00	Nicsa	a-b	(4)	-
Nicsa México, S.A. (*)	Mexico D.F. (MX)	4	100.00	Nicsa / Abemex	a-b	(4)	-
Nicsa Suministros Industriales, S.A. (*)	Buenos Aires (AR)	3	100.00	Nicsa / Teyma Abengoa	a-b	(4)	-
Nordic Biofuels of Ravenna (*)	Chesterfield (USA)	2	35.98	Abengoa Bioenergy Corp.	c	(1)	-
NTE - Nordeste Transmissora de Energía, S.A.	R. de Janeiro (BR)	21,300	50.01	Abengoa Brasil	a-b	(4)	E
Pandelco, S.A.	Montevideo (UR)	402	100.00	Teyma Uruguay	a-b	(4)	A
Peninsular 615, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abengoa / Abengoa México	a-b	(4)	-
Procesos Ecológicos Carmona 1, S.A.	Seville (SP)	63	100.00	Procesos Ecológicos/AMA	a-b	(2)	-
Procesos Ecológicos Carmona 2, S.A.	Seville (SP)	91	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	-
Procesos Ecológicos Carmona 3, S.A.	Seville (SP)	61	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	-
Procesos Ecológicos Lorca 1, S.A.	Seville (SP)	181	100.00	Procesos Ecológ./Befesa CTA	a-b	(2)	-
Procesos Ecológicos Vilches, S.A.	Seville (SP)	1,148	95.00	Procesos Ecológ./Befesa CTA	a-b	(2)	C
Procesos Ecológicos, S.A. (Proecsa)	Seville (SP)	657	50.00	Befesa CTA	c	(2); (5)	-
Proyectos de Inv. Medioambientales, S.L.U. (*)	Biscay (SP)	278,132	100.00	Asa Environment / Siema	a-b	(5)	-
Proyectos Técnicos Industriales, S.A. (Protisa)	Madrid (SP)	551	100.00	Inabensa	a-b	(4)	A
Puerto Real Cogeneración, S.A. (Precosa)	Cadiz (SP)	176	94.56	Abener Inversiones	a-b	(4)	A
Remetal Trading and Investment AG	Zurich (CH)	25	100.00	Befesa Aluminio Bilbao	a-b	(2)	-
Residuos Sólidos Urbanos de Ceuta, S.L. (Resurce)	Ceuta (SP)	2,030	50.00	Abengoa	c	(2)	-
S.E.T. Sureste Peninsular, S.A. de C.V.	Mexico D.F. (MX)	568	100.00	Abengoa México	a-b	(4)	A
Sainsel Sistemas Navales, S.A.	Seville (SP)	1,202	50.00	Telvent E. y M.A.	c	(3)	A
Sanlucar Solar, S.A.	Seville (SP)	4,761	100.00	Solúcar Energía/Asa E&EH	a-b	(4)	-
Serv. Aux. de Administración, S.A. de C.V.	Mexico D.F. (MX)	3	100.00	Abengoa México	a-b	(4)	A
Serv. Integr. de Mant. y Operación, S.A. (Simosa)	Seville (SP)	109	100.00	Inabensa	a-b	(4)	C

Consolidated Companies. (Continuation)

Name	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of nominal capital	Parent Company	See (Page 5)	Activity (See Page 5)	Auditor
Siema AG	Zug (CH)	8,757	100.00	Siema	a-b	(5)	A
Sinalan, S.A. (*)	Montevideo (UR)	10	100.00	Teyma Uruguay	a-b	(4)	-
Sistemas de Control de Energía, S.A. (Sicel)	Seville (SP)	1,245	100.00	Telvent E. y M.A.	a-b	(3)	-
Sistemas de Desarrollo Sustentables, S.A. de C.V.	Mexico D.F. (MX)	-	100.00	Befesa México	a-b	(2)	-
Sniace Cogeneración, S.A.	Madrid (SP)	8,686	90.00	Abener Inversiones	a-b	(4)	A
Soc. Inver. en Ener. y Medioambiente,S.A. (Siema)	Seville (SP)	93,008	100.00	Abengoa	a-b	(5)	A
Sociedade Combustiveis Bioquimicos, S.A. (SCB)	Setúbal (PT)	40	100.00	Abengoa Bioenergía	a-b	(1)	-
Solar Processes, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía	a-b	(4)	-
Solnova Electricidad, S.A. (*)	Seville (SP)	60	100.00	Solúcar Energía	a-b	(4)	-
Solúcar Energía, S.A.	Seville (SP)	500	100.00	Abeinsa/Abencor Suministros	a-b	(4); (5)	-
STE - Sul Transmissora de Energía, Ltda.	Mexico D.F. (MX)	9,790	50.01	Abengoa Brasil	a-b	(4)	E
Subestaciones 611 Baja California, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abengoa / Abengoa México	a-b	(4)	-
Subestaciones 615, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	c	(4)	-
Subestaciones Baja California Sur, S.A. de C.V.	Mexico D.F. (MX)	2	50.00	Abengoa México	c	(4)	-
TELA Transmissora de Energia, Ltda. (*)	R. de Janeiro (BR)	-	100.00	Inabensa Río	a-b	(4)	-
Telvent Argentina, S.A.	Buenos Aires (AR)	572	100.00	Telvent Tráfico y Transporte	a-b	(3)	A
Telvent B.V.	Amsterdam (NL)	80	100.00	Siema	a-b	(5)	-
Telvent Brasil, S.A.	R. de Janeiro (BR)	1,189	100.00	Telvent Tráfico y Transporte	a-b	(3)	E
Telvent Canadá, Ltd.	Calgary (CAN)	26,287	100.00	Telvent GIT	a-b	(3)	A
Telvent China, Ltd.	Beijing (CN)	630	100.00	Telvent Tráfico y Transporte	a-b	(3)	-
Telvent Corporation, S.L. (*)	Madrid (SP)	24,297	100.00	Abengoa	a-b	(5)	-
Telvent Danmark, A/S	Copenhague (DK)	17	100.00	Telvent E. y M.A.	a-b	(3)	-
Telvent Deutschland GmbH (*)	Hamburgo (AL)	27	100.00	Telvent E. y M.A.	a-b	(4)	-
Telvent Energía y Medio Ambiente, S.A.	Madrid (SP)	39,066	100.00	Telvent GIT	a-b	(3)	A
Telvent Factory Holding AG	Zug (CH)	9,353	99.95	Telvent Investment	a-b	(3); (5)	A
Telvent GIT, S.A.	Madrid (SP)	56,490	62.23	Telvent Corp. / Siema AG	a-b	(3); (5)	A
Telvent Housing, S.A.	Madrid (SP)	2,872	100.00	Telvent GIT	a-b	(3)	A
Telvent Interactiva, S.A.	Madrid (SP)	240	100.00	Telvent GIT/Telvent E. y M.A.	a-b	(3)	A
Telvent Investment, S.L. (*)	Madrid (SP)	7,000	100.00	Telvent Corporation	a-b	(5)	-
Telvent México, S.A. de C.V.	Mexico D.F. (MX)	1,293	100.00	Telvent E. y M.A.	a-b	(3)	A
Telvent Outsourcing, S.A.	Seville (SP)	476	100.00	Telvent GIT/Telvent E. y M.A.	a-b	(3)	C
Telvent Portugal, S.A.	Lisbon (PT)	1,202	100.00	Telvent Housing	a-b	(3)	A
Telvent Scandinavia, A/S	Ostersund (SE)	334	100.00	Telvent E. y M.A.	a-b	(3)	-
Telvent Servicios Compartidos, S.L.	Madrid (SP)	60	100.00	Telvent GIT/Telvent E. y M.A.	a-b	(8)	A
Telvent Thailand Ltd.	Bangkok (TH)	46	100.00	Telvent Tráfico y Transporte	a-b	(3)	E
Telvent Tráfico y Transporte, S.A.	Madrid (SP)	6,452	100.00	Telvent E. y M.A./Telvent GIT	a-b	(3)	A
Telvent USA, Inc.	Houston (USA)	9,454	100.00	Telvent Canadá	a-b	(3)	A
Teyma Abengoa, S.A.	Buenos Aires (AR)	29,978	100.00	Asa Investment	a-b	(4)	A
Teyma Paraguay, S.A.	Asunción (PY)	90	100.00	Teyma Uruguay	a-b	(4)	-
Teyma Uruguay, S.A.	Montevideo (UR)	2,832	92.00	Asa Investment	a-b	(4)	A
Tráfico e Ingeniería, S.A. (Trafinsa)	Asturias (SP)	1,034	100.00	Telvent T y T/Arce Sistemas	a-b	(3)	C
Transmisión 610 Norte, S.A. de C.V.	Mexico D.F. (MX)	4	100.00	Abengoa / Abengoa México	a-b	(4)	-
Transportadora Río de la Plata	Buenos Aires (AR)	1	80.00	Teyma Abengoa	a-b	(4)	-

(*) Companies incorporated or acquired and consolidated for the first time in the year.

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, 2004.

(4) Bioenergy Business Group.
(5) Environmental Services Business Group.
(6) Information Technology Business Group.
(9) Engineering and Industrial Construction Business Group.
(10) Holding Company.
(11) Acquisition and running of rural and urban property, together with other related activities.
(12) Financial services.
(13) 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.

Appendix VII

Consolidated Associated Companies

Name	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of Nominal Capital	Parent Company	(*)	Art. of R.D. 1815/91	Activity	Auditor
Abalnor T&D, S.A. de C.V.	Mexico D.F. (MX)	1	25.00	Abengoa México	-	5º 3	(4)	-
ABG Servicios Medioambientales, S.A.	Biscay (SP)	150	20.00	Alianza Medioambiental	-	5º 3	(2)	-
Agua y Gestión de Servicios Ambientales, S.A.	Seville (SP)	5,310	43.50	Befesa M.A. / Codesa	(*)	5º 3	(2)	-
Aguas del Tunari, S.A.	Cochabamba (BO)	2,384	25.00	Abensur Trading Comp.	-	5º 3	(2)	-
Cogeneración del Sur, S.A.	Seville (SP)	260	45.00	Abencor Suministros	-	5º 3	(4)	C
Cogeneración Motril, S.A.	Seville (SP)	1,403	39.00	Abener Inversiones	-	5º 3	(4)	E
Consorcio Teyma M&C	Santiago (CL)	9	49.90	Abengoa Chile	-	5º 3	(4)	-
Conservación y Desarrollo Sost. Madrid, S.A.	Madrid (SP)	206	40.00	Codesa	(*)	5º 3	(2)	-
Deydesa 2000, S.L.	Álava (SP)	6,763	40.00	Befesa Aluminio Bilbao	-	5º 3	(2)	E
Ecología Canaria, S.A. (Ecansa)	Las Palmas (SP)	68	45.00	Befesa TLI	-	5º 3	(2)	-
Expansion Transmissào de Energia Eletrica, Ltda.	R. de Janeiro (BR)	5,660	25.00	Abengoa Brasil	-	5º 3	(4)	E
Expansion Trans. Itumbiara Marimbondo, Ltda.	R. de Janeiro (BR)	4,013	25.00	Abengoa Brasil	-	5º 3	(4)	-
Geida Skikda, S.L.	Madrid (SP)	150	50.00	Codesa / Befesa CTA	(*)	5º 3	(2)	-
Geida BeniSaf, S.L.	Madrid (SP)	150	50.00	Codesa / Befesa CTA	(*)	5º 3	(2)	-
Krasbilmet	Krasnoyarsk (RU)	639	32.00	Befesa Aluminio Bilbao	-	5º 3	(2)	-
Línea de Transmisión de Comahue, S.A.	Buenos Aires (AR)	-	22.50	Teyma Abengoa	-	5º 3	(4)	-
Líneas Sistemas Nacional, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	A
Líneas y Subestaciones 506, S.A. de C.V.	Mexico D.F. (MX)	1	25.00	Abengoa México	-	5º 3	(4)	-
Líneas y Subestaciones de México, S.A. de C.V.	Mexico D.F. (MX)	2	33.30	Abengoa México	-	5º 3	(4)	-
Mogabar, S.A.	Cordova (SP)	94	48.00	Abengoa	-	5º 3	(4)	-
Progresia C.L.M., S.L.	Toledo (SP)	1	33.33	Codesa	(*)	5º 3	(2)	-
Residuos Ind. de la Madera de Córdoba,S.A.	Cordova (SP)	607	69.90	Alianza Befesa Egmasa	-	5º 3	(2)	-
Subestaciones 410, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	-
Subest. y Lineas Bajío Oriental, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	-
Subestaciones y Líneas de México, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	-
Tenedora de Acciones de Red Eléc. del Sur, S.A.	Lima (PE)	4,028	33.30	Abengoa Perú	-	5º 3	(5)	-
TSMC Ing. y Construcción	Santiago (CL)	10	33.30	Abengoa Chile	-	5º 3	(4)	-
Tuxpan TXD, S.A. de C.V.	Mexico D.F. (MX)	1	33.30	Abengoa México	-	5º 3	(4)	A
Viryanet, Ltd.	Jerusalem (IS)	1,009	20.00	Telvent Investment	(*)	5º 3	(4)	-

(*) Companies incorporated or acquired and consolidated for the first time in the year.

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.

(6) Bioenergy Business Group.
(7) Environmental Services Business Group.
(8) Information Technology Business Group.
(9) Engineering and Industrial Construction Business Group.
(10) Holding Company.

A, C y E: See page 5 of Appendix I.

Consolidated Multi-Group Entities

Name of Entity	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of Nominal Capital	Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 3)	Auditor
Abecotel	Lima (PE)	-	50.00	Abengoa Perú	-	4º2.a	(4)	-
Adis Segovia Valdestrilla	Madrid (SP)	-	7.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Almanjayar	Madrid (SP)	2	25.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Almendralejo	Madrid (SP)	4	60.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Arocastin Santa Pola	Alicante (SP)	1	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Auditorio Abanilla	Murcia (SP)	-	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Busdongo	León (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Campus Aljarafe	Pontevedra (SP)	-	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Casa del Deporte	Zamora (SP)	4	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Catenaria Chamartin	Madrid (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Centrales	Madrid (SP)	6	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Centro Contingencias Gava	Barcelona (SP)	4	30.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Centro Educación Musical	Murcia (SP)	1	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Chapin 2002	Seville (SP)	33	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Cifuentes	Seville (SP)	3	55.00	Befesa CTA	(*)	4º2.a	(2)	-
Ciudad de la Justicia	Madrid (SP)	11	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Consorcio Ambiental del Plata	Montevideo (UR)	-	40.00	Teyma Uruguay	(*)	4º2.a	(4)	-
Consorcio FAT (Ferrovial-Agroman-Teyma)	Montevideo (UR)	959	40.00	Teyma Uruguay	-	4º2.a	(4)	-
Consorcio Telar Klitten	Montevideo (UR)	-	50.00	Teyma Uruguay	(*)	4º2.a	(4)	-
Consortium Kenya	Madrid (SP)	3	50.00	Teyma Uruguay	-	4º2.a	(4)	-
Consortium Tanzania	Madrid (SP)	3	50.00	Teyma Uruguay	-	4º2.a	(4)	-
Control Aéreo Gava	Barcelona (SP)	27	30.00	Teyma Uruguay	-	4º2.a	(4)	-
CPD´S	Madrid (SP)	6	50.00	Teyma Uruguay	-	4º2.a	(4)	-
Edar Las Palmas UTE	GranCanarias (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
Edar Motril	Seville (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
Eidra	Seville (SP)	1	42.00	Instalaciones Inabensa	-	4º2.a	(4)	-
El Palmeral	Alicante (SP)	-	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
El Piloto	Lima (PE)	-	22.50	Abengoa Perú	(*)	4º2.a	(4)	-
Electrificación Corredor	Madrid (SP)	3	25.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Electrificación L-3	Madrid (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Elsan-Pacsa-Tecnocontrol-Telvent T y T	Madrid (SP)	2	33.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Emisa- ST	Madrid (SP)	-	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Energía Línea 9	Barcelona (SP)	1	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Energía Noroeste	Seville (SP)	3	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Erabil	Biscay (SP)	6	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Ferial Badajoz	Madrid (SP)	-	25.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Forum Solar	Madrid (SP)	3	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Geinso Geriátrico	Barcelona (SP)	2	33.34	Instalaciones Inabensa	-	4º2.a	(4)	-
Groupement	Madrid (SP)	1	33.30	Instalaciones Inabensa	-	4º2.a	(4)	-
Guadalajara	Seville (SP)	3	55.00	Befesa CTA	-	4º2.a	(2)	B
Guinaben I	Madrid (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Guinaben II	Madrid (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Guinaben III	Madrid (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
H. Campus de la Salud	Seville (SP)	2	20.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Hospital Andújar	Pontevedra (SP)	1	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Huesna UTE	Seville (SP)	6	33.30	Befesa CTA	(*)	4º2.a	(2)	-
Inabensa Jayton Aeropuerto	Alicante (SP)	3	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-

Consolidated Multi-Group Entities (Continuation)

Name of Entity	Registered Address	Shareholding: Amount in thousands of €	Shareholding: % of Nominal Capital	Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 3)	Auditor
Inabensa Jayton Catral	Alicante (SP)	10	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Inabensa Jayton Villajoyosa	Alicante (SP)	3	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Inabensa Mainco Campello	Alicante (SP)	2	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Inabensa-Sergesa (Torretriana)	Madrid (SP)	1	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Inacoforum	Barcelona (SP)	3	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Inacom	Madrid (SP)	2	25.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Incyel	Madrid (SP)	5	37.50	Instalaciones Inabensa	-	4º2.a	(4)	-
Inelin	Madrid (SP)	6	48.50	Instalaciones Inabensa	-	4º2.a	(4)	-
Irún Electrificación	Madrid (SP)	6	33.30	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Jerez Ferroviaria	Madrid (SP)	1	10.00	Instalaciones Inabensa	-	4º2.a	(4)	-
La Lama	Pontevedra (SP)	1	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Línea 1	Madrid (SP)	3	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Línea 10	Madrid (SP)	60	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Línea 400 kv	Madrid (SP)	6	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Líneas Manantali	Madrid (SP)	3	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Lluchmayor UTE	Madrid (SP)	2	50.00	Befesa CTA	-	4º2.a	(2)	D
Mantenimiento Metro	Madrid (SP)	8	17.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Moraira Teuleda UTE	Valencia (SP)	3	42.50	Befesa CTA	-	4º2.a	(2)	-
Mundet	Barcelona (SP)	3	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Novo Hospital de Santiago	Pontevedra (SP)	-	5.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Palacio del Agua	Murcia (SP)	1	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Patronato de Deportes	Alicante (SP)	1	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Piscina Silla	Valencia (SP)	1	30.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Pista Santiago. Aena	Madrid (SP)	6	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Pl Huelva	Seville (SP)	2	40.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Placeta Purísima Morereta	Valencia (SP)	1	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Plaza Santa Faz	Alicante (SP)	2	25.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Pridesa – ASA (Almería)	Seville (SP)	2	50.00	Befesa CTA	(*)	4º2.a	(2)	-
Primapen I	Madrid (SP)	12	33.30	Instalaciones Inabensa	-	4º2.a	(4)	-
Primapen II	Madrid (SP)	12	33.30	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Puente del Estacio	Murcia (SP)	-	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
S/E Línea 6	Madrid (SP)	3	50.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
S/E Torre Arias	Madrid (SP)	1	80.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
S/E Villaverde Bajo	Seville (SP)	3	33.30	Instalaciones Inabensa	-	4º2.a	(4)	-
Sainsel-Teyma Abengoa	Buenos Aires (AR)	20	100.00	Sainsel Sistemas Navales	-	4º2.a	(3)	-
Segria Sud	Seville (SP)	4	60.00	Befesa CTA	(*)	4º2.a	(2)	-
Serveis Lleida	Barcelona (SP)	2	40.00	Instalaciones Inabensa	-	4º2.a	(4)	-
Sinamón	Madrid (SP)	18	33.30	Instalaciones Inabensa	-	4º2.a	(4)	-
SS/EE Cantabria	Barcelona (SP)	2	33.30	Instalaciones Inabensa	(*)	4º2.a	(4)	-
St – Acisa	Barcelona (SP)	3	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
St - E. Otaduy - Excavaciones Cantábricas	Biscay (SP)	6	34.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
St - Excavaciones Cantábricas - E. Otaduy	Biscay (SP)	1	34.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
ST – Indra Sist. – Excav. Cantáb.-E. Otaduy	Biscay (SP)	4	30.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Teatinos	Málaga (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
Telvent – Sice – FCC	Madrid (SP)	1	34.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Telvent T y T – Acisa	Barcelona (SP)	3	50.00	Telvent Tráf. y Transp.	-	4º2.a	(3)	-
Telvent T y T – Telvent Argentina	Buenos Aires (AR)	3	50.00	Telvent Argentina	(*)	4º2.a	(3)	-

Consolidated Multi-Group Entities
(Continuation)

Name of Entity	Registered Address	Shareholding		Partner Company in Entity	(*)	Art. of R.D. 1815/91 (**)	Activity (See Page 3)	Auditor
		Amount in thousands of €	% of Nominal Capital					
Torre	Bilbao (SP)	6	20.00	Instalaciones Inabensa	(*)	4º2.a	(4)	-
Torretriana 2	Madrid (SP)	1	50.00	Instalaciones Inabensa	-	4º2.a	(4)	-
UTE Abensaih	Seville (SP)	4	65.00	Befesa CTA	-	4º2.a	(2)	-
UTE Albox	Seville (SP)	6	50.00	Codesa	(*)	4º2.a	(2)	-
UTE Almanzora	Almería (SP)	6	25.00	Codesa	(*)	4º2.a	(2)	-
UTE Avinyo	Valencia (SP)	2	40.00	Codesa	(*)	4º2.a	(2)	-
UTE Bascara	Valencia (SP)	4	40.00	Codesa	(*)	4º2.a	(2)	-
UTE Canal Aguerri Balaguer	Lérida (SP)	2	33.30	Befesa CTA	-	4º2.a	(2)	-
UTE Cartuja	Seville (SP)	-	100.00	Codesa	(*)	4º2.a	(2)	-
UTE Cazorla	Seville (SP)	6	100.00	Codesa	(*)	4º2.a	(2)	-
UTE Deca	Seville (SP)	2	32.30	Befesa CTA	-	4º2.a	(2)	-
UTE Duro Felguera Plantas Industriales	Gijón (SP)	-	50.00	Befesa Fluidos	-	4º2.a	(2)	-
UTE Espluga	Valencia (SP)	4	40.00	Codesa	(*)	4º2.a	(2)	-
UTE Fuente Alamo	Valencia (SP)	-	33.00	Codesa	(*)	4º2.a	(2)	-
UTE Gelida	Barcelona (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Idam Atabal	Seville (SP)	3	53.00	Befesa CTA	-	4º2.a	(2)	-
UTE Idam Carboneras	Seville (SP)	3	43.00	Befesa CTA	-	4º2.a	(2)	-
UTE Jucar Vinalopo	Seville (SP)	2	33.30	Befesa CTA	-	4º2.a	(2)	-
UTE Lubet	Seville (SP)	-	75.00	Codesa	(*)	4º2.a	(2)	-
UTE Meirama	La Coruña (SP)	54	6.00	Befesa CTA	-	4º2.a	(2)	-
UTE Montemayor	Seville (SP)	-	60.00	Codesa	(*)	4º2.a	(2)	-
UTE Negratín – Almanzora	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Ojen	Seville (SP)	-	70.00	Codesa	(*)	4º2.a	(2)	-
UTE Operación Verano	Madrid (SP)	-	50.00	Telvent Tráf. y Transp.	(*)	4º2.a	(3)	-
UTE Poniente	Almería (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Ribera	Valencia (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Riesgos Villareal	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Rincón de la Victoria	Málaga (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Sahechores	Seville (SP)	4	62.00	Befesa CTA	-	4º2.a	(2)	-
UTE Sector Este	Barcelona (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Selectiva Poniente	Almería (SP)	3	50.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Servicios y Maquinaria Duro Felguera	Gijón (SP)	-	50.00	Befesa Fluidos	-	4º2.a	(2)	-
UTE Sevic	Barcelona (SP)	1	50.00	Telvent Tráf. y Transp.	(*)	4º2.a	(3)	-
UTE Sigüenza	Seville (SP)	3	55.00	Befesa CTA	(*)	4º2.a	(2)	-
UTE Túneles Malmasín	Biscay (SP)	5	25.00	Telvent Tráf. y Transp.	(*)	4º2.a	(3)	-
UTE Utrera	Seville (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
UTE Zaindu Hiru	Biscay (SP)	-	29.00	Telvent Tráf. y Transp.	(*)	4º2.a	(3)	-
Vendrell UTE	Barcelona (SP)	3	50.00	Befesa CTA	-	4º2.a	(2)	-
Zuera Electrificación	Madrid (SP)	6	25.00	Instalaciones Inabensa	-	4º2.a	(4)	-

(*) 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.

(5) Bioenergy Business Group.
(6) Environmental Services Business Group.
(7) Information Technology Business Group.
(8) Engineering and Industrial Construction Business Group.

B, and D: See page 5 of Appendix I..

Appendix IX

Consolidated Companies with electricity operations (See Note 7t)

Name	Registered Address	Activity (*)	Remarks
Abenasa Transmissao de Energia, Ltda. (ATE)	Rio de Janeiro (BR)	9	Construction phase
Abenasa Transmissao de Energia, Ltda. (ATE II)	Rio de Janeiro (BR)	9	Construction phase
Abenor, S.A.	Santiago (CL)	9	Operational
Aprovechamientos Energéticos Furesa, S.A. (Aprofursa)	Murcia (SP)	1	Operational
Araucana de Electricdad, S.A.	Santiago (CL)	9	Operational
Befesa Plásticos,S.L.	Murcia (SP)	8	Operational
Biocarburantes de Castilla y León, S.A.	Salamanca (SP)	3	Construction phase
Bioetanol Galicia, S.A.	La Coruña (SP)	3	Operational
Cogeneración del Sur, S.A.	Seville (SP)	1	Operational
Cogeneración Motril, S.A.	Seville (SP)	1	Operational
Cogeneración Villaricos, S.A.	Seville (SP)	1	Operational
Copero solar, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Uno, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Dos, S.A.	Seville (SP)	5	Construction phase
Copero Solar Huerta Tres, S.A.	Seville (SP)	5	Construction phase
Desarrollos Eólicos El Hinojal, S.A.	Seville (SP)	2	Dormant
Desarrollos Eólicos de Arico, S.A.	Tenerife (SP)	2	Dormant
Ecocarburantes Españoles, S.A.	Murcia (SP)	3	Operational
Enernova Ayamonte, S.A.	Huelva (SP)	4	Operational
Expansión Transmissào de Energia Eletrica, Ltda.	Rio de Janeiro (BR)	9	Construction phase
Expansion Transmissao Itumbiara Marimbondo, Ltda.	Rio de Janeiro (BR)	9	Construction phase
Fotovoltaica Solar Sevilla, S.A.	Seville (SP)	5	Construction phase
Huepil de Electricidad, S.A.	Santiago (CL)	9	Operational
Iniciativas Hidroeléctricas, S.A.	Seville (SP)	7	Operational
Nordeste Transmisora de Energía, S.A. (NTE)	Rio de Janeiro (BR)	9	Operational
Puerto Real Congeneración, S.A.	Cadiz (SP)	3	Operational
Sanlúcar Solar, S.A.	Seville (SP)	6	Construction phase
Sniace Congeneración, S.A.	Madrid (SP)	1	Operational
Solar Processes, S.A.	Seville (SP)	5	Construction phase
Solnova Electricidad, S.A.	Seville (SP)	5	Construction phase
STE- Sul Trasmisora de Energía, Ltda.	Rio de Janeiro (BR)	9	Construction phase

(*) Electricity operations as described in Note 7 t) in accordance with the provisions of Law 54/1997.

(11) Production under Special Regime: Cogeneration . Primary energy type: Fuel.
(12) Production under Special Regime: Wind. Primary energy type: Wind.
(13) Includes production under Special Regime: Cogeneration. Primary energy type: Natural gas.
(14) Production under Special Regime: Cogeneration. Primary energy type: Natural gas.
(15) Production under Special Regime: Solar Photovoltaic. Primary energy type: Solar light.
(16) Production under Special Regime: Solar. Primary energy type: Solar light.
(17) Production under Special Regime: Hydraulic. Primary energy type: Water.
(18) Production under Special Regime: Other. Primary energy type: Industrial waste (used oils).
(19) Transport.
(20) Electricity production: Based on hydrogen. Primary type of energy: Hydrogen.

Companies taxed under the Special Regime for Company Groups at 12.31.04

Name		
Name	**Tax address**	**Shareholding**
Abengoa, S.A.	Seville (SP)	Parent Company
Abecom, S.A.	Seville (SP)	Instalaciones Inabensa, S.A.
Abeinsa, Ingeniería y Construcción Industrial, S.L.	Seville (SP)	Abengoa, S.A.
Abencor Suministros, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Abener Energía, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Abener Inversiones, S.L.	Seville (SP)	Abener Energía, S.A.
Abengoa Bioenergía, S.L.	Seville (SP)	Abengoa, S.A.
Abentel Telecomunicaciones, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Aprovechamientos Energéticos Furesa, S.A. (Aprofursa)	Murcia (SP)	Abener Inversiones, S.L.
Asa Iberoamérica, S.L.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Aznalcóllar Solar, S.A.	Seville (SP)	Solúcar Energía, S.A.
Bioeléctrica Jiennense, S.A.	Seville (SP)	Abener Inversiones, S.L.
Bioetanol Galicia, S.A.	La Coruña (SP)	Abengoa Bioenergía, S.L.
Centro Tecnológico Palmas Altas, S.A.	Seville (SP)	Abengoa, S.A.
Cogeneración Villaricos, S.A.	Seville (SP)	Abener Inversiones, S.L.
Copero solar, S.A.	Seville (SP)	Solúcar Energía, S.A.
Copero Solar Huerta Uno, S.A.	Seville (SP)	Solúcar Energía, S.A.
Copero Solar Huerta Dos, S.A.	Seville (SP)	Solúcar Energía, S.A.
Copero Solar Huerta Tres, S.A.	Seville (SP)	Solúcar Energía, S.A.
Desarrollos Eólicos El Hinojal, S.A.	Seville (SP)	Siema
Ecoagrícola, S.A.	Cartagena (SP)	Abengoa Bioenergía, S.L.
Ecocarburantes Españoles, S.A.	Murcia (SP)	Abengoa Bioenergía, S.L.
Enernova Ayamonte, S.A.	Huelva (SP)	Abener Inversiones, S.L.
ETBE Huelva, S.A.	Seville (SP)	Abengoa Bioenergía, S.L.
Fotovoltaica Solar Sevilla, S.A.	Seville (SP)	Solúcar Energía, S.A.
Gestión Integral de Recursos Humanos, S.A.	Seville (SP)	Abengoa, S.A.
Greencell, S.A.	Seville (SP)	Abengoa Bioenergía, S.L.
Hynergreen Technologies, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Instalaciones Inabensa, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Negocios Industriales y Comerciales, S.A. (Nicsa)	Madrid (SP)	Abencor Suministros, S.A.
Proyectos Técnicos Industriales, S.A. (Protisa)	Madrid (SP)	Instalaciones Inabensa, S.A.
Puerto Real Cogeneración, S.A. (Precosa)	Cadiz (SP)	Abener Inversiones, S.L.
Sanlúcar Solar, S.A.	Seville (SP)	Solúcar Energía, S.A.
Servicios Integrales de Mantenimiento y Operación, S.A. (Simosa)	Seville (SP)	Instalaciones Inabensa, S.A.
Sniace Cogeneración, S.A.	Madrid (SP)	Abener Inversiones, S.L.
Sociedad Inversora en Energía y Medioambiente, S.A. (Siema)	Seville (SP)	Abengoa, S.A.
Solar Processes, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solnova Electricidad, S.A.	Seville (SP)	Solúcar Energía, S.A.
Solúcar Energía, S.A.	Seville (SP)	Abeinsa, Ingeniería y Construcción Industrial, S.L.
Telvent Corporation, S.L.	Madrid (SP)	Abengoa, S.A.
Telvent Investment, S.L.	Madrid (SP)	Telvent Corporation, S.L.

Companies taxed under the Special Regime for Company Groups at 12.31.04
(Continuation)

Befesa Tax Group Number 4/01 B		
Name	**Tax address**	**Shareholding**
Befesa Medio Ambiente, S.A.	Biscay (SP)	Parent Company
Alianza Medioambiental, S.A. (AMA)	Biscay (SP)	Befesa Medio Ambiente, S.A.
Aser Recuperación del Zinc, S.L.	Biscay (SP)	MRH Residuos Metálicos, S.L.
Aser, Compañía Industrial del Zinc, S.L.	Biscay (SP)	Aser Recuperación del Zinc, S.L.
Befesa Aluminio Bilbao, S.L.	Biscay (SP)	MRH Residuos Metálicos, S.L.
Befesa Desulfuración, S.A.	Biscay (SP)	Alianza Medioambiental, S.L. (AMA)
Befesa Tratamiento y Limpiezas Industriales, S.L.	Biscay (SP)	Alianza Medioambiental, S.L. (AMA)
Befesa Zinc Aser, S.A.	Biscay (SP)	Aser Recuperación del Zinc. S.L.
Befesa Zinc Comercial, S.A.	Biscay (SP)	Aser Recuperación del Zinc, S.L.
MRH Residuos Metálicos, S.L.	Biscay (SP)	Befesa Medio Ambiente, S.A.

Consolidated Management Report for the Year 2005

(Free translation from the original in Spanish)

Consolidated Management Report for the Year 2005

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 2005, held a group formed by the following companies: the parent company itself, 200 subsidiaries, 30 associated companies and 2 Joint Ventures. Likewise, the differente companies in the Group take part in 252 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 Financial Statments and in the present Management Report, Abengoa is publishing an "Annual Report" describing the most important achievements in the year 2005. This Report is available in Spanish, English and French. Said Annual Report, which is printed before the General Shareholders' Meeting at which the Financial Statments for 2005 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 five Business Groups into which Abengoa was structured at December 31, 2005.

In addition to the printed edition, the mentioned Annual Report will be available in Internet, at the address www.abengoa.com.

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.

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. It is also possible to request a printed copy of the Annual Report from the aforementioned Internet address.

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.

According to the data supplied to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. (Securities Recording, Clearing and Settlement Management Company) for the last General Extraordinary Meeting held on 16th October 2005, Abengoa, S.A. had 6,661 shareholders.

As on December 31, 2005, the company believes the free float to be 43.96% if the shareholding of Inversión Corporativa I.C., S.A. and its subsidiary Finarpisa (56.04%) is deducted.

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) 57,988,077 shares were traded in 2005. The average volume of daily trading over the year was 226,526 securities. Minimum, maximum and average listed share prices in 2005 were 7.23 €, 15.20 € and 10.85 € respectively. The last closing price quoted for Abengoa shares in 2005 was 12.41 €, 70.7% higher than on December 31, 2004, and 483% higher than the share price established for the Public Offering on November 29, 1996.

1.4. Over the past decade, the growth in the company's results has shown considerable strength. Thus, results have grown at an annual average rate of increase (AARI) of 30%, due to the new activities of Bio-energy, Solar Energy and Environmental and Information Technology Services, as well as to the internationalisation of traditional activities. Over the same period, foreign sales grew at an AARI of 20.4%.

The keys to this notable increase in results can be attributed, among others, to a series of judicious strategic decisions, in line with the Strategic Plan, of which we would particularly highlight:

<u>Year 2000</u>

- A 300 M € investment to acquire Befesa, through a takeover bid.
- Start-up of the first Bioethanol plant in Spain with an initial production capacity of 100 M litres/year (currently 150 M litres/year), which required a 93.8 M € investment.

<u>Year 2001</u>

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

<u>Year 2002</u>

- Acquisition of High Plains Corporation (now Abengoa Bioenergy Corporation), the fifth largest bioethanol producer in the United States (current production capacity of 108 M gal/year), by means of a 100 M € takeover bid.
- Start-up of the second Bioethanol plant in Spain (Bioetanol Galicia) with a 126 M litres/year production capacity, which required a 92.1 M € investment actually 176 M litres/year.
- The Department of Energy (D.O.E.) of the United States awarded an R&D&i project to enhance ethanol production process technology, using biomass, to improve the economy of process and increase energy performance from ethanol production and, thus, reduce the production cost of ethanol and make it more competitive with gasoline. Total investment, co-funded by the D.O.E., is 35.4 M $US, from 2003 though to 2006.

<u>Year 2003</u>

- Acquisition of Metso Corporation's Network Management Solutions Division now called Telvent Canada and Telvent USA, which put Telvent in a leading position at international level in the Real-Time Control and Information Systems market for the oil, gas, and electricity sectors, and for the water sector.

- Commencement of the construction of the third Bioethanol facility in Spain, in Babilafuente, which produce 200 M liters/year of Bioethanol for direct blending in gasoline. The raw material will be grain, wine alcohol and biomass, the latter in a Bioethanol production facility that will be the first of its kind worldwide.

Year 2004

- Commencement of the effective listing of Telvent GIT on the American Nasdaq technological market, which facilitates the continuity of the expansion strategy for the Information Technology activity, while also increasing its potential through the development of R&D&I activities.

- Commencement of the construction of the largest thermoelectric solar energy power plant to use tower and heliostat field technology for an 11 MW output, and the construction of a 1.2 MW two-fold concentration photovoltaic power plant.

- Acquisition of the North American company Miner & Miner Consulting Engineers Incorporated (M&M), one of the world leaders in the development and implementation of Geographic Information Systems (GIS) software.

Year 2005

- Abengoa Bioenergía, through AB Bioenergy France, received authorization from the French Government to produce 40,000 tons per year of bioethanol at a plant to be constructed in the southwest of France. This project will be Europe's first corn-based bioethanol production facility. The end capacity of the project will depend on the Government's resolution in relation to the second round of authorizations, the public tendering for which is scheduled for sometime in the first half-year of 2006.

- Commencement of the construction of the fourth bioethanol facility in Nebraska (US) which will produce 330 million liters per year. To finance the project, a 90 million dollar credit has been obtained in the US financial market, in which seventeen institutional investors are participating. The facility will be that with the highest capacity in Nebraska and one of the largest in the US.

- Acquisition of the Perth based Australian company Almos Systems, a leading provider of meteorological solutions. With the integration of Almos Systems (now Telvent Australia), access is gained to a full range of leading-edge meteorological systems and high value-add solutions. In addition, the Australian location will be strategic for the development of new business opportunities in the Asia-Pacific region, on of the world's fastest growing areas.

- Agreement with Cepsa for the construction of a biodiesel production plant on the lands of Cepsa's "Gibraltar" Refinery, in San Roque (Cadiz). The foreseen investment for the plant is 42 million euro.

- Strategic agreement with GE Energy Financial Services for the sale of an 80% interest in a packet of three transmission lines in Chile, with Abengoa retaining the remaining 20% interest.

1.5. Current configuration and nature of its business.

There are two types of products in Abengoa:

- **Integrated Product**: in which the environment of responsibility is global, including from the active promotion of the business, with or without investment in the capital, to the providing of financing formulae, the defining and design of the technologies to be applied, the turnkey construction and subsequently the Business Operation, Maintenance and Management Service. With these products there is a clear recurrence that endows more stability on Abengoa's financial statements (business induced).

- **Conventional Product**: in which a specific item or service is sold and the investment in which goes against the customer's balance sheet and, in addition, in which we are not responsible for the management thereof.

Abengoa is a technological company that applies innovative solutions for sustainable development in the infrastructures, environment and energy sectors.

It is present in more than 70 countries, where it operates with its five Business Units: Solar, Bioenergy, Environmental Services, Information Technology, and Industrial Engineering and Construction.

It provides solutions for:

- **Sustainable development:**

  - ✓ Abengoa produces 687 million liters of ecologic gasoline per year which prevents the emission of 1,459,078 tons of CO_2 to the atmosphere, which is equivalent to the annual emissions from a fleet of 600,000 vehicles.

  - ✓ Abengoa produces 2,068,497 MW/h per year of electricity from cogeneration, which means the prevention of the emission of 910,097 tons of CO_2 were this energy to be produced by conventional carbon thermoelectric power plants.

  - ✓ Abengoa has a production plan for 302 MW of electric energy using the sun, equivalent to the annual consumption by a population of 500,000, which will prevent the emission of 742,900 tons of CO_2 per year.

  - ✓ Abengoa treats more than 1,653,000 tons of industrial wastes, dedicating them to the production of new materials through the recycling of more than 708,000 tons.

  - ✓ Abengoa has increased desalination capacity to 900,000 m^3/day, which will enable supply for a population of 4.5 million.

- **The Information and Knowledge Society:** Our solutions:

  - ✓ Manage more than half the movements of hydrocarbons in pipelines in North and Latin America.

  - ✓ Transport and distribute more than 140,000 GW/h that provide electricity for a population of more than 80 million.

  - ✓ Control vehicle traffic at more than 6,000 intersections that are used by more than 170 million people per day.

- ✓ Manage the displacements of more than 2,500 million passengers per year on train and metro networks.
- ✓ Provide landing and take-off security and efficiency for more than 100 million passengers a year at more than 100 airports.
- ✓ Manage water distribution for a population of more than 25 million throughout Europe, North America, Latin America and the Middle East.
- ✓ Enable 13 million users at more than 4,000 universities and research centers throughout Europe to exchange information.
- ✓ Provide the technological infrastructure from which news is distributed 24 hours a day to more than 400 million Spanish speaking inhabitants worldwide.
- ✓ Ensure the correct distribution of more than 1,000 million liters of gasoline per month, sufficient to fill the fuel tanks of more than 22 million cars.

- **Infrastructure Creation:**

- ✓ Abengoa has constructed energy generation plants that, with a global installed rating of more than 5,000 MW, supply electric energy for a population of more than 4 million on four continents.
- ✓ Abengoa possesses 4,072 km of high-voltage lines under concession contracts in Latin America, with a capacity of almost 9,300 MW, equivalent to the annual needs of a population of 10 million.
- ✓ In Spain, in 2005, Abengoa has installed almost 110,000 new ADSL lines that allow more than 500,000 people to have broadband access to new value-add services.

1.6. Consolidated sales at 31/12/05 were 2,023.5 M €, a 15.9% increase on the previous year.

All of Abengoa's Business Units increased their sales figure.

Sales M €			
	2005	**2004**	**% Variación (05-04)**
- Bioenergy	392.7	335.2	17.2
- Environmental Services	402.4	357.8	12.5
- information Technology	362.6	281.1	29.0
- Industrial Engineering and Construction	865.8	772.0	12.2
Total	**2,023.5**	**1,746.1**	**15.9**

The Ebitda (Earnings before interest, tax, depreciation and amortization) is 216.4 M €, which is 36.3 M € (20.1%) up on the 2004 figure.

Of note to the contribution to the Ebitda, owing to their importance, is the growth of the Industrial Engineering and Construction Business Unit which contributes 98.9 M € (77.0 M € the previous year) which is a 28.4% increase, that of the Bioenergy Business Unit which contributes 43.8 M € (39.3 M € the previous year) which is a 11.5% increase, and the Information Technology Business Unit which contributes 33.3 M €, which is an 22.9% increase on the previous year's 27.1 M €.

Ebitda M €

	2005	2004	% Variación (05-04)
- Bioenergy	43.8	39.3	11.5
- Environmental Services	40.4	36.7	10.1
- information Technology	33.3	27.1	22.9
- Industrial Engineering and Construction	98.9	77.0	28.4
	216.4	**180.1**	**20.1**

Of note is the reduction in net 58.8 M € figure for financial expenses in 2005, which is an 24.9% reduction on the 2004 financial year figure. To analyze this reduction, one must take into consideration the financial income as a consequence of the increase in the stock exchange value of certain participations in officially listed securities.

Likewise, it is important to consider the company's efforts in R&D&I activities, whose impact on the financial statements, recorded as a lower EBITDA according to the new IFRS standards, goes from 15.2 M € in 2004 to 18.3 M € in 2005 (up 20.4%).

The company's Foreign Partners have experienced a significant increase (12.5 M € in 2005 and 7.8 M € in 2004) due mainly to the increase in the results of Telvent GIT (which, in 2005, consolidates a full foreign partners' year), as well as to the start-up of the High-Voltage Line concession business in Brazil.

The after tax result attributable to the parent company is 66.0 M € which is a 26.0% increase on the 2004 financial year figure (52.4 M €).

The above result means a profit of 0.73 € per share as against the 0.58 € per share obtained in 2004.

The net cash flow also increased 16.3% to 131.4 M € (113.0 M € in 2004).

The non-recourse financing applied to projects has risen 85.0%, from 364.8 M € in 2004 to 675.0 M € in 2005.

Abengoa's Net Debt in 2005 is 122.5 M € (net cash position) as against 27.8 M € (net debt position) in 2004.

The operating profit or Ebitda of the companies financed under the non-recourse scheme is 59.0 M € in 2005, which represents 27.3% of the total consolidated Ebitda. In addition, the operating profit (Ebitda) of the other companies has increased 47.8% to 157.4 M € in 2005 (106.5 M € in 2004).

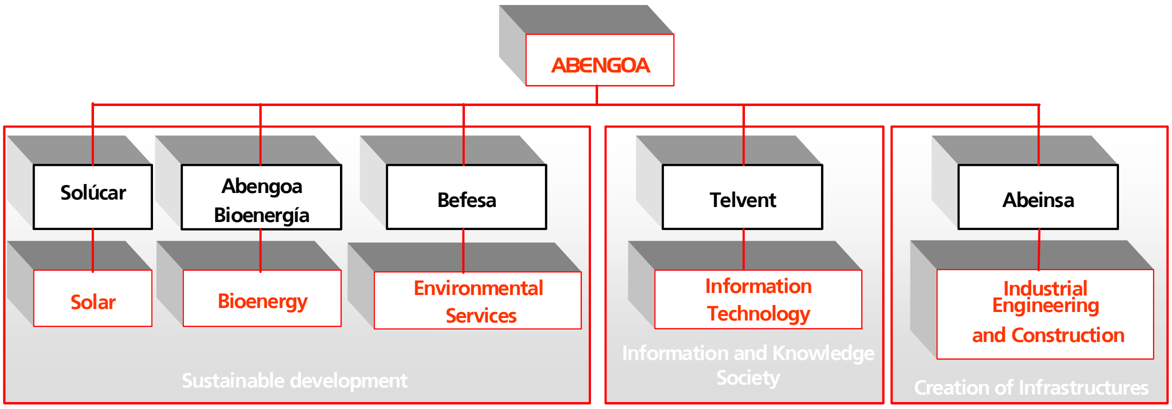
2.- Comments on the Evolution of the Business and Overall Situation of the Companies Included in the Consolidation.

2.1. General description and organization.

Abengoa is a technology company applying innovative solutions for sustainable development in the infrastructures, environment and energy sectors.

At the 2005 year end, Abengoa's stock market capitalization was € 1,122.7 million, it was present in more than 70 countries and its sales in the year were € 2,023.5 million, with an Ebitda of € 216.4 million.

Abengoa operates through five Business Groups:



The activities of the five Business Groups are as follows:

- **Solar.**

  Solucar Energía is its holding company. This Business Unit's activity focuses on the design, promotion, finance attainment, construction and operation of electric energy generating plants that utilize the sun as their primary energy source. It possesses the know-how and technology required for thermoelectric solar power plants: plant receiver systems, parabolic cylinder and parabolic dish collectors, and for photovoltaic plants, with and without concentration.

- **Bioenergy.**

  Abengoa Bioenergía is its holding company. The Business Unit is dedicated to the production and development of biofuels for transport, bioethanol and biodiesel, among others that utilize biomass (cereals, cellulosic biomass, and oleaginous seeds) as the raw material. The biofuels are utilized for ETBE production (gasoline additive), or for direct blending in gasoline or gas oil. Given that they are renewable energy sources, biofuels reduce CO_2 emissions and contribute to the security and diversification of the energy supply while reducing the dependency on fossil fuels utilized in the transport sector and helping towards compliance with the Kyoto Protocol.

- **Environmental Services.**

  Befesa Medio Ambiente, the holding company of Abengoa’s environmental services Business Unit, focuses its activity on providing environmental services for industry and on the construction of environmental infrastructures, while conducting aluminum waste recycling, zinc recycling, industrial waste management and environmental engineering activities.

- **Information Technology.**

  Telvent, the holding company of Abengoa’s businesses in the Information Technology sector, provides high value-added solutions in four industrial sectors (Energy, Traffic, Transport, and the Environment). Its technology allows companies to make real-time business decisions utilizing data control and acquisition systems, as well as leading-edge operational applications that provide companies with secure and efficient information.

- **Industrial Engineering and Construction.**

  Abeinsa is Abengoa’s holding company for this Business Unit, whose activity focuses on engineering, construction and maintenance of electric, mechanical and instrumentation infrastructures for the energy, industry, transport and services sectors: Promotion, construction and operation of industrial and conventional (cogeneration and combined cycle) power plants, and renewable energy (bioethanol, biodiesel, biomass, wind, solar and geothermal) power plants. Turnkey telecommunication networks and projects.

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	2005	Δ%	2004	1995	CAGR(*) (95-05)
	M €		M €	M €	%
Total Equity	526.2	28.8	413.1	142.7	14.2
Total Assets	3,322.7	33.5	2,490.7	493.0	21.0

Description	2005	Δ%	2004	1995	CAGR(*) (95-05)
	M €		M €	M €	%
Sales	2,023.5	15.9	1,746.1	514.2	14.7
EBITDA (1)	216.4	20.1	180.1	43.6	17.4
Pr. Attrib. to Parent Comp.	66.0	26.0	52.4	4.9	29.7
Net cash flow	131.4	16.3	113.0	24.5	18.3

(1) Earnings before interest, taxes, depreciation and amortization.
(*) CAGR: Compound Annual Growth Rate.

2.2.2. On the balance sheet, the most significant aspect is the increasing in the caption "Fixed Assets in Projects", which rose from € 178.2 million in 1997 to € 490.7 million in 2004 and € 681.8 million in 2005, basically as a result of Intangible assets representing the investments in certain concessions located in Brazil and for the projects investments in the activities of water and environmental management, and of bioetanol-producing plants and installations belonging to the different Project promotion companies in which interests are held by 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 2005 year end totals € 386.4 million under the long-term caption and € 284.5 million at short-term, in comparison with € 203.9 million and € 160.8 million respectively in 2004.

The change in the size and structure of Abengoa's balance sheet in the last five 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 € 75.1 million 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 € 302.0 million.

c) Signature of a syndicated loan in 2001 for an amount of € 340 million 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 € 83.9 million in Fixed Assets in Projects and € 64.9 million 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 € 500 million 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.

g) Acquisition in the year 2003 of Metso Corporation's Network Management Solutions Division through the 100% purchase of its subsidiaries in Canada and the United States, with a total investment of 35 MUSD.

h) Effective listing of Telvent GIT on the United State technological market Nasdaq. The total amount of the capital increase carried out, including the issue premium, was € 61.2 M.

i) Constitution of a Syndicated Loan in financial year 2005, composed of principal of € 500 M with 7-year maturity, plus a revolving credit line of € 100 M expiring in 6 years, arranged with 45 financial entities and structured in order to ensure that Abengoa's financial resources are adequate to achieve its Strategic Plan.

2.2.3. In the evolution of the Business Groups at the level of Sales and Ebitda, particularly notable is the growth experienced in Information Technologies, with a 29% increase in Sales and 23% in Ebitda:

	Sales 2005			**Sales 2004**		**Sales 1995**	
Business Group	**M €**	**% over total**	**∆ 05/04 (%)**	**M €**	**% over total**	**M €**	**% over total**
Bioenergy	392.7	19.4	17.2	335.2	19.2	0.0	-
Environmental Services	402.4	19.9	12.5	357.8	20.5	30.9	6.0
Information Technology	362.6	17.9	29.0	281.1	16.1	118.3	23.0
Engineering and Industrial Construction	865.8	42.8	12.2	772.0	44.2	365.0	71.0
Total	**2,023.5**	**100.0**	**15.9**	**1,746.1**	**100.0**	**514.2**	**100.0**

	Ebitda 2005			**Ebitda 2004**		**Ebitda 1995**	
Business Group	**M €**	**% over total**	**∆ 05/04 (%)**	**M €**	**% over total**	**M €**	**% over total**
Bioenergy	43.8	20.2	11.5	39.3	21.8	0.0	-
Environmental Services	40.4	18.7	10.1	36.7	20.4	0.4	1.0
Information Technology	33.3	15.4	22.9	27.1	15.0	13.5	31.0
Engineering and Industrial Construction	98.9	45.7	28.4	77.0	42.8	29.7	68.0
Total	**216.4**	**100.0**	**20.1**	**180.1**	**100.0**	**43.6**	**100.0**

2.2.4. In 2005, Abengoa continued to increase its activity abroad, in volume as well as diversification. The ever-increasing contribution from the United States and Canada by the companies in the Information Technologies and Bioenergy Business Units is especially noteworthy. Of the 2,023.5 M € billed in the 2005 financial year, 981.8 M € (48.5%) is from sales abroad. The activity in Spain amounted to 1,041.7 M € (51.5%) compared to 1,034.1 M € in 2004 (59.2%).

Of the total sales figure abroad, 744.2 M € (36.8%) correspond to local activity, that is to say, billing by the local companies established in different countries, and exportation by Spanish companies amounted to 237.6 M € (11.7%). In 2004, the local activity and exportation represented 27.9% and 12.9% respectively.

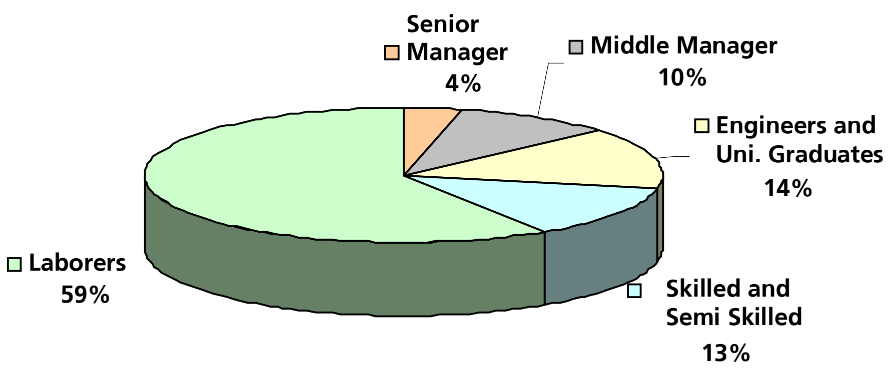
We would especially mention the variation in the contribution from the different geographical areas. Latin America continues representing a similar percentage to that of 1995. Nevertheless, the contribution from the USA and Canada, that in 1995 was non-existent, is currently 13.4%.

International Activity							
	2005		2004		1995		CAGR(*) (95-05)
Exports and Sales by Local Companies	M €	%	M €	%	M €	%	M €
- USA and Canadá	270.3	13.4	228.2	13.1	0.0	0.0	-
- Latin America	492.3	24.3	299.1	17.1	121.8	23.7	15.0
- Europe (excluding Spain)	122.2	6.0	123.5	7.1	14.7	2.9	23.6
- África	46.3	2.3	33.2	1.9	4.9	0.9	25.3
- Asia	47.3	2.3	27.7	1.6	11.9	2.3	14.8
- Oceania	3.4	0.2	0.3	0.0	0.0	0.0	-
Total foreign sales	981.8	48.5	712.0	40.8	153.3	29.8	20.4
Total Spain	1,041.7	51.5	1,034.1	59.2	360.9	70.2	11.2
Consolidated total	2,023.5	100.0	1,746.1	100.0	514.2	100.0	14.7

(*) CAGR: Compound Annual Growth Rate.

2.2.5. With regard to the average number of employees, the comparative figures are as follows:

Average Number of Employees	2005	%	2004	1995
Spain	6,000	54.1	5,334	4,112
Abroad	5,082	45.9	3,984	1,982
Total	**11,082**	**100%**	**9,318**	**6,094**



3.- <u>Information on Significant Events after the Year End</u>.

In January 2006, Nefinsa reported its interest in exercising the sale option of 4.88% of the share capital it held in the subsidiary company Befesa Medio Ambiente, S.A. The said sale operation was recognised by Abengoa, S.A. at a price of € 16.30 per share in the agreement signed in December 2002 by and between Abengoa, S.A. and Terraire, S.A. (currently taken over by Nefinsa, S.A.) by virtue of which the latter transferred to Alianza Medioambiental (a subsidiary 100% of Abengoa) its holding (47.5%) in Complejo Medioambiental de Andalucía, S.A. and, at the same time, Terraire (Nefinsa) acquired 4.88% of the share capital of Befesa Medio Ambiente owned by Asa Environement & Energy Holding (a subsidiary of Abengoa). The repurchase by Abengoa, S.A. was carried out on 19 January 2006 at the agreed price.

On 23 January 2006, in accordance with the agreements adopted by the general shareholders meeting of 16 October 2005, a plan for the acquisition of shares for the group's directors was adopted under the following basic terms and conditions:

- For: 122 Directors of Abengoa (business group directors, business unit directors, technical managers and R&D&I managers and corporate services managers) belonging to all its subsidiaries and business areas, present or future, who voluntarily wish to take part in the plan. The plan will not include any member of the board of directors of Abengoa.

- Share volume: Up to 3,200,000 shares of Abengoa, representing 3.53% of the company's share capital.

- Those taking advantage of the plan will be able to access a bank loan for the purchase at market value of the shares of Abengoa already issued and in circulation, for a term of up to 31 December 2006, in accordance with the Stock Market Act, with the guarantee of Abengoa and excluding personal liability, in accordance with article 81.2 of the Limited Companies Act and up to a maximum of €87 million (including expenses, commissions and interests). The term of repayment of the loan shall be five years and six months.

On 22 February 2006, the Secretary to the Board of Directors received notification of the trial star up, agreed by the "Juzgado Central de Instrucción num. 4, Audiencia Nacional", against the members of the Board of Directors of Abengoa, S.A., Mr. Felipe Benjumea Llorente, Mr. Javier Benjumea Llorente, Mr. José Joaquín Abaurre Llorente and Mr. José Luis Aya Abaurre, as well as against the non-voting secretary Mr. Miguel Ángel Jiménez-Velasco Mazarío and also against Mr. Manuel Sánchez Ortega (current Telvent´s GIT, S.A. Chairman), by a supposed offence of disloyal administration of the article 295 of the Penal Code as a consequence of the purchase of shares from Xfera Móviles, S.A. to Inversión Corporativa, I.C., S.A. The Auto includes Inversion Corporativa as civil subsidiary responsible in relation to the aforementioned transfer.

Accordingly, the following must be taken into consideration:

1. As explained in detail in the report, the investment in Xfera is of strategic importance for Telvent (an information technologies business group). The value of the said shareholding is based on the tacit capital gains that may arise in favour of the group from the induced business and is partially amortised through the application of the bookkeeping principle of prudence. Accordingly, the Board of Directors of Telvent GIT has unanimously ratified that its commitment to its strategic interest in said company and its decision to take part in the development of UMTS technology remains in force since its initial indication with its participation in 1999 in the Movilweb 21 consortium in the tender for the allocation of UMTS frequencies.

2. In addition, Inversión Corporativa has repeatedly expressed the current nature and application of the indemnity contract of 27 October 2000 by virtue of which the vendor company covers the damages that may arise for Abengoa/Telvent as a consequence of the acquisition of Xfera shares, as was reported to the market, among others, through the relevant facts of 7 February and 7 November 2003. Furthermore, in its meeting of 16 February 2006, the Board of Directors of Inversión Corporativa adopted the measures for dealing with the improbable but not impossible event of its having to pay the corresponding indemnification. In particular, it has notified that Inversión Corporativa is to immediately constitute the guarantees required for the fulfilment of the obligations referred to by the aforementioned agreement.

3. In view of the above, the Board of Directors of Abengoa has resolved to report the notification received from IC in the next General Shareholders Meeting and to propose that the General Shareholders Meeting adopts the corresponding agreements.

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), the beginning of the solar activity, 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., the increased bioethanol production capacity, the expansion of the Information Technologies business, as well as the recent development of the solar activity, 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 and currency different from the Euro, the Group is expected to be in a position to continue to progress favourably in the future.

5.- <u>Information on Research and Development Activities</u>.

5.1. Abengoa continued to increase its R&D&i effort in the year 2005 (in spite of the persistence of the world technology crisis), convinced that, to bear fruit, this effort requires a continuity that should not be interrupted by either crises or economic cycles.

Furthermore, it strengthened its presence and, in some cases, its leadership in different public and private institutions and forums, in which cooperation between the large technological companies is fomented and the short- and long-term future of R&D&i activity is decided.

5.2. 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.

5.3. From among all this joint effort, attention should be drawn to the fact that, in 2005 , 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.

5.4. In the year 2005, investment in R&D totalled € 65.9 million in comparison with € 23.3 million in 2004, increasing the effort to update the Group's technological capacity, which totalled € 140.6 million at December 31, 2005, being approximately € 117.0 million at December 2004.

For the year 2006, the company plans to make an even greater R&D&i investment effort, up to a sum of more than € 74 million. Special attention should be paid to the planned investments in projects related to the conversion of biomass and ethanol and solar energy-related projects.

6. Quality and Environmental Management.

The progressive implementation of the Quality Management Systems in the Abengoa companies, in both Spain and the other countries where they are present, is one of the strategic objectives of the group's quality commitment. This objective is built around the Quality Management model in accordance with the International Standard ISO 9001 and the EFQM Excellence model.

As a result of the path followed in earlier years, at the end of 2005, 92% of the Abengoa companies had Quality Management Systems certified under ISO 9001. Likewise, 74% of the companies had Environmental Management Systems certified under ISO 14001.

The percentage distribution by Business Group of the companies with Quality and Environment certifications is shown below:

Business Group	% Companies Certified under ISO 9001	% Companies Certified under ISO 14001
Information Technology	92 %	77 %
Engineering and Industrial Construction	96 %	65 %
Environmental Services	89 %	78 %
Bioenergy	80 %	60 %

The Spanish companies of the Bioenergy Business Group, Ecocarburantes Españoles, S.A. and Bioetanol Galicia S.A., have developed and implemented an integrated management model for Quality, Environment and the Prevention of Risks at Work, which was certified by an international certification entity in 2004. Regarding the United States company Abengoa Bioenergy Corp., it is governed by the most influential local rules in its sphere of production.

As tools to improve the Quality and Environmental Management Systems, almost all the Group companies have implanted a new version of the two computer applications: for management and problems resolution (PRR) and 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 2005.

The Shareholders' General Meeting held on 26 June 2005 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 29 June 2003.

To date, the Board of Directors has not made use of the prior authorisation.

On September 15, 2004, the Board of Directors of Abengoa, on the basis that the quoted price of the Company at that date, which was around 7 euros per share during the last quarter, did not reflect the Company's true growth potential, considered it of interest, from a financial point of view, for the Company to invest in its own shares. Notwithstanding, taking into account the fact that the Company is, by definition, a shareholder that possesses more information than the rest of the market and that, even without wishing to do so, its operations may influence the Company's share price, it adopted the pertinent rules and precautions in order to guarantee that there was no artificial influence on price formation. Consequently, making use of the authorization conferred by the General Meeting, the Board of Directors agreed to implement a program that made the acquisition of its own shares possible, earmarking a maximum amount of € 15 million last year, without exceeding, under any circumstances, 5% of the capital stock, subject at all times to the applicable legal rules, particularly those contained in Title VII of Law 24/1988 on the Stock Market and in the Company's Internal Conduct Regulations on Stock Market Matters. Abengoa, S.A. did not acquire any of its own shares neither during the exercises 2004 nor 2005 .

The general shareholders meeting of Abengoa, S.A. on 16 October 2005 authorised the board of directors for the following:

1.- To adopt, if considered appropriate, a plan for the acquisition of shares by the directors of the company (hereinafter called the "Plan") subject to the following basic terms and conditions:

- For: Directors of Abengoa (business group directors, business unit directors, technical managers and R&D&I managers and corporate services managers) belonging to all its subsidiaries and business areas, present or future, who voluntarily wish to take part in the plan. The plan will not include any member of the board of directors of Abengoa.

- Those taking advantage of the plan will be able to access a bank loan for the purchase at market value of the shares of Abengoa already issued and in circulation, in accordance with the Stock Market Act, with the guarantee of Abengoa, in accordance with article 81.2 of the Limited Companies Act and up to a maximum of €87 million. The term of repayment of the loan will be approximately 5 years.

- Share volume: Up to 3,200,000 shares of Abengoa, representing 3.53% of the company's share capital.

- Maximum term for the adoption of the plan by the board of directors: until 31 December 2006.

- To empower the board of directors to establish, should the plan be adopted, all the remaining terms and conditions, especially those related to those eligible for the plan and to the banks financing the acquisition of the shares by the directors.

2.- So that in order to execute, where applicable, the plan for the acquisition of shares by the company's directors or with whatsoever other considered appropriate, it may proceed to the secondary acquisition, by purchase or on a payment basis, of shares of the company either directly or through subsidiary or part-owned companies up to the maximum limit laid down in current legislation at a price of between three eurocents (€ 0.03) and one hundred and twenty euros and twenty eurocents (€ 120.20) per share, making use of this faculty during a period of eighteen (18) months from this date and subject to the provisions laid down in section 4 of chapter IV of the re-written text of the Limited Companies Act. For these purposes, the authorisation awarded to the board of directors by virtue of the agreement adopted by the ordinary general shareholders meeting of 26 June 2005 is expressly revoked.

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 GIT, S.A., and in 2004 in Abengoa Bioenergía, S.A. These programs are based on the management personnel and employees' acquiring 358,880 shares in Befesa, 1,799,000 shares in Telvent, and 94,330 shares in Abengoa Bioenergía, 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.