

TELVENT

Unaudited Condensed Consolidated Statements of Cash Flows (In thousands of Euros, except share and per share amounts)

	Year Ended December 31,		
	2007	2006	2005
Cash flows from operating activities:			
Net income	€ 24,877	€ 21,838	€ 14,366
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	10,902	9,986	10,625
Net foreign exchange (gains) losses	1,324	(903)	849
Allowance for doubtful accounts	(411)	278	485
Deferred income taxes	(4,848)	(2,769)	1,602
Minority interests	268	70	373
Compensation related to stock compensation plans	1,735	1,910	1,413
Loss (gains) on sale of investments	—	387	—
Change in operating assets and liabilities, net of amounts acquired:			
Accounts and other long-term receivable	693	(44,333)	(16,019)
Inventory	(3,102)	(8,149)	(1,136)
Unbilled revenues	(89,534)	(26,743)	(36,917)
Related parties trade receivables and other assets	18,642	(8,484)	(5,614)
Billings in excess of costs and estimated earnings	9,626	8,248	3,951
Accounts payable, accrued and other liabilities, related parties trade payable	46,556	87,443	43,736
Due to temporary joint ventures	(2,817)	(2,060)	(11,515)
Net cash provided by (used in) operating activities	€ 13,911	€ 36,719	€ 6,199
Cash flows from investing activities:			
Restricted cash — guaranteed deposit of long term investments and commercial transactions	(545)	(4,862)	4,845
Due from related parties	(11,632)	4,552	(5,018)
Purchase of property, plant & equipment	(2,948)	(2,313)	(3,894)
Acquisition of subsidiaries, net of cash acquired	(32,414)	(43,208)	(4,957)
Disposal / (acquisitions) of investments	(5,281)	942	789
Net cash provided by (used in) investing activities	€ (52,820)	€ (44,890)	€ (8,235)
Cash flows from financing activities:			
Proceeds from long-term debt	371	1,084	9,196
Proceeds from sale and lease-back transaction	25,315	—	—
Repayment of long-term debt	(4,284)	(11,576)	(15,128)
Proceeds of short-term debt	40,134	16,095	7,157
Repayment of short-term debt	(15,737)	(5,758)	(1,947)
Proceeds from issuance of common stock, net	—	—	—
Dividends paid	(8,774)	—	—
Proceeds (repayments) of government loans	(844)	(1,094)	(1,735)
Due to related parties	7,770	(218)	3,099
Net cash provided by (used in) financing activities	€ 43,951	€ (1,467)	€ 642
Net (decrease) increase in cash and cash equivalents	€ 5,042	€ (9,638)	€ (1,394)
Net effect of foreign exchange in cash and cash equivalents	(519)	(1,140)	889
Cash and cash equivalents at the beginning of period	60,997	67,796	69,582
Joint venture cash and cash equivalents at the beginning of period	8,235	12,214	10,933
Cash and cash equivalents at the end of period	€ 73,755	€ 69,232	€ 80,010
Supplemental disclosure of cash information:			
Cash paid for the period:			
Income taxes	€ 5,853	€ 2,507	€ 1,153
Interest	€ 12,068	€ 8,275	€ 5,802
Non-cash transactions:			
Capital leases	€ 2,780	€ 1,796	€ 2,622