

National Securities Market Commission

In compliance with Article 82 of Law 24/1988 of 28 July on the stock market, Befesa Medio Ambiente, S.A. ("Befesa" or the "Company") hereby informs the National Securities Market Commission (CNMV) and the general public of the following

Significant Event

Befesa Medio Ambiente, S.A. and Abeinsa, Ingeniería y Construcción Industrial, S.A., a company that is wholly owned by Abengoa, S.A., have today signed an agreement through which the former agrees to sell the latter its water projects engineering and construction business. The transaction is subject to prior formalisation of the spin-off of this activity.

The foregoing is based on a) Abeinsa's interest in expanding its engineering activity, with the corresponding synergies at group level, and b) Befesa's desire to focus its work on developing membrane technology, as well developing, investing and operating plants with this technology.

The aforementioned transaction shall be carried out pursuant to the regulations on related transactions, and in particular in accordance with the respective regulations of the Audit Committee and the protocol governing related transactions between Abengoa and Befesa, and with the approval of the corresponding administrative bodies following favourable reports from their respective audit committees.

In addition, two independent valuation reports have been obtained by each of the two companies (two from entities in the financial sector and from two of the four main audit firms) about the object of the transaction and its valuation. The enterprise value of the transaction has been established at €159 million.

Madrid, 30 December 2010

Antonio Marín Hita
General Secretary and Secretary to the Board of Directors