

Security Reference
5518CFMU

GENERAL

VERSION 3.2.0

Quarterly results advance regarding:

Quarter: 3

YEAR: 2004

I. Company Identification

Company name: Befesa Medio Ambiente, S.A.
Company address: Buen Pastor s/n Luchana- Barakaldo (Vizcaya)
Tax ID code (CIF): A-80689052

People responsible for this information who represent the company, their roles and identification of their powers or authorisations:

Mr Antonio Marín Hita.

Legal Department Director.

Ms Pilar López- Contreras, power of attorney dated 15/01/2003, Registered notary of Madrid under number 35.

Signed:

A) Quarterly results advance

Units: Thousands of Euros

		Individual		Consolidated	
		Current Year	Previous Year	Current Year	Previous Year
Net revenue (1)	0800	535	1.023	257.717	275.885
Profit before taxes	1040	-176	179	9.012	8.358
Profit after taxes	1044	188	236	6.554	6.018
Results attributed to external partners	2050			-444	15
Yearly results attributed to the parent company	2060			6.110	6.033
Capital stock	0500	81.612	81.612		
Average number of employees	3000	4	4	1.322	1.360

B) Evolution Of The Business

The comments to be included in this paragraph, though summarized as the quarterly information should be synthetic must provide investors with the necessary information so that they can reach an acceptable understanding regarding the business of the company and the results of the relevant period as well as of its financing and assets situation and of others essential data in reference to the general development of the company's business.

Evolution of the Businesses in the third quarter of 2004:

(figures in millions of euro)

	September 2004	September 2003	Variation (%)
Sales	257,7	275,9	-6,6%
Ebitda	28,7	27,7	3,6%
Ebitda/ Sales	11,1%	10%	11%
EBT	9	8,4	7,1%
EAT	6,6	6	10%
EAT Parent	6,1	6	1,8%

At September 30th, 2004, the sales of the Group have fallen 6.6% compared to those achieved up to the same date in 2003, as a consequence, mainly, of:

- The exit from the goodwill perimeter of the water management companies, Abensurasa, Elsur and Aguas de Baena.
- The lower volume of execution in the Environmental Construction and Technology sector.

Nonetheless, in spite of the reduction in Sales, the Ebitda on sales has increased from 10% in September 2003 to 11.1% in September 2004. That is to say, a lower volume of sales is being obtained due to the divestments and the aforementioned lower volume of execution, but the margins are higher than last year's.

As regards EBT, EAT and the Parent Company's EAT, the evolution is significantly positive, due, on the one hand, to the improvement in net indebtedness, which has enabled a reduction in financial costs and, on the other, to the reduction in the tax rate as a consequence of the new investments made.

Befesa's three large business units have evolved as follows:

- Industrial Waste Management: its evolution continues to be positive in comparison to last year. To September 2003, some 844 thousand metric tons of waste had been treated compared to some 875 thousand metric tons treated in 2004, a 3.7% increase.
- Engineering and Services: as has been indicated above, there are two main conditioners to this business unit's evolution; firstly, the divestment strategy adopted towards the end of the 2003 financial year in the water management activities and, secondly, the delay to-date in execution works. Nonetheless, part of the delay is expected to be recovered during the last quarter of the financial year, with a large number of the works scheduled for this year being carried forward to next year.
- Aluminum Waste Recycling: the evolution of this activity has been positive compared to last year, as a consequence, mainly, of the restructuring process carried out during 2003, with the aforesaid restructuring having enabled the improvement of the profit-and-loss accounts to-date. This activity is recovering in volumes as well as margins.

C) Basis of presentation and valuation assumptions

(In the drafting of financial or accounting type data or information included in this periodically published data, the valuation rules and principles and accounting criteria specified under prevailing legislation for the drafting of financial or accounting information, must be applied to the drafting of the annual accounts and interim financial statements corresponding to the sector to which the company belongs. If exceptionally, the generally accepted accounting principles and criteria required under the corresponding prevailing legislation are not applied to data and information attached, this fact must be stated and sufficiently justified, explaining the impact that the non-application may have on the equity, financial status and the financial results of the company or its consolidated group. Furthermore, and with a similar scope to the previous point, any modifications that may have occurred to the accounting criteria used in the drafting of the attached information, in relation to the last audited annual accounts, as appropriate, must be stated and explained. If the same accounting principles, criteria and policies used in the last annual accounts have been applied, and if they correspond to that specified under prevailing accounting legislation that applies to the company, it must be expressly stated).

<p>The same accounting principles, criteria and policies used in the last annual accounts have been applied, and they correspond to that specified under prevailing accounting legislation that applies to the company.</p>

D) Dividends distributed during the period:

(All dividends effectively paid since the beginning of the economic year must be stated).

			% Nominal	Euros per share (x,xx)	Amount (thousands of Euros)
1.	Ordinary shares	3100			
2.	Preference shares	3110			
3.	Non-voting shares	3120			
Additional information on dividend distribution (payment details, supplementary dividends, etc.)					
No dividends have been paid during the period					

E) Relevant facts (*)							
						YES	NO
1.	Acquisitions or transfers of shareholdings in the capital of listed companies subject to reporting responsibilities specified under article 53 of the Securities Market Act (LMV) (5 for 100 and multiples thereof)	3200					X
2.	Treasury stock acquisitions subject to the reporting responsibilities under additional provision 1 of the Corporations Law (LSA) (1 for 100).	3210					X
3.	Other significant increases or decreases in fixed assets (shareholdings greater than 10% in non-listed companies, relevant significant investments or divestments, etc.).	3220					X
4.	Increases or decreases in the company's capital or of the nominal share value.	3230					X
5.	Loans issued, repaid or cancelled	3240					X
6.	Changes to the directors or the board of directors.	3250					X
7.	Amendments to company by-laws.	3260					X
8.	Restructurings, mergers or divisions.	3270					X
9.	Changes to the sector's institutional regulation with significant impact on the economic or financial situation	3280					X

	of the company or group.						
10.	Lawsuits, litigation or disputes that may significantly impact the company or group's equity.			3290			X
11.	Insolvency situations, payment suspensions, etc.			3310			X
12.	Special agreements of restriction, suspension or cancellation, total or partial, of the economic or statutory rights of the company's shares.			3320			X
13.	Strategic agreements with national or international groups (exchange stock offers, etc.).			3330			X
14.	Other important facts.			3340	X		
(*)	For affirmative responses, mark the corresponding box with an "X", attaching an explanatory annex in which the dates on which the data was communicated to the CNMV and the SRBV are specified.						

F) Explanatory Annex - Relevant Facts

From July 1st, 2004 to September 30th, 2004, the following written communications have been forwarded to the CNMV:

- 1.** Written communication of October 14th, 2004, informing the CNMV of the appointment of Mr. Juan Albizu Etxebarria as the new Goodwill and Internal Audit director, forwarded to the CNMV through the Cifradoc system, telematic reception of documents registration number 2004097233.

Instructions for completing the quarterly results advance

(general)

- All the companies defined in paragraph 2 of article 1 of the Royal Decree 1298/1986, June 28th, on in force Law of financing entities adaptation to European Union Law, shall be included in this model.
- The numerical data requested, except as indicated to the contrary, must be expressed in thousands of Euros, without decimal places, tabulated and rounded.
- Negative values must be shown with a minus sign (-) before the corresponding number.
- The figure from the corresponding period from the previous year must be displayed next to each number expressed, except where indicated to the contrary
- The information to be included under the Business Performance section must allow investors to form an opinion, with knowledge of sufficient cause, about the activity carried out by the company and the results obtained during the period covered by the balance sheet, as well as the financial situation and other essential data relating to the general handling of company affairs.
- Definitions:
 - (1) The distinct captions that comprise Fixed Assets will be presented net of accumulated depreciation and provisions.