

QUATERLY RESULTS ADVANCE REGARDING:**QUARTER:** 1**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) QUATERLY RESULTS ADVANCE**Units: Thousands of Euros**

		INDIVIDUAL		CONSOLIDATED	
		Current Year	Previous Year	Current Year	Previous Year
NET REVENUE (1)	0800	178		84.131	96.400
PROFIT BEFORE TAXES	1040	-62	-16	3.527	3.255
PROFIT AFTER TAXES	1044	-41	-16	2.521	2.351
Results attributed to external partners	2050			-198	83
YEARLY RESULTS ATTRIBUTTED TO THE PARENT COMPANY	2060			2.323	2.434
CAPITAL STOCK	0500	81.612	8.1612		
AVERAGE NUMBER OF EMPLOYEES	3000	4	4	1.206	1.589

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 first quarter of 2004:

(figures in millions of euro)

	March 2004	March 2003	Variation (%)
Sales	84.1	96.4	-12.7 %
Ebitda	9.5	11.3	-16.6 %
Ebitda/ Sales	11.2%	11.8%	-4.4%
EBT	3.5	3.3	7.3%
EAT	2.5	2.4	6.4%
EAT Parent	2.3	2.4	-4.5%

During the first quarter of the 2004 financial year the Group's sales have fallen 12.3 million euro (12.7%) compared with the previous financial year. This is due basically to the variations experienced in the consolidation perimeter (divestments made in the 2003 financial year in Tracemar, Elsur and Aguas de Baena), as well as a lower sales volume in the secondary aluminum area and a slowdown in execution during the first quarter of 2004, compared with the same period in 2003, in the environmental engineering activity.

As regards the Ebitda, this has reduced for the same reasons as those mentioned previously in the case of sales, although this reduction has been compensated for at pre-tax profit level and after-tax profits, which is attributable to lower financial costs and amortizations which incorporated the activities related to the divestment in the first quarter of the financial year.

Befesa's three large business units evolved as follows:

- **Industrial Waste Management**, which includes our Salt Slag, Zinc and Desulfurization Recycling, Industrial and Hydrocarbon Cleaning, and the Industrial Waste Management activities: in comparison to the past financial year, there has been growth in all the magnitudes of the profit-and-loss account, which is clear proof of Befesa's objective of continuing to grow in this activity sector, the central core of its business. As regards the volume of treated wastes over this period, the first quarter of 2004 has seen an increase compared with the first quarter of 2003, and has gone from 202 to 211 million tons of waste.
- **Engineering and Services**: the performance of this activity compared with the first quarter of the previous financial year has been affected by the slowdown, in terms of execution, and by the divestments in the Water concessionaries (Elsur and Aguas de Baena) made towards the end of the last financial year. Prospects, in the medium term, are attractive for this activity as a consequence of the large volume of hydraulic infrastructures that have to be executed. The contracting portfolio at March 2003 was 89 million euro while, to-date it is 106 million euro, a 19.1% increase.
- **Aluminum Waste Recycling**: the evolution of this activity has been positive compared with that experienced in the last financial year. This is mainly due to the restructuring process carried out during the course of 2003 which has enabled the improving of margins in this activity.

II. 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>

IX. 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					

X. 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 of the company or group.	3280			X
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	

<input type="checkbox"/>	(*)	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.
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F) EXPLANATORY ANNEX - RELEVANT FACTS

- 1.- 2003 Corporate Governance Report forwarded to the CNMV by Cifradoc system on the 9th February 2004, documents entry register number via telematics 2004013994.
- 2.- Written communication dated the 1st March 2004, entry register number in the CNMV 021992, regarding the rotation of the post of Chairman on the Audit Committee and on the Appointments and Remuneration Committee
- 3.- Written communication dated the 6th May 2004, entry register number in the CNMV 048992, attaching the Annual Report 2003 of Befesa Medio Ambiente, S.A.

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.