

**GENERAL**

QUARTERLY ADVANCE OF THE RESULTS CORRESPONDING TO:

QUARTER **3**

YEAR **2005**

**Company name:**  
Befesa Medio Ambiente, S.A.

<b>Registered Office:</b> Buen Pastor s/n Luchana-Barakaldo (Vizcaya)	<b>TAX Number</b> <b>A-80689052</b>
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<b>Persons that assume responsibility for this information, their roles and identification of the proxies and authorizations by virtue of which they are empowered to represent the company:</b> 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.	<b>Signature:</b>
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**A) QUARTERLY ADVANCE OF RESULTS**

*(As regards the consolidated information, only the column that applies in accordance with the legislation in force shall be filled in).*

Units: Thousands of euro

		INDIVIDUAL		CONSOLIDATED NATIONAL LEGISLATION		CONSOLIDATED NIIF ADAPTED	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
NET SALES FIGURE (1)	0800	9.620	535			269.310	249.367
EARNINGS BEFORE TAX / EARNINGS BEFORE CONTINUED ACTIVITIES TAX (2)	1040	2.741	-176			15.404	14.329
CONTINUED ACTIVITIES YEARLY EARNINGS (3)	4700					10.900	9.950
FINANCIAL YEAR EARNINGS (4)	1044	2.044	188			10.900	9.950
Earnings attributed to external partners / Earnings attributed to minority interests	2050					-993	-798
YEARLY EARNINGS ATTRIBUTED TO THE PARENT COMPANY/ EARNINGS ATTRIBUTED TO HOLDERS OF PARENT COMPANY NET PROPERTY INSTRUMENTS	2060					9.907	9.152
SUBSCRIBED CAPITAL	0500	81.612	81.612				
AVERAGE WORKFORCE	3000	6	4			1.344	1.322

**B) EVOLUTION OF THE BUSINESSES**

*(Although summarized, due to the synthetic nature of this quarterly information, the comments to be included in this section must enable investors to reach an acceptable understanding of the activity carried out by the company or its group, and of the results obtained over the period covered by this quarterly report, and of its financial and equity situation and other essential information on how business is going for the company or its group. Finally, a clear distinction must be made between the comments made on the consolidated financial highlights and, if it were the case, on those in relation to the individual financial highlights).*

(figures in millions of euro)

	September 2005	September 2004	Variation (%)
Sales	269,3	249,4	8,0%
Ebitda	27,2	26,1	4,4%
Ebitda/ Sales	10,1%	10,5%	-3.3%
EBT	15,4	14,3	7,7%
EAT	10,9	9,9	10,1%
EAT Parent	9,9	9,1	8,8%

At the end of the third quarter of the 2005 financial year, the sales of the Environmental Services Business Unit have increased on the previous year's figure by 19.9 million euro (up 8%). This is due mainly to the higher sales in the secondary aluminum sector and the increase in the volume of treated wastes. The other sectors have maintained a business volume similar to that of the same period in the previous financial year.

As regards the EBITDA, it has increased 1.1 million euro (up 4.4%) on the September 2004 figure. This is due mainly to the positive evolution in the aforementioned business sectors.

On the other hand, both the EBT and the EAT have evolved positively to 10.9 and 9.9 million euro, respectively. This is a 10.1% and 8.8% increase on the figures obtained over the same period in the previous financial year.

The evolution by Business Unit has been as follows:

-Aluminum Waste Recycling: The evolution of this business unit has been positive following along the same line as in the previous financial year, due to the increase in the volume of tons treated, the maintaining of the margins, and the progressive consolidation of the cost structures implemented the previous year. Clear proof of this is the 11% increase in the sales figure for the first nine months of the 2005 financial year compared with the same period the previous year. This is a consequence of the greater number of tons of aluminum sold together with the increase in the price of the metal, and the excellent results of the salt slags business.

-Zinc Waste Recycling: The evolution of this business unit has also been positive and a 9% increase in sales on the previous year was achieved. This increase is a consequence, above all, of the increase in prices and improvement in the margins.

-Waste Management and Industrial Cleaning: In this activity, compared with the same period in the last financial year, there has been an increase in all the balance sheet highlights, and this is the clearest proof of Befesa's set objective of continuing its growth in this activity which is considered the business core. An example of the good evolution of the business is the increase in the number of tons of wastes treated in this period compared to the same period the previous year. This has gone from 376 to 484 thousand tons of wastes.

-Environmental Engineering: an activity whose performance is developing much in the same manner as in the previous year. The medium-term perspectives for this business are attractive due to the large volume of contracted works in the portfolio. An example of the growth objectives that have been set is the fact that the contracting portfolio to September 2004 was valued at 120.2 million euro, while the portfolio to-date is 191 million euro.

**C) PRESENTATION BASES AND VALUATION ASSUMPTIONS**

*(In the drafting of the financial-accounting type data and information included in this periodic public report, the recognition and valuation principles and criteria established in the prevailing legislation on the drafting of information of a financial-accounting nature for financial statements corresponding to the annual period to which the periodic public information herein refers, shall be applied. If exceptionally, the generally accepted accounting principles and criteria, required under the corresponding prevailing legislation, had not been applied to the data and information included herein, this fact must be indicated and sufficiently justified, and the influence their non-application might have on the equity, financial status and financial statements of the company or its consolidated group must be explained. In addition, and with a similar scope to the previous point, the modifications that, if it were the case and in relation to the latest audited annual accounts, may have occurred in the accounting criteria utilized in the drafting of the reports attached hereto, must be mentioned and commented on. In the event of the same accounting principles, criteria and policies as in the last financial statement having been utilized, and if these correspond to those established in the prevailing accounting legislation applicable to the company, this must be expressly stated. Whenever, in accordance with the applicable legislation, adjustments and/or reclassifications have occurred in the previous period, due to changes in accounting policies, the correcting of errors or changes in the classification of entries, the quantitative and qualitative information required to understand the adjustments and/or reclassifications shall be included in this section).*

As regards the information corresponding to the particular results of Befesa Medio Ambiente, S.A., it will be presented in accordance with the Spanish national accounting principles (General Accounting Plan).

The information corresponding to the consolidated results of the Befesa Group has been prepared to comply with the International Financial Reporting Standards (IFRS), understanding as such those adopted by the European Commission pursuant to the procedure established by the (EC) regulation no. 1,606/2002 of the European Parliament and Council dated July 19, 2002. In Spain, Act 62, dated December 30, 2003, established that the consolidated annual accounts must be prepared in accordance with those Standards in the case of companies which, as of the closing date of their balance sheet, have stock officially listed in a regulated market.

Therefore, pursuant to the said legislation, and to comply with the stipulations of Circular 1, dated April 1, 2005, of the Spanish National Securities Exchange Commission (CNMV), both the financial information corresponding to the current and to the preceding year –in other words, that corresponding to the third quarter of 2004– have been prepared following the said International Financial Reporting Standards to provide comparable data of both time periods. Thus, the figures of the third quarter of 2004 will differ from those published originally.

Likewise, in application of the aforementioned Circular 1/2005, it becomes necessary to inform that, in the information corresponding to the first quarter of 2005, the main impacts on assets at 01 January 2005 were detailed as a result of the application of currently applicable International Financial Reporting Standards (IFRS's), and also explain the main differences between the accounting standards applied in order to obtain the opening balance sheet at 01 January 2005, under IFRS's, and that of the close of the previous financial year, prepared under the General Accounting Plan. In this regard, it should be noted that the data presented for the third quarters of each financial year were prepared using the standards, principles and interpretations known to date with regard to the IFRS's, as explained in the information for June, and correspond to the best estimation made by the Group; they have as yet not been audited and therefore are subject to possible future modifications.

**D) DIVIDENDS PAID DURING THE PERIOD***(All dividends effectively paid since the beginning of the financial year shall be indicated)*

		% of Face Value	Euro per share(x.xx)	Amount (thousands of
1. Ordinary Stock	3100			
2. Preference Stock	3110			
3. Redeemable Stock	3115			
4. Non-voting Stock	3120			

**Additional information on dividend distribution (on account, complementary, 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% and multiples thereof).	3200	x
2. Treasury stock acquisitions subject to the reporting responsibilities under additional provision 1 of the Corporations Law (LSA) (1%).	3210	x
3. Other significant increases or decreases in fixed assets (shareholdings greater than 10% in non-listed companies, relevant significant material investments or divestments, etc.).	3220	x
4. Increases or decreases in the company's capital or the face value of shares.	3230	x
5. Loans issued, repaid or cancelled.	3240	x
6. Changes of Administrators or the Board of Directors.	3250	x
7. Amendments to company bylaws.	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 relevant 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 1, 2005 up to the date of issue of this advance of the quarterly results, the following notifications have been sent to the CNMV:

\_ Notification to the CNMV dated July 20, 2005, entry registration number 074204, regarding the loan agreed between Abengoa, S.A. and a syndicate of financial institutions, with Befesa Medio Ambiente, among other companies, acting as a personal guarantor.

**INSTRUCTIONS FOR COMPLETING THE ADVANCE OF THE QUARTERLY RESULTS  
(GENERAL)**

- Unless indicated otherwise, the numerical data requested must be expressed in thousands of euro, without decimals, tabulated and rounded off.

- Negative values must be shown with a minus (-) sign in front of the corresponding amount.

- Unless indicated otherwise, the figure for the corresponding period of the previous financial year must be included next to each number expressed.

- International Financial Information Standards (NIIF adopted) shall be understood to be those that the European Commission has adopted in accordance with the procedure established by the European Parliament's Regulation (EC) No. 1606/2002, and of the Commission, of July 19, 2002.

- The financial information contained in this model shall be provided in accordance with the accounting legislation and principles of recognition and valuation that are applicable to the company for the drafting of the financial statements for the annual period the presented periodic public information refers to. Up until the financial years commencing as of January 1, 2007, the companies that, with the exception of credit institutions, as a consequence of the application of what is established in the Code of Commerce, are obliged to formulate the consolidated annual accounts, and on the closing date of the financial year have only issued listed fixed-income securities, and that have opted to continue to apply the rules and regulations contained in section three of heading III of book one of the Code of Commerce and the rules and regulations they develop, shall, provided they had not applied the NIIF adopted in the previous financial year, present the periodic public information of section A) under the "national regulations consolidated" rubric.

- DEFINITIONS:

(1) Net sales figure: it shall consist of the amounts from the sale of products and providing of services corresponding to the company's ordinary activities with bonuses and other reductions on sales, value added tax and other taxes directly related with the sales figure having been deducted. In the event of the consolidated highlights having to be presented in accordance with the NIIF adopted, the information to be presented in this section shall be elaborated according to said regulations.

(2) Earnings before continued activities tax: the companies presenting the periodic financial information in accordance with the NIIF adopted shall include the earnings before tax from the continued activities under this rubric.

(3) Continued activities yearly earnings: this rubric shall only be completed by the companies that are presenting their financial information according to the NIIF adopted and it shall reflect the earnings after tax from the continued activities.

(4) Financial Year Earnings: the companies presenting their financial information in accordance with the NIIF adopted shall record, in this rubric, the year earnings from continued activities, reduced or increased by the earnings after tax from the interrupted activities.