



Befesa Medio Ambiente, S.A.
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National Securities Market Commission

Markets supervision department

Paseo de la Castellana, nº 19

28046 – Madrid

Madrid, 15 March 2007

Subject. Significant events. Individual and Consolidated Financial Statements

Dear Sirs,

Pursuant to article 13 of Royal Decree 291/1992 of 27 March and the relevant provisions on updating information by entities that issue exchange traded securities, we hereby attach the following documentation:

1. Audit report of the financial statements of Befesa Medio Ambiente, S.A. corresponding to the year commencing 1 January 2006 and ending 31 December 2006, including the balance sheet, income statement and notes, as well as the management report and the proposal for the appropriation of earnings for 2006. The original documents are attached.
2. Audit report of the consolidated financial statements of Befesa Medio Ambiente, S.A. and its group, corresponding to the year commencing 1 January 2006 and ending 31 December 2006, including the balance sheet, income statement and notes, as well as the management report for 2006. The original documents are attached.

The attached documentation will be subject to the approval of the shareholders' general meeting called by the meeting of the board of directors held on 26 February 2007 and scheduled, at the first call, for 19 April.

Once the above resolutions have been adopted by the shareholders' general meeting they will also be notified for the purposes indicated.

Yours faithfully,

Antonio Marín Hita
General Counsel