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**BEFESA**

**Comisión Nacional del Mercado de Valores**

**Secondary Markets Division**

**Attention Mr. Angel Benito.**

Paseo de la Castellana 19

**28043 – Madrid**

Madrid, October 31, 007

Dear Sirs,

We hereby wish to inform you that the company Befesa Medio Ambiente, S.A., through MRH Residuos Metálicos, S.L., a fully participated company, and Qualitas Venture Capital, S.A., S.C.R. of Simplified Regime, and three minor shareholders, have on this date signed an agreement for the integration, respectively, of 100% of the share capital of its subsidiary Befesa Aluminio Bilbao, S.L. and of 90.68% of the share capital of Alugreen, S.L., which holds 100% of Aluminio Catalán, S.L. – Alcasa -, into a newly established company. The participations in the new company will be held in the proportion of 60 and 36,3 percent, respectively, holding the minor shareholders the 3,70 remaining.

The integration includes, the contribution by both MRH and Qualitas of their participations in their subsidiary and participated companies with activities in the aluminum sector, with Befesa being responsible for management of the resulting group.

The operation is conditioned exclusively to the authorization in advance by the Spanish Competition Authorities and will be perfected at the time of receipt of said authorization.

These contributions confirm Befesa's growth and expansion policy while consolidating its leading position in the European aluminum waste recycling market.

That is all for the present. In the meantime, I remain,

Yours sincerely,

Antonio Marin Hita  
Legal Counsel Officer