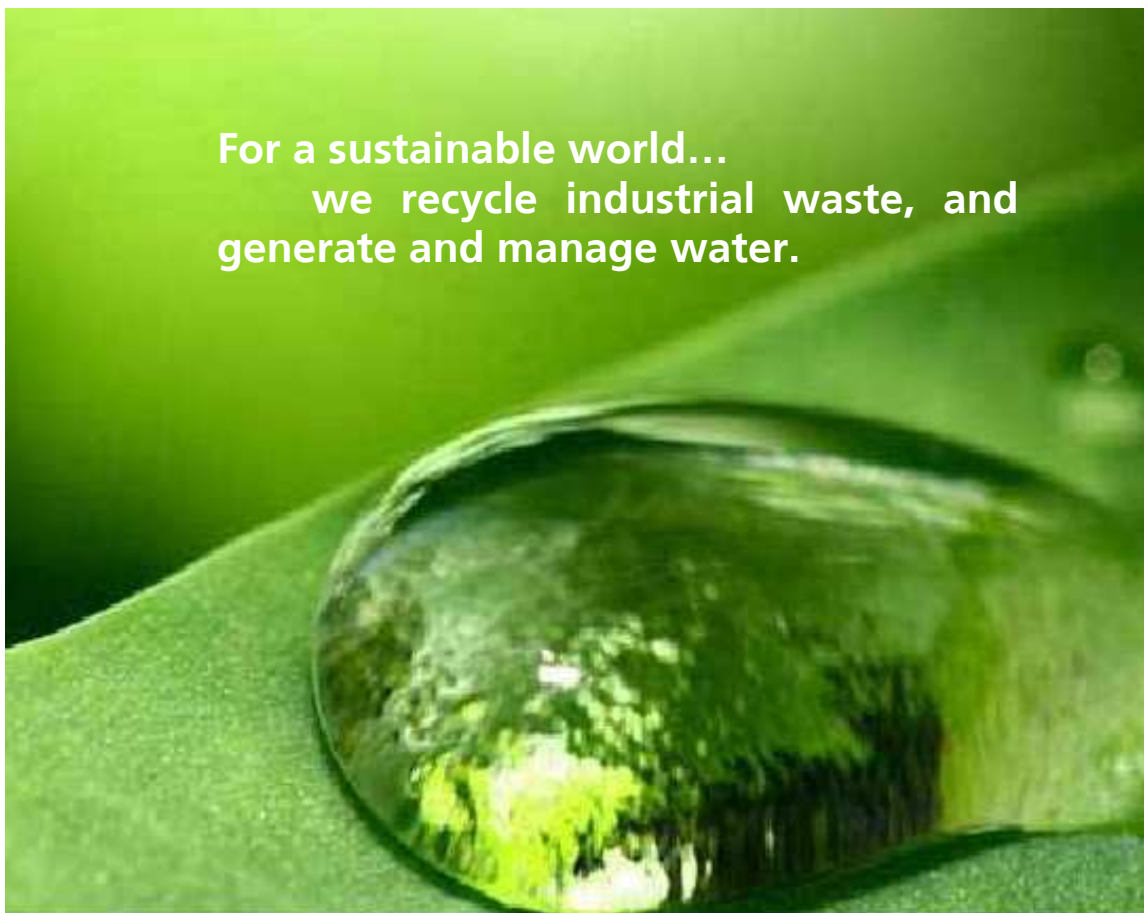


BEFESA

For a sustainable world...
we recycle industrial waste, and
generate and manage water.



Consolidated results

	jun-10	jun-09	var (%)
Sales	421.6	317.2	32.9%
Ebitda	63.3	47.8	32.4%
Ebitda/Sales	15.0%	15.1%	-0.4%
EBT	30.0	19.7	52.3%
EAT	24.3	16.5	47.3%
EAT Dominant	21.0	17.0	23.5%

In the first six months of 2010, Befesa's sales increased by 104.4 million euro compared to the previous year – a 32.9% increase. This was due largely to the increase in the volume of wastes treated by the business unit.

As regards Ebitda, there was a 15.5 million euro increase compared to the first half-year of 2009 – a 32.46% increase. Of note is the fact that the Ebitda/Sales ratio has remained at 15.0%.

On the other hand, the EAT and the EAT Dominant for the first half-year of 2010 were 24.3 million and 21.0 million euro, respectively – a 47.3% and 23.5% increase, respectively, on the previous year.

The results in the two business segments in which Befesa's activity is divided into – industrial waste recycling and water – are analyzed here-below.

Industrial Waste Recycling

Economic environment

In the first half-year of 2010, the recovery in the main sectors Befesa operates in continued. In this respect, steel production in Europe increased 46% in the first six months of 2010 compared to the previous year. Likewise, the industrial production index, a cyclical indicator that measures the monthly evolution of the production activity of the industrial sectors, excluding the construction sector, continued to show signs of recovery during the first half-year and, in June, indicated a 5.1% annual variation in Spain. Lastly, of note is the fact that the production of vehicles in Europe also increased significantly in the first half of 2010, compared to the same period in 2009.

Evolution of business

In the first half of 2010, some 1,000 thousand tons of industrial waste was treated – a 32.5% increase on the same period the previous year.

Of note as the main milestones for the period in this segment were that Befesa, through its subsidiary Befesa Valorización de Azufre, S.L.U. (previously Acoleg Químicos S.L.U.), closed the non-recourse financing for the construction and operation of a new sulfuric acid from waste sulfur production plant in Bilbao Port. The project, which will require a 70 million euro investment, is to be financed by a syndicate of banks formed by Banco Pastor, Cajasol, Banesto, Caja Rural de Navarra, Ipar Kutxa and Bankoa. It is important to underline that the project has received a two million euro loan from the Ministry of Industry, Tourism and Trade. The main activity of the new plant, to be built in the Autonomous Port of Bilbao, Zierbena municipal district (Biscay), will be the production of sulfuric acid and oleum from sulfur and other desulfurization wastes. The plant will have its own electric energy cogeneration plant. The new plant's sulfur treatment capacity will be 120,000 tons and it will also produce 350,000 tons of sulfuric acid and oleum, which will represent an associated electric energy generation of approximately 90,000 megawatts/year.

Also of note, the positive influence successful integration of the salt slag treatment plants acquired in 2009 in Germany, where we have been able to implement our management model and practices speedily and efficiently, has had on the good result of this segment.

Results for the period

In this context of recovery, the results of the industrial waste recycling segment were as follows:

	jun-10	jun-09	var (%)
Sales	295.8	196.3	50.7%
Ebitda	50.7	35.5	42.8%
Ebitda/Sales	17.1%	18.1%	-5.2%

In the first six months of 2010, sales of the industrial waste recycling segment increased 99.5 million euro – a 50.7% increase – on the previous year.

As regards Ebitda, there was a 15.2 million euro increase compared to the first six months of 2009 – a 42.8% increase on the previous year. The Ebitda/Sales ratio remained at levels similar to those of the same period in 2009, reaching 17.1%.

On the other hand, the EAT of the dominant company was 20.7 million euro for the first half of 2010 – a 78.4% increase on the previous year.

Water: EPC and concessions

Evolution of the Water EPC business

Throughout the first half of 2010, good levels of execution and contracting continued in the water engineering and construction activity. This allowed attainment of sales levels similar to those for the same period in 2009 and the contract portfolio for 2010 and 2011 increased significantly. In terms of profitability the Ebitda/Sales ratio stabilized around 10%, reaching 10.1% in the first half-year of 2010, continuing along the line set in 2009, with EPC margins in the 10% to 11% range.

Of special note among the contracts awarded were:

The company Sociedad Minera Cerro Verde awarded the Alto Cayma Consortium, in which Befesa Agua is a partner, the 55 million euro construction contract for La Tomilla II water treatment plant in the Peruvian city of Arequipa. The new treatment plant, based on a physical-chemical treatment process followed by filtration, disinfection, adjustment of the pH and subsequent chlorination, will be capable of producing 130,000 cubic meters of water per day to supply a population of almost 850,000. The contract also includes operation and maintenance of these infrastructures for three years.

The Water Agency of Catalonia, a public company of the Regional Government of Catalonia responsible for water management and planning, awarded Befesa, under a JV with a local company, the contract for the brackish water segregation works aimed at reducing salinity of the water entering the Sant Feliu and Prat de Llobregat treatment plants in Barcelona. The contract value is more than 8.4 million euro.

The Public Company for Hydraulic Works and Services of the Regional Government of Galicia awarded Befesa, under a JV, the more than 5 million euro contract for the first phase of the water supply to Ames and Brion, in La Coruña. The contract is for construction of a treatment plant that will draw water from the river Tambre. The initial treatment capacity will be 175 liters/second, which could be doubled in a second phase. This activity, benefitting more than 40,000 inhabitants, is an important reference for Befesa as it is the first project the company will execute for the public administration of Galicia, and it also increases the capacity of its facilities to supply or treat water for more than eight million inhabitants.

Befesa Agua will execute the design, engineering and construction project for a treatment plant in Bilbao Port. The investment in said project will be 70 million euro.

The Ministry of Development of the Regional Government of Extremadura awarded Befesa, under a JV with Padilla y Zazo, the almost 3 million euro construction contract for La Codosera wastewater treatment plant (WWTP) and sewerage system, in Badajoz. The objective is to treat the wastewaters from La Codosera municipal district. The capacity of the WWTP will be 800 cubic meters per day. A population of more than 4,000 will benefit from these works.

The National Water Management and Distribution Company (SONEDE) and the Ministry of Agriculture and Water Resources of Tunisia awarded the Befesa and Princesse Groupe consortium the contract for the design, construction and 20-year

operation of a seawater desalination plant on the island of Djerba, in the Gulf of Gabes. The 70 million euro contract will be executed under the DBOOT (Design, Build, Own, Operate and Transfer) modality. Total earnings from water sales over the 20 year concession are estimated at more than 220 million euro as annual income is expected to be more than 11 million euro. The plant production capacity will be 50,000 cubic meters of desalinated water per day, sufficient to supply a population of more than 250,000. This facility, which will use reverse osmosis technology, will be the largest desalination plant of Tunisia. Befesa Agua will build the plant, and the Befesa – Princesse Groupe consortium will undertake operation and maintenance thereof.

Results of the Water EPC business

The results of the Water EPC segment are indicated in the table below:

	jun-10	jun-09	var (%)
Sales	119.7	119.4	0.3%
Ebitda	12.1	13.2	-8.3%
Ebitda/Sales	10.1%	11.1%	-8.6%

In the first six months of 2010, the sales of the Water EPC segment increased 0.3% on the previous year.

As regards Ebitda, there was an 8.3% reduction compared to the first six months of 2009, with the Ebitda/Sales ratio remaining at levels similar to those of the same period in 2009, meaning the margin stabilized and was consolidated at around 10%.

The EAT of the dominant company for the first six months of 2010 was 5.7 million euro, a 32.1% reduction on the previous year.

In spite of the results for the first half-year reflecting a reduction in sales figure due to the irregular seasonality of the business and, especially, to the adverse weather conditions during the first quarter of the year, the objectives for the year remain the same and the company holds a solid contract portfolio that ensures execution.

Evolution of the Water concession business

Water sales from the plants Befesa holds under concession regime continued to increase during the first half-year of 2010.

Results of the Water concession business

The results of the Water concession segment are indicated in the table below:

	jun-10	jun-09	var (%)
Sales	6.2	1.5	313.3%
Ebitda	1.6	-1.0	-260.0%
Ebitda/Sales	25.8%	-66.7%	-138.7%

In the first six months of 2010, the sales of the Water concession segment increased by 4.7 million euro – a 313.3% increase on the previous year.

As regards Ebitda, it went from -1.0 million euro in the first six months of 2009 to 1.6 million euro for the same period in 2010.

On the other hand, the EAT of the dominant company for the first six months of 2010 was -2.6 million euro.

Other financial figures

The net debt at the close of the first half-year is 569 million euro, of which only 129 million are with recourse. The pre-operating debt is 202 million euro.

Relevant events reported to the SEC (CNMV in Spanish)

List of Relevant Events during the first six months of 2010

◆ **Communication dated 24.02.10**

Forwarding of information on results for the second six months of 2009.

◆ **Communication dated 24.02.10**

Notification of the Annual Corporate Governance Report for 2009.

◆ **Communication dated 12.03.10**

Notification of the calling of the Ordinary General Shareholders' Meeting to be held on April 15th, 2010.

◆ **Communication dated 16.04.10**

Communication of the resolutions of the Ordinary General Meeting held on April 15th, 2010.

◆ **Communication dated 16.04.10**

Communication of the reelection of directors, the substitution of the secretary to the Board of Directors, the substitution of the Chairman of the Appointments and Remuneration Committee and the reelection of the members of the committees.

◆ **Communication dated 23.04.10**

Communication of the joint liability provided by Abengoa, S.A. in relation to a refinancing contract with a syndicate of Banks under the "Forward Start Facility" modality.

◆ **Communication dated 11.05.10**

Forwarding of information on results for the first quarter of 2010.