

ABENGOA

Comisión Nacional del Mercado de Valores

Área de Mercados. Dirección de Supervisión.

Paseo de la Castellana, nº 19

28043 – Madrid

Madrid, a 27 de octubre de 2006

Muy Señores nuestros:

Con la presente adjuntamos el escrito de hecho relevante remitido con esta misma fecha por nuestra filial Befesa Medio Ambiente, S.A. relativo a la adquisición por Aser Recuperación del Zinc, S.L., sociedad filial (100 %) de Befesa Medio Ambiente, S.A., del 100 % del capital social de la sociedad de nacionalidad sueca B.U.S. Group AB, (y todas sus filiales), por un valor compañía de 330 millones de euros.

Sin otro particular, aprovechamos la ocasión para saludarles,

Muy atentamente,

Miguel Ángel Jiménez-Velasco Mazarío



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Por el presente ponemos en su conocimiento que Aser Recuperación del Zinc, S.L., sociedad filial (100 %) de Befesa Medio Ambiente, S.A., ha suscrito en esta misma fecha un Acuerdo de compra para la adquisición del 100 % del capital social de la sociedad de nacionalidad sueca B.U.S. Group AB, (y todas sus filiales), por un valor compañía de 330 millones de euros.

La adquisición incluye cinco sociedades operativas dedicadas al reciclaje de residuos de industria siderúrgica en general y de la del acero inoxidable: dos en Alemania (B.U.S. Metall GmbH y B.U.S. Zinkrecycling Freiberg GmbH & Co, KG), dos en Francia (B.U.S. Valera SAS, y Recytech S.A y de la sociedad sueca (B.U.S. ScanDust AB). Estas sociedades se complementan con la actividad desarrollada actualmente por nuestra filial Befesa Zinc Aser, que quedará integrada en el grupo anterior dando lugar a un conjunto homogéneo de sociedades filiales dedicadas al mismo tipo de actividad y con un presencia geográfica diversificada pero a la vez concentrada en el mercado europeo. El grupo B.U.S. prevé alcanzar en 2006 unas ventas de 201 millones de euros. El beneficio proforma de Befesa para el año completo 2006 habría aumentado en 0,70 euros por acción, con la integración de BUS.

La adquisición está condicionada exclusivamente a la previa autorización por parte de las autoridades alemanas de Competencia (The German Federal Cartel Office), y quedará perfeccionada en el momento en que se obtenga dicha autorización.

La financiación para la adquisición se ha gestionado a través de una financiación de proyecto sin recurso, con la entidad Barclays, con un vencimiento a siete años y un tipo de interés referenciado al euribor más un margen variable.

Esta nueva adquisición confirma la política de inversión, crecimiento y expansión de Abengoa y Befesa, refuerza su posición de liderazgo en el sector medioambiental español, y consolida su presencia en el sector europeo, a través de su área de negocios de Reciclaje de Residuos de Zinc.

Adjuntamos la presentación preparada con ocasión de la presente adquisición para su debida constancia.

Sin otro particular, aprovechamos la ocasión para saludarles,

Muy atentamente,

Fdo. _____

Acquisition of B.U.S by Befesa



With the sun... we produce thermoelectric and photovoltaic electric energy



With biomass... we produce ecologic fuels and animal feed



With wastes... we produce new materials by recycling, and we also treat and desalt water to achieve a sustainable globe



With Information Technology... we transform data into knowledge, providing effective operational and business real-time decision making for traffic, transport, energy and the environment



With engineering... we construct and operate conventional and renewable energy power plants, power transmission systems and industrial infrastructures

- 1. Preliminary**
- 2. The company**
- 3. Strategic Analysis**
- 4. Financing**
- 5. Value creation**

This presentation contains forward-looking statements and information relating to Abengoa that are based on the beliefs of its management as well as assumptions made and information currently available to Abengoa. Such statements reflect the current views of Abengoa with respect to future events and are subject to risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of Abengoa to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic, political, governmental and business conditions globally and in the countries in which Abengoa does business, changes in interest rates, changes in inflation rates, changes in prices, changes in business strategy and various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or targeted. Abengoa does not intend, and does not assume any obligations, to update these forward-looking statements.

1. Preliminary

- **1998**: Abengoa initiates the process of BUS acquisition to expand its environmental activities
- **1999**: Abengoa launches a takeover bid on 100% of BUS shares, that was not accepted by majority shareholders
- **June 2000**: Abengoa acquires 51% of Befesa from BUS and reaches 92% through a subsequent tender offer.
- Steel Dust treatment services, remains as BUS' only activity
- **October 06**: Befesa signs a share purchase agreement for 100% of BUS Group for an Enterprise Value of 330M €
- The transaction is only subject to the approval of German Competition Authority

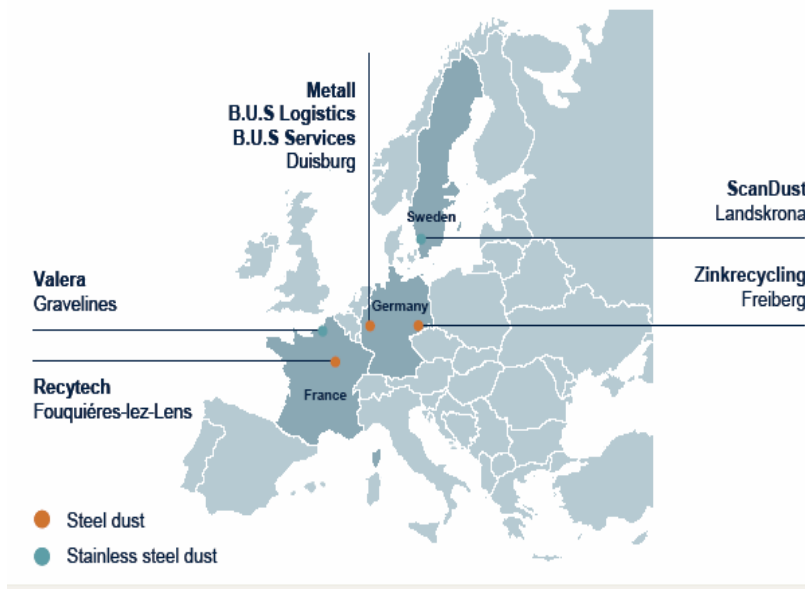


Befesa becomes European Leader of Steel Dust Recycling

2.

The Company.

European leader in the recycling of dust generated by steel production through Electric Arc Furnaces (EAF) and in production of stainless steel. It has plants in Germany (2), France (2), and Sweden, employs 335 people.



2 business lines: Steel Dust and Stainless Steel Dust

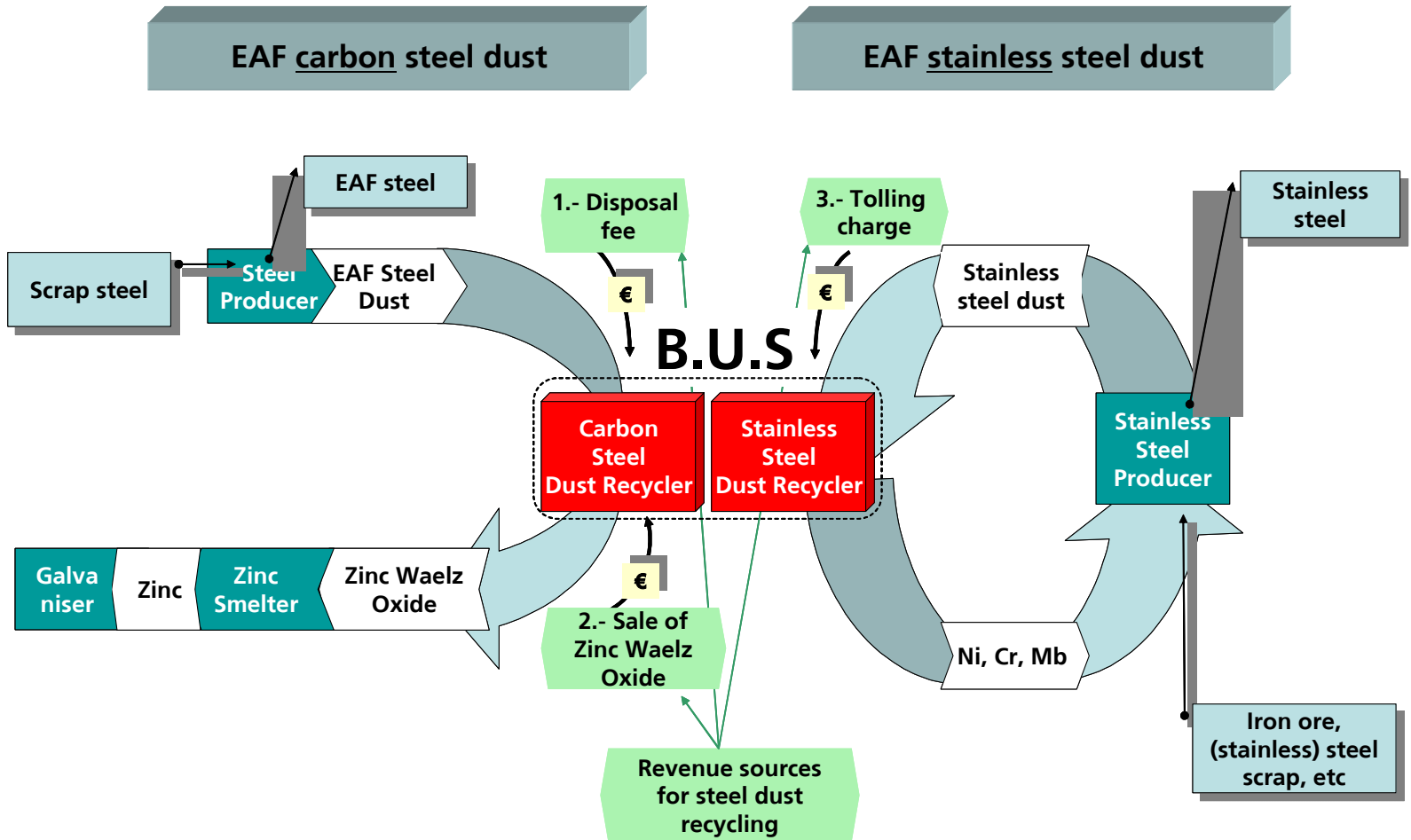
A) Steel Dust, two sources of income:

- Treatment Fee
- WOX Sales contained in recycled dust

B) Stainless Steel Dust: Dedicated to the through put

Italy, Germany, Spain and France are the main producers of Steel wit EAF

Material and recycling revenue flows in steel dust recycling



		BUS	Befesa	BUS+Befesa
Nominal Capacity	Steel Dust	450 Kt	105 kt	555 kt
	Stainless SD	125 Kt	-	125 Kt
Production of Ox. Waelz	Óx. Waelz	134 Kt	40 kt	174 kt
	Equivalent Zinc	60 Kt	22 kt	82 kt

BUS Group AB	2005	2006E
Sales	125,4	201,0
EBITDA	24,3	55,0
Ebitda/Sales	19,4%	27,4%
Net Profit	13,1	26,0

Source: BUS information and results in August 2006

Note: Numbers in million euros

3.

Strategic Analysis.

Steel Dust Recycling creates significant value for steel manufacturers

- **Steel manufacturers usually prefer dust recycling over landfill because it is financially attractive**
- **Regulation forces steel producer to treat. Landfill is becoming an unfeasible viable option for treatment**

Further opportunities for Befesa

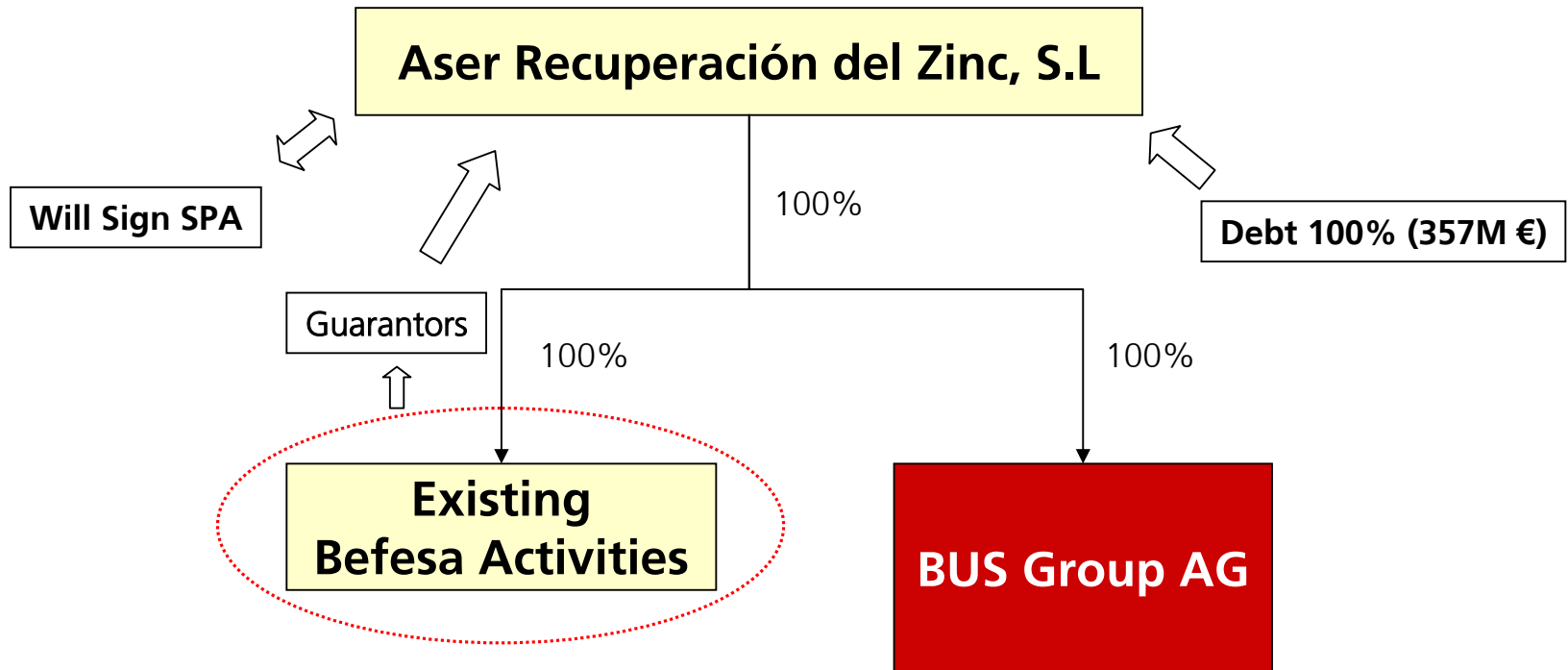
- **European Leadership in the segment**
- **Cost reduction opportunities**
- **Technology development**
- **Eastern EU market opportunities**

4.

Financing.

- **Non-Recourse Financing by Barclays**
- **Amount: 357M €, includes transaction costs, repayment of existing debt and 20M € working capital facilities**
- **Befesa contributes its existing steel dust activities and a limited equity cash contribution (15M €)**
- **Amortization: 7 years with Cash-sweep and 35% “bullet” at maturity**
- **Cost: Euribor + 0,95-1,65% according to a Net Debt/EBITDA Grid**

Structure



5.

Value Creation.

Hypothesis

- EAF steel production stable for the valuation horizon
- 1.598 €/Ton zinc price for 1st years, 1.100 €/Ton for the long term (zinc spot 3.000€ Tm)
- No growth for other incomes
- 3% inflation on electricity and gas costs
- No synergies considered
- No major expansion considered
- Capex: 4M € year
- 6,5% Financing Cost
- 31% Tax rate

Financial Metrics

EV/Ebitda 06: 6,0x

EV: 330M €

Pay Back: 7 years

Numbers in Million Euros

BUS Pro-forma 2006

Sales: 201,0

Ebitda: 55,0

Amortization: 8,0

Net Interest Expenses: 19,4*

PBT: 27,6

Net Income: 19,0

* : Includes all financing costs of the acquisition

Value Creation, EPS Increase

Befesa

$$\frac{19,0\text{M €}}{27,1\text{M Shares}} = 0,70 \text{ €/Share}$$

Abengoa

$$\frac{18,6\text{M €}^{**}}{90,4\text{M Shares}} = 0,20 \text{ €/Share}$$

** : 19'6 X 98% (% of Abengoa in Befesa)

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