



AGUAS DE BARCELONA

AGBAR GROUP

October 5, 2005



Agbar Group




RELEVANT FACTS

2005




Water and wastewater



 The Agbar Group sells to Hidrocartera (70% Unicaja and 30% Caja Granada) the 50% of Aquagest Sur (100% Agbar Group):

- 💧 The agreement will strengthen the presence of Aquagest Sur, S.L. in the Andalusian market.
New privatization process in the coming years.

- 💧 Amount: €73.5 million

 Sorea (100% Agbar Group) has acquired Aigües del Terme de Calvià (Aterca) thus reinforcing its presence in Mallorca:

- 💧 Shareholding: 69.11%

- 💧 Investment: €5 million

- 💧 Population served: 13,000 inhab.



New contracts (January – June 2005)

- 💧 Drinking Water: 22 contracts (109,928 inhabitants)
- 💧 Wastewater Treatment: 22 plants (180,408 equivalent inhabitants)
- 💧 Sewerage: 15 municipalities (129,566 inhabitants)

Renewals (January – June 2005)

- 💧 Drinking Water: 25 contracts (294,121 inhabitants).
- 💧 Wastewater: 4 contracts and 3 wastewater treatment plants (more than 70,000 equivalent inhabitants).




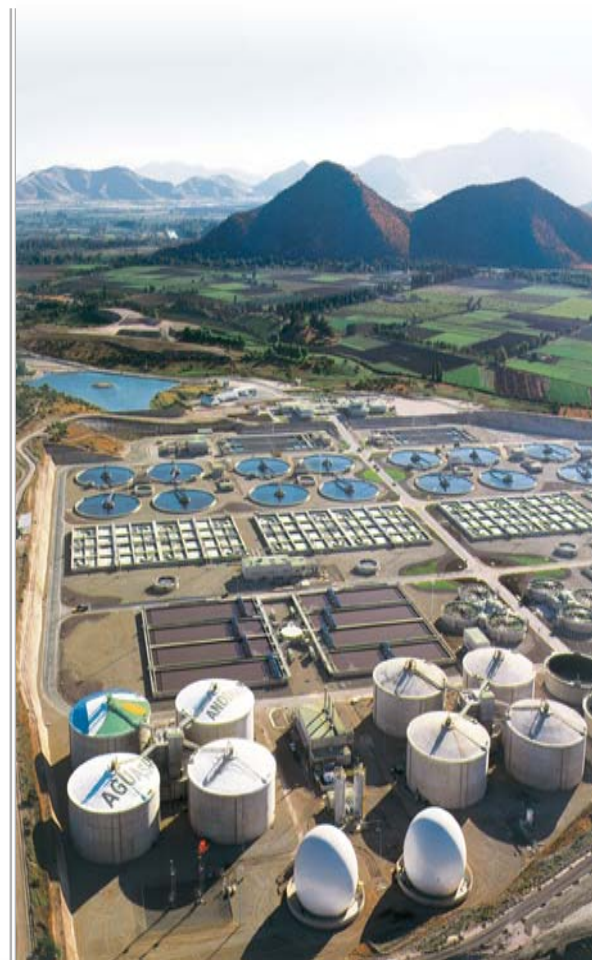
WATER AND WASTEWATER - INTERNATIONAL

 **Aguas Andinas** has signed with the Government of Chile a new tariff framework for 2005 - 2009.

 **Aguas Provinciales de Santa Fe:** negotiations for an orderly withdrawal of the concession lead by Suez:

 selling of the shareholding from Suez and Agbar to local companies.

 **Aguas Argentinas** has decided to abandon the water concession due to the impossibility to continue with its services caused by the breach of contract from the licensor of the concession.




Health



 **ADESLAS** has consolidated its leadership in the Spanish private health insurance market:

- 💧 Market share of 20% (leader since 2001)
- 💧 No. 1 in the ranking of the Spanish private health companies in the "MERCO 2005" report on company reputation.

 Bidding of the concession to build and manage the **Hospital of Valdemoro** (Madrid), through a 51% shareholding of Adeslas in a new company which main forecasted figures are the following:

- 💧 Total Investment: €73 million
- 💧 Total Revenues: €42 million (in 2008)
- 💧 Duration: 30 years



 **Insured:** growth of 3.7%

	<u>June 2005</u>	<u>Dec. 2004</u>
Private	2,026,883	1,949,016
UTE Alzira	<u>240,508</u>	<u>237,809</u>
TOTAL	2,267,391	2,186,825

 **Own and concerted clinics:** 290




Inspection and Certification





Integration of Soluziona Calidad y Medioambiente and Applus+

New shareholding structure of Applus+ in 2005:

- 75% Aguas de Barcelona
- 25% Unión Fenosa, S.A.

 On July 28 was announced an agreement of intentions between Agbar, Soluziona and **Sociedad de Promoción y Participación Empresarial (Caja Madrid)**, according that the latter **will enter into the capital of Applus+** resulting in:


-  Capital increase of €133 million
-  Shareholding: 19%, which could be increased in the future up to 21.9%



INSPECTION AND CERTIFICATION - ACTIVITIES

Vehicle and Emissions Inspections:

- 💧 Total revisions (2004) 13,026,272 (+4%)
- 💧 Spain's n° 1 in vehicle inspections (including emissions) with a 31% market share.
- 💧 United States: emissions inspections

 **Certification:** Inspecting, testing, designing, verifying and analyzing any product of any sector to guarantee its quality.

 **Vehicle Engineering, Testing and Homologation:**
IDIADA



INSPECTION AND CERTIFICATION - Vehicle Inspection

SPAIN:

- 💧 Purchase of 27.82% of Iteuve Euskadi thus attaining a 100% capital share. The current concession expires in 2024.
- 💧 Extension of the Catalan vehicle inspection concessions until the summer of 2007.



INSPECTION AND CERTIFICATION - Vehicle Inspection

INTERNATIONAL:

💧 **Denmark:** on march Applus+ has been awarded of the privatization of state network of vehicle testing stations in Denmark:

- Final investment: €61.7 million
- Revenues in 2005: €44 million (9.5 months)
- Vehicle inspections in 2005: 992,000 vehicles

💧 **Chile:** start in May of the two new vehicle inspection concessions awarded in Chile.


- Chile's total vehicle fleet: 930,000 vehicles
- Inspections are held annually

💧 **Portugal:** Applus Iteuve Portugal has been sold in March ➡ capital gain of €14.1 million.



Construction and Installations



 Conclusion of a **preliminary agreement between Agbar and Finycar S.L. (Sorigué Group)** according to which the latter would acquire ACSA Agbar Construcción:

- 💧 Shareholding: 60% and an option to increase to 100% in two steps (two and four years later).
- 💧 Amount (100%): €50.7 million



 In order to reinforce the main lines of activities, three new companies have joined the Emte Group:

- 💧 Omnilogic Telecomunicaciones (Systems Unit) : joined in the second half of 2004.
- 💧 The Rochina Group (Mechanical Installations Unit): reinforcing the presence in the East Coast of Spain and Murcia.
- 💧 Benito, S.A. (Electrical Installations Unit): in Madrid and as a main contractor for Iberdrola.

 Prospects for the second half of 2005 are positive:

- 💧 Recovery of public tenders and increase in the volume contracted from private clients.
- 💧 Positive development of the new companies which have joined the Emte Group.





Economic and Financial Data

June 30, 2005



Change in accounting standards - IFRS

In the elaboration of the consolidated financial statements, both in the present year and in the comparative previous years, the **International Financial Reporting Standards (IFRS)** were applied.

The main impact in the statement of income is in the consolidation goodwill amortization.

(Millions of euros)

	June 2004 IFRS	June 2004 PGC (*)	Var. (%)
OPERATING REVENUES	1,257.3	1,283.2	-2.0%
OPERATING RESULT (EBIT)	105.2	107.7	-2.3%
Financial result	(16.3)	(17.1)	-5.0%
Result for asset deterioration	(1.7)	0	n/a
Share in results accounted for by the equity method	5.3	5.7	-6.5%
Other results	13.9	13.7	1.7%
Consolidation goodwill amortization	0.0	(12.1)	-100.0%
RESULT BEFORE TAXES	106.4	97.8	8.8%
Income tax	(27.2)	(27.8)	-1.8%
NET RESULT	79.2	70.1	13.0%
Result attributed to minority interests	(18.7)	(18.6)	0.6%
NET RESULT PART GROUP	60.4	51.4	17.5%

(*) Spanish national accounting standard

CONSOLIDATED STATEMENT OF INCOME

(Millions of euros)

	June 2005 IFRS	June 2004 IFRS	Var. (%)
OPERATING REVENUES	1,517.2	1,257.3	20.7%
OPERATING CASH FLOW	224.9	177.3	26.9%
Amortizations	(90.3)	(72.1)	25.2%
OPERATING RESULT (EBIT)	134.6	105.2	28.0%
Financial result	(21.2)	(16.3)	29.9%
Result for asset deterioration	(1.8)	(1.7)	6.4%
Share in results accounted for by the equity method	4.5	5.3	-15.9%
Other results	17.2	13.9	24.1%
RESULT BEFORE TAXES	133.4	106.4	25.4%
Income tax	(33.5)	(27.2)	23.0%
NET RESULT	99.9	79.2	26.2%
Result attributed to minority interests	(38.7)	(18.7)	106.7%
NET RESULT PART GROUP	61.2	60.4	1.2%

International financial reporting standards adopted.

CONSOLIDATED FINANCIAL DEBT

(Millions of euros)

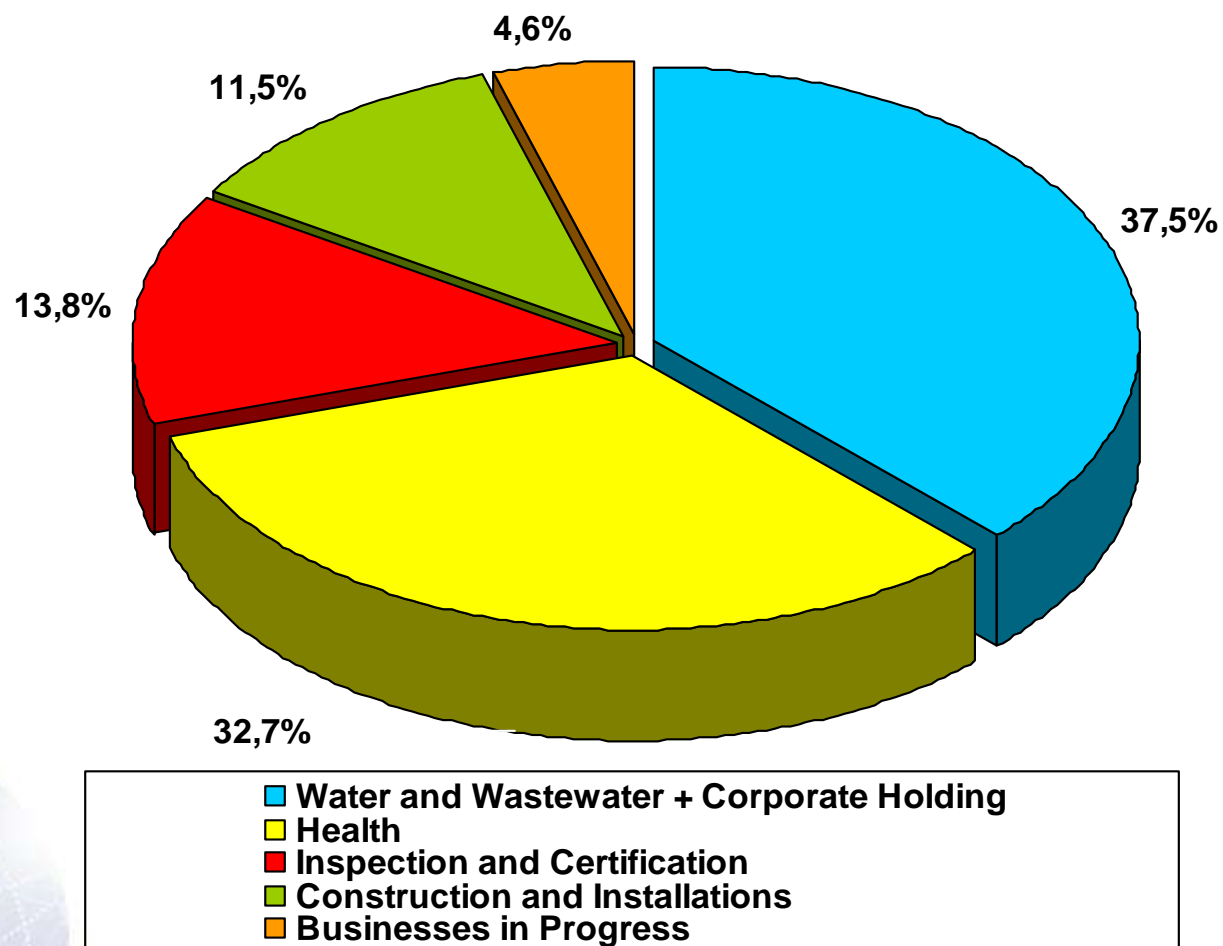
	June 2005 IFRS	Dec. 2004 IFRS
Net wealth Group	1,336.5	1,264.2
Minority interests	445.7	342.0
NET WEALTH	1,782.2	1,606.1
Debtures payable to credit institutions and other financial debts	1,786.0	1,497.0
Short-term investments	(129.5)	(101.1)
Cash and equivalent liquid means	(255.3)	(267.1)
Adjustment financial assets value derivatives long-term (*)	(45.3)	-
Net indebtedness with financial institutions and investors	1,355.9	1,128.8
Other debt (**)	108.1	115.5
TOTAL NET INDEBTEDNESS	1,464.0	1,244.3

Indebtedness / Net wealth	82%	77%
Indebtedness / (Net wealth + Net indeb.)	45%	44%

(*) Corresponding to the market value of derivative instruments in hedging operations.

(**) Provisions risks of Argentina

CONSOLIDATED NET SALES: June 2005

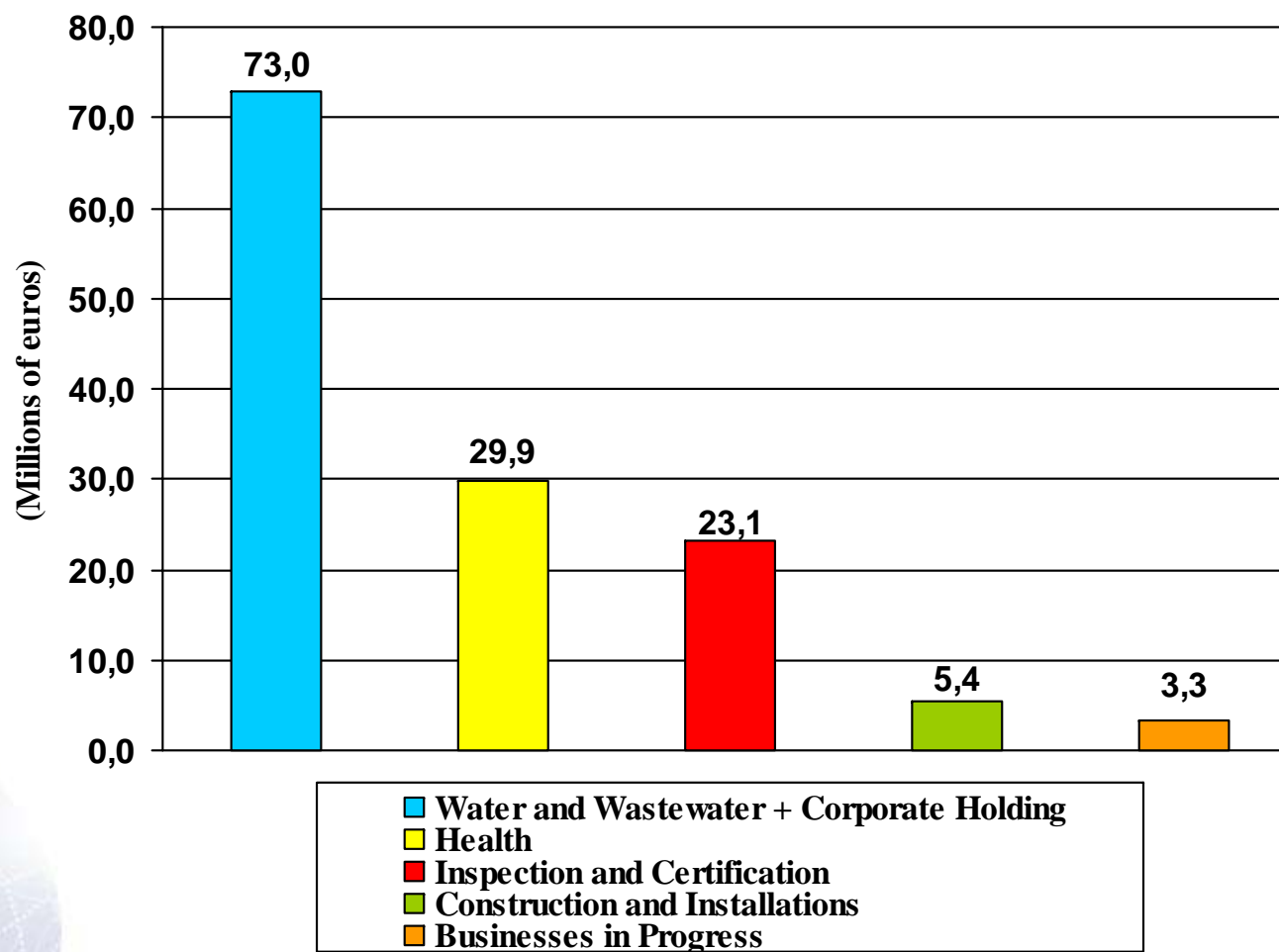


CONSOLIDATED NET SALES BY ACTIVITY: Evolution

(Millions of euros)

	June 2005	June 2004	Var. 05/04
Water and Wastewater + Corporate Holding	558.7	463.8	20.5%
Health	486.5	423.8	14.8%
Inspection and Certification	204.8	108.7	88.5%
Construction and Installations	171.3	151.0	13.5%
Businesses in progress	68.3	64.5	5.9%
TOTAL	1,489.6	1,211.6	22.9%

CONSOLIDATED OPERATING RESULT (EBIT): June 2005

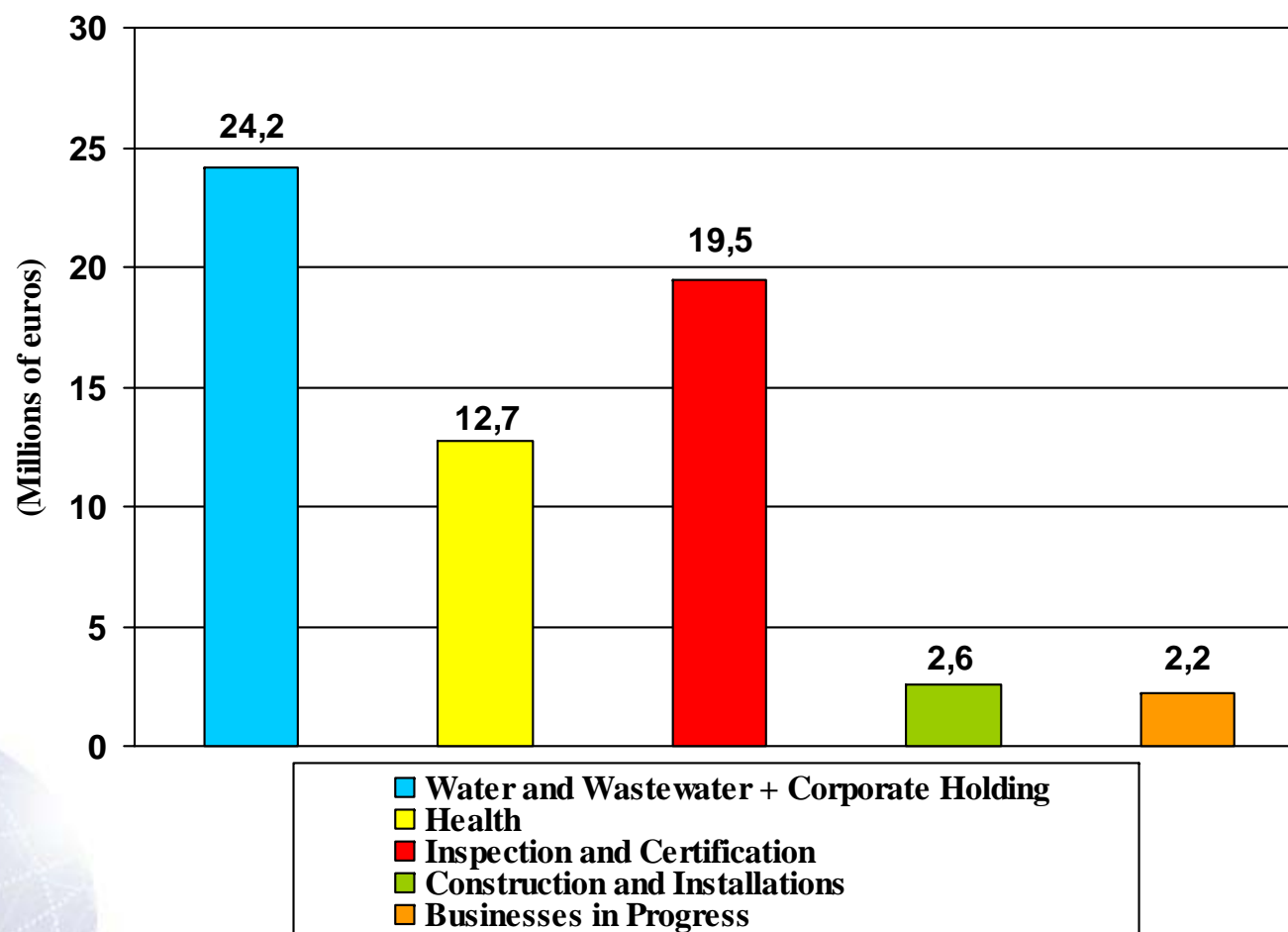


CONSOLIDATED OPERATING RESULT BY ACTIVITY: Evolution

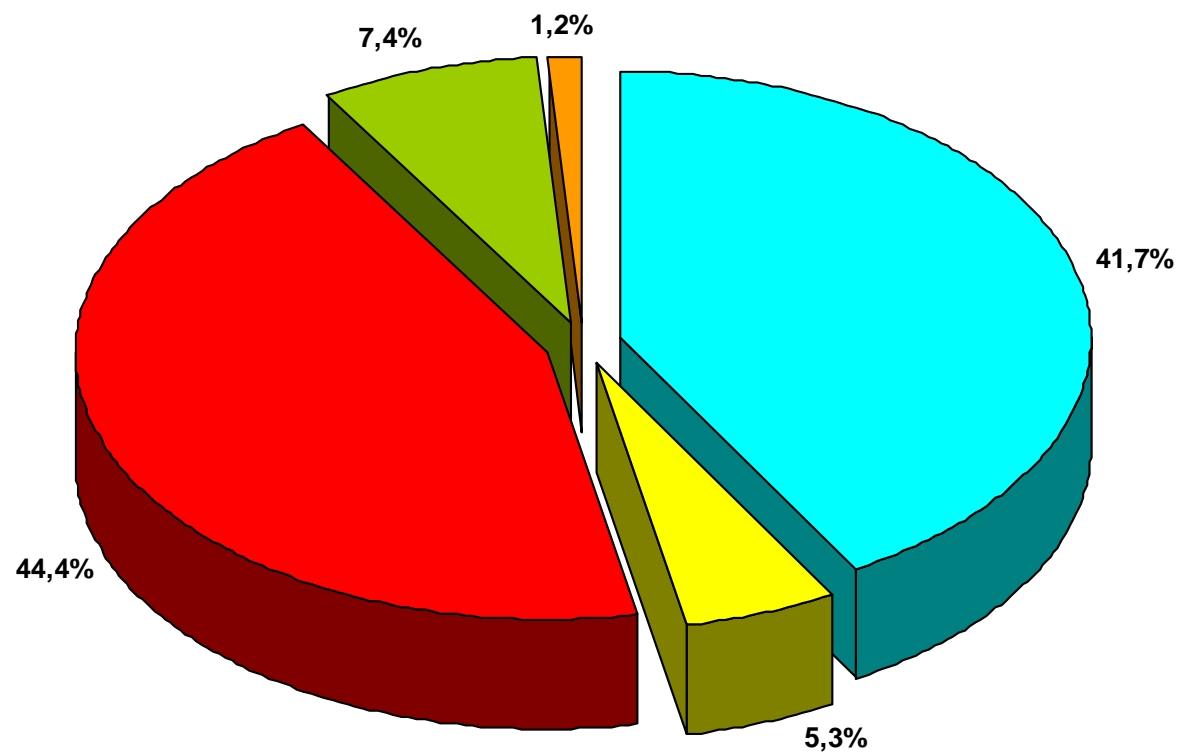
(Millions of euros)

	June 2005	June 2004	Var. 05/04
Water and Wastewater + Corporate Holding	73.0	54.5	33.9%
Health	29.9	23.5	27.0%
Inspection and Certification	23.1	17.8	29.7%
Construction and Installations	5.4	6.5	-16.9%
Businesses in progress	3.3	2.8	19.1%
TOTAL	134.6	105.2	28.0%

CONSOLIDATED NET INCOME: June 2005



CONSOLIDATED INVESTMENTS BY ACTIVITY: June 2005



■ Water and Wastewater + Corporate Holding
■ Health
■ Inspection and Certification
■ Construction and Installations
■ Businesses in Progress

CONSOLIDATED INVESTMENTS BY ACTIVITY: June 2005

(Millions of euros)

	Intangible assets	Utility Plant	Long Term Investments	TOTAL
Water and Wastewater + Corporate Holding	26.3	46.1	6.7	79.1
Health	2.3	7.7	0.0	10.0
Inspection and Certification	4.8	4.9	74.5	84.1
Construction and Installations	0.1	5	8.9	14.1
Businesses in progress	0.1	2.2	0.0	2.3
TOTAL	33.7	65.9	90.0	189.6



Agbar



Grupo Agbar

