



# **AGUAS DE BARCELONA AGBAR GROUP**

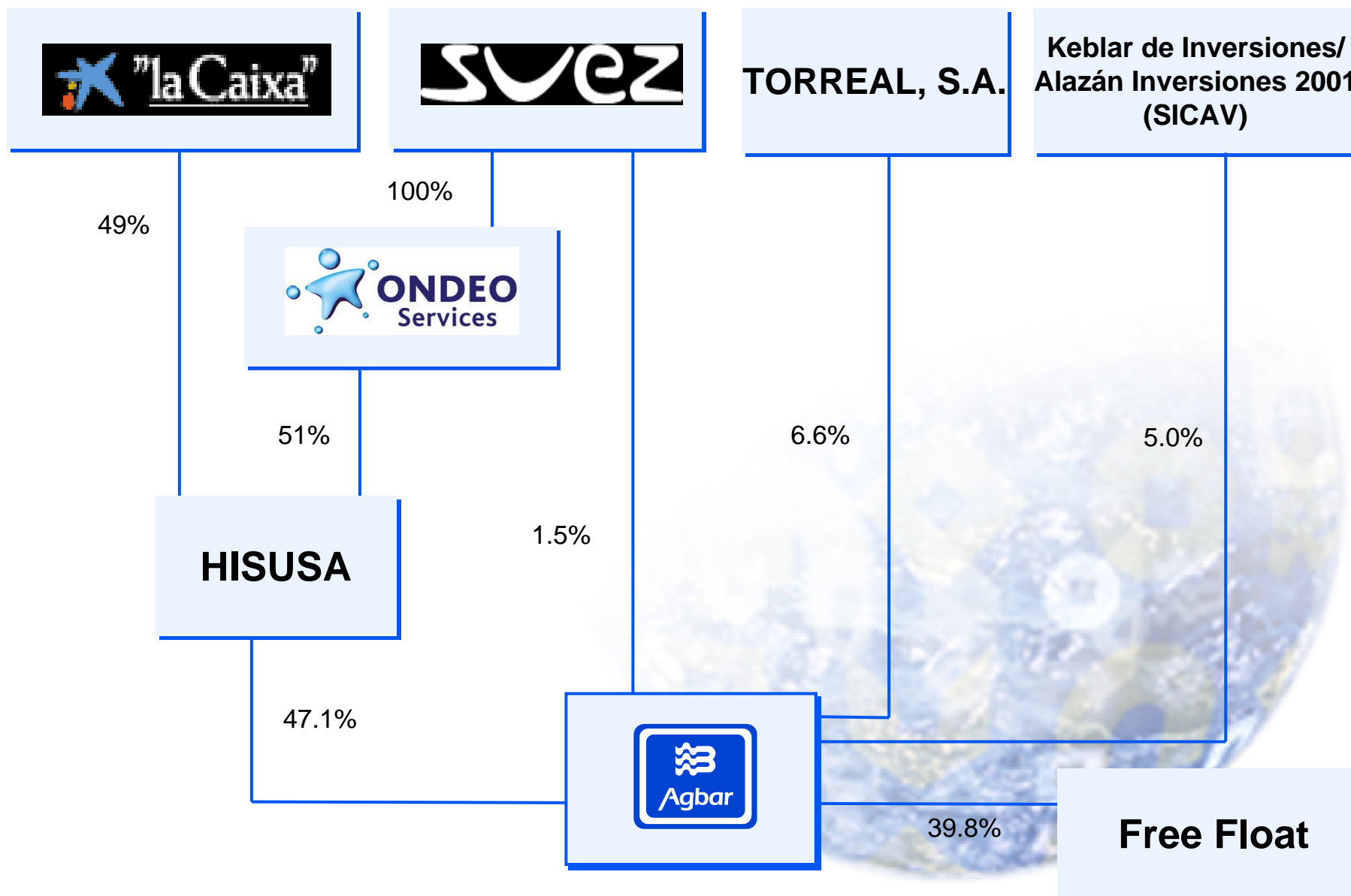
**October 27th, 2004**



Agbar Group



## SHARE STRUCTURE



## DIVERSIFIED INTO SEVERAL BUSINESS UNITS

- **WATER AND WASTEWATER**
- **HEALTH**
- **CONSTRUCTION AND INSTALLATIONS**
- **INSPECTION AND CERTIFICATION**





# Water and Wastewater



## **WATER AND WASTEWATER - ACTIVITIES**

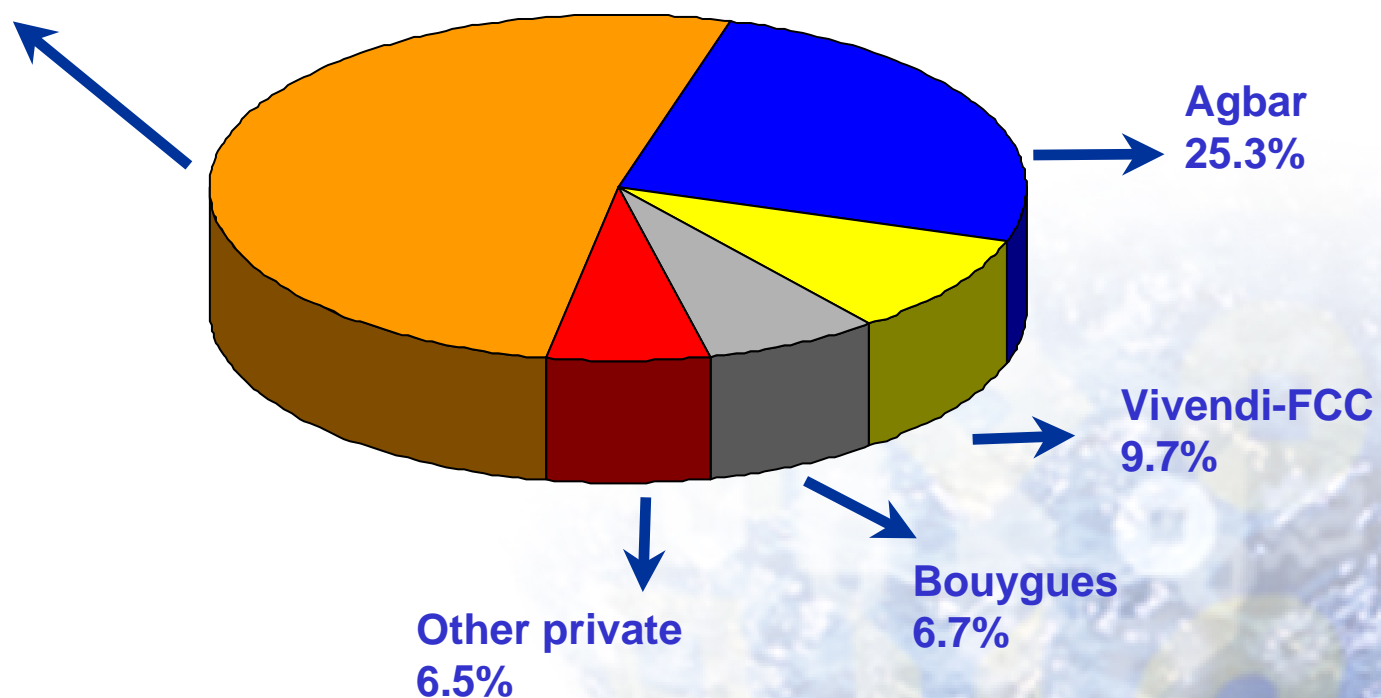
- **Stable business with a considerable cash flow**
- **Concessions: 25 - 30 years**
- **Little volume of calls for tenders in Spain in the last few years**
- **Water concessions are a municipal competence. In Spain there is no central regulatory authority**
- **51.8% of the Spanish market is NOT privatised**



## WATER AND WASTEWATER - SPAIN

**Public distribution: 51.8%**

**Private distribution: 48.2%**



## **WATER AND WASTEWATER - SPAIN**

- **Population served (census): 12.5 million inhabitants**
- **Privatised market share: 52.4%**
- **Number of municipalities: more than 850**
- **Length of system: 50,182 km**





## WATER AND WASTEWATER - INTERNATIONAL

- Population served: 23.9 million inhabitants

**ARGENTINA**

**URUGUAY**

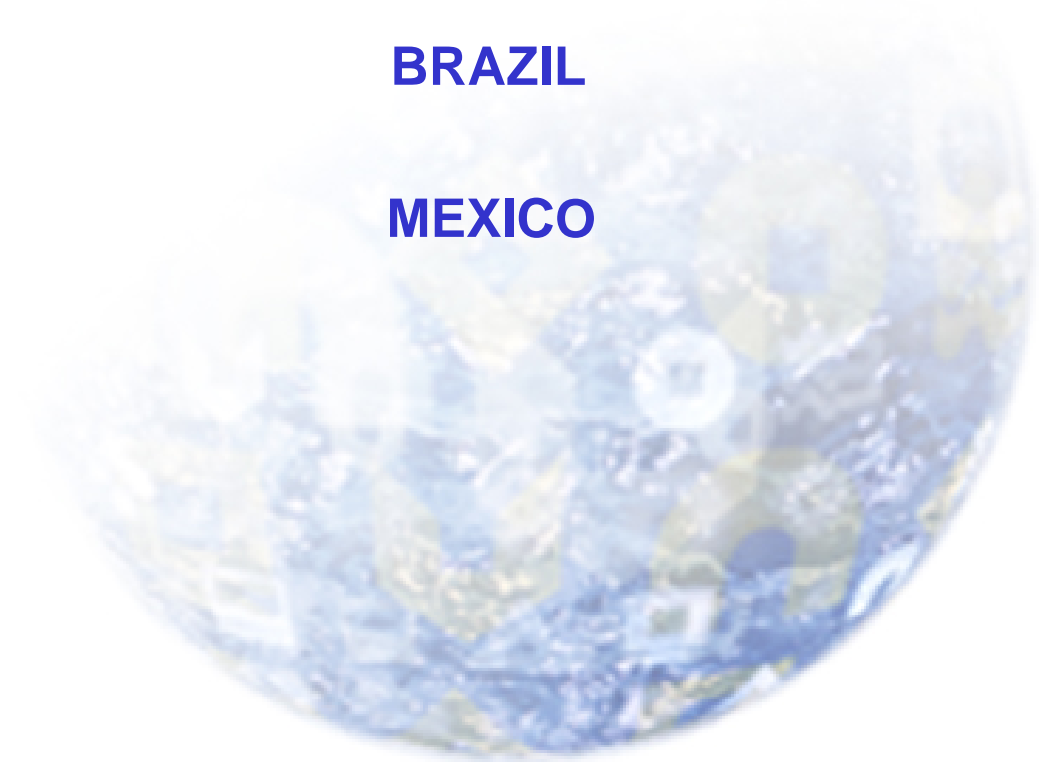
**CHILE**

**BRAZIL**

**COLOMBIA**

**MEXICO**

**CUBA**



## **WATER AND WASTEWATER - STRATEGY**

- **SPAIN:**
  - **Waiting a new privatization process: big potential growth**
  - **Growth in new wastewater treatment plants**
  - **New 14 concessions in Spain, bought from Ferrovial Group, with a population served of more than 200.000 inhabitants**
- **LATAM: focusing in the more stable countries;**
  - **Chile: continuous growth of Aguas Andinas**
  - **Mexico: new privatizations**






Health



## HEALTH - ACTIVITIES

- **Services provided by ADESLAS (first health care insurance company in Spain)**
  - **Development, management and distribution of health care private insurances, both individual and collective; contracted directly or by means of other bodies**
  - **Administrative concessions for the management of public hospitals (Hospital de La Ribera - Alzira project)**
- 
- A large, faded, semi-transparent image of the Earth as seen from space, showing continents and oceans, is positioned in the lower right background of the slide.

- **Policyholders: +1,970,000 Spain  
+232,000 Alzira**
- **Own and concerted clinics: 290**



## HEALTH - STRATEGY

- **Strategic growth in the management of public hospitals:**
  - The Health Ministry is willing to expand the private management of public hospitals → reduction of public health expenses
  - New projects in Murcia, Valencia and Madrid
- **Big growth in the new policyholders**
  - Better fiscal treatment of health care private insurances for colectivities
- **Development with Médéric:**
  - New products → focused on old people
  - Growth in Europe





# Inspection and Certification



## INSPECTION AND CERTIFICATION - ACTIVITIES

- **Vehicle and Emissions Inspections:**
  - Total revisions (2003) 15,035,207 (+12.2%)
  - Spain's nº 1 in vehicle inspections (including emissions):
    - a) 31% market share
    - b) concessions from the autonomous authorities
  - United States: emissions inspections
- **Vehicle Engineering: IDIADA**
- **Certification:**
  - Awarding of the concession of LGAI Technological Center
  - Inspecting, testing, designing, verifying and analyzing any product of any sector to guarantee its quality



## INSPECTION AND CERTIFICATION - STRATEGY

- **Growth concentrated in CERTIFICATION**
  - **Consolidation of Applus, a new brand in the field of certification**
  - **Development of new activities:**
    - a) **Agricultural and Food**
    - b) **Plastic industry: injection moulds and pieces**
    - c) **Environmetal sector**
    - d) **Construction materials**
    - e) **Machinery**
  - **Acquisition of several European companies**
  - **Certification total investment → €300 million to achieve €1.2 billion sales in 2007**



- **Merger of Applus with Soluziona-Quality&Environment:**
  - **Soluziona-Quality&Environment is a subsidiary from Unión Fenosa, dedicated to provide services in the Quality and Environment areas, with a total turnover in 2003 of 140 € million**
  - **New activities from Soluziona-Quality&Environment:**
    - a) Consulting Services in Quality, Safety and Environmental Management**
    - b) Services of Project Management in Quality and Environment**



## INSPECTION AND CERTIFICATION - STRATEGY

- **Vehicles and Emissions Inspections:**

- Spain: Steady business with high margins
- United States: growth in new concessions
- International: development of activities → new countries

- **Vehicle Engineering:**

- Consolidate IDIADA's strong position in the automotive industry
- International expansion → commercial offices





**Grupo Agbar**

# Construction and Installations



## **CONSTRUCTION AND INSTALLATIONS - ACTIVITIES**

- In the second half of 2003 Agbar entered in EMTE's capital.
- The EMTE Group is one of the five leading spanish companies in its specialities.
- The EMTE Group develops its activities both in the public and private sector in the field of:
  - Electrical installations
  - Systems and Technologies
  - Mechanical Equipment
  - Maintenance and Services
  - Environmental engineering



## CONSTRUCTION AND INSTALLATIONS - STRATEGY

- **Market forecasts are very favourable thanks to:**
  - **Public Investment Plans in:**
    - a) **Railway infrastructures**
    - b) **Underground developments**
  - **Private Investment Plans in:**
    - a) **Power distribution networks**
    - b) **Industrial investments**



# APPENDIX



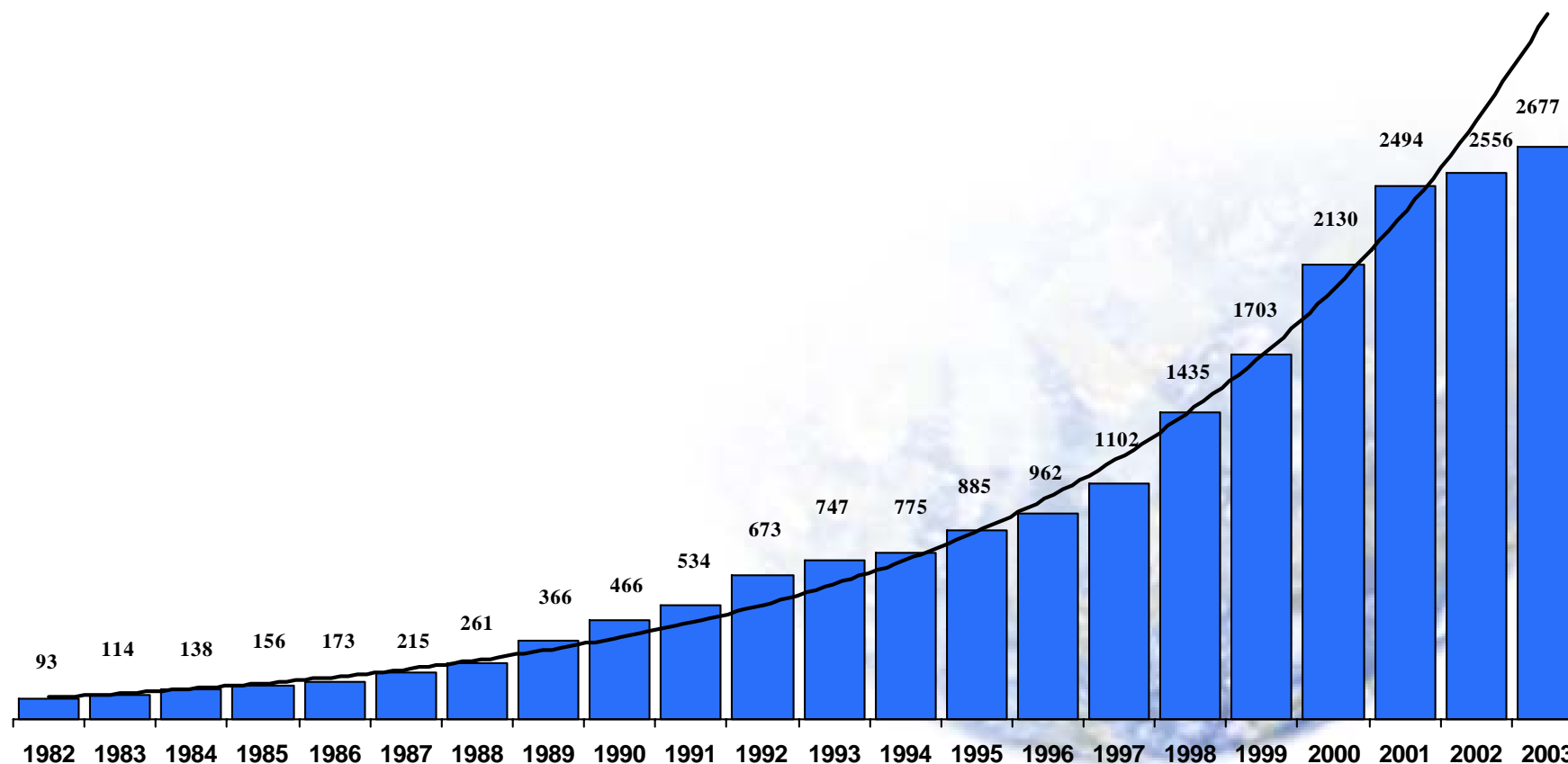
# ECONOMIC AND FINANCIAL DATA





## CONSOLIDATED SALES FIGURE

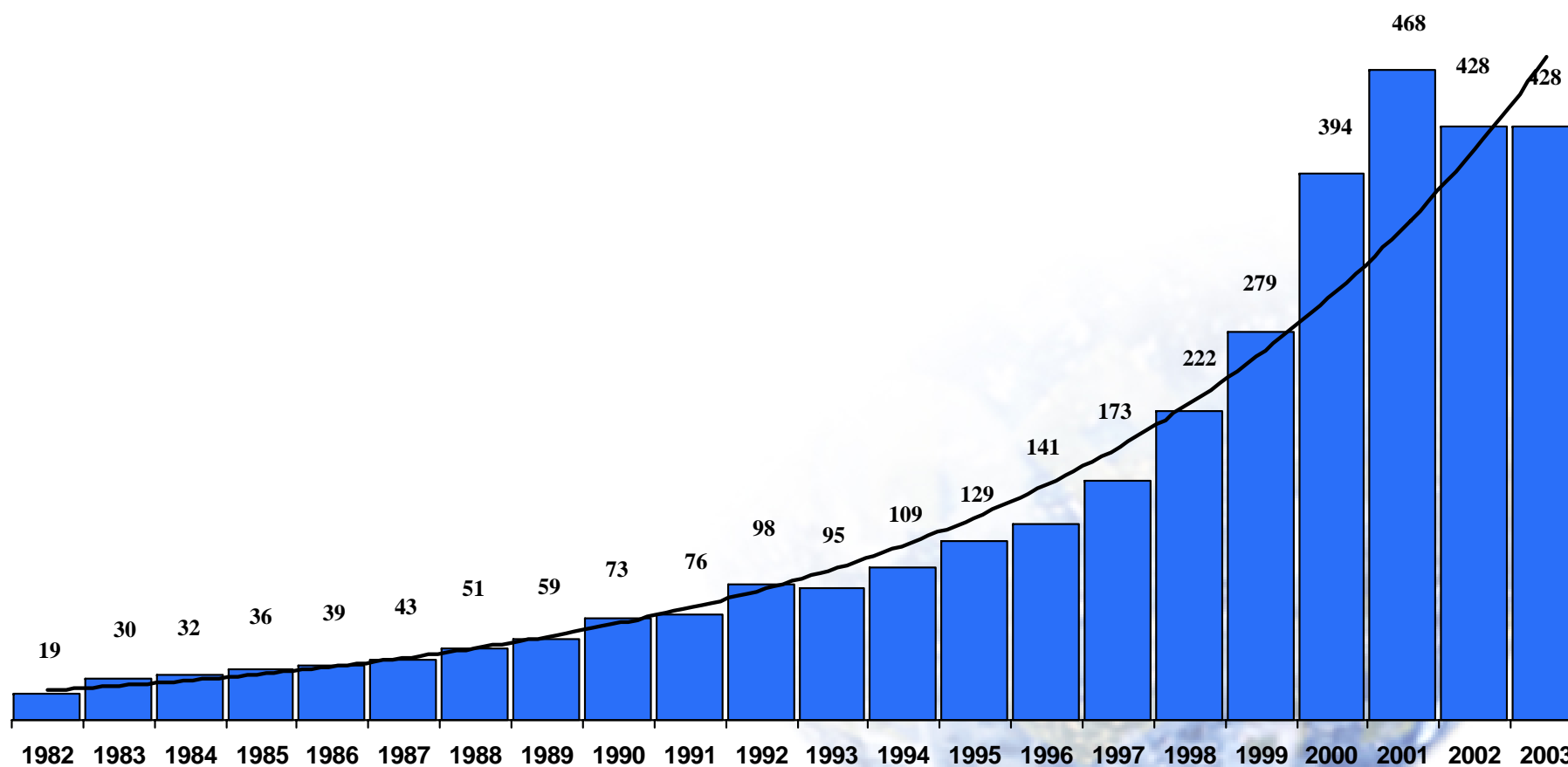
€million



Since 1990 the consolidated sales figure has not exactly described the Agbar Group's growth because of the consolidation by the equity method of important subsidiaries of the water activity.

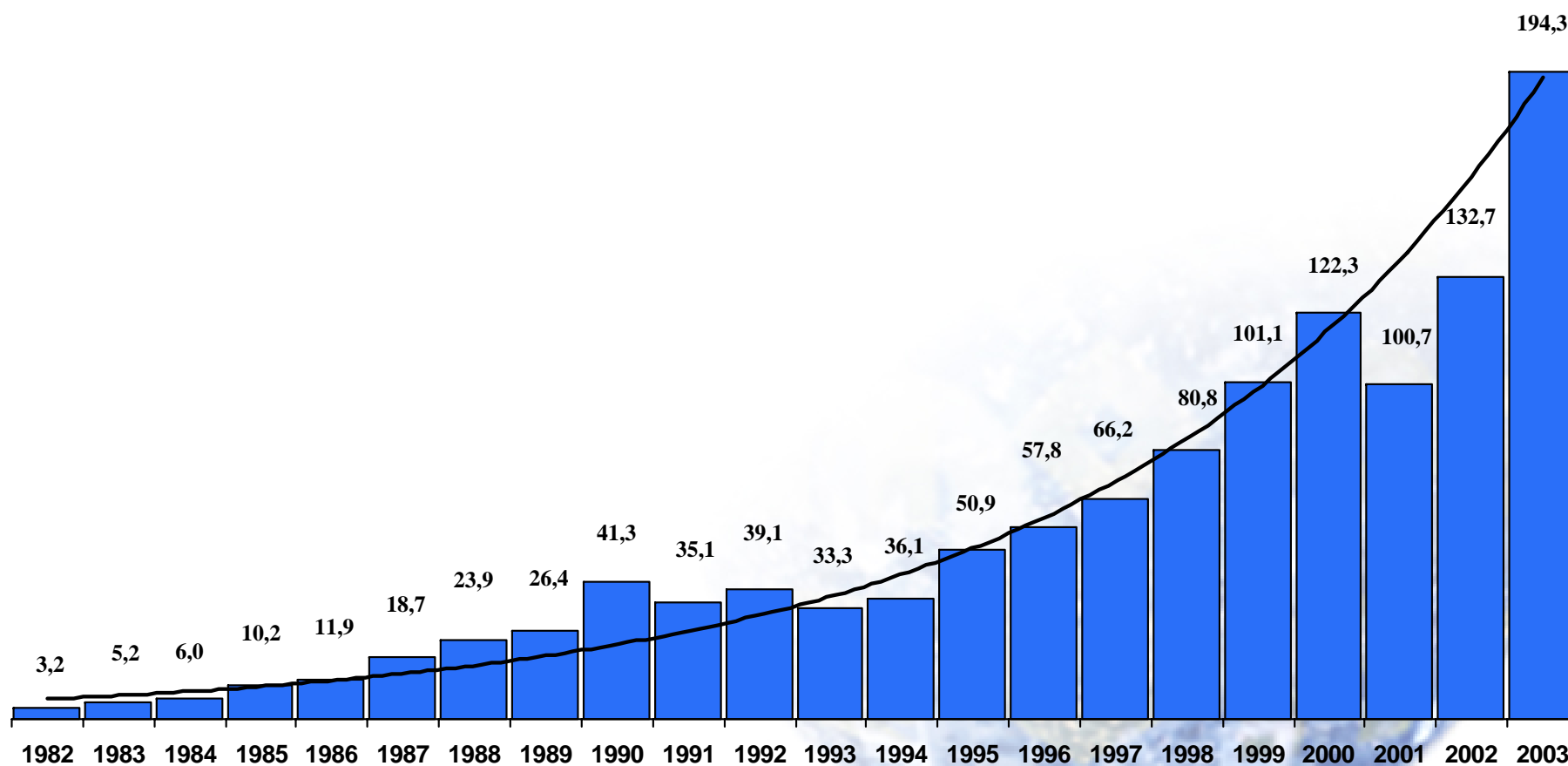
# CONSOLIDATED CASH FLOW FROM OPERATING ACTIVITIES (EBITDA)

€million



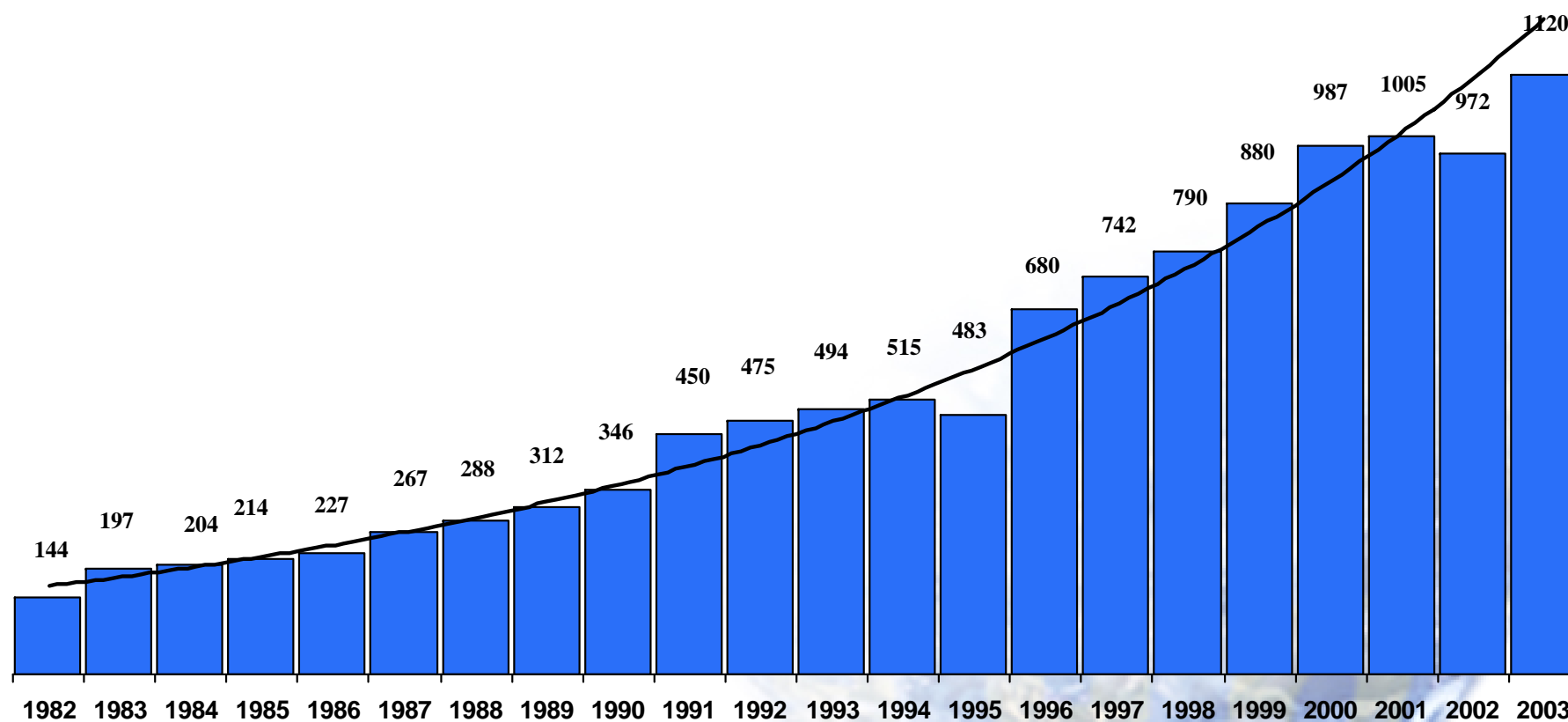
# CONSOLIDATED NET PROFIT

€million



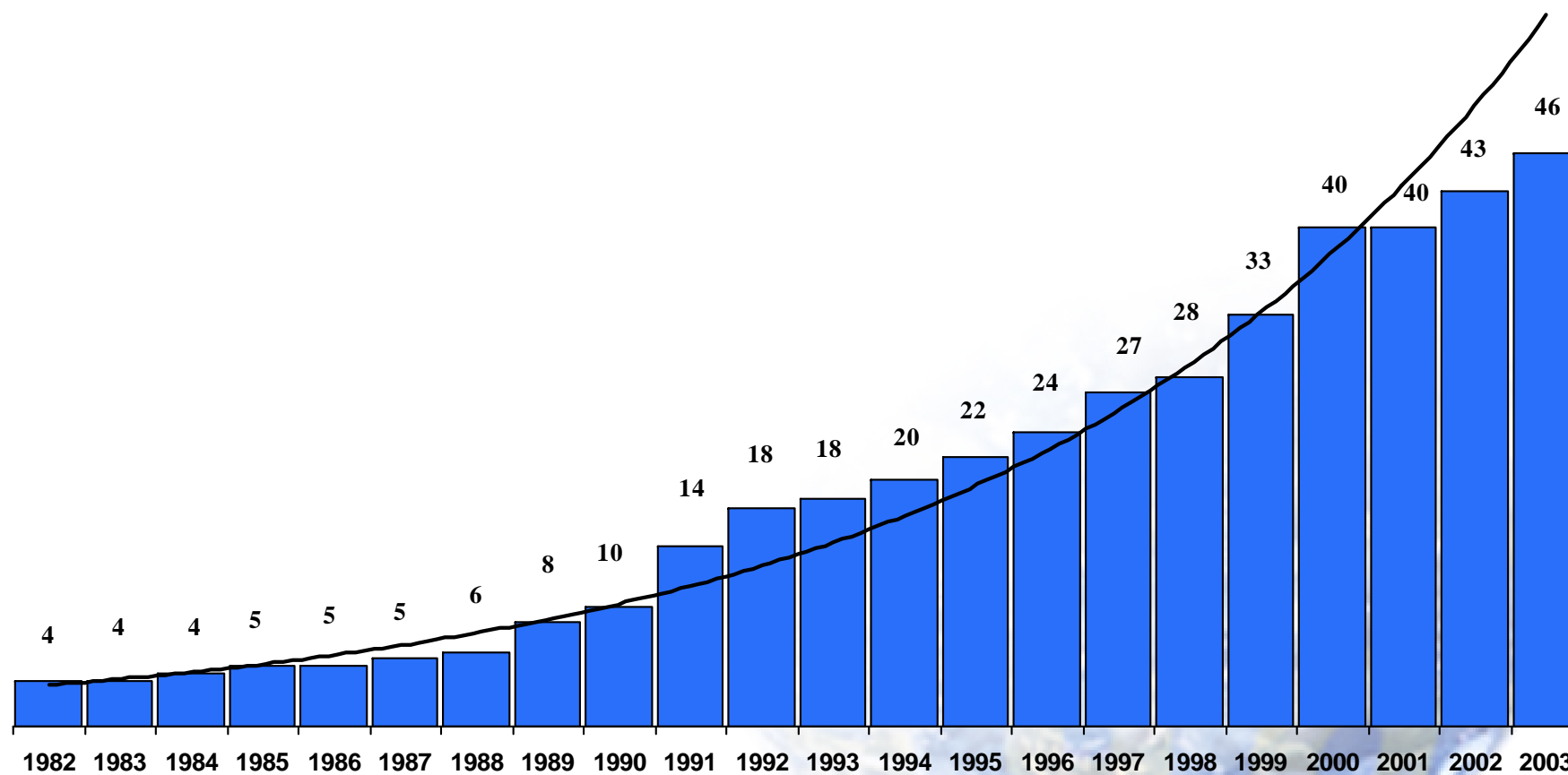
# CONSOLIDATED SHAREHOLDERS' EQUITY

€million

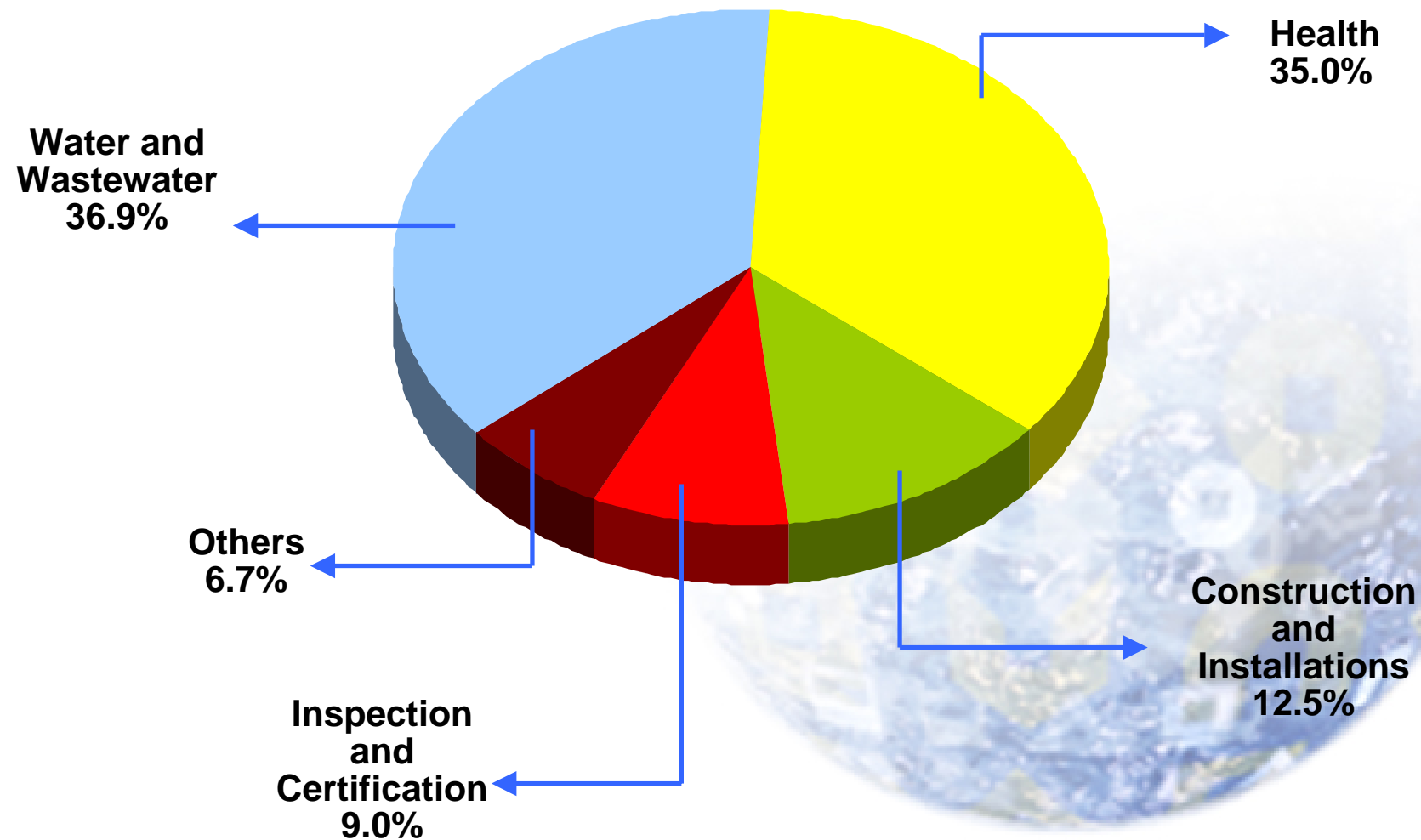


## TREND IN DIVIDENDS

€million



## SALES FIGURE BY SECTORS AS OF June 30, 2004





**Agbar**