

## GENERAL

Security reference

VERSION 5.1.3

LATEST QUARTERLY RESULTS CORRESPONDING TO THE:

QUARTER

FIRST

YEAR

2007

Company name:

SOCIEDAD GENERAL DE AGUAS DE BARCELONA, S.A.

Registered office:

Avenida Diagonal, 211 (Barcelona)

Fiscal Identity Number:

A-08000234

Persons assuming the responsibility for this information, position and identification of powers  
or faculties by virtue of which they hold the representation of the Company:

Mr José Vila Bassas

Secretary General - General Manager

Powers: Notary Ms M<sup>a</sup> Isabel Gabarró Miquel  
May 27, 2003 Protocol No. 1,485

Signature:

## A) LATEST QUARTERLY RESULTS

(Concerning the consolidated information, only the applicable column according to the regulations in force will be completed).

Units: Thousands of euros		INDIVIDUAL		CONSOLIDATED NATIONAL REGULATIONS		CONSOLIDATED IFRS ADOPTED	
		Current year	Previous year	Current year	Previous year	Current year	Previous year
NET SALES (1)	0800	61,180	56,827			821,109	711,696
RESULT BEFORE TAX / RESULT BEFORE TAX OF CONTINUED ACTIVITIES (2)	1040	29,765	33,918			105,095	118,321
RESULT FOR THE YEAR OF CONTINUED ACTIVITIES (3)	4700					86,088	89,052
RESULT FOR THE YEAR (4)	1044	27,645	29,492			86,088	89,823
Result attributed to minority interests/Result for the year attributed to minority interests	2050					-40,292	-44,252
RESULT FOR THE YEAR ATTRIBUTED TO PARENT COMPANY / RESULT FOR THE YEAR ATTRIBUTED TO HOLDERS OF NET WEALTH INSTRUMENTS OF THE PARENT COMPANY	2060					45,796	45,571
CAPITAL STOCK	0500	149,966	148,489				
AVERAGE NUMBER OF PERSONS EMPLOYED	3000	1,008	1,008			22,268	18,957

**B) EVOLUTION OF THE BUSINESS**

*(Although in a summarized way, due to the synthetic character of this quarterly information the comments to be included in this section should allow investors to form a sufficient opinion on the activity developed by the company or its group and the results obtained during the period covered by this quarterly information, and also its net worth and financial situation and other essential data on the general evolution of businesses in the company or its group. Finally both the comments made on the consolidated financial figures and, if appropriate, those relating to the individual financial figures, should be clearly distinguished).*

See Annex



**Grupo Agbar**

**Results First Quarter 2007**





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- 5.- HEADCOUNT
- 6.- EVOLUTION SOCIEDAD GENERAL AGUAS DE BARCELONA, S.A.  
(Individual Closing under Spanish General Accounting Plan)

**THE NET PROFIT ATTRIBUTABLE TO THE AGBAR GROUP AMOUNTED TO  
45.8 MILLION EUROS IN THE FIRST QUARTER OF 2007**

## 1.- MAIN MAGNITUDES

### 1.1. MAIN ECONOMIC MAGNITUDES

(figures not audited)

million euros	March 2007 IFRS	March 2006 IFRS	Var.
Operating Income	837.1	727.1	15.1%
Operating Cash Flow	156.8	142.4	10.1%
Profit from Operations	102.6	93.0	10.3%
Net Profit	86.1	89.8	(4.2%)
Net Profit attributable to the parent	45.8	45.6	0.5%

*In application of IFRS 5, the contribution to the March 2006 income statement of the "Construction and Installations" business sector, which was discontinued at the end of 2006 as a result of its sale, is presented in a specific line of Profit from discontinued operations after tax. For this reason, the March 2006 data included here for comparative effects differ from those shown in the March 2006 Periodical Public Reporting.*

### 1.2. IMPORTANT ASPECTS

The net profit attributable to the parent amounts to 45.8 million euros in the first quarter of 2007, in line with that obtained in the same period of the previous year. The maintenance of the results is a consequence both of the growth of operating income and of the profit from operations and of the lower expense for income tax, which offset the higher financial charges and the reduction in the non-recurrent atypical results.

## 2.- CHANGES TO THE SCOPE OF CONSOLIDATION AND EVOLUTION OF EXCHANGE RATES

The following are the main variations in the scope of consolidation in relation to March 2006:

### Water and Wastewater Sector

The consolidated income statement for the first quarter of 2007 incorporates through full consolidation the activity of the Bristol Water Group, whose effective takeover took place on 1 July 2006. This group manages the supply of the city of Bristol and of the counties of Somerset, Bath and South Gloucestershire in the United Kingdom.

In the first quarter of 2006, the activity of the Chilean company Aguas Décima, S.A. and of the Uruguayan company Aguas de la Costa, S.A., which were sold in the second half of 2006, were fully consolidated.

### Health Sector

The consolidated income statement for the first quarter of 2007 incorporates through full consolidation the activity of two clinics located in the Canary Islands, Clínica Santa Catalina and Clínica Santa Cruz de Tenerife, which were acquired at the end of 2006.

### Inspection and Certification Sector

On closing March 2007, the activity of the RTD Group and of K1, which were acquired in 2006 but subsequent to the March closing, was fully consolidated. The main activity of the RTD Group, with headquarters in Rotterdam and with a presence in different countries, is non-destructive industrial testing and other inspection services in the chemical, petrochemical and energy sectors. K1 is the second technical inspection of vehicles operator in Finland.

### Construction and Installations Sector

This business sector, made up of the EMTE and ACSA Groups, was completely discontinued at the end of 2006, as a result of its complete sale. The contribution to March 2006 results is presented, on application of IFRS 5, in the specific 'Profit from discontinued operations after tax' line within the consolidated income statement.

The effect of the variation in the scope and in the evolution of the exchange rates on the consolidated Operating income and Profit from Operations is detailed below:

(figures not audited)

million euros	March 2006 IFRS	Scope Effect		Rate Effect	Organic Growth	March 2007 IFRS
		Inflows	Outflows			
Operating Income	727.1	83.4	(2.8)	(13.0)	42.4	837.1
Profit from Operations	93.0	13.8	(1.3)	(6.4)	3.5	102.6

See table footnote in section 1.1 (Discontinuation Construction and Installations Sector in 2006)

The scope effect highlights the entry into the AGBAR Group of activities with a high operating margin, in particular that of Bristol Water Group, in Water and Wastewater, and that of the RTD Group, in Inspection and Certification.

The main impact due to variation in the exchange rates is that of the Chilean peso, which depreciated by 10.6% in the first quarter of 2007 compared with the same period of the previous year (average year-to-date exchange rate in March: 708 CLP/EUR in 2007 compared with 633 CLP/EUR in 2006).

The organic growth figures are close to 6% in Operating Income and to 4% in Profit from Operations.

### 3.- ANALYSIS OF THE CONSOLIDATED INCOME STATEMENT

(figures not audited)				
million euros	March 2007	March 2006		
	IFRS	IFRS	Var.	
Operating Income	837.1	727.1	15.1%	
Operating expenses	(680.4)	(584.6)	16.4%	
<b>OPERATING CASH FLOW</b>	<b>156.8</b>	<b>142.4</b>	<b>10.1%</b>	
<i>Margin Operating Cash Flow</i>	18.7%	19.6%		
Depreciation and amortisation charge	(54.2)	(49.4)	9.7%	
<b>PROFIT FROM OPERATIONS</b>	<b>102.6</b>	<b>93.0</b>	<b>10.3%</b>	
<i>Margin Profit from operations</i>	12.3%	12.8%		
Impairment losses	(0.3)	(0.7)	(64.0%)	
Financial loss	(21.7)	(10.2)	113.1%	
Result of investments accounted for using the equity method	3.5	2.5	41.6%	
Other results	21.0	33.8	(37.8%)	
<b>PROFIT FROM CONTINUING OPERATIONS BEFORE TAX</b>	<b>105.1</b>	<b>118.3</b>	<b>(11.2%)</b>	
<i>Margin Profit from continuing operations before tax</i>	12.6%	16.3%		
Income tax	(19.0)	(29.3)	(35.1%)	
<b>NET PROFIT FROM CONTINUING OPERATIONS</b>	<b>86.1</b>	<b>89.1</b>	<b>(3.3%)</b>	
<i>Margin Net Profit from continuing operations</i>	10.3%	12.2%		
<b>PROFIT FROM DISCONTINUED OPERATIONS AFTER TAX</b>	<b>0.0</b>	<b>0.8</b>	<b>(100.0%)</b>	
<b>NET PROFIT</b>	<b>86.1</b>	<b>89.8</b>	<b>(4.2%)</b>	
<i>Margin Net Profit</i>	10.3%	12.4%		
Net profit attributable to minority interests	(40.3)	(44.3)	(8.9%)	
<b>NET PROFIT ATTRIBUTABLE TO THE PARENT</b>	<b>45.8</b>	<b>45.6</b>	<b>0.5%</b>	

See table footnote in section 1.1 (Discontinuation Construction and Installations Sector in 2006)

#### Operating Income

The consolidated Operating Income of the Agbar Group for the first quarter of 2007 amounted to 837.1 million euros compared with 727.1 million euros in the same period of 2006, which represents 15.1% growth. Without taking into consideration the effects of the variations in scope and in the evolution of the exchange rates mentioned in the previous section, the organic growth of the activity of the Agbar Group is around 5.9%. All the Group's sectors present positive organic growth.

#### Profit from Operations

The Profit from Operations, which amounts to 102.6 million euros compared with 93.0 million euros in the preceding financial year, presents 10.3% growth. Without taking into consideration the effects of the variations in scope and in the evolution of the exchange rates mentioned in the previous section, the organic growth of the Profit from Operations of the Agbar Group is around 3.8%, especially thanks to the contribution of the Water and Wastewater sector.

**Financial Loss**

The increase in the financial charges is mainly due to the higher volume of financing associated with the purchase of the Bristol Water Group (Water and Wastewater) and RTD (Inspection and Certification) in 2006 and to the own debt located in these groups.

**Other Results**

On closing March 2007 the Other Results, which correspond to operations of an exceptional character non-recurrent in time, amounts to 21.0 million euros, of which 19.6 million euros correspond to gains obtained on sales of elements of Property, plant and equipment.

In the same period of 2006, the Other results amounted to 33.8 million euros, and basically included the reversal of 15.8 million euros of provisions created in the past to cover the maximum risk of guarantees and liabilities of Aguas Argentinas; the 9.5 million euro gain corresponding to compensations for early cancellation in the framework of the contractual renegotiations of the Water and Wastewater Sector in Spain; and the gain of 7.0 million euros recorded on the sale of 2.32% of Applus Servicios Tecnológicos, S.L. to Unión Fenosa, S.A.

**Income Tax**

The lower tax burden in the first quarter of 2007 is mainly due to the reduction in the tax rate in Spain from 35% in 2006 to 32.5% in 2007, to the lower tax cost in 2007 in relation to 2006 on the operations recorded under the Other Results account and to the collection of certain tax rebates in Chile.

**Net Profit attributable to minority interests**

The Net Profit attributable to minority interests amounts to 40.3 million euros compared with 44.3 million euros in March 2006 and mainly corresponds to the minority shareholders of the IAM Group (in which the AGBAR Group has a holding of 56.6% and which is the owner of 50.1% of Aguas Andinas, S.A.), of Applus Servicios Tecnológicos, S.L. (53.1% holding) and of Compañía de Seguros Adeslas, S.A. (54.8% holding). The reduction is to a large extent a result of the impact of the 10.6% devaluation of the Chilean peso on the profit attributable to minority interests of the IAM Group.

**Net Profit attributable to the parent**

The Net Profit attributable to the parent amounts to 45.8 million euros, in line with that obtained in the same period of the previous year. The maintenance of the level of results is a result both of the growth of operating income and of the profit from operations and of the lower expense for income tax, which offset the increase in the financial charges and the reduction in the non-recurrent atypical results.

#### 4.- SEGMENT REPORTING

The detail and the evolution by sector of the Operating Income and of the Profit from Operations in the first quarter of the financial year 2007 in relation to the same period of the financial year 2006 is as follows:

million euros	(figures not audited)								
	Operating income			Profit / (Loss) from Operations			Operating margin		
	March 2007 IFRS	Abs Var / March 2006	Var % / March 2006	March 2007 IFRS	Abs Var / March 2006	Var % / March 2006	March 2007 IFRS	March 2006 IFRS	
<b>Water and Wastewater (*)</b>	370.4	33.7	10.0%	72.1	11.4	18.8%	19.5%	18.0%	
<b>Health</b>	300.5	31.7	11.8%	19.3	0.0	0.1%	6.4%	7.2%	
<b>Inspection and Certification</b>	150.0	44.6	42.3%	11.6	(1.3)	(10.4%)	7.7%	12.3%	
<b>Others</b>	16.2	0.0	0.4%	(0.4)	(0.5)	n/a	(2.5%)	0.7%	
<b>Agbar Group</b>	<b>837.1</b>	<b>110.0</b>	<b>15.1%</b>	<b>102.6</b>	<b>9.6</b>	<b>10.3%</b>	<b>12.3%</b>	<b>12.8%</b>	

(\*) : Includes Corporate Holding

The relative contribution of the sectors is as follows:

	(data not audited)			
	Operating income		Profit from Operations	
	Contribution March 2007	Contribution March 2006	Contribution March 2007	Contribution March 2006
<b>Water and Wastewater (*)</b>	44.3%	46.3%	70.3%	65.3%
<b>Health</b>	35.9%	37.0%	18.8%	20.7%
<b>Inspection and Certification</b>	17.9%	14.5%	11.3%	13.9%
<b>Others</b>	1.9%	2.2%	(0.4%)	0.1%
<b>Agbar Group</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

(\*) : Includes Corporate Holding

#### Water and Wastewater (\*)

Both the National and the International sphere present an increase in the operating income figure, in the order of 5.0% and 21.3%, respectively, although, in the international section, it should be stressed that 2007 includes the activity of 3 months of the Bristol Water Group, whose effective takeover took place on 1 July 2006.

The significant contribution of results from the Bristol Water Group and, to a lesser extent, the moderate increase in consumption and in the average price in the supply of the metropolitan area of Barcelona, allow to absorb the reduction in the Profit from Operations in Chile due to the 10.6% depreciation of the Chilean peso and explain most of the improvement in the Profit from Operations.

(\*) Includes Corporate Holding

#### Health Sector

The growth in the Operating Income which has its causes, mainly, in the increase in the number of policyholders and in the average premiums, has not been transferred to the Profit from Operations due to the increase observed in the rate of claims in the first quarter of 2007 in relation to the previous year.

#### Inspection and Certification Sector

The incorporation of 3 months of activity of the Dutch certification group RTD and of the Finnish inspection company K1, acquired subsequent to March 2006, explains the strong growth in the Operating Income. The Profit from Operations does not evolve along the same lines, due to the existence in the first quarter of 2007 of non-recurrent indemnity costs, arising from the organizational improvements that Applus is implementing.

## 5.- HEADCOUNT

The evolution of the consolidated average headcount of the Agbar Group in the first quarter of 2007 in relation to the same quarter of the previous year, considering the consolidation method and percentage applied, is as follows:

	March 2007	March 2006	Var.
Companies fully consolidated	22,268	18,957	3,311
Companies proportionately consolidated	0	0	0
<b>Total Consolidated Average Headcount</b>	<b>22,268</b>	<b>18,957</b>	<b>3,311</b>

*See table footnote in section 1.1 (Discontinuation Construction and Installations Sector in 2006)*

The increase in the headcount of Companies Fully Consolidated is mainly due to the entry into the scope of consolidation of the Bristol Water Group, in the Water and Wastewater sector, of two clinics in the Canary Islands, in the Health sector, and of the RTD Group and K1, in the Inspection and Certification sector.

The aggregate headcount of the Agbar Group, without considering the method or the percentage of consolidation applied, is as follows on closing March 2007 and 2006:

	March 2007	March 2006	Var.
Companies fully consolidated	22,382	19,111	3,271
Companies proportionately consolidated	0	0	0
Companies accounted by the equity method	6,175	5,754	421
<b>Total Aggregate Headcount</b>	<b>28,557</b>	<b>24,865</b>	<b>3,692</b>

*See table footnote in section 1.1 (Discontinuation Construction and Installations Sector in 2006)*

The increase in the headcount in Fully Consolidated Companies is due to the scope effect mentioned above. As for the Equity Method Companies, the increase mainly occurs due to the entry into the scope in 2007 of newly created public private companies in the Water and Wastewater sector.



## **6.- EVOLUTION SOCIEDAD GENERAL AGUAS DE BARCELONA, S.A. (Individual Closing under Spanish General Accounting Plan)**

The net amount of the year-to-date Revenue for the first quarter of 2007, amounts to 61.2 million euros, which represents a 7.66% increase in relation to the same period of the previous financial year. The main factors explaining this increase are the moderate increase in consumption (1%) and in the average price, and the consolidation of the operating income from the Barcelona Desalination joint venture, dedicated to the construction of a seawater desalination plant with a capacity of 60 Hm<sup>3</sup> / year in the municipality of Barcelona and in which SGAB has a 37.1% holding. The volume of water consumed in this period was 44.22 Hm<sup>3</sup> compared with 43.77 Hm<sup>3</sup> in the financial year 2006.

The Net profit at 31 March 2007 amounts to 27.6 million euros and includes Extraordinary Income for a sum of 19.2 million euros which include gains obtained on sales of elements of Property, Plant and Equipment (19.6 million euros).

## **C) BASES OF PRESENTATION AND VALUATION CRITERIA**

(In the elaboration of financial and accounting data included in this periodical public reporting, we must apply the recognition and valuation principles and criteria included in the current guidelines for the elaboration of financial and accounting information of the annual accounts corresponding to the annual period the periodical public information displayed refers to. If, exceptionally, the accounting principles and criteria generally accepted and required by the corresponding guidelines in force had not been applied to the data and information attached, it should be adequately indicated and justified. The influence its non-application might have on wealth, the financial situation and the results of the institution or its consolidated group must be explained. Additionally, and to a similar extent, the modifications that, where appropriate and in relation to the last annual accounts audited, may have taken place in the accounting criteria used in the elaboration of the information attached, must be mentioned and commented. If the same accounting principles, criteria and policies of the last annual accounts have been applied, and in case they respond to what is established in the current accounting guidelines to be applied to the entity, please indicate it expressly. When, according to the applicable regulations, adjustments and/or reclassifications took place in the previous period, due to changes in accounting policies, corrections of mistakes or changes in the classification of items, both the quantitative and qualitative information necessary to understand these adjustments and/or reclassifications shall be included in this section.)

### **INDIVIDUAL CLOSING**

For Sociedad General de Aguas de Barcelona, S.A. the same accounting principles, criteria and policies as the previous financial year have been applied, according to the national regulations in force (Spanish General Accounting Plan and other regulations).

### **CONSOLIDATED CLOSING**

In the elaboration of the consolidated financial statements, both for the present year and for the previous comparative period (March 2006), the International Financial Reporting Standards (IFRS) have been applied, understood as those that the European Commission has adopted according to the procedure established by the Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002.

In application of IFRS 5, the contribution of the March 2006 income statement from the "Construction and Installations" business sector, which was discontinued at the end of 2006 as a result of its disposal, is presented in a specific line of Profit from discontinued operations after tax, after the Net Profit from continuing Operations. For this reason, the March 2006 data included here for comparative effects differ from those included in the March 2006 Periodical Public Reporting.

These criteria coincide with those applied in the last audited annual accounts.

**D) DIVIDENDS DISTRIBUTED DURING THE PERIOD**

(The dividends mentioned will be those distributed from the beginning of the financial year.)

		% of par value	Euros per share (x.xx)	Amount (thou of euros)
1. Ordinary shares	3100	17.5	0.18	25,929
2. Preferred stocks	3110			
3. Redeemable shares	3115			
4. Non-voting stocks	3120			

**Additional information on dividend distribution (interim, supplementary, etc.)**

The dividends distributed during the first quarter of 2007 correspond to:

INTERIM DIVIDEND FINANCIAL YEAR 2006: 17.50% equivalent to 0.1750 Euros gross per share.

148,165,230 shares. (Code ISIN ES0141330C19) \* 0.1750= 25,928,915 Euros

On 12 December 2006, the Board of Directors of Sociedad General de Aguas de Barcelona, S.A. agreed to distribute to the shares in circulation at that time which were entitled to receive it an interim dividend on the profit of the financial year 2006, of 0.175 euros gross per share (Code ISIN ES0141330C19), which came into effect starting from 11 January 2007.

**E) SIGNIFICANT EVENTS (\*)**

1. Acquisitions or transmissions of holdings in the capital of companies quoted on the stock exchange determinant of the obligation of communicating provided for by article 53 of the Securities Market Law (5 per 100 and multiples)

YES	NO
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3200		X
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2. Shares in Portfolio acquisitions determinant of the obligation of communicating according to additional disposition 1st of the Company Law (1 per 100)

3210		X
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3. Other significant increases or decreases in the fixed and other noncurrent assets (holdings over 10% in nonquoted companies, investments or relevant material divestments, etc.)

3220	X	
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4. Increases and reductions in the share capital or the securities value

3230		X
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5. Issues, reimbursements or cancellations of debentures

3240		X
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6. Changes of Administrators or the Board of Directors

3250		X
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7. Modifications of Articles of Association

3260		X
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8. Transformations, mergers or splits

3270		X
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9. Changes in the institutional regulation of the sector with a significant incidence on the economic or financial situation of the company or the Group

3280		X
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10. Lawsuits, litigations or disputes that may significantly affect the net worth of the company or Group

3290		X
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11. Bankruptcy situations, temporary receivership, etc.

3310		X
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12. Special agreements of limitation, cession or total or partial renunciation of the political and economic rights of the company's shares

3320		X
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13. Strategic agreements with national or international groups (exchange of shareholdings, etc.)

3330		X
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14. Other significant events

3340	X	
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(\*) Please place a cross in the corresponding box, if answer is Yes attaching an explanatory annex detailing the communication date to the Spanish Securities and Exchange Commission and the Stock Exchange Operating Company.

## **F) ANNEX EXPLAINING SIGNIFICANT EVENTS**

See Annex

**ANNEX EXPLAINING SIGNIFICANT EVENTS****2.- Shares in Portfolio**

On 20 June 2006 the CNMV was notified of the ownership by Sociedad General de Aguas de Barcelona, S.A. of 323,981 shares. These shares were "surplus" from the May 2001 Options Plan and are therefore maintained in own portfolio, with the aim of amortizing them, following reduction of the Company's share capital by the appropriate nominal amount.

**3.- Other increases or decreases relating to wealth**

During the first quarter of 2007 the following were the main variations in the scope of consolidation of the Agbar Group:

		<b>CONSTITUTIONS</b>	
<b>Company</b>		<b>% acquisition (acquiring company)</b>	<b>% shareholding Agbar at 31.03.07</b>
Aguas de Lucena, S.L.		49% Aquagest Sur, S.A.	25%

		<b>ACQUISITIONS</b>	
<b>Company</b>		<b>% acquisition (acquiring company)</b>	<b>% shareholding Agbar at 31.03.07</b>
Lince Servicios Sanitarios, S.A.		23% Compañía de Seguros Adeslas, S.A.	13%
Lince Asistencia Médica y Hospitalaria, S.L.		100% Lince Servicios Sanitarios, S.A.	13%
Seguro Colegial Médico Quirúrgico, S.A.		96% Lince Servicios Sanitarios, S.A. 100% Sorea, Sociedad Regional de Abastecimiento de Aguas, S.A.	12%
Aquaplan, S.A.			100%

		<b>SALES</b>	
<b>Company</b>		<b>% sold (shareholding company)</b>	<b>% shareholding Agbar at 31.03.07</b>
Hidroser, Servicios Integrales del Agua, S.A.		50% Agbar	50%

## 14.- Other significant events

### RELATING TO THE PARENT COMPANY

#### Proposed distribution of a supplementary dividend

(Communicated on 30 March 2007).

The Board of Directors of Sociedad General de Aguas de Barcelona, S.A., in the meeting held on 30 March 2007, and in view of the positive results obtained in 2006, decided to propose to the General Shareholders' Meeting that a gross supplementary dividend of 0.2800 euros per share (28.00% on its par value) be distributed to shares with code ISIN ES0141330C19. This, together with the gross interim dividend of 0.1750 euros per share decided by the Board of Directors in December 2006, represents a total gross dividend of 0.4550 euros per share (45.50% on its par value).

The share in portfolio has not been included in calculating the amount of the supplementary dividend to be distributed.

The total payment to the shares is 4.6% higher than the payment declared with regard to the year 2005.

#### Communication Standard & Poor's credit rating.

(Communicated on 6 February 2007).

The agency Standard & Poor's has downgraded the debt rating of Sociedad General de Aguas de Barcelona, S.A. from A+ (credit watch negative) to A (outlook stable).

The rating awarded is due to the Agbar Group's current business mix and to the financial ratios resulting from the acquisitions carried out during the year 2006.

### Other significant events subsequent to the closing

### RELATING TO THE PARENT COMPANY

#### Precautionary suspension of the listing

(Significant event number 78912 communicated on 10 April 2007).

The Directorate General of Markets presents the following reasoned proposal for suspension of trading to the President of the Comisión Nacional del Mercado de Valores (CNMV), who, by virtue of the delegation of powers granted by the Council of the CNMV on 30 January 2007, agrees:

"To suspend, as a precautionary measure, with immediate effect, under the protection of Article 33 of Law 24/1988, of 28 July, on the Stock Market, the trading of SOCIEDAD GENERAL DE AGUAS DE BARCELONA, S.A. on the following markets:

-On the Stock Markets and on the Spanish Stock Exchange Interconnection System (SIBE), of the shares and other securities which can give an entitlement to their subscription or acquisition.

-On MEFF RENTA VARIABLE, S.A. of the contracts on the aforementioned shares, while significant information which affects the company is circulated."

**The Suez Group and the La Caixa Group announce a takeover bid for Sociedad General de Aguas de Barcelona, S.A.**

(Significant event numbers 78923 and 78926 communicated on 10 April 2007).

Suez Environnement, S.A., Suez Environnement España, S.L.U., Caixa Holding, S.A.U. and HISUSA have agreed to formulate a takeover bid for the shares of Sociedad General de Aguas de Barcelona S.A. ("SGAB").

The takeover bid will be for all of the shares of SGAB, with the exception of those which are owned by the Bidders and shall be carried out at a price of €27.0027 per share, for the shares with identification ES0141330C19 and of €26.7300 per share, for the shares with identification ES0141330L18, with full payment in cash in both cases. If, at the time of the settlement of the takeover bid, the shares with identification code ES0141330L18 have been converted into shares with identification code ES0141330C19, there shall only be one settlement price, equal to €27.0000 per share for each of the shares with identification code ES0141330C19.

At present, HISUSA is already the owner of 47.87% of the share capital of SGAB and Suez Environnement España, S.L.U. owns 1.81%. The takeover bid will be conditional upon authorization by the corresponding competition authorities. The takeover bid will be carried out by HISUSA, S.A., Holding de Infraestructuras y Servicios Urbanos, S.A. until its share reaches 65.20% and the remaining part will be distributed among the other Bidding Parties in accordance with their participation in HISUSA, that is to say 51% for the Suez Group and 49% for the "la Caixa" Group.

On this same date, and subject in any case to the authorization of the takeover bid by the CNMV, HISUSA, Suez Environnement, S.A. and Suez Environnement España, S.L.U and Caixa Holding, S.A.U have obtained the irrevocable commitment of Torreal, S.A. to transfer via the takeover bid the shares of SGAB that Torreal, S.A. holds, representing 6.656% of the share capital of the former.

The aim of the takeover bid is to acquire a significant position of control and stability in the shareholding of SGAB, with the aim of consolidating its current business project, the intention of the Bidders being to maintain the listing of the Company with a percentage of the capital of SGAB outside its control of around 30%/33%.

**Lifting of the precautionary suspension of the listing**

(Significant event number 78924 communicated on 10 April 2007).

The Directorate General of Markets presents the following reasoned proposal for lifting of the trading to the President of the Comisión Nacional del Mercado de Valores (CNMV), who, by virtue of the delegation of powers granted by the Council of the CNMV on 30 January 2007, agrees:

"To lift, as of 14:00 h of today's date, the precautionary suspension agreed on today's date, of the trading of SOCIEDAD GENERAL DE AGUAS DE BARCELONA, S.A. in the following markets:

- On the Stock Markets and on the Spanish Stock Exchange Interconnection System (SIBE), of the shares and other securities which give an entitlement to their subscription or acquisition.
- On MEFF RENTA VARIABLE, S.A. of the contracts on the aforementioned shares, as a result of sufficient information on the circumstances which recommended the adoption of the suspension agreement having been placed at the disposal of the public, in the Stock Exchange Councils and in the C.N.M.V."



**Press release of Suez explaining the announcement of a takeover bid for Sociedad General Aguas de Barcelona, S.A.**

(Significant event number 78925 communicated on 10 April 2007).

The SUEZ Group, La Caixa, and HISUSA (controlled by SUEZ Environment at 51% and Caixa Holding at 49%), which jointly own 49.7% of AGBAR, have decided to launch a public tender offer on AGBAR's total outstanding shares that they do not already own, at a price of €27 per share (excluding 2006 dividend<sup>1</sup>).

Torreal, the second largest shareholder of AGBAR with a 6.7% holding and represented on the AGBAR Board of Directors, has irrevocably undertaken to contribute its shares to the offer, which will lead HISUSA to cross the threshold of 50% of AGBAR's share capital. The offer represents a premium of 7.1% compared to the one month average<sup>2</sup> share price and 12.4% versus the one-year average<sup>2</sup>.

The objective of SUEZ and Caixa Holding is to strengthen their control on AGBAR while maintaining the listing of the company on the Spanish stock exchange, with a free float of around 30-33%.

The transaction will be funded by the two groups' own resources and will be accretive as of the first year.

With this offer, SUEZ and La Caixa, partners for more than 15 years, continue their strategy of accompanying AGBAR in its development. This new step will enable it to consolidate its shareholder base and seize new opportunities on its markets.

The strategic partnership developed by SUEZ Environment and AGBAR has helped build mutual trust and collaboration based on know-how and expertise sharing between the two groups, creating opportunities to increase market share, especially in the environment business.

This successful collaboration recently resulted in the signing of a contract by AGBAR and Degrémont for one of Europe's largest desalination plants, in Barcelona, and the implementation of commercial synergies that bring new opportunities for SUEZ and AGBAR at international level. This offer will strengthen the existing operational collaboration between SUEZ Environment and AGBAR.

This transaction fits into the SUEZ Group's business strategy based on a joint development of its core businesses, Energy and Environment, and illustrates its strong commitment to growth on the Spanish market with its longstanding partner.

The offer prospectus will be presented to the CNMV as required by regulations. The transaction is subject to the usual regulatory authorizations.

SUEZ has been advised on this transaction by Rothschild and Baker & McKenzie.

<sup>1</sup> On March 30, 2007, AGBAR's Board of Directors proposed a further dividend of €0.28 per share for 2006 at the shareholders' meeting; as a result, shareholders subscribing to the offer will receive a total of €27.28.

<sup>2</sup> Based on the non-affected share price as of 04/04/2007 (ex 2006 dividend), prior to market rumors.

**Complement to the significant event published on 10 April 2007 relating to the announcement of the takeover bid for Sociedad General de Aguas de Barcelona, S.A.**

(Significant event number 79093 communicated on 13 April 2007).

As a complement to the Significant Event sent on 10 April last which announced that Suez Environnement, S.A. and its subsidiary Suez Environnement España, S.L.U., Caixa Holding, S.A.U. and HISUSA Holding de Infraestructuras y Servicios Urbanos, S.A. (HISUSA) (the "Bidders") had agreed to formulate a takeover bid for all the shares of Sociedad General de Aguas de Barcelona ("SGAB") and for the purpose of informing the market, they make the following announcement:

1.- In relation to the information on their intention to maintain, after the takeover bid, SGAB as a listed company and to maintain outside their control an indicative percentage of 30%/33% of the share capital of SGAB, and for this purpose, the Bidders intend to adopt the liquidity and the shareholding diffusion measures that they consider necessary, provided that the market conditions so advise.

2.- The compensation for the takeover bid shall be solely and exclusively in cash, the price being:

1.- In the very possible event – in view of the takeover bid schedule and the usual practices of SGAB in the payment of the supplementary dividend – that the result of the takeover bid is published after the payment of the supplementary dividend, charged to the profit of the financial year 2006, of 0.28 euros per share for the shares with identification ES0141330C19, which the Board of Directors of SGAB agreed to propose to the General Meeting in its session of 30 March 2007, there shall only be one settlement price, equal to 27.00 euros per share for each and every one of the shares (given that all the shares will have identical voting and economic rights).

2.- In the event that the result of the takeover bid is published before the payment of the supplementary dividend charged to the profit of the financial year 2006 of 0.28 euros per share for the shares with identification ES0141330C19, which the Board of Directors of SGAB agreed to propose to the General Meeting in its session of 30 March 2007:

a) 27.28 euros for each share identified with the code ES0141330C19 (that is to say the "old" shares).

b) 27.00 euros for each share identified with the code ES0141330L18 (that is to say the "new" shares, arising from the capital increase of November 2006, which participate in profits starting from 1 January 2007).

3.- The takeover bid, in so far as it can entail a concentration on a Community level, is subject to the authorization of the competent Competition authorities. In view of the above, the Bidders consider that they will be in a position to request from the Comisión Nacional del Mercado de Valores the authorization of the takeover bid within an estimated maximum period of five months from the presentation of this significant event and that, at the latest, they will present this request to the Comisión Nacional del Mercado de Valores no later than the fifth day following that of receipt of the non-opposition declaration of the Community authorities or of the explicit acceptance by the Bidders of the conditions which, if appropriate, they may have imposed.