

## **Agbar's Meeting of Shareholders decides today whether to approve an extraordinary dividend of two euros per share**

- **The shareholders have to decide on the extraordinary dividend of two euros per share, charged to voluntary reserves, which the board of directors proposed last month.**
- **The ordinary dividend of 0.6006 euros per share, representing a total of 89.9 million euros and charged to the financial year 2008, is also submitted to a vote.**
- **Inmaculada Juan Franch may join Agbar's board of directors if her appointment is confirmed.**
- **Agbar has the El Llobregat desalination plant ready, which can cover 20 per cent of the demand of Barcelona metropolitan area.**
- **Agbar returns to Brazil with the commercial management contract of Saneago, the public water and sewerage company of Goiás state.**
- **Despite the situation of generalized crisis, Agbar earned 36.8 million euros in the first quarter of 2009 and maintains a high financial solvency. In 2008 it earned 235.3 million euros.**

Agbar's shareholders decide today, starting from 12.30 hours, in the auditorium of the Tower, whether they approve the distribution of an extraordinary dividend of two euros per share charged to voluntary reserves, a measure which the company's board of directors proposed on 3 April last. This dividend represents a distribution of a total of 299.28 million euros. After the announcement, the rating agency Standard and Poor's maintained the rating A with stable outlook given that, as it pointed out, the measure is compatible with the company's "financial flexibility".

The shareholders are also voting on the approval of the ordinary dividend of 0.6006 euros per share, amounting to 89.9 million euros and charged to the profit of the financial year 2008.

## **APPOINTMENT TO THE BOARD**

Inmaculada Juan Franch may be appointed a director of Agbar. The proposal, at the request of Criteria CaixaCorp, S.A., is submitted to a vote in the course of the Meeting of Shareholders, which also has to vote on the proposed re-election as director of Manuel Raventós Negra and the ratification of the appointment as director of Suez Environnement España, S.L. Sociedad Unipersonal. Inmaculada Juan Franch will be the second woman to join the board of directors in the history of Agbar. The first was Christine Morin-Pastel, who belonged to the board from April 1989 to May 1993.

## **THE BARCELONA DESALINATION PLANT, READY FOR OPERATION**

One year after one of the most important water crises ever suffered in Catalonia, Agbar has a new source almost ready which can increase the guaranteed supply by 20%. The Barcelona desalination plant, the biggest in Europe which is dedicated to human consumption, capable of producing 60 hm<sup>3</sup> of water a year, will come into operation at the beginning of this summer.

On 19 July 2006, the Catalan Government awarded the construction of the plant and the first two years of management to a Joint Venture led by Agbar and composed of Degrémont, Dragados and Drace. After its construction the plant, in addition to being the biggest in Europe,

will also be the most technologically advanced in the world and will achieve substantially lower electricity consumption than other desalination plants, thanks to the installation of pressure exchanger technology, which saves 50% of the energy consumption of the osmosis process.

With the construction and management of this big desalination plant, Agbar establishes itself as one of the main operators of installations of this type in the world.

## **AGBAR RETURNS TO BRAZIL**

Following its departure from Brazil in 2005, Agbar has returned to the Brazilian water market with Saneago, the public water and sewerage company of Goiás state, which serves 1,800,000 clients, and for which it designs and applies the commercial management. With this contract, which came into force last May, Agbar expands its presence on the American continent through the transfer of knowledge, one of the company's axes of growth.

In Saneago, Agbar is entrusted with implementing a new commercial management model, based on an improvement of the current commercial procedures, and also on the evolution of the current commercial system. A "customized" solution will thus be established for Saneago which responds to the company's real needs. The improvement of the commercial management was one of the requirements fixed by the Inter-American Development Bank (IDB) when it granted the company a loan to improve its infrastructures.

With this contract, which has a three-year duration, Agbar returns to Brazil, where the company wants to be present after a stage which ended in 2005, when it ceased to be a shareholder of the company Águas Guariroba. The former director of Águas Guariroba, Francisco Aguado, is precisely leading Agbar's delegation established in Goiânia, the state capital, since 17 May and which is formed by eight people.

Goiânia is the capital of Goiás, a state located in the centre-west region of Brazil with a population of five million inhabitants. In this area, the economy is based on commerce, industry, livestock and agriculture.

Agbar is also present in the South American country through the company Agbar Brasil, which was recently established, and which will operate as a platform to increase its presence in this market.

Apart from Brazil, Agbar was already present on the American continent with Aguas Andinas (Chile), Aguas de La Habana (Cuba), Aguas de Cartagena (Colombia) and Aguas de Saltillo

(Mexico). Saneago is the first company of America in which Agbar participates by contributing knowledge and not with a shareholding in the capital.

## **AGBAR EARNS 36.8 MILLION EUROS IN THE FIRST QUARTER OF 2009 AND MAINTAINS A HIGH FINANCIAL SOLVENCY**

In the first quarter of 2009, despite the situation of generalized crisis, Agbar presented results which certify its organic growth, of 7% in relation to operating income, and a high financial solvency, with a low debt level. The net profit attributable to the parent was affected by the impact of the reduction of consumption in the Water and Environment activity in the national sphere, by the effect of the exchange rates and by the lower results in the Health sector. All this was partially offset by the improvement in the financial loss. As for the Health sector, its results were affected by an increase in the claims rate. Finally, the net profit attributable to the parent amounted to 36.8 million euros.

The operating income in Water and Environment was 434.8 million euros and increased by 3.1% in relation to the same period of the previous financial year (421.7 million euros). The profit from operations went from 87.6 to 87.9 million euros (+0.3%). This sector had organic growth of 6.6% in operating income and of 4.4% in relation to profit from operations.

In the Health sector, the operating income was 357.3 million euros (332.2 million euros in the same period of the previous year), thus increasing by 7.6%. Despite registering 7.4% organic growth in the operating income, the profit from operations goes from 25 to 21.1 million euros (-15.7%), because this year the "Easter calendar effect" (the reduction in the provision of services during the holiday period) did not take place during the first quarter, as this year this festivity was held during the first fortnight of April, unlike last year, when it was in March.

### **Essal (Chile), Jiangu Water (China) and STC (Spain) are consolidated in Agbar's results**

In the first quarter of 2009, the activity of Essal, S.A. was consolidated in Agbar's results for the first time in a complete financial year, following its acquisition in July 2008, when Agbar, through Aguas Andinas, S.A., acquired 53.5% of the company.

In December 2008 Agbar increased by 22.5% its interest in Jiangu Water Company Limited (parent company of the Jiangu Water Group, which operates in China), reaching 71.5%. This increase represents the incorporation of the results of the Jiangu Water group by full consolidation in the first quarter of 2009, compared with the consolidation of 49% of results by the equity method in the same period of the previous year.

Also in December 2008, 100% of Sistemas de Transferencia de Calor (STC) was acquired, a specialist in the drying of sewage sludge, and it is consolidated in the first quarter of 2009.

The departures from the scope include especially the sale of the company Agencia Servicios Mensajería (ASM), at the end of March 2008, and of Tribugest, in December 2008.

#### **Low debt level**

The net borrowings go from 539.6 to 700.7 million euros (+29.9%) but continue to present low ratios: gearing of 24.7% — 19.9% in 2008 — and leverage of 19.8% (16.6% in 2008), which allows Agbar to make investments should the opportunity arise and, at the same time, to maintain the credit ratings of the main agencies (Moody's and Standard & Poor's). Indeed, Standard and Poor's maintained Agbar's credit rating shortly after the company announced the proposed distribution of an extraordinary dividend of almost 300 million euros.

### **IN THE FINANCIAL YEAR 2008, AGBAR INCREASED THE RECURRENT NET PROFIT BY 13.8% AND ACHIEVED A PROFIT OF 235.3 MILLION EUROS**

Agbar closed the financial year 2008 with important organic growth which is reflected in the main economic magnitudes of the income statement that the shareholders will decide whether to approve during the General Meeting of Shareholders being held today.

The following are noteworthy from among the data which make up the accounts for the financial year 2008: The profit from operations, before deterioration, disposal of assets and other results, was 439.2 million euros and increases by 18.4% (in 2007 it was 371 million euros). The income figure reached 3,108.2 million euros and increases by 8.6% (2,861 million euros in 2007). The recurrent net profit attributable to Agbar was 167.6 million euros, 13.8% above the preceding year. The net profit attributable to the parent was 235.3 million euros, 33.3% below the previous year, due to the posting in 2007 of the gains from the sale of the Applus+ Group which, net of tax, amounted to 217 million euros.

The good operating behaviour of the Water & Environment and Health sectors was clear from the evolution of the organic growth figures, which exceeded 10% in operating income and 20% in profit from operations.

On analyzing the results by sectors, Water and Environment (including the holding company) achieved an operating income of 1,770.7 million euros, 8.8% more than in 2007 and represent 57% of Agbar's total. The profit from operations is 336.4, 26.3% more than in the previous year and 76.6% of Agbar's total.

In Health, the operating income reached 1,337.4 million euros, 8.5% more than in 2007 and is 43% of the total. The profit from operations is 102.8 million euros, goes down 1.7% and represents 23.4% of the total.

*Barcelona, 5 June 2009*