

GENERAL

HALF-YEARLY INFORMATION CONCERNING THE:

HALF

SECOND

YEAR

2005

I. DATA IDENTIFYING THE ISSUER

Company name:

SOCIEDAD GENERAL DE AGUAS DE BARCELONA, S.A.

Registered office:

Avenida Diagonal, 211 (Barcelona)

**Fiscal Identity
Number**

A-08-000234

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

Signature:

Mr José Vila Bassas
Secretary General - General Manager

Powers:

Notary: Ms M^a Isabel Gabarró Miquel

Powers: May 27, 2003 No Protocol 1 485

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(put a tick if "yes")

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(*) Concerning the consolidated information, only the model of balance sheet and income statement applicable according to the legislation in force will be completed.

II. VARIATION IN THE CONSOLIDATED GROUP

1. ADDITIONS TO THE SCOPE

FULL CONSOLIDATION

Holding and Corporate companies sector

Fundación Agbar	100% Agbar	Incorporation
Agbar Capital, S.A. Sociedad Unipersonal	100% Agbar	Constitution

Water and Wastewater sector

Aguas Termino Calviá, S.A.	69% Sorea, Sociedad Regional de Abastecimiento de Aguas, S.A. (69% Agbar)	Acquisition
Aguas de Albacete, S.A., Sociedad Unipersonal	100% Aquagest, Promoción Técnica y Financiera de Abastecimiento de Agua, S.A. (100% Agbar)	Constitution

Health sector

Grupo Iquimesa, S.L. Sociedad Unipersonal	100% Compañía de Seguros Adeslas, S.A. (55% Agbar)	Constitution
Inisas Compañía de Seguros y Reaseguros, S.A.	100% Compañía de Seguros Adeslas, S.A. (55% Agbar)	Acquisition

Inspection and Certification sector

Applus Danmark, A/S	100% Applus Iteuve Technology, S.L. (58% Agbar)	Acquisition
Applus V.I., S.A.S.	73% LGAI Technological Center, S.A. (41% Agbar)	Incorporation
Applus Deutschland, GmbH	100% Applus Serv.Tecnol., S.L. (58% Agbar)	Constitution
Applus Automotive Services, S.L.	100% Applus Serv.Tecnol., S.L. (58% Agbar)	Incorporation
Applus Control Textil, S.A.	60% LGAI Technological Center, S.A. (33% Agbar)	Acquisition
Applus Calidad y Medioambiente, S.L.	100% LGAI Technological Center, S.A. (55% Agbar)	Incorporation
Norcontrol, S.L.	100% Applus Calidad y Medioambiente, S.L. (55% Agbar)	Incorporation
Novotec Consultores, S.A.	100% Applus Calidad y Medioambiente, S.L. (55% Agbar)	Incorporation
Norcontrol - Sweet, S.A.	60% Applus Calidad y Medioambiente, S.L. (33% Agbar)	Incorporation
Applus Agroambiental, S.A.	75% LGAI Technological Center, S.A. (42% Agbar)	Acquisition
Norcontrol Panamá, S.A.	100% Applus Calidad y Medioambiente, S.L. (55% Agbar)	Incorporation
Norcontrol Chile, S.A.	100% Applus Calidad y Medioambiente, S.L. (55% Agbar)	Incorporation
Norcontrol Inspección, S.A. de C.V.	100% Applus Calidad y Medioambiente, S.L. (55% Agbar)	Incorporation
Norcontrol Guatemala, S.A.	100% Applus Calidad y Medioambiente, S.L. (55% Agbar)	Incorporation
Norcontrol Colombia, Ltda.	100% Applus Calidad y Medioambiente, S.L. (55% Agbar)	Incorporation
Norcontrol Nicaragua, S.A.	100% Applus Calidad y Medioambiente, S.L. (55% Agbar)	Incorporation

PROPORTIONAL CONSOLIDATION

Construction and Installations sector

Rochina, S.A.	100% Emte, S.A. (50% Agbar)	Acquisition
Benito, S.A.	100% Emte, S.A. (50% Agbar)	Acquisition
Rochina Mantenimiento, S.A	100% Emte, S.A. (50% Agbar)	Acquisition
Rochina Murcia Climent, S.L.	28% Emte, S.A.; 36% Rochina, S.A.; 36% Rochina Mantenimiento., S.A. (50% Agbar)	Acquisition

EQUITY METHOD

Water and Wastewater sector

Aguas de Montilla, S.A.	49% Aquagest Sur, S.A. (25% Agbar)	Constitution
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Health sector

Igualatorio Médico-Quirúrgico, S.A.	25% Grupo Iquimesa, S.L. Sociedad Unipersonal (14% Agbar)	Acquisition
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Construction and Installations sector

S.C. Intermodal La Cisterna	90% Acsa Agbar Construcción, S.A.(36% Agbar)	Constitution
S.C. Intermodal Quinta Normal	90% Acsa Agbar Construcción, S.A.(36% Agbar)	Constitution
Sociedad de Inversiones en Infraestructura, Ltda.	99% Acsa Agbar Construcción, S.A.; 1% Constructora Acsa Andina, Ltda. (40% Agbar)	Constitution
Urcobar, S.L.	50% Acsa Agbar Construcción, S.A.(50% Agbar)	Constitution

2. RETIREMENTS FROM THE SCOPE

FULL CONSOLIDATION

Water and Wastewater sector

Agbar Colombia E.U.	100% Agbar	Liquidation
Águas Guarairoba, S.A.	81% Agbar	Sale

Inspection and Certification sector

Iteuve Portugal, Ltda.	100% Applus Iteuve Technology, S.L. (58% Agbar)	Sale
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Businesses in progress sector

AGM Contacta, S.L.	100% Agbar	Sale
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PROPORTIONAL CONSOLIDATION

Construction and Installations sector

E. S. Instrumentación y Control (Esicsa)	100% Emte, S.A. (50% Agbar)	Liquidation
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3. CHANGE IN CONSOLIDATION METHOD

FROM FULL CONSOLIDATION TO EQUITY METHOD

Health sector

Iquimesa Seguros de Salud, S.A. Sociedad Unipersonal	100% Igualatorio Médico-Quirúrgico, S.A. (14% Agbar)	
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Construction and Installations sector

Grupo Acsa	40% Agbar	
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FROM PROPORTIONAL CONSOLIDATION TO FULL CONSOLIDATION A INTEGRACIÓN GLOBAL

Water and Wastewater sector

Grupo IAM	57% IAGSSA (57% Agbar)	
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III. 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 (December 2004), 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. The Agbar Group, according to the provisions of IFRS 1, has chosen not to apply retrospectively in 2004 the International Accounting Standards (IAS) 32 and 39 (financial instruments) which have been adopted to formulate the opening balance sheet 2005 (IFRS) and following. As a result, the closing at 31 December 2004 is not fully comparable with the closing at December 31 2005.

These criteria differ from those applied in the latest audited annual accounts, which were elaborated according to the national accounting regulations in force.

In the half-yearly communication (closing June 2005) submitted to the Spanish Securities and Exchange Commission are explained the main variations between the closing balance sheet of the year 2004 (national regulations) and the opening balance sheet of the year 2005 (IFRS). These balance sheets are presented in section VI.

IV. INDIVIDUAL BALANCE SHEET

Units: Thousands of Euros

ASSETS

		CURRENT YEAR	PREVIOUS YEAR
A) UNCALLED CAPITAL STOCK	0200	0	0
I. Start-up expenses	0210	0	0
II. Intangible assets	0220	51.359	33.729
II. 1 Rights over assets held under leasing	0221	0	0
II. 2 Other intangible assets	0222	51.359	33.729
III. Utility plant	0230	413.744	426.575
IV. Investments	0240	1.033.539	1.224.794
V. Long-term treasury stock	0250	0	0
VI. Long-term trade accounts receivable	0255	0	0
B) FIXED AND OTHER NONCURRENT ASSETS (2)	0260	1.498.642	1.685.098
C) DEFERRED CHARGES (3)	0280	34.524	593
I. Called capital stock	0290	0	0
II. Inventories	0300	2.149	1.826
III. Accounts receivable	0310	159.924	92.253
IV. Short-term investments	0320	203.779	80.397
V. Short-term treasury stock	0330	0	0
VI. Cash	0340	5.372	1.153
VII. Accrual accounts	0350	0	0
D) CURRENT ASSETS	0360	371.224	175.629
TOTAL ASSETS (A+B+C+D)	0370	1.904.390	1.861.320

SHAREHOLDERS' EQUITY AND LIABILITIES

		CURRENT YEAR	PREVIOUS YEAR
I. Capital stock	0500	148.489	147.020
II. Reserves	0510	861.310	751.020
III. Results for previous years	0520	0	0
IV. Result for current period	0530	113.559	169.682
V. Interim dividends paid during the year	0550	-25.728	-23.291
A) SHAREHOLDERS' EQUITY	0560	1.097.630	1.044.431
B) DEFERRED INCOME (4)	0590	13.837	17.080
C) PROVISIONS FOR CONTINGENCIES AND EXPENSES	0600	155.401	151.697
I. Debentures and other marketable securities outstanding	0610	0	0
II. Bank debt	0615	43.832	53.509
III. Debt payable to Group and associated companies	0620	286.525	240.595
IV. Long-term trade accounts payable	0625	22.058	38.144
V. Other long-term accounts payable	0630	7.612	8.976
D) LONG-TERM DEBT	0640	360.027	341.224
I. Debentures and other marketable securities outstanding	0650	0	0
II. Bank debt	0655	47.017	28.873
III. Debt payable to Group and associated companies	0660	97.829	157.418
IV. Trade accounts payable	0665	50.349	39.141
V. Other short-term accounts payable	0670	80.484	80.361
VI. Accrual accounts	0680	564	217
E) CURRENT LIABILITIES (5)	0690	276.243	306.010
F) PROVISIONS FOR SHORT-TERM CONTINGENCIES AND EXPENSES	0695	1.252	878
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES (A+B+C+D+E+F)	0700	1.904.390	1.861.320

V. INDIVIDUAL RESULTS OF THE SOCIETY

Units: Thousands of Euros

	CURRENT YEAR		PREVIOUS YEAR		
	Amount	%	Amount	%	
+ Net sales (6)	0800	230.318	100,00%	230.721	100,00%
+ Other revenue (7)	0810	80.526	34,96%	61.388	26,61%
+/- Variation in inventories of finished products and work-in-progress	0820	0	0,00%	-1.839	-0,80%
= TOTAL VALUE OF PRODUCTION	0830	310.844	134,96%	290.270	125,81%
- Net purchases	0840	-51.435	-22,33%	-47.340	-20,52%
+/- Variation in inventories of goods, raw materials and other consumables	0850	0	0,00%	0	0,00%
- External and operating expenses (8)	0860	-151.629	-65,83%	-120.264	-52,13%
= ADJUSTED ADDED VALUE	0870	107.780	46,80%	122.666	53,17%
+/- Other expenses and revenues (9)	0880	0	0,00%	0	0,00%
- Personnel expenses	0890	-71.754	-31,15%	-74.265	-32,19%
= GROSS OPERATING PROFIT	0900	36.026	15,64%	48.401	20,98%
- Depreciation and amortization	0910	-36.765	-15,96%	-36.163	-15,67%
- Provision to reversion fund	0915	0	0,00%	0	0,00%
- Variation in provisions for working capital (10)	0920	-1.190	-0,52%	-823	-0,36%
= NET OPERATING PROFIT	0930	-1.929	-0,84%	11.415	4,95%
+ Financial revenues	0940	77.745	33,76%	69.213	30,00%
- Financial expenses	0950	-31.155	-13,53%	-19.745	-8,56%
+ Capitalized exchange interests and differences	0960	0	0,00%	0	0,00%
- Allowance for amortization and financial provisions (11)	0970	0	0,00%	0	0,00%
= ORDINARY INCOME	1020	44.661	19,39%	60.883	26,39%
+/- Income from intangible assets, utility plant and controlling portfolio (12)	1021	67.109	29,14%	78.188	33,89%
- Variation in provisions for intangible assets, utility plant and controlling portfolio (13)	1023	47.115	20,46%	7.222	3,13%
+/- Results from transactions involving treasury stock and own debentures (14)	1025	2.758	1,20%	11	0,00%
+/- Results for previous years (15)	1026	0	0,00%	0	0,00%
+/- Other extraordinary results (16)	1030	-64.969	-28,21%	50.681	21,97%
= PROFIT BEFORE TAX	1040	96.674	41,97%	196.985	85,38%
+/- Corporate taxes	1042	16.885	7,33%	-27.303	-11,83%
= INCOME FOR THE YEAR	1044	113.559	49,31%	169.682	73,54%

IV. CONSOLIDATED BALANCE SHEET
(Internacional financial reporting standards adopted)

Units: Thousands of Euros

	CURRENT YEAR	PREVIOUS YEAR
I. Tangible fixed assets	4000	1.698.518
II. Real estate investment	4010	0
III. Goodwill	4020	381.222
IV. Other intangible assets	4030	562.869
V. Non-current financial assets	4040	148.845
VI. Investments entered in the accounts through the participation method	4050	91.856
VII. Biological assets	4060	0
VIII. Assets for deferred taxes	4070	222.229
IX. Other non-current assets	4080	0
A) NON-CURRENT ASSETS	4090	3.105.539
I. Biological assets	4100	0
II. Inventories	4110	39.984
III. Trade accounts payable and other accounts payable	4120	782.316
IV. Other current financial assets	4140	101.116
V. Assets for current profit taxes	4150	89.297
VI. Other current assets	4160	5.254
VII. Cash and other liquid means	4170	267.085
Subtotal current assets	4180	1.285.052
VIII. Non-current assets classified as maintained for sale and of interrupted activities	4190	0
B) CURRENT ASSETS	4195	1.285.052
TOTAL ASSETS (A + B)	4200	4.390.591
SHAREHOLDERS' EQUITY AND LIABILITIES AND NET WORTH OF THE YEAR		
	CURRENT YEAR	PREVIOUS YEAR
I. Capital	4210	145.531
II. Other reserves (20)	4220	160.057
III. Accumulated gains (21)	4230	981.508
IV. Other instruments of net wealth	4235	0
V. Less: own values	4240	0
VI. Exchange differences	4250	110
VII. Other valuation adjustments	4260	0
VIII. Reserves of revaluation of non-current assets classified as maintained for sale and of interrupted activities	4265	0
IX. Less: interim dividends	4270	-23.053
WEALTH ATTRIBUTED TO HOLDERS OF INSTRUMENTS OF NET WEALTH OF THE	4280	1.264.153
X. Minority interests	4290	341.984
A) NET WEALTH	4300	1.606.137
I. Debentures and other marketable securities outstanding	4310	785.267
II. Bank debt	4320	309.650
III. Other financial liabilities	4330	71.530
IV. Liabilities for deferred taxes	4340	86.115
V. Provisions	4350	166.021
VI. Other non-current liabilities (22)	4360	52.095
B) NON-CURRENT LIABILITIES	4370	1.470.678
I. Debentures and other marketable securities outstanding	4380	157.971
II. Bank debt	4390	170.590
III. Trade accounts payable and other accounts payable	4400	843.631
IV. Other financial liabilities	4410	2.004
V. Provisions	4420	5.362
VI. Liabilities for taxes on current profits	4430	118.050
VII. Other current liabilities	4440	16.168
Subtotal current liabilities+C20	4450	1.313.776
VIII. Liabilities directly related to non-current liabilities classified as maintained for sale and of interrupted activities	4465	0
C) CURRENT LIABILITIES	4470	1.313.776
TOTAL LIABILITIES AND NET WEALTH (A + B + C)	4480	4.390.591

V. RESULTS OF THE CONSOLIDATED GROUP
(Internacional financial accounting standards adopted)

Units: Thousands of Euros

	CURRENT YEAR		PREVIOUS YEAR		
	Amount	%	Amount	%	
+ Net sales	4500	3.054.521	100,00%	2.498.129	100,00%
+ Other revenue	4510	68.887	2,26%	90.663	3,63%
+/- Variation in inventories of finished products and work-in-progress	4520	-6	0,00%	0	0,00%
- Procurements	4530	-1.413.128	-46,26%	-1.255.927	-50,27%
- Personnel expenses	4540	-785.357	-25,71%	-615.579	-24,64%
- Allowance for amortization	4550	-180.734	-5,92%	-163.234	-6,53%
- Other expenses	4560	-422.733	-13,84%	-316.024	-12,65%
= OPERATING INCOME (LOSSES)	4570	321.450	10,52%	238.028	9,53%
+ Financial revenues	4580	27.177	0,89%	21.589	0,86%
- Financial expenses	4590	-89.133	-2,92%	-65.624	-2,63%
+/- Exchange differences (net)	4600	1.533	0,05%	145	0,01%
+/- Result for variations in the value of financial instruments at a reasonable value (net)	4610	0	0,00%	0	0,00%
+/- Result for variations in the value of non-financial assets at a reasonable value (net)	4620	0	0,00%	0	0,00%
+/- Result for deterioration/reversion of the deterioration of assets (net)	4630	-4.575	-0,15%	-29.975	-1,20%
+/- Participation in the result of the financial year of the subsidiaries and joint businesses which are entered in the accounts according to the method of participation	4640	13.576	0,44%	13.667	0,55%
+/- Result of the disposition of non-current assets or assessment of non-current assets classified as maintained for sale not included in interrupted activities (net)	4650	147.657	4,83%	87.341	3,50%
+/- Other profits or losses (net)	4660	-8.576	-0,28%	83.842	3,36%
= INCOME/(LOSS) BEFORE TAX OF CONTINUED ACTIVITIES	4680	409.109	13,39%	349.013	13,97%
+/- Expenses for profit tax	4690	-71.039	-2,33%	-82.673	-3,31%
= INCOME/(LOSS) OF THE YEAR OF CONTINUED ACTIVITIES	4700	338.070	11,07%	266.340	10,66%
+/- Result after tax of interrupted activities (net) (23)	4710	0	0,00%	0	0,00%
= INCOME/(LOSS) OF THE YEAR	4720	338.070	11,07%	266.340	10,66%
+/- Minority interests	4730	-85.957	-2,81%	-50.217	-2,01%
= INCOME/(LOSS) ATTRIBUTABLE TO HOLDERS OF NET WEALTH INSTRUMENTS OF THE PARENT COMPANY	4740	252.113	8,25%	216.123	8,65%

**VI. CONSOLIDATED BALANCE SHEET COMPARATIVE BETWEEN THE NATIONAL ACCOUNTING STANDARDS
IN FORCE AND THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED**

Units: Thousands of Euros

ASSETS		OPENING OF THE YEAR 2005 (IFRS)	CLOSING OF THE YEAR 2004 (NATIONAL STANDARDS)
I. Start-up expenses	5000		6.491
II. Tangible fixed assets	5010	1.698.518	1.735.820
III. Real estate investment	5020	0	
IV. Goodwill	5030	381.222	382.470
V. Other intangible assets	5040	562.869	577.079
VI. Non-current financial assets	5050	317.707	244.476
VII. Long-term shares of the parent company	5060		0
VIII. Other non-current assets	5070	222.328	200.330
A) LONG-TERM NON-CURRENT ASSET	5080	3.182.644	3.146.666
B) DEFERRED CHARGES	5090		28.155
I. Inventories	5100	39.984	40.583
II. Trade accounts payable and other accounts payable	5110	871.613	873.410
III. Other current financial assets	5120	104.097	312.438
IV. Short-term shares of the parent company	5130		0
V. Other current assets	5140	5.254	10.420
VI. Cash and other equivalent liquid means	5150	267.085	55.760
Subtotal	5160	1.288.033	1.292.611
VII. Non-current assets classified as maintained for sale and of interrupted activities	5170		
C) CURRENT ASSETS	5175	1.288.033	1.292.611
TOTAL ASSETS (A + B + C)	5180	4.470.677	4.467.432
SHAREHOLDERS' EQUITY AND LIABILITIES AND NET WORTH		OPENING OF THE YEAR 2005 (IFRS)	CLOSING OF THE YEAR 2004 (NATIONAL STANDARDS)
I. Capital	5190	145.531	147.020
II. Reserves	5200	1.172.920	942.766
Of which: Adjustment against reserves for transition to IFRS (*)	5210	32.207	
III. Other instruments of net wealth	5215	0	0
IV. Less: own values	5220	0	0
V. Valuation adjustments	5230	0	
VI. Result of the year	5240		197.947
VII. Less: interim dividends	5250	-23.053	-23.291
A) NET WEALTH NATIONAL STANDARDS/ WEALTH ATTRIBUTED TO HOLDERS OF NET WEALTH INSTRUMENTS OF THE PARENT COMPANY	5260	1.295.398	1.264.442
B) MINORITY INTERESTS	5270	341.984	344.332
TOTAL NET WEALTH ACCORDING TO IFRS (A + B)	5280	1.637.382	
C) NEGATIVE CONSOLIDATION DIFFERENCE	5290		0
D) DEFERRED INCOME	5300	0	40.412

I. Debentures and other marketable securities outstanding	5310	785.267	787.380
II. Bank debt	5320	309.650	309.705
III. Provisions	5330	166.021	252.942
IV. Other non-current liabilities	5340	258.581	145.996
E) E) LONG-TERM/NON-CURRENT LIABILITIES	5350	1.519.519	1.496.023

I. Debentures and other marketable securities outstanding	5360	157.971	167.305
II. Bank debt	5370	170.590	170.658
III. Trade accounts payable and other accounts payable	5380	963.685	963.175
IV. Provisions	5390	5.362	4.920
V. Other current assets	5400	16.168	16.165
Subtotal	5410	1.313.776	1.322.223
VI. Liabilities directly related to non-current liabilities classified as maintained for sale and of interrupted activities	5420		
F) SHORT-TERM/CURRENT LIABILITIES	5425	1.313.776	1.322.223

TOTAL LIABILITIES AND NET WEALTH (A + B + C + D + E + F)	5430	4.470.677	4.467.432
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(*) Informative line, the amounts shall not be arithmetically calculated to obtain the figure of "Net Wealth according to IFRS".

VII. NET SALES BROKEN DOWN BY ACTIVITY

ACTIVITY		INDIVIDUAL		CONSOLIDATED	
		Current year	Previous year	Current year	Previous year
W and WW, and Corp. Hold.	2100	230.318	230.721	1.161.716	998.708
Health	2105			971.167	857.622
Inspection and Cert.	2110			406.748	210.226
Construction and Instal	2115			373.839	310.070
Businesses in progress	2120			141.051	121.503
	2125				
	2130				
	2135				
	2140				
Work executed to be certified(*)	2145				
TOTAL NET SALES	2150	230.318	230.721	3.054.521	2.498.129
Domestic market	2160	224.268	224.759	2.632.291	2.236.557
Exports : European Union	2170	0	158	69.591	18.401
Countries OECD	2173	0	0	44.238	35.601
Rest of countries	2175	6.050	5.804	308.401	207.570

(*) To be filled in by construction companies only

VIII. AVERAGE NUMBER OF PEOPLE EMPLOYED IN THE COURSE OF THE PERIOD

		INDIVIDUAL		CONSOLIDATED	
		Current year	Previous year	Current year	Previous year
TOTAL NUMBER OF PEOPLE EMPLOYED	3000	1.039	1.119	24.417	19.915



Grupo Agbar

Results Financial Year 2005





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1.- MAIN MAGNITUDES AND MOST SIGNIFICANT EVENTS

THE NET INCOME ATTRIBUTED TO THE AGBAR GROUP REACHES €252,113 THOUSAND IN 2005

thousands of euros	Dec 2005 IFRS	Dec 2004 IFRS	Var. (%)
Operating revenues	3,123,408	2,588,792	20.7%
Operating result	321,450	238,028	35.0%
Result before tax	409,109	349,013	17.2%
Result for the year	338,070	266,340	26.9%
Result for the year attributed to the parent company	252,113	216,123	16.7%

thousands of euros	Dec 2005 IFRS	Dec 2004 IFRS	Var. (%)
Indebtedness	1,005,092	1,244,264	-19.2%
Indebtedness / Net wealth	39%	77%	-49.5%

- The result for the year attributed to the parent company amounts to €252,113 thousand and increases by 16.7% compared to December 2004.
- Operating revenues reach €3,123,408 thousand thus increasing by 20.7% compared to December 2004. The main variations in the scope of consolidation compared to the previous year which contribute to this growth are the following:
 - Proportional consolidation at 80.1% of the 12 months of activity of Inversiones Aguas Metropolitanas Limitada (IAM), society holding 51.2% of Aguas Andinas, S.A. (in December 2004, the first 7 months were consolidated at 50%, and only the last 5 months were consolidated at 80.1%).
 - The entry of the company Helguina, S.A. in the Water and Wastewater sector.
 - The incorporation of the Gesaga Group into the Health sector, a group acquired at the end of the year 2004.
 - The entry of the companies of the ACYMA Group (both national and international) as a result of the integration of Soluziona Calidad y Medio Ambiente, S.L. (renamed Applus Calidad y Medioambiente, S.L.; ACYMA) into Applus Servicios Tecnológicos, S.L.
 - The entry of the company Applus Danmark A/S into the Inspection and Certification sector.
 - The proportional consolidation at 50% of the Grupo Rochina y Benito, S.A. into the Construction and Installations sector.

Without considering the main variation in the scope of consolidation and the effect of the evolution of the exchange rate, operating revenues increase by about 9%.

- Operating result amounts to €321,450 thousand with an increase of 35.0%, and the above-mentioned incorporations into the scope of consolidation contribute to this increase.

Without considering the main variations in the scope of consolidation and the effect of the evolution of the exchange rate, operating revenues have increased by around 20%.

2.- ANALYSIS OF THE CONSOLIDATED STATEMENT OF INCOME

2.1.- Consolidated statement of income

thousands of euros	Dec 2005 IFRS	Dec 2004 IFRS	Var. (%)
Operating revenues	3,123,408	2,588,792	20.7%
OPERATING RESULT	321,450	238,028	35.0%
<i>% Margin operating result</i>	<i>10.3%</i>	<i>9.2%</i>	
Result for asset deterioration	(4,575)	(29,975)	-84.7%
Financial result	(60,423)	(43,890)	37.7%
Share in results accounted for by the equity method	13,576	13,667	-0.7%
Other results	139,081	171,183	-18.8%
RESULT BEFORE TAXES	409,109	349,013	17.2%
<i>% Margin result before taxes</i>	<i>13.1%</i>	<i>13.5%</i>	
Income tax	(71,039)	(82,673)	-14.1%
RESULT FOR THE YEAR	338,070	266,340	26.9%
<i>% Margin result after taxes</i>	<i>10.8%</i>	<i>10.3%</i>	
Result attributed to minority interests	(85,957)	(50,217)	71.2%
RESULT FOR THE YEAR ATTRIBUTED TO THE PARENT COMPANY	252,113	216,123	16.7%

2.2.- Operating revenues

Consolidated operating revenues of the Agbar Group reached the figure of €3,123,408 thousand compared to €2,588,792 thousand in the same period of 2004, with an increase of 20.7%. The main variations of the consolidated group compared to the previous year in the Water and Wastewater sector are the proportional consolidation (80.1%) of 12 months of activity of Inversiones Aguas Metropolitanas Limitada (IAM), society holding 51.2% of Aguas Andinas, S.A., compared to 50% of the first 7 months and only the last 5 months at 80.1% in the year 2004, and also the entry of the company Helguina. The most remarkable variations of the consolidated group in the rest of sectors are the following: the addition of the ACYMA Group and the company Applus Danmark A/S to the Inspection and Certification sector (Applus); the proportional consolidation (50%) of new companies acquired by the Emte Group (Construction and Installations sector), and the addition of the Gesaga Group (Health sector).

Without taking into consideration the impact of the main additions to the consolidated group and the impact of the evolution in exchange rates, the organic growth in the activity of the Agbar Group amounts to around 9%.

2.3.- Operating result

Operating result, which reaches €321,450 thousand compared to €238,028 thousand in the previous year, increases by 35.0%. The above-mentioned additions to the consolidated group contribute to this growth.

Without taking into account the effect of the additions to the consolidated group and the impact of the evolution in exchange rates, organic growth in the Agbar Group's operating result amounts to around 20%.

2.4.- Result for asset deterioration

The result for asset deterioration reaches €-4,575 thousand compared to €-29,975 thousand in December 2004. In December 2004, the balance included asset write-offs for the amount of €26,911 thousand.

2.5.- Financial result

The indebtedness at the closing of the year amounts to €1,005 million, a level which is lower than the €1,244 million of the previous year. However, the average financing needs remained higher than the previous year. This fact, together with the evolution of the average exchange rates of the main Group's financing currencies, lead the financial result to reach €-60,423 thousand compared to €-43,890 thousand at the closing of December 2004.

2.6.- Other results

Other results amount to €139,081 thousand and include, mainly:

- The capital gain for the cession of 13.68% of de Applus Servicios Tecnológicos, S.L. in favour of the company Caja Madrid to the amount of €41,569 thousand.
- The capital gain registered for the sale of 10% of Compañía de Seguros Adeslas, S.A., amounting to €41,060 thousand.
- The capital gain for the sale of 50% of Aquagest Sur, S.A., to the amount of €30,900 thousand.
- The capital gain for the sale of the buildings situated in Paseo de San Juan in Barcelona (former headquarters), amounting to €25,200 thousand.
- The capital gain for the sale of 60% of the ACSA Group to the amount of €19,578 thousand.
- The capital gain obtained from the sale of the whole of shares of the company Iteuve Portugal, Ltda. to the amount of €10,147 thousand.

In the same period of the year 2004, other results amounted to €171,183 thousand, and included, mainly, the partial reversion of provisions constituted in the past to cover contingencies and responsibilities over the interests in Argentine subsidiaries to the amount of €81,064 thousand; the capital gain obtained from the sale of 10% of the company Compañía de Seguros Adeslas, S.A. to the amount of €43,967 thousand; results coming from the disposal of the buildings situated in Príncipe de Vergara street, to the amount of €18,099 thousand, and the capital gain for the sale of Trasa, Tratamiento de Residuos, S.A.U. to the amount of €12,162 thousand.

2.7.- Result for the year

Result for the year amounts to €338,070 thousand compared to €266,340 thousand in December of 2004, and increases by 26.9% after the expenses for income tax.

2.8.- Result attributed to minority interests

The result attributed to minority interests amounts to €85,957 thousand compared to €50,217 thousand in December of 2004.

The main results attributed to minority interests correspond to the minority interests in Aguas Andinas, S.A. (company 29.0% owned), in Applus Servicios Tecnológicos, S.L. (company 58.32% owned) and in Compañía de Seguros Adeslas, S.A. (company 54.8% owned).

2.9.- Result for the year attributed to the parent company

Result for the year attributed to the parent company, after taxes and minority interests, amounts to €252,113 thousand, with an increase of 16.7% compared to the previous year as a result of the above-mentioned evolutions.

3.- CONSOLIDATED BALANCE SHEET

3.1.- Balance sheet

thousands of euros	Dec 2005 IFRS	Dec 2004 IFRS (*)	Variation
Utility plant	2,175,677	1,698,518	477,159
Goodwill	580,930	381,222	199,708
Intangible assets	615,842	562,869	52,973
Long-term investments	224,753	148,845	75,908
Investments in associated companies	141,978	91,856	50,122
Asset deferred taxes	234,549	222,229	12,320
NON-CURRENT ASSETS	3,973,729	3,105,539	868,190
Inventories	40,497	39,984	513
Trade accounts receivable and others	913,072	871,613	41,459
Short-term investments	222,914	101,116	121,798
Advance payments	6,027	5,254	773
Cash and equivalent means	447,710	267,085	180,625
CURRENT ASSETS	1,630,220	1,285,052	345,168
TOTAL ASSETS	5,603,949	4,390,591	1,213,358

thousands of euros	Dec 2005 IFRS	Dec 2004 IFRS (*)	Variation
Net wealth Group	1,549,354	1,264,153	285,201
Minority interests	1,019,777	341,984	677,793
NET WEALTH	2,569,131	1,606,137	962,994
Debentures, payable to credit institutions and other financial debts long-term	1,227,123	1,166,447	60,676
Liabilities deferred taxes	120,789	86,115	34,674
Provisions	178,570	166,021	12,549
Rest long-term	52,105	52,095	10
NON-CURRENT LIABILITIES	1,578,587	1,470,678	107,909
Debentures, payable to credit institutions and other financial debts short-term	381,614	330,565	51,049
Liabilities current tax	39,637	118,050	(78,413)
Rest short-term	1,034,980	865,161	169,819
CURRENT LIABILITIES	1,456,231	1,313,776	142,455
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	5,603,949	4,390,591	1,213,358

(*) Excluding the effect of IAC (International Accounting Standards) 32 and 39 (Financial Instruments), which have been adopted from January 1, 2005. The impact on wealth of the adoption at the beginning of the year 2005 amounts to €31 million.

3.2.- Investments

The investments carried out during the year 2005 by the companies fully or proportionally consolidated by the Agbar Group amount to €397,481 thousand, according to the following details:

	thousands of euros	%
Intangible assets	36,885	9.28%
Utility plant	207,060	52.09%
Long-term investments	153,536	38.63%
TOTAL	397,481	100.00%

3.3.- Indebtedness

The indebtedness of the Agbar Group amounts to €1,005,092 thousand compared to €1,244,264 thousand in December of 2004.

Indebtedness is broken down as follows:

thousands of euros	Dec 2005 IFRS	Dec 2004 IFRS	Variation
Debentures, payable to credit institutions and other financial debts long-term	1,227,123	1,166,447	60,676
Debentures, payable to credit institutions and other financial debts short-term	381,614	330,565	51,049
	1,608,737	1,497,012	111,725
Short-term investments	(222,914)	(101,116)	(121,798)
Cash and equivalent liquid means	(447,710)	(267,085)	(180,625)
	(670,624)	(368,201)	(302,423)
	938,113	1,128,811	(190,698)
Adjustment financial assets value derivatives long-term (*)	(35,251)	-	(35,251)
Net indebtedness with financial institutions and investors	902,862	1,128,811	(225,949)
Other debt (**)	102,230	115,453	(13,223)
Total net indebtedness	1,005,092	1,244,264	(239,172)

(*) Corresponding to the market value of derivative instruments in hedging operations whose contra item is a higher value of the gross debt.

(**) Provisions risks Argentina.

Indebtedness / Net wealth	39%	77%
Indebtedness / (Net wealth + Net indeb.)	28%	44%

4.- COMMENTS ON MAIN ACTIVITIES

4.1.- Segmented information of the income statement

The distribution of operating revenues and the operating result by segments of activity is, in the financial year 2005, the following:

thou of euros	2005					Operating rev.		Operating result	
	OPERATING REVENUES	% on operating rev.	OPERAT RESULT	% on operat result	% Margin operat result	Difference on 2004	% Var. on 2004	Difference on 2004	% Var. on 2004
Water and WW/ Corp hold.	1,203,794	38.5%	180,718	56.2%	15.0%	146,735	13.9%	49,282	37.5%
Health	987,378	31.6%	79,637	24.8%	8.1%	114,349	13.1%	11,565	17.0%
Inspection and Certification	414,432	13.3%	36,358	11.3%	8.8%	194,130	88.1%	15,261	72.3%
Construction and Installations	376,432	12.1%	18,493	5.8%	4.9%	62,387	19.9%	598	3.3%
Businesses in progress	141,372	4.5%	6,244	1.9%	4.4%	17,015	13.7%	6,716	n/a
AGBAR GROUP	3,123,408	100.0%	321,450	100.0%	10.3%	534,616	20.7%	83,422	35.0%

From the detailed evolution, the following facts can be observed:

- Growth both in operating revenues and in the operating result of all the segments of activity of the Agbar Group.
- Remarkable growths in the main sectors of activity:

Water and Wastewater - Holding and corporate companies shows both an improvement in the activity of most national companies of this sector and the positive evolution of the IAM group (water Chile), as a result of higher revenues due to the revision of tariffs. Moreover, the additions to the consolidated group mentioned in section 1, *Main magnitudes and most significant events*, also contribute to these improvements.

Health shows the good organic behaviour of the insurance activity and the addition of the Gesaga Group.

Inspection and Certification mainly shows an improvement in the national inspection companies and the significant effects of the additions to the consolidated group (Acyma Group and Applus Danmark).

4.2.- Water and Wastewater sector

On July 15 the previous agreement of the month of February was concluded. According to this agreement, the company Hidrocartera, in which Unicaja has an investment of 70% and Caja Granada of 30%, has acquired 50% of Aquagest Sur, a company which manages the contracts of the complete water cycle of the Agbar Group in Andalusia. The final price agreed of the operation amounts to €73.5 million.

On August 4, 2005, the acquisition by Sorea of 69.11% of shares of the company Aguas del Término de Calvià, SA (Aterca), owned by the entity Habitat Golf Santa Ponsa, was formalised to the amount of €5 million. Aterca is holder of the concession contract of drinking water supply in the areas of Santa Ponsa, Costa de la Calma, Rotes Velles and the Toro housing development in the municipal district of Calvià (Balearics), for a 50 year period, ending in 2028. The population supplied is nearly 8,000 inhabitants.

During the year 2005, the Agbar Group was awarded in Spain the management of 30 new contracts linked to the water cycle serving 161,334 inhabitants. The main contracts correspond to the management of the complete water cycle in Torre Pacheco, Murcia (27,000 inhabitants), Montilla (24,095 inhabitants) and Las Torres de Cotillas, Murcia (17,565 inhabitants).

24 contracts linked to the activity of water were renewed, which represent a population served of 845,560 inhabitants, among them: Granada (238,300 inhabitants), Albacete (156,466 inhabitants) and Mancomunidad de Salnés, Pontevedra (74,600 inhabitants).

In the area of wastewater, the Agbar Group was awarded 20 WWTP (wastewater treatment plant) management contracts, which represent the management of a pollution load equivalent to 1,044,971 inhabitants, and also the sewer system of 15 contracts rendering service to 162,067 inhabitants. Concerning the management of WWTP's, worth mentioning is the award of the Valladolid WWTP (330,000 inhabitants equivalent), Terrassa, Barcelona WWTP (292,000 inhabitants equivalent) and 5 plants in Sotogutiérrez, Madrid (102,938 inhabitants equivalent). In the area of sewerage contracts, worth highlighting are the contracts of Rubí, Barcelona (66,425 inhabitants) and Rincón de la Victoria, Málaga (28,007 inhabitants).

3 contracts for WWTP management were renewed, being the most important the management of the Granada plants (238,300 inhabitants equivalent) and the plants of the area Alicante Norte (North Alicante) (24,866 inhabitants equivalent).

In Chile, a new Five-Year Plan (from 2005 until 2009) has been signed with Superintendencia de Servicios Sanitarios (SISS)—the Health Services Authority—, and tariff formulas have been fixed for Aguas Andinas and its subsidiaries during the period of reference.

In Argentina, the situation must be distinguished for each concession:

- Aguas Argentinas: impossibility of continuing with the concession. The Government was invited to recover the concession. Negotiations with the Government and investors for the cession of Aguas Argentinas.
- Aguas Provinciales de Santa Fe: the concession was given up and the company dissolved.
- Aguas Cordobesas: a satisfactory agreement has been reached which makes both the company and the concession feasible.

4.3.- Health sector

During the year 2005, the Adeslas Group continued with its favourable trend of growth, offering its insured more facilities in all the range of services rendered.

Adeslas portfolio grew during this year by 3.6%, reaching a total portfolio of 2,275,506 insured. Thus, the Group consolidates its leading position in the ranking of Spanish health insurance companies.

In 2005 Adeslas has participated in the tender call process for the privatisation of the insurance company Inisas, made by the Sociedad Estatal de Participaciones Industriales (SEPI - State-owned

Company of Industrial Holdings), and was awarded the insurance company to the price of €16 million. Inisas portfolio amounts to about 40,000 insured, most of them residents in the Community of Madrid.

The formula of collaboration between the public and the private health which is being developed in the health area of Alzira (Valencia), and whose management is led by Adeslas, continues with the opening of the second Health Centre in Alzira, concluded in the last part of the year. This, together with the primary health care existing in Hospital de La Ribera, is proving to facilitate good coordination with specialised care and, therefore, a stepless health.

Adeslas continues its expansion to all its health centres of the allowance of quality certifications to all the services which are in contact with the users, thus increasing the number of services having the international quality certification ISO 9001. In this line, Hospital de La Ribera maintains for the fourth running year, the first position in the category of *Big General Hospitals* of the programme Top-20 Benchmarks for Excellence.

4.4.- Inspection and Certification sector

The most important landmark of the year 2005 was the addition of Caja Madrid to the body of shareholders of Applus+, with a capital increase of €133 million, in cash and fully paid up. After this operation, the body of shareholders of Applus+ as of December of 2005 is broken down as follows: Agbar Group 58.32%, Unión Fenosa 22.68% and Caja Madrid 19%. With this operation, Applus+ becomes undoubtedly the most important project of the technological sector in Spain.

The following facts in the area of Vehicle Inspection are worth highlighting:

- On March 16, 2005 the purchase of the Danish network of vehicle testing stations took effect. The final price of the operation amounted to DKK463,005 thousand (€62 million). This acquisition has represented an increase in the consolidated turnover of Applus+ of €45 million (9 months and a half of activity).
- In March of 2005, Applus Iteuve Technology proceeded to purchase 27.82% of Iteuve Euskadi, thus obtaining 100% of the share ownership.
- The contentious administrative appeal for the retrocession of the extension of the vehicle inspection concessions in Catalonia continues. In parallel, the Ministry of Industry of the Catalan Government is promoting a preliminary draft law of industrial safety, which includes the vehicle inspection business, and expects to reach a satisfactory solution for the parties. Due to the delay in which this preliminary draft law came to light, the Generalitat (Catalan Government) has extended one more year the expiration date of the concessions, until summer of the year 2007.
- In March of 2005, Applus Iteuve Technology has proceeded to the sale of the company Applus Iteuve Portugal to the company Controllo Tecnico Automovel, S.A.
- At an international level, worth noting is the beginning in May of the vehicle inspections in Chile.

In the area of Certification of the group, the most significant event of the year 2005 has been the incorporation to the consolidated group of Soluziona Calidad y Medio Ambiente from January 1. This company has changed its name for Applus Calidad y Medio Ambiente, and the change in the body of shareholders of Applus+ took effect, with the incorporation of Unión Fenosa, S.A. with a shareholding of 24.9%.

Moreover, worth noting are the following events in the activities of the Certification area:

- Important growth in the activity of systems certification thanks to the wide geographical extension which has allowed for the coverage of all the autonomous communities. Concerning the ISO 9000, there has been an increase of 29%, and concerning the ISO 14000, of 61%.
- A collaboration agreement has been signed with Calidalia, the purchase centre which includes the 23 main Spanish companies of the food and drinking sector, for the certification of products, quality control and food safety.

- In the area of construction, the Ministry of Development, through IDAE, has awarded to Applus+ the testing and verification of the software which it has developed for the energy certification of buildings.
- Applus+ obtained during 2005 an important volume of contracts in infrastructures, and worth noting are the following: 6 expressway sections and the management of pavements for the Government of Catalonia; 5 AVE (high-speed train) sections and port infrastructures in the Valencia Port with the contract for the America's Cup 2007.
- In the industrial area, Applus+ has notably increased the award of inspection contracts for the main Spanish energy companies. The most important contracts are those with Repsol Group, Unión Fenosa Group and Hidrocantábrico Group.

In the area of Engineering, Test and Homologation, Applus+ Idiada has consolidated the internationalisation of its customers with 57% of the total sales obtained abroad, mainly European and Asian automobile manufacturers, as a result of a closer relationship with the customers with the opening of commercial offices abroad. The last example is the new office Idiada Fahrzeugtechnik GmbH in Munich to offer better service to the automobile industry of South Germany.

In line with the increasing importance of the environmental aspects, worth mentioning is the development of a new service related to natural gas engines for vehicles. Applus+ Idiada is carrying out investments to improve its facilities and the construction of new testing laboratories, and also to strengthen the confidentiality measures.

4.5.- Construction and Installations sector

4.5.1.- Construction sector

In the year 2005 there has been a significant change in the body of shareholders of Acsa Agbar Construcción. Finycar, S.L., belonging to the Sorigué Group, has purchased a shareholding of 60% from Agbar, with an option on the remaining 40% in two sections to be executed in two and four years.

Acsa Agbar Construcción, S.A. has favourably developed its activities during the year 2005. The company was awarded works to the value of €305 million, mainly focussed on: buildings (€116 million), civil-engineering works (€109 million), contracts and services (€50 million) and environmental projects (€20 million).

4.5.2.- Installations sector

The second half of 2005 has confirmed the trend, already noticed at the beginning of the year, of recovery in the tendering activity of the Administration, which has led to contracting figures in all the business units at the end of the year above the ones obtained in previous years. Therefore, it is possible to face the year 2006 with an optimistic view concerning the continuity of the level of growth of the activities in the last years.

The integration of three new companies to the Emte Group has consolidated, thus strengthening the main areas of activity:

- Omnilogic Telecomunicaciones, joining the Systems unit. This has allowed to compensate for the slowing down of big projects in progress within this unit by contracting more dispersed and smaller works.
- Grupo Rochina, situated in the area of Levante and Murcia, being the engine of the expansion in the unit of Mechanical Installations.
- Benito, S.A., which has strengthened the unit of Electrical Installations in the area centre.

During the month of July, the activity of facilities management joined Emte Service, within the unit of Maintenance and Services, through the acquisition of one of the divisions of Servihabitat XXI, a company belonging to "la Caixa" group which carries out functions of facilities management.

5.- INVESTMENTS OF THE AGBAR GROUP IN ARGENTINA

The remaining provisions at December 31, 2005, which amount to €102 million, continue covering the responsibilities taken on for any kind of guarantee awarded to businesses in Argentina.

6.- WORKFORCE

The average consolidated workforce of the year 2005 has been of 24,417 persons. The evolution of the average aggregate workforce, excluding the consolidation method used and the integration percentage applied, is the following:

	Dec 2005	Dec 2004	Difference
Fully consolidated companies	17,068	18,024	(956)
Proportionally consolidated companies	3,866	3,413	453
Companies accounted for by the equity method	11,602	10,239	1,363
TOTAL	32,536	31,676	860

In full consolidation, the decrease in the workforce is mainly due both for the change in the method, from full consolidation to the equity method, of the Acsa Group, and the retirement from the consolidated group of AGM Contacta. On the contrary, worth mentioning is, in the Inspection and Certification sector, the incorporation of the workforces of the Acyma Group and Applus Danmark A/S.

The increase in proportional consolidation is mainly the result of the addition to the consolidated group of the company Benito and the Rochina Group in the Construction and Installations sector.

The increase in the workforce in companies accounted for by the equity method is due to the change of method of the Acsa Group, which changes from full consolidation to the equity method.

7.- EVOLUTION OF SOCIEDAD GENERAL AGUAS DE BARCELONA, S.A. (Individual closing under General Chart of Accounts)

Accumulated net sales in the fourth quarter of 2005 amounted to €230,318 thousand, which represents a decrease of 0.17% over the same period of the previous year.

The volume of water consumed in this period amounts to 186.50 hm³ compared to 193.74 hm³ of the year 2004.

Ordinary result amounts to €44,661 thousand compared to €60,883 thousand at the closing of December 2004. The variation is mainly due to a lower operating result as a consequence of the addition of the rental expenses of the new company headquarters (Agbar Tower), and also a lower financial result owing to the higher cost of interests supported.

Extraordinary results amount to €52,013 thousand and mainly comprise the capital gain obtained from the sale of 10% of the company Compañía de Seguros Adeslas, S.A. to the French company Médéric, the profit resulting from the sale of 60% of Acsa and the disposal of the buildings situated in Paseo de San Juan 39 and 43. These results have made it possible to offset the extraordinary losses (€-64,969 thousand) mainly caused by the valuation of the instruments to cover the participated companies in Chile (-€55,200 thousand) and the contributions to the Agbar Foundation (€-5,892 thousand).

With this, the net profit at September 31, 2005 amounts to €113,559 thousand.

The volume of investments carried out by the company during the year 2005 amounted to €80,779 thousand, of which €29,163 thousand correspond to intangibles, €43,670 to tangibles and €7,946 thousand to long-term investments.

X.1.) ISSUES, REIMBURSEMENTS OR CANCELLATIONS OF LOANS

(This section will include individualised information of each issue, reimbursement or cancellation of loans carried out from the beginning of the financial year, by the company forced to present the public periodic information or, where appropriate, by any company being part of the scope of consolidation, indicating for each issue, reimbursement or cancellation the information which is detailed in the attached tables. This information shall be provided separately distinguishing between issues, reimbursements or cancellations which, concerning the issue or placing of securities, have requested registration of an informative leaflet in a Competent Authority (24) of a member country of the European Union, and those which have not requested it. In the case of issues, reimbursements or cancellations carried out by associated companies or any other different from the parent, dependent or multigroup companies, this information shall only be included if the issue or cancellation is guaranteed, totally or fully, by the parent company or any dependent or multigroup company. The issues or placements of securities carried out in the money market (25) can be aggregated (26) by type of operation (27), just like the issues carried out by the same company, in the same country provided that they have similar characteristics. In case the issue, reimbursement or cancellation is carried out through a "special role institution" (28), this circumstance shall be expressly mentioned).

Issue, reimbursement or cancellation of loans whose issue or placement has required the registration of a leaflet in a Competent Authority (24) of the European Union

Issuing company	Relation (29)	Country of domicile of resid.	Characteristics of the issue, reimbursement or cancellation of loans									
			Operation (27)	ISIN code (30)	Type of securities	Date of issue, reimburs. or canc.	Outstanding amount	Interest rate	Expiration and modes of amortisation	Market/s on which it is quoted	Credit rating	Guarantees granted (31)
Aguas Andinas, S.A.	Dependent company	CHILE	Cancellations	n/a	debentures	01/09/2005	0	9,00	Sept 05 at expiration	Santiago-Chile	AA+	n/a
Aguas Andinas, S.A.	Dependent company	CHILE	Reimbursements	n/a	debentures	01/09/2005	47.109	9,25	Sept 22 half-yearly	Santiago-Chile	AA+	n/a
Aguas Andinas, S.A.	Dependent company	CHILE	Reimbursements	n/a	debentures	01/12/2005	85.784	7,25	Dec 10 half-yearly	Santiago-Chile	AA+	n/a
Aguas Andinas, S.A.	Dependent company	CHILE	Reimbursements	n/a	debentures	01/12/2005	123.529	7,25	June 09 half-yearly	Santiago-Chile	AA+	n/a
Aguas Andinas, S.A.	Dependent company	CHILE	Issues	n/a	debentures	23/12/2005	42.455	7,00	June 12 at expiration	Santiago-Chile	AA+	n/a
Aguas Cordillera, S.A.	Dependent company	CHILE	Cancellations	n/a	debentures	03/10/2005	0	10,00	Oct 05 half-yearly	Santiago-Chile	A+	n/a
Aguas Cordillera, S.A.	Dependent company	CHILE	Reimbursements	n/a	debentures	01/07/2005	159	10,00	July 06 half-yearly	Santiago-Chile	A+	n/a

Aguas Cordillera, S.A.	Dependent company	CHILE	Reimbursements	n/a	debentures	01/07/2005	565	9,00	Jan 06 half-yearly	Santiago-Chile	A+	n/a
Aguas Cordillera, S.A.	Dependent company	CHILE	Cancellations	n/a	debentures	03/10/2005	0	9,00	April 07 half-yearly	Santiago-Chile	A+	n/a
Aguas Cordillera, S.A.	Dependent company	CHILE	Reimbursements	n/a	debentures	01/01/2005	7.784	9,50	Jan 09 annual	Santiago-Chile	A+	n/a
Agbar International B.V.	Dependent company	THE NETHERLANDS	Cancellations	n/a	bonds	22/09/2005	0	7,23	Sept 05 at expiration	n/a	A+	Irrevocable and unconditional ; Sociedad General de Aguas de Barcelona, S.A.
Agbar International B.V.	Dependent company	THE NETHERLANDS	Cancellations	n/a	bonds	30/11/2005	0	4,09	Nov 05 at expiration	n/a	A+	Irrevocable and unconditional ; Sociedad General de Aguas de Barcelona, S.A.
Agbar International B.V.	Dependent company	THE NETHERLANDS	Cancellations	n/a	bonds	30/12/2005	0	4,07	Dec 05 at expiration	n/a	A+	Irrevocable and unconditional ; Sociedad General de Aguas de Barcelona, S.A.
Agbar International B.V.	Dependent company	THE NETHERLANDS	Cancellations	n/a	bonds	21/12/2005	0	4,42	Dec 05 at expiration	n/a	A+	Irrevocable and unconditional ; Sociedad General de Aguas de Barcelona, S.A.

X.2.) ISSUES OF THIRD PARTIES GUARANTED BY THE GROUP

XI. DIVIDENDS DISTRIBUTED DURING THE PERIOD:

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

		% on par value	Euros per share (x,xx)	Amount (thousands of euros)
1. Ordinary shares	3100	40,8	0,41	58.816
2. Preferred stocks	3110			
3. Redeemable shares	3115	40,8	0,41	575
4. Non-voting shares	3120			

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

See attached file

XII. SIGNIFICANT EVENTS (*)

		YES	NO
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)	3200		X
2. Treasury stock acquisitions determinant of the obligation of communicating according to the additional disposition 1st of the Company Law (1 per 100)	3210		X
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	
4. Increases and reductions in the share capital or the securities value	3230	X	
5. Issues, reimbursements or cancellations of debentures	3240		X
6. Changes of Administrators or the Board of Directors	3250		X
7. Modifications of Bylaws	3260	X	
8. Transformations, mergers or splits	3270	X	
9. Changes in the institutional regulation of the sector with a significant incidence on the economic or financial situation of the Company or Group	3280		X
10. Lawsuits, litigations or disputes that may significantly affect the net worth of the Company or Group	3290		X
11. Situations of tenders, temporary receivership, etc.	3310		X
12. Special agreements of limitation, cession or total or partial renunciation of the political and economic rights of the Company's shares	3320		X
13. Strategical agreements with national or international groups (exchange of shareholdings, etc.)	3330		X

14. Other significant events

3340

X

(*) Please put a tick in the corresponding box, attaching if "yes" an explicative appendix detailing the communication date to the Spanish Securities and Exchange Commission and the Stock Exchange Operating Company.

ADDITIONAL INFORMATION ON DIVIDEND DISTRIBUTION

The dividends distributed during the first half of 2005, with regard to distribution, would be the following:

Interim dividend financial year 2004 (January 11, 2005): 16.00% equivalent to 0.1600 gross euros per share.

Additional information on interim dividend distribution financial year 2004:

The Board of Directors, at its meeting held on December 17, 2004, resolved the payment to holders of shares identifiable with codes ISIN ESO141330C19 (type A ordinary shares) and ISIN ESO141330F16 (type B redeemable shares) of an interim dividend for the 2004 profits that was paid from January 11, 2005, according to the following details:

ISIN ESO141330C19 (type A ordinary shares) 0.1600 * 144,077,608 shares	€23,052,417
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(*) ISIN ESO141330F16 (type B redeemable shares) 0.1600 * 1,488,539 shares	€238,166
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TOTAL	€23,290,583
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Supplementary dividend financial year 2004 (June 21, 2005): 24.8% equivalent to 0.248 gross euros per share.

Additional information on supplementary dividend distribution of the financial year 2004:

The General Shareholders' Meeting of this company, at its meeting held on May 20, 2005, resolved the payment to holders of shares identifiable with codes ISIN ESO141330C19 (type A ordinary shares) and ISIN ESO141330F16 (type B redeemable shares) of a supplementary dividend corresponding to 2004 that was paid from June 21, 2005, according to the following details:

ISIN ESO141330C19 (type A ordinary shares) 0.248 * 144,208,761 shares	€35,763,772
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(*) ISIN ESO141330F16 (type B redeemable shares) 0.248 * 1,357,386 shares	€336,632
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TOTAL	€36,100,404
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(*) Issued as coverage of the commitments undertaken according to the Stock Option Plan of Sociedad General de Aguas de Barcelona, S.A. intended for Agbar Group employees. The dividends corresponding to these shares are considered financial costs in the consolidated statements formulated under IFRS, according to the comments on the variations in Shareholders' Equity (Plan May 2001) due to the transition to IFRS, included in the section BASES OF PRESENTATION.

XIV. OPERATIONS WITH RELATED PARTIES (34)

Concerning the information to be included in this section, Order EHA/3050/2004, of September 15, will be followed, which deals with the information of related operations (35) that the companies issuing securities admitted to listing in official secondary markets shall provide, taking into account the instructions to fill in the half-yearly report.

Cod e (37)	Description of the operation (37)	A/I (38)	Current/Previous (39)	Amount (thousands of Euros)	Profit /Loss(40) (thousand of Euros)	ST/LT(41)	Related party (42)
010	Reeption of services	Aggregate information	Current	1.151	0	ST	0
004	Purchases of intangible assets	Individual information	Current	750	0	Paid in the third quarter of 2005	Servihabitat XXI ("la Caixa")
024	Guarantees and endorsement s	Aggregate information	Current	111.927	0	LT	"la Caixa"
016	Financing agreements: loans	Aggregate information	Current	82.205	0	LT	"la Caixa"
028	Contributions to pension plans and life insurance	Individual information	Current	13.970	0	ST	"la Caixa"

Other aspects(43):

The operations carried out with significant shareholders during the year 2005 are characteristic of ordinary giro or traffic and have been carried out in normal market conditions.

Operations carried out with the Suez Group

During the year 2005 the Suez Group invoiced about 1,151 thousand euros to Sociedad General de Aguas de Barcelona, S.A. concerning the technical assistance provided to the Chilean company Inversiones Aguas Metropolitanas, S.A. (previously Ltda.), where they both had investments till November 2005.

In November of 2005 the Agbar Group and the Suez Group, as shareholders of the Chilean company Inversiones Aguas Metropolitanas, S.A. (hereinafter IAM, and which holds at the same time 51.2% of Aguas Andinas S.A.), concluded a placement process concerning 49.9% of IAM. 10% of IAM shares were placed in the Chilean market and 33.4% in the international market. From these percentages, 23.5% corresponds to the Agbar Group, which holds a shareholding of 56.6% in IAM.

Operations carried out with "la Caixa" group

"la Caixa" is the minority partner of Hisusa Holding de Infraestructuras y Servicios Urbanos, S.A.

Financing

At a consolidated level, the amount of loans granted to the Agbar Group at December 31, 2005 amounts to 82.2 million euros and most of them expire in the long term.

During the year 2005 credit lines were renewed so at December 31 the total limit of these lines was 273.7 million euros, of which at the given date 45.3 million were being used. The main part of these lines expires in 2007.

There are discount lines of 30,000 euros, used in their totality.

At December 31 the guarantees granted amounted to 111.9 million euros, available in lines of 60.9 million euros.

The coverages of the existing exchange rates amounted to 219.2 million euros, of which 16.2 expire in 2008 and 203 expire in 2009.

The coverages in existing foreign currencies amount to 20.1 million euros and expire in 2007.

"la Caixa" is dealer of the programme EMTN (Euro Medium Term Notes).

"la Caixa" is one of the main bodies in what concerns the collections and payments of the Agbar Group.

Plan Mayo 2001

There is a contract of share subscription and call option of July 20, 2001 signed by Sociedad General de Aguas de Barcelona, S.A., Caixa d'Estalvis i Pensions de Barcelona "la Caixa" and Invercaixa Valores S.V.B., S.A., concerning the subscription of redeemable shares, type B, which Sociedad General de Aguas de Barcelona, S.A. agreed to issue in its General Shareholders' Meeting of May 25, 2001, in order to serve as a financial coverage of the Stock Option Plan 2001, which was approved in this Meeting. The contract of reference includes a swap clause.

"la Caixa" is the payment agent in the option plan for employees called Stock Option Plan May 2001.

Agbar Tower

On November 25, 2004 Sociedad General de Aguas de Barcelona, S.A. signed a subleasing contract with Layetana Inmuebles, S.A. (Sociedad Unipersonal-Single-member company) concerning the building called Agbar Tower, situated in Diagonal avenue of Barcelona, numbers 197 to 211. The owner of the building is Caixa d'Estalvis i Pensions de Barcelona "la Caixa", which at the same time has a financial leasing contract with Layetana de Inmuebles, S.L. (Sociedad Unipersonal-Single-member company).

Pensions

Sociedad General de Aguas de Barcelona, S.A., according to the regulations in force, has its pension commitments outsourced through a pension plan and complementary insurance policies, whose managing body, responsible for the administration and management under the supervision of the Control Commission, is Vidacaixa, S.A., de Seguros y Reaseguros. The depositary body of the fund is "la Caixa".

The contributions carried out by the Society to cover the commitments during the year 2005 amounted to 13,970 thousand euros.

Likewise, at December 31, 2005 the amount which figures in the Pension Plan as consolidated rights of the participants was 62,170 thousand euros; the mathematical provisions of the insurance policies contracted by the Pension Plan to guarantee the payment of the amounts to the beneficiaries and also the retirement prize, the latter outsourced during the year 2005, amounted to 139,224 and 3,664 thousand euros, respectively; and the mathematical provisions of the complementary insurance policies contracted by the Society amounted to 15,551 thousand euros for active staff and 3,464 thousand for the beneficiaries.

Other operations

Compañía de Seguros Adeslas, S.A., in which Sociedad General de Aguas de Barcelona, S.A. has an investment of 54.8%, invoiced to "la Caixa" 8,321 thousand euros for the insurance premiums of its employees in the year 2005.

The Emte Group, led by Emte, S.A., in which Sociedad General de Aguas de Barcelona, S.A. has an investment of 50%, has purchased from Servihabitat XXI, company belonging to "la Caixa" group, the activity of facility management for the amount of 750 thousand euros.

2. OPERATIONS CARRIED OUT WITH ADMINISTRATORS OR MANAGERS OF THE COMPANY (36)

Code (37)	Description of the operation(37)	A/I (38)	Current/Previous (39)	Amount (thousands of euros)	Profit/Loss(40) (thousand of euros)	ST/LT (41)	Related party (42)
026	Remunerations	Aggregate information	Current	2.713	0	ST	Members of the Board of Directors
028	Contributions to pension plans and life insurance	Aggregate information	Current	1.245	0	ST	Members of the Board of Directors
026	Remunerations	Aggregate information	Current	3.747	0	ST	Members of the Management Committee
033	Others (specify)	Individual information	Current	0	0	0	0

Other aspects (43):

In the context of the Stock Option Plan 2001, managers of Sociedad General de Aguas de Barcelona, S.A. are beneficiaries of it in the same conditions than a large group of beneficiaries, those who were part of the personnel of Sociedad General de Aguas de Barcelona, S.A. or Spanish companies of the Agbar Group in May 2001.

3. OPERATIONS CARRIED OUT AMONG PEOPLE, SOCIETIES OR COMPANIES OF THE GROUP (36)

Code (37)	Description of the operation(37)	A/I (38)	Current/Previous (39)	Amount (thousands of euros)	Profit/Loss(40) (thousand of euros)	ST/LT (41)	Related party (42)
033	Others (specify)	Individual information	Current	0	0	0	0

Other aspects(43):

During the year 2005 all intragroup significant operations were carried out in normal market conditions. All intragroup operations implying income and expenses or receivable and payable balances, as well as the results resulting from these intragroup operations, are eliminated according to the consolidation regulations in force.

4. OPERATIONS WITH OTHER RELATED PARTIES (36)

Code (37)	Description of the operation(37)	A/I (38)	Current/Previous (39)	Amount (thousands of euros)	Profit/Loss(40) (thousand of euros)	ST/LT (41)	Related party (42)
033	Others (specify)	Individual information	Current	0	0	0	0

Other aspects(43):

There are no operations to be revealed in the year.