



## **Acquisition of Adeslas**

Barcelona, 22 October 2009

## IMPORTANT NOTE

The information contained in this report does not constitute an offer, invitation or recommendation to engage in investment in the shares, or any other financial instrument, of Criteria CaixaCorp, S.A. (hereinafter Criteria), especially in the USA, the UK, Canada, Japan, Australia or any other country where the purchase and sale of these shares is prohibited under applicable legislation.

This report may contain forward-looking information or statements relating to forecasts and future projections for Criteria which are usually preceded by the words: “expect”, “estimate”, “believe”, “anticipate” or similar. These forward-looking statements are not a guarantee of future results and Criteria recommends that no investment decision should be taken based on forward-looking statements that speak exclusively as of the date on which they were made, and particularly because projections reflect expectations and assumptions that may be imprecise due to events or circumstances beyond the control of Criteria, including: political factors, economic or regulatory issues in Spain or the EU, interest rate fluctuations, exchange rate fluctuations or domestic and international stock market movements, among others.

Descriptions of past results and earnings are not necessarily a guarantee of future results or performance.

### Transaction overview (i)

#### Transaction

- Criteria acquires 99.8% of Adeslas for €1,178 MM from its current shareholders (AGBAR and Malakoff Médéric)
- Criteria sells a stake in AGBAR at €20/share for a cash consideration of €647–871 MM <sup>(1)(2)</sup> to Suez Environnement (“SE”) in order to allow SE to reach a 75% stake in AGBAR. Criteria remains as a significant minority shareholder in AGBAR with a final stake of 15–25% <sup>(2)</sup> in partnership with SE
- Prior to these transactions, AGBAR launches a delisting tender offer on its 10% free float at €20/share <sup>(3)</sup>

#### Adeslas

- #1 player in the Spanish health insurance sector (20.4% market share) with revenues of €1.3 Bn and net income of €83 MM in 2008
- Historical track-record of strong growth and high profitability
- Large customer base (3.0 MM of insured customers)
- Vertically integrated business model

#### Rationale

- Focus on Criteria’s core business, adding Adeslas (#1 in health insurance) to SegurCaixa Holding (#1 in life & pensions) thus boosting Criteria’s leading position in the Spanish insurance sector
- Combination expected to generate material cross-selling synergies

1. Criteria will sell between 32.3-43.6 MM of equivalent AGBAR shares (directly or through Hisusa)  
 2. Range depends on the success rate of the delisting tender offer  
 3. 2009 interim and final dividend included

## Transaction overview (ii)

### Agbar

- Criteria retains a significant 15–25% <sup>(1)</sup> shareholding in AGBAR
  - Board representation and continued consolidation of AGBAR by the equity method
  - Customary protection rights as a minority shareholder including a 50% minimum dividend payout policy
- Continued long-standing and successful relationship with Suez Environnement

### Impacts on Criteria

- Increases the weight of financial services within Criteria’s portfolio from 26% to 30% of GAV, in line with Criteria’s stated strategy at the IPO
- Expected to generate net consolidated capital gains in the region of €150 MM
- Net cash investment of €338 – 546 MM <sup>(1)</sup>
- Net debt / GAV from 23.1% to 24.1%–24.7% <sup>(1)</sup>

### Next Steps

- Delisting tender offer
- Obtention of regulatory approvals (water and insurance regulators; antitrust authorities)
- Transaction closing expected in 1H 2010

1. Range depends on the success rate of the delisting tender offer

## Adeslas is an unique asset

### #1 player

- **#1 player in the Spanish health insurance sector with a 20.4% market share (as of 30 Jun 09)**
  - Market share 3.4 p.p. above #2 player
  - Ranked #1 since 2001

### Broad & diversified customer base

- **3.0 MM insured customers**
- **Attractive mix of private clients, private groups and civil servants**

### Vertically integrated

- **Vertically integrated business model results in higher margins:**
  - Insurance: #1 in health insurance
  - Private hospitals and dental clinics: owner of 12 private hospitals (#2 player in the sector); 65 dental clinics and 32 medical centres
  - Public Private Partnership (PPP): pioneer in Spain at La Ribera Hospital (Alzira)

### Strong route-to-market

- **National presence with full coverage and broad product offering**
  - Over 223 local branches attending customers
  - Commercial network formed by over 1,800 external agents and insurance brokers

Adeslas has had a strong historical financial performance

	€ MM	2006	2007	2008
<b>Consolidated Financials (IFRS)</b>	<b>Premiums &amp; other revenues</b>	<b>1,088</b>	<b>1,231</b>	<b>1,337</b>
	<i>Growth (%)</i>	<i>10.2%</i>	<i>13.1%</i>	<i>8.6%</i>
	<b>Net Income (after minorities)</b>	<b>64</b>	<b>74</b>	<b>83</b>
	<i>Growth (%)</i>	<i>9.4%</i>	<i>15.6%</i>	<i>12.2%</i>
	<b>Combined Ratio</b>	<b>93.6%</b>	<b>93.8%</b>	<b>94.4%</b>

**Outstanding recurrent performance**

- Net income CAGR 02-08 of >12%
- ROE of 26% as of 31-12-08 (light capital business model)
- Highly resilient asset but not immune to current macro scenario
  - Short term premiums growth expected to slowdown
  - Increase in margin pressure
- Solid long term growth perspectives

## Health insurance in Spain has attractive market trends

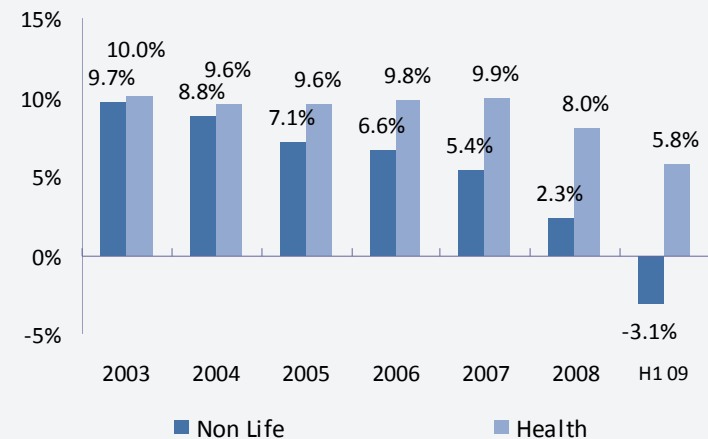
### Growing sector

- **Health insurance is a growing sector in Spain**
  - Sector revenues of €3.1 Bn in 1H 2009
  - Growth of +5.8% vs. 1H 2008
  - Fastest growing sector within non-life
- **Sector's growth slowing down due to current economic environment**
- **Robust long-term growth perspectives**
  - Spanish health expenditure below EU average
  - Opportunities: dependency law development, dental insurance, SMEs / self-employed workers, tax benefits from payment-in-kind, etc.

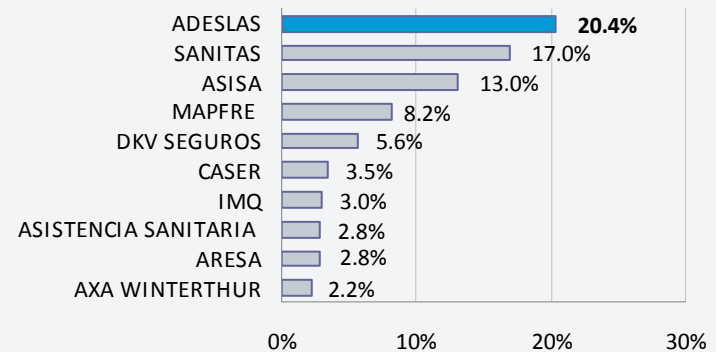
### Competitive advantage

- **Major competitive advantage: market leader in a fragmented market**
  - Adeslas has a market share 1.6x larger than #3 and 2.5x larger than #4
  - Critical mass provides competitive advantages (purchase negotiation power, national coverage, higher service quality, etc.)

**Non-life and Health insurance growth (ICEA 30-Jun-09)**



**Market share (%) – Based on premiums (ICEA 30-Jun-09)**



## Transaction rationale

### Criteria gains full control of Adeslas

- **SegurCaixa Holding + Adeslas boosts Criteria's leading position in the Spanish Insurance Market**
  - SegurCaixa Holding (#1 in life & pensions) + Adeslas (#1 in health insurance)
  - Creation of the #6 non-life insurance Group in Spain
- **The combination will result in a complete and more diversified offering**
  - Broadens product offering to families and groups (corporate & public sector)
  - Diversifies sources of income by increasing the weight of non-life activities
- **SegurCaixa Holding + Adeslas is a platform with an enormous growth potential**
  - Complementary customer base, distribution channels and product offering
- **Criteria has a proven track record in the sector with SegurCaixa Holding**
  - Top-of-the class asset with an outstanding performance under Criteria's ownership
  - Annual net income growth of +22.5% in the period 2003-08



## SegurCaixa Holding + Adeslas = Leading player in the Spanish insurance market



Life & Pensions	GROUP	RK	Technical provisions & Pension Plans	Market Share	▶ #1 in life & pensions
	SegurCaixa Holding	1	28,558	13.0%	
BBVA	2	24,240	11.1%		
Santander Seguros	3	21,003	9.6%		
Mapfre	4	12,426	5.7%		

Health	GROUP	RK	Premiums	Market Share	▶ #1 in health premiums ▪ Combined market share of 21.0%
	Adeslas	1	626	20.4%	
Sanitas	2	521	17.0%		
Asisa	3	400	13.0%		
Mapfre	4	251	8.2%		
...					
SegurCaixa Holding	23	18	0.6%		

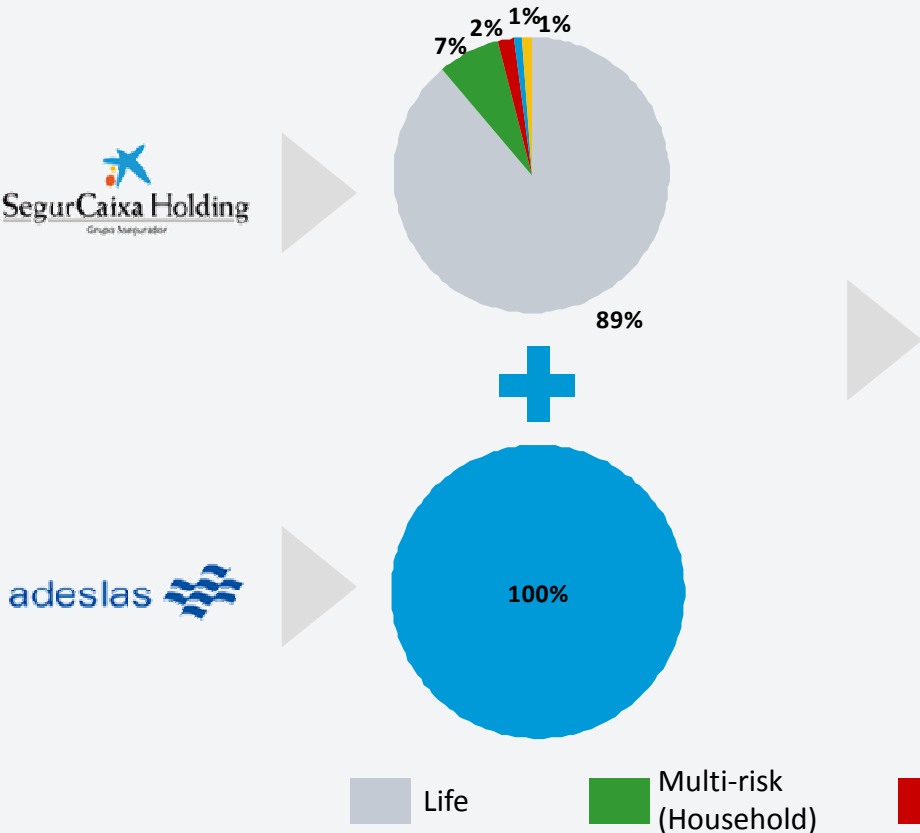
Non-life	GROUP	RK	Premiums	Market Share	▶ #6 in non-life ▪ Combined market share of 4.7%
	Mapfre	1	2,794	16.9%	
Grupo Axa	2	1,373	8.3%		
Allianz	3	1,145	6.9%		
Generali	4	863	5.2%		
...					
Adeslas	9	626	3.8%		
SegurCaixa Holding	21	155	0.9%		

Source: ICEA and INVERCO (30 Jun 09)

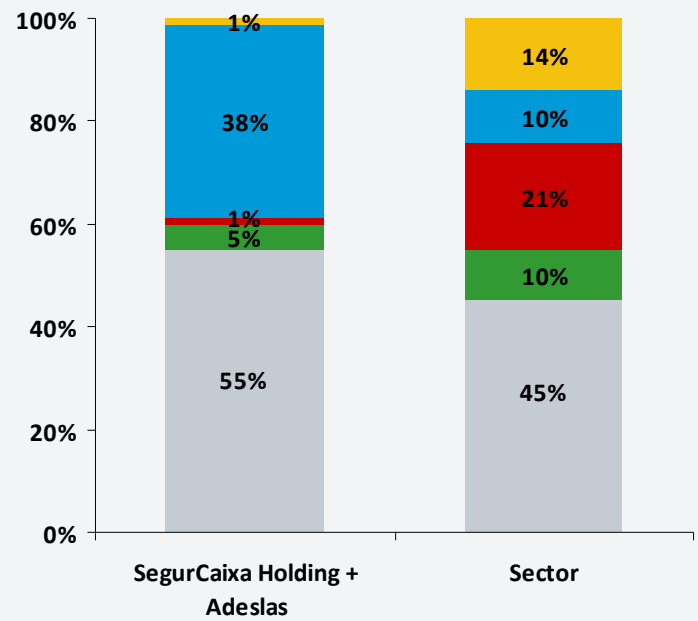
Note: Technical Provisions & Pension Plans and Premiums in € MM

**SegurCaixa Holding + Adeslas = Complete and more diversified offering**

**Initial position (Breakdown by premiums)**



**SegurCaixa Holding + Adeslas vs. Sector**



Source: ICEA (excludes pension plans) as of 31-12-08

**SegurCaixa Holding + Adeslas = Platform with a large growth potential**



**Cross-selling synergies**

- **3.3 MM customers**
  - 2.6 MM individual
  - 0.9 MM groups



- **3.0 MM customers**
  - 1.4 MM individual
  - 1.6 MM groups

- **Complementary pension products (life-savings and pension funds)**
- **Life-risk insurance**
- **Auto, home, others**



- **Health insurance products**

- **5,300 “la Caixa” branches**
- **Own commercial agents network**
- **Groups’ specialised consultants**
- **Brokers**



- **1,000 exclusive agents (own and external)**
- **800 insurance brokers**
- **223 branches**

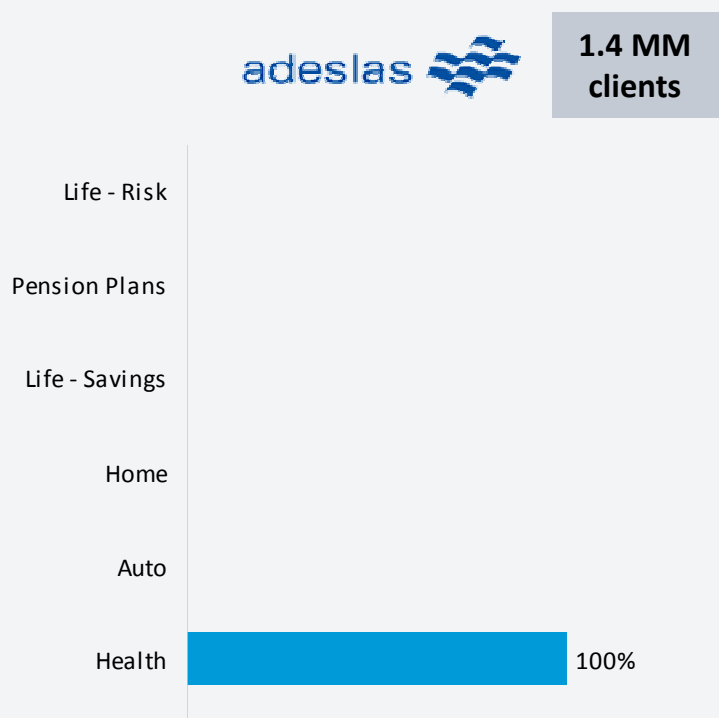
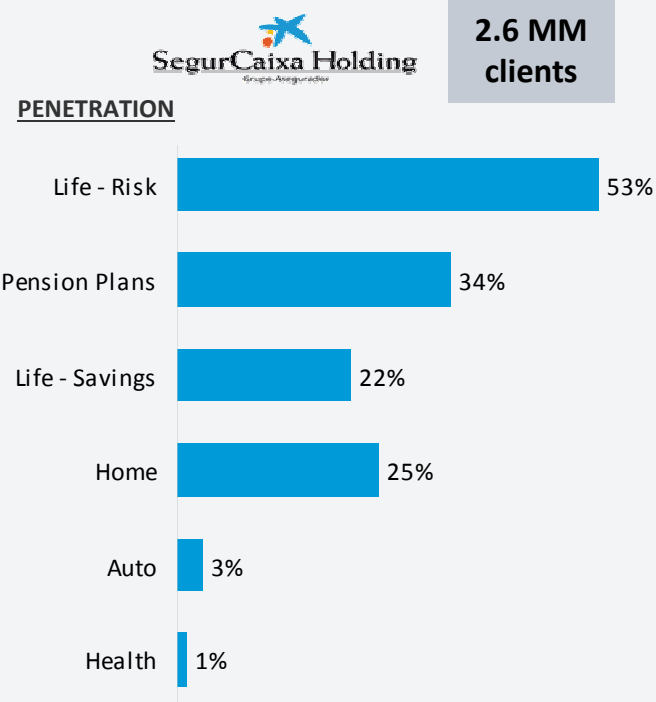


**Substantial room for penetration of “la Caixa”’s 10.7 MM customer base**

Note: Data as of 30 June 2009

**Adelas + SegurCaixa Holding + "la Caixa" = Powerful cross-selling platform**

**Individual Clients**



**Group Clients**

- 41,000 large corporations, institutions & SMEs
- **0.9 MM insured customers.** Penetration: Life-risk & accidents 53%; Pension plans 32%; Life-savings 15% and Health 9%

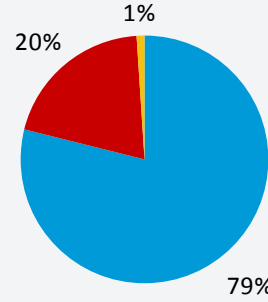
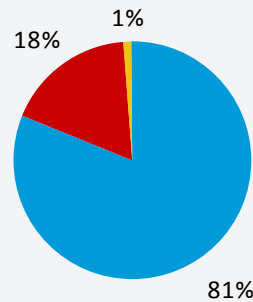
- 6,000 large corporations, institutions & SMEs
- **1.6 MM insured customers** (of which 0.75 MM civil servants). Health 100%

Note: Data as of 31 Dec 08

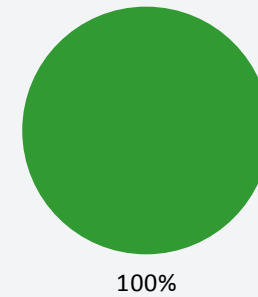
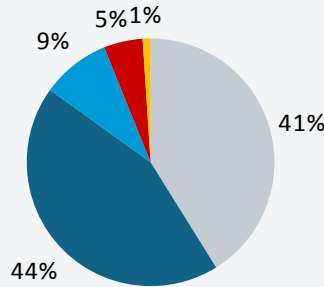
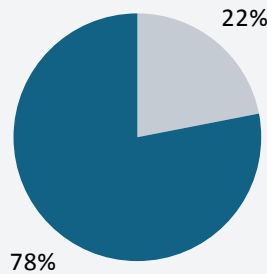
**SegurCaixa Holding + Adeslas = Complementary distribution channels**



**Individual Customers**

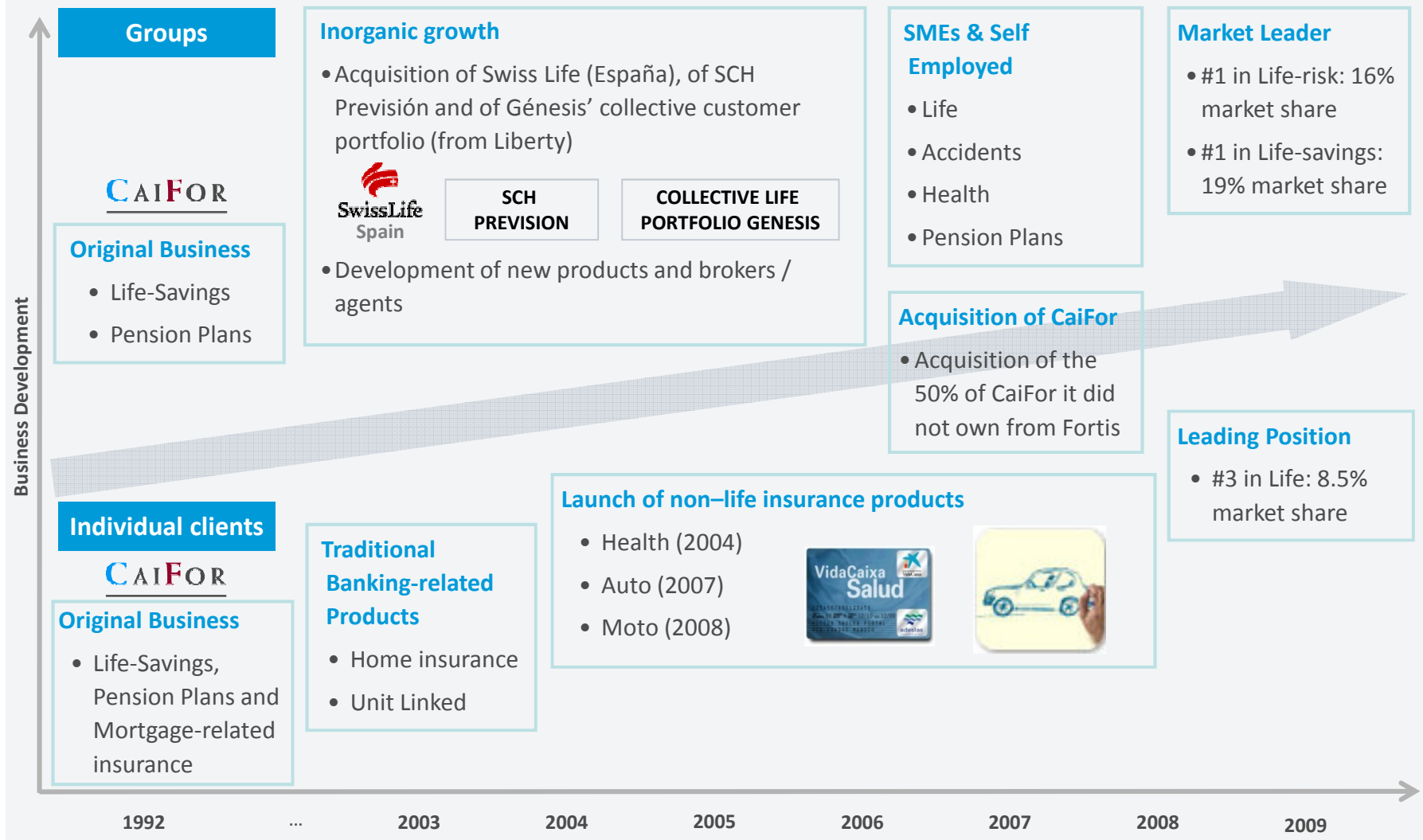


**Groups**



- > 5,300 "la Caixa" branches
- 350 own commercial agents
- 40 groups' specialised consultants
- 100 active external brokers
- Other: phone, internet, etc.
- Adeslas health insurance agents and brokers

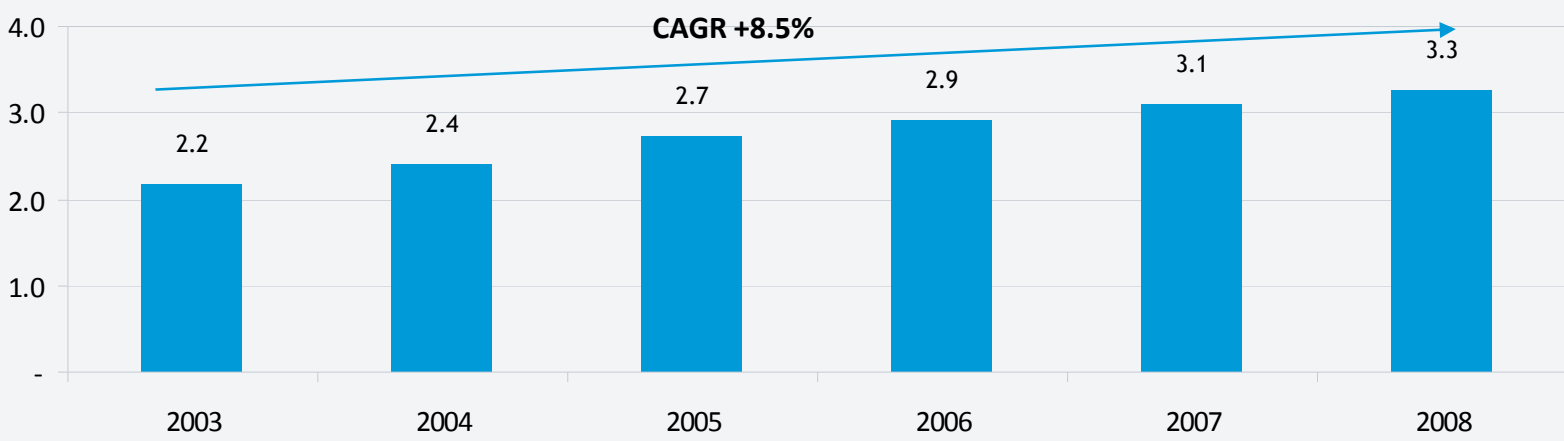
## SegurCaixa Holding = Outstanding growth story



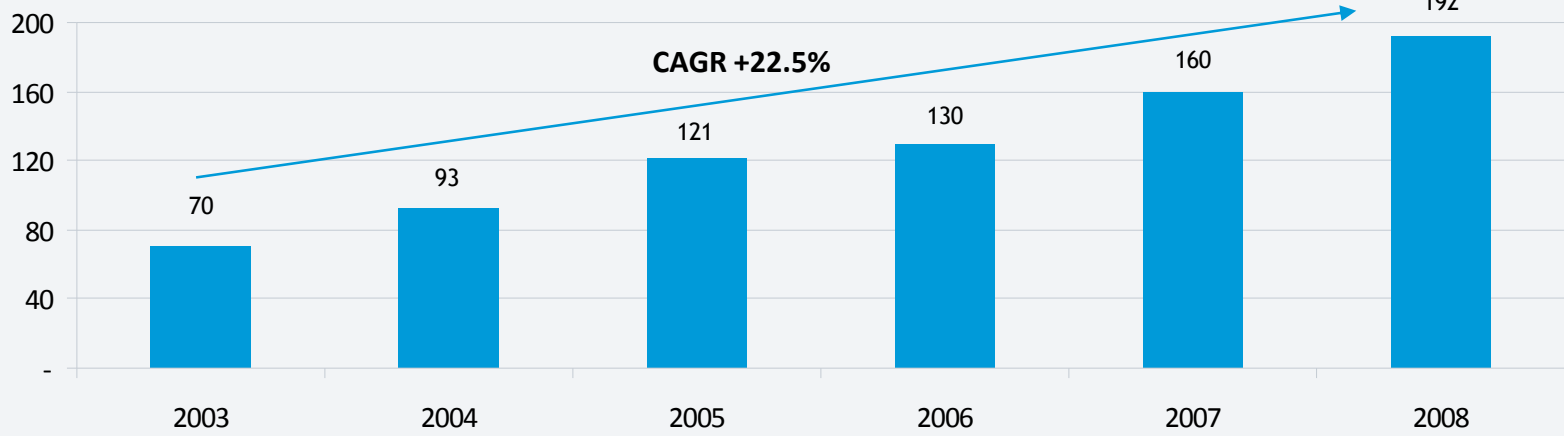
Note: CaiFor was re-named SegurCaixa Holding in 2009

**SegurCaixa Holding = Outstanding growth story**

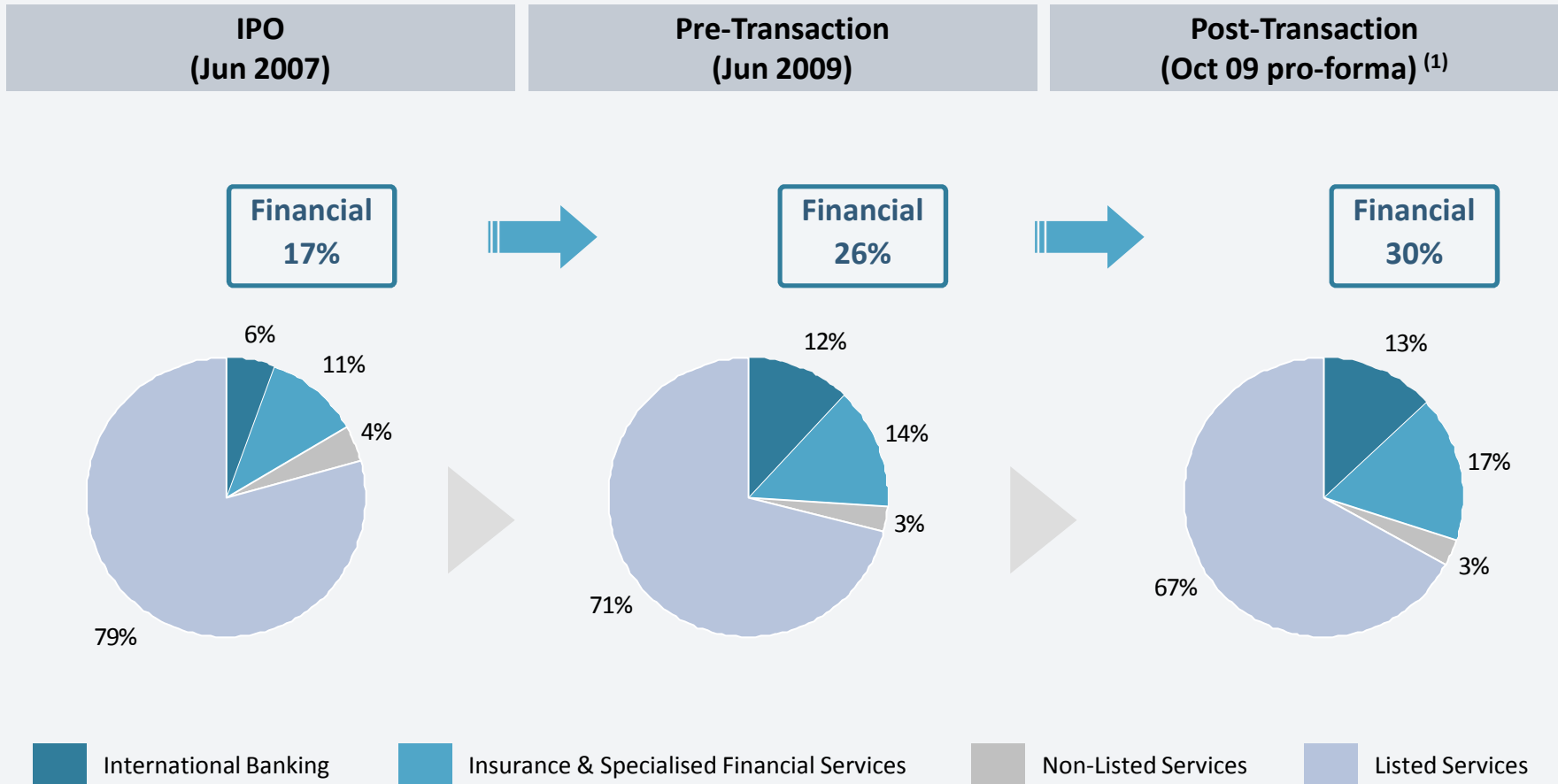
**Number of insured customers (MM)**



**Net income (€ MM)**



### Increase in the weight of financial assets within Criteria's portfolio (GAV)

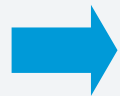


1. Assumes a 100% acceptance in the tender offer



## Conclusions

- Acquisition of Spanish leader in health insurance
- Monetisation of large stake in Agbar at a premium
- Segurcaixa #1 in life & pension – 3.3 MM clients
- Adeslas #1 in health insurance – 3.0 MM clients
- Access to #1 Spanish retail network (“la Caixa”) – 10.7 MM clients



**Major cross-selling opportunity / growth acceleration**



**Best-in-class insurance player with over €275 MM net income in 2008**



**Increasing weight of financial services to 30%**

**Appendix**

## Transaction structured in 3 steps

### 1. Delisting tender offer

- AGBAR launches a tender offer over its 10% free float at €20/share (subject to CNMV clearance)
  - Maximum cash-out for AGBAR of €300 MM (excluding transaction costs)
- Capital redemption of the shares acquired. In case of 100% success, SE and Criteria will hold 51% and 49% of AGBAR shares respectively
- Delisting of AGBAR

### 2. Sale of a stake in Agbar

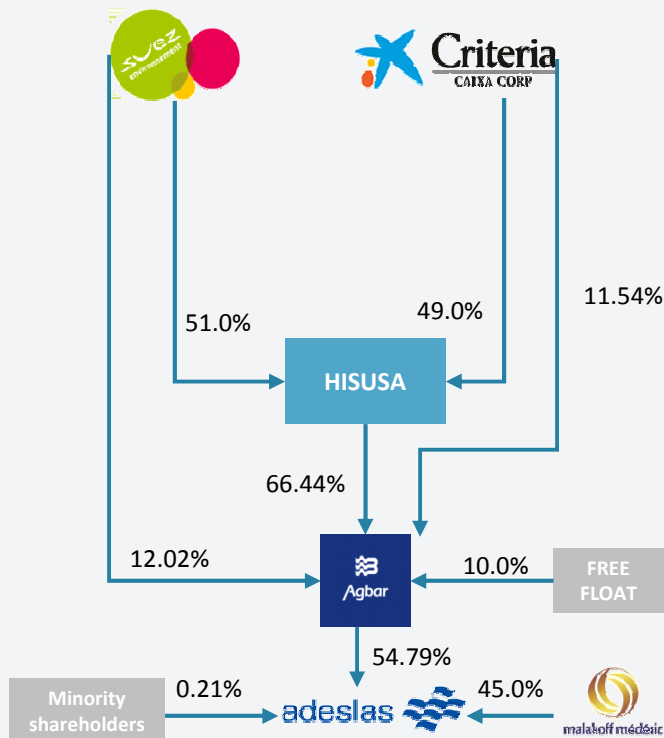
- Criteria sells the required AGBAR shares to SE to allow SE to reach a 75% of AGBAR at €20/share
- Depending on the tender offer acceptance ratio, Criteria will sell from 32.3 MM (100% success) to 43.6 MM equivalent shares (0% success) of AGBAR (directly or through HISUSA), thus receiving between €647 MM and €871 MM respectively
- Criteria will keep a stake in AGBAR ranging from 15.0% (0% success) to 25.0% (100% success)

### 3. Acquisition of Adeslas

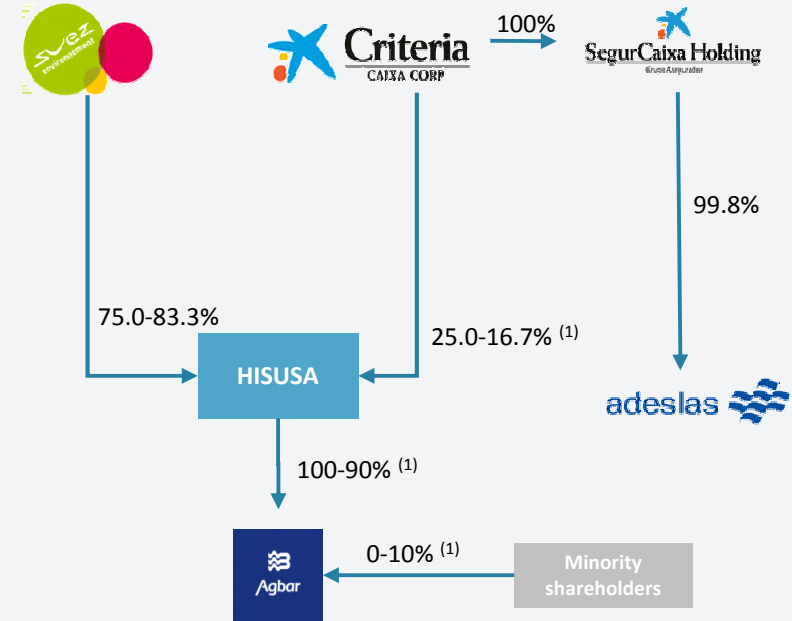
- Criteria acquires 99.8% of Adeslas from AGBAR and Malakoff Médéric for €1,178 MM
  - €687 MM to be paid to Agbar for its 54.8% stake in Adeslas
  - €491 MM to be paid to Malakoff Médéric for its 45.0% stake in Adeslas
- The remaining 0.2% is owned by minority shareholders

## Simplified shareholding structure post transaction

### Current structure



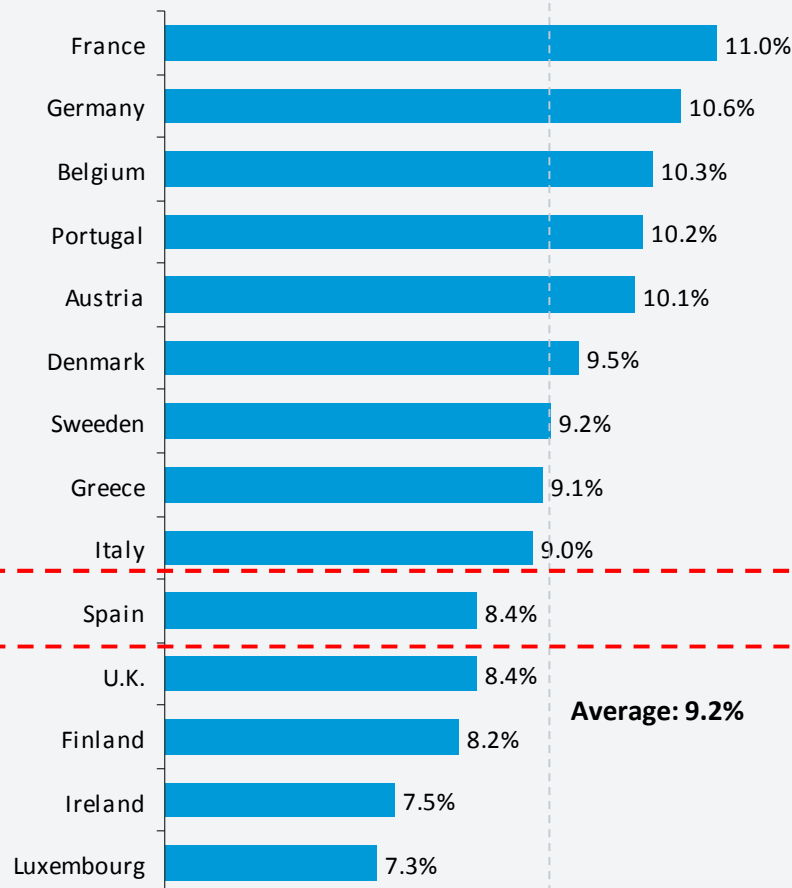
### Final structure



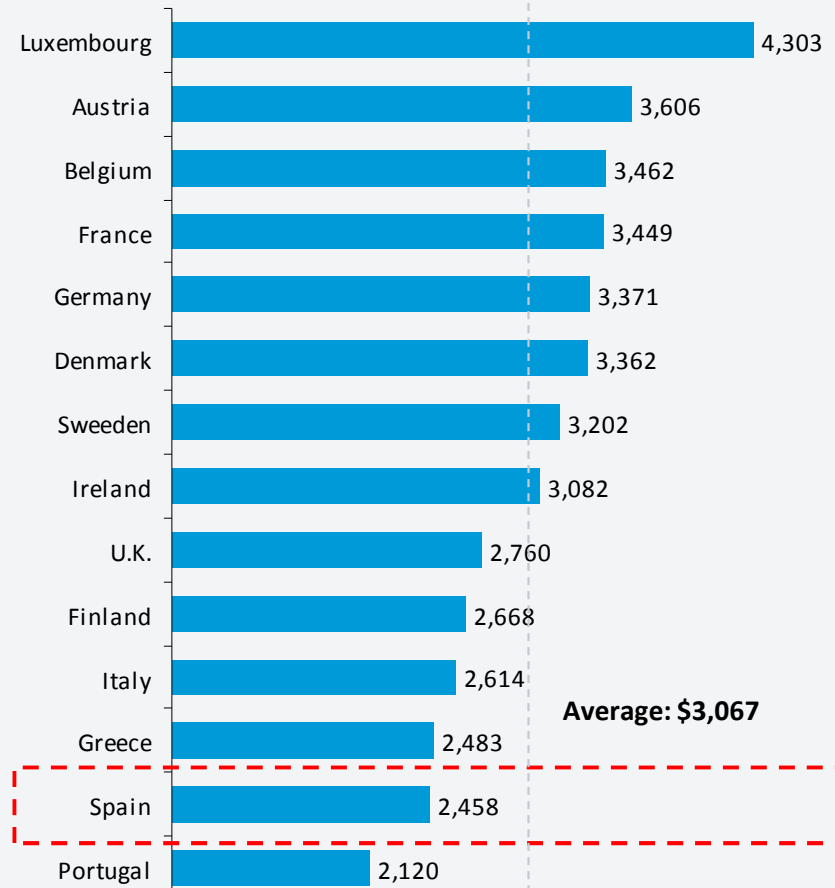
1. Considering 100% - 0% acceptance ratio

## Health Expenditure in 2006

**Health Expenditure**  
(as % of GDP)



**Health Expenditure per capita**  
(\$ purchase parity /inhabitant)



Source: DBK "Seguros de Salud" – July 2009

## Institutional Investors & Analysts Contact

We are at your entire disposal for any questions or suggestions you may wish to make. To contact us, please call us at the following telephone number or write us at the email address below:

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