

## Briefing note

### First semester 2010 results

**Consolidated net profit rose 40% to €1,212 million**

- **Consolidated net recurring profit up 27%.**
- **First interim dividend approved for 2010: €0.06 per share to be paid on September 1.**

Barcelona, July 30, 2010

Criteria CaixaCorp's **consolidated net profit** reached €1,212 million in the first six months of 2010, a 40% increase on the first semester 2009.

**Consolidated net recurring profit** was €841 million, a 27% rise compared to the first half of 2009. This included €923 million in **recurring profit from Criteria's investees**, an increase of 24% compared to the first semester 2009. The rise reflects growth from all businesses, demonstrating the strength and resilience of the portfolio.

Breaking down the results by business line, profit from the **banking portfolio** rose by 91% to €134 million, mainly due to the inclusion of profits from Erste Bank and the Bank of East Asia (BEA) which have been booked as associates since December 31, 2009 after Criteria acquired significant influence over them. Profit on the **insurance portfolio** improved by 11% with increases in volumes and earnings in all segments, as well as the first-time inclusion of Adeslas since June 1. Finally, the **services portfolio** performed strongly, increasing profits by 12%.

**Net non-recurring profit was €371 million in the first semester 2010 and basically reflected:**

- €121 million in net gains on tactical disposals of investees from the services portfolio during the first quarter, which generated €494 million in net cash;
- €162 million of net gains from the partial sale of Agbar to Suez Environnement and takeover of Adeslas closed on June 7. The overall impact of this deal was a net cash outflow of €527 million.
- The attributable portion of non-recurring profits made by investees, mainly Gas Natural and Agbar.

**Investments** completed during the first quarter of 2010 included Criteria raising its stake in the Bank of East Asia (BEA) to 14.9%. In addition, on June 7, Criteria completed the deal with Agbar and French social insurer Malakoff Médéric that had been announced jointly with Suez Environnement on October 22, 2009. Under the deal Criteria has acquired 99.77% of the shares in Adeslas (Spain's leading health insurance company), for €1,193 million. Adeslas is to be merged with SegurCaixa, the non-life insurance company owned by SegurCaixa Holding.

As a result of the Adeslas acquisition, Criteria sold Suez Environnement a 24.5% stake in Agbar raising the French company's holding to 75.01%. Criteria still owns 24.03% of Agbar. On the other hand, in the first six months of the year, hedging agreements (equity swaps) over 1.03% of Telefónica stake were cancelled. The move strengthened the strategic nature of Criteria's stake in Telefónica, which stood at 5.04% on June 30 this year.

Criteria's **financial portfolio** represented, at the end of the first semester, 39% of the company's gross asset value. Since its IPO in October 2007, the weight of financial assets has more than doubled from 17% to 39% today, in line with the strategy of rebalancing the asset mix to emphasise financials. **Criteria continues to implement its strategy** to invest in banks in regions with high growth potential (Eastern Europe, Mexico and Asia).

Criteria reported **net asset value** (NAV) at June 30, 2010 of €15,217 million, NAV per share of €4.52, compared to €5.24 at December 31, 2009. Meanwhile, **gross asset value** (GAV) at June 30, 2010, stood at €21,275 million.

Net **debt** has been reduced since the start of the year to €6,058 million, 28% of GAV, at June 30, 2010, below the company's target of less than 30% of asset value. Following the markets' healthy performance, by July 29 net debt has decreased to 26.2% of GAV.

Criteria's **share** performed very strongly in the first half of 2010, and well above the main benchmark indices, making it one of the few stocks to make gains over the period. It ended the first semester at €3,361, having risen 2% since the start of 2010. Over the same period, the Ibex 35 and Eurostoxx50 lost 22.4% and 13.2%, respectively. Looking at the figures to July 29, Criteria ended on €3.79/share, a performance of 15% in 2010.

#### **First interim dividend approved**

Criteria's Board of Directors has approved payment of the first **interim dividend** out of 2010 profits. The dividend is set at 6 euro cents for each share with dividend rights at the payment date of **September 1**.

The dividend reflects the Board's decision taken earlier in the year to pay regular periodic dividends, starting in September this year. The intention is to distribute the

dividends each quarter, in September, December and March, 6 cents per share at a time. Any final dividend will be decided at the 2011 AGM and paid in June.

Criteria has also announced that, including these quarterly payments, it intends to pay a 2010 dividend at least equal to that of 2009 (23.1 euro cents per share), underlining its confidence in the positive outlook for earnings. Dividends paid out of 2009 profits already represented a 10% increase on those for the previous year.

Criteria's dividend policy is to maintain a pay out of at least 60% of consolidated net recurring profit.

Finally, on July 8, international credit rating agency Moody's assigned Criteria an A2 rating with stable outlook. It is the first time this agency has assigned a rating to Criteria.

Criteria is currently a member of, among other indices, the Ibex 35, MSCI Europe (Morgan Stanley Capital International), MSCI PanEuro, DJ Stoxx 600, FTSE Eurofirst 300, Dow Jones Sustainability Index, Spain Titans 30 Index, BCN Top Euro and FTSE4Good.

**Communications Department**

**Criteria CaixaCorp**

Tel: + 34 93 411 75 23 / 75 15 / 75 17 - 93 409 21 21

e-mail: [comunicacion@criteria.com](mailto:comunicacion@criteria.com), [comunicacio@criteria.com](mailto:comunicacio@criteria.com)

## APPENDIX I

Criteria's **investment portfolio** at June 30, 2010:

Services Portfolio		Financial Portfolio	
Gas Natural	35.69%	<b>Insurance</b>	
Abertis <sup>(1)</sup>	24.61%	SegurCaixa Holding	100%
BME	5.01%	<i>VidaCaixa</i>	<i>100%</i>
Agbar	24.03%	<i>SegurCaixa</i>	<i>100%</i>
Repsol-YPF	11.82%	<i>AgenCaixa</i>	<i>100%</i>
Telefónica	5.04%	<i>Adeslas</i>	<i>99.77%</i>
PortAventura Entertainment SA	50%	GDS	67%
Mediterranea Beach & Golf Resort	100%	<b>Specialized financial services</b>	
		InverCaixa Gestión	100%
		CaixaRenting	100%
		FinConsum	100%
		GestiCaixa	100%
		<b>International banking</b>	
		Boursorama	20.83%
		GF Inbursa	20.00%
		Banco BPI	30.10%
		BEA	14.99%
		Erste Group Bank	10.10%

(1) Voting rights 28.48%

## APPENDIX II

### Consolidated income statement summary

€ million	January-June		
	2010	2009	% Chg
Services	661	591	12%
Telefónica	298	212	41%
Gas Natural	197	196	1%
Abertis	81	78	4%
Repsol	61	81	(25%)
Other	24	24	-
Banking	134	70	91%
Insurance	111	100	11%
Specialized financial services	17	(14)	-
<b>Profits from investees</b>	<b>923</b>	<b>747</b>	<b>24%</b>
Operating expenses	(12)	(10)	20%
Finance costs	(62)	(48)	29%
Amortization of intangible assets acquired and similar items	(25)	(27)	(8%)
Other attributable profit/(loss)	17	(1)	-
<b>Holding activity</b>	<b>(82)</b>	<b>(86)</b>	<b>(5%)</b>
<b>Recurring net profit</b>	<b>841</b>	<b>661</b>	<b>27%</b>
Net gains on the sale of investments and others	288	265	9%
Non-recurring profit (investees) <sup>1</sup>	83	38	-
Provisions	-	(100)	-
<b>Non-recurring net profit</b>	<b>371</b>	<b>203</b>	<b>83%</b>
<b>Net profit of the Group</b>	<b>1,212</b>	<b>864</b>	<b>40%</b>

**Note:** The consolidated income statement has been prepared in accordance with IFRS, although figures are presented in accordance with the model used by the Group's management.

<sup>1</sup>Non-recurring profit from investees is reported here under Non-recurring net profit. In previously published documents, presented under a different format, this item was included under Recurring net profit.