



## **Strategic Alliance with Mutua Madrileña**

January 14, 2011

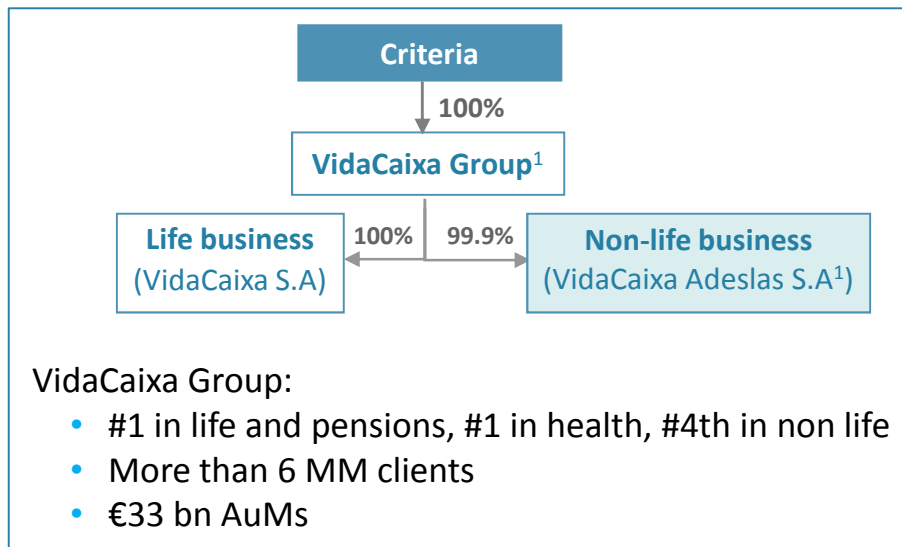
## Agenda

1. Transaction structure
2. Value creation
3. NAV update
4. Investment track record: a year of success
5. Conclusions

## Transaction structure

- Criteria has entered into a strategic alliance with Mutua Madrileña (“Mutua”) which encompasses the sale of 50% of our **non-life insurance business** (VidaCaixa Adeslas S.A, former SegurCaixa + Adeslas)
- The transaction creates an insurance JV with the objective of developing and distributing non-life insurance products in Spain through “la Caixa”'s branches and agents network (including Adeslas)

### Current structure of VidaCaixa Group



### Mutua Madrileña (additional information in App. 1)

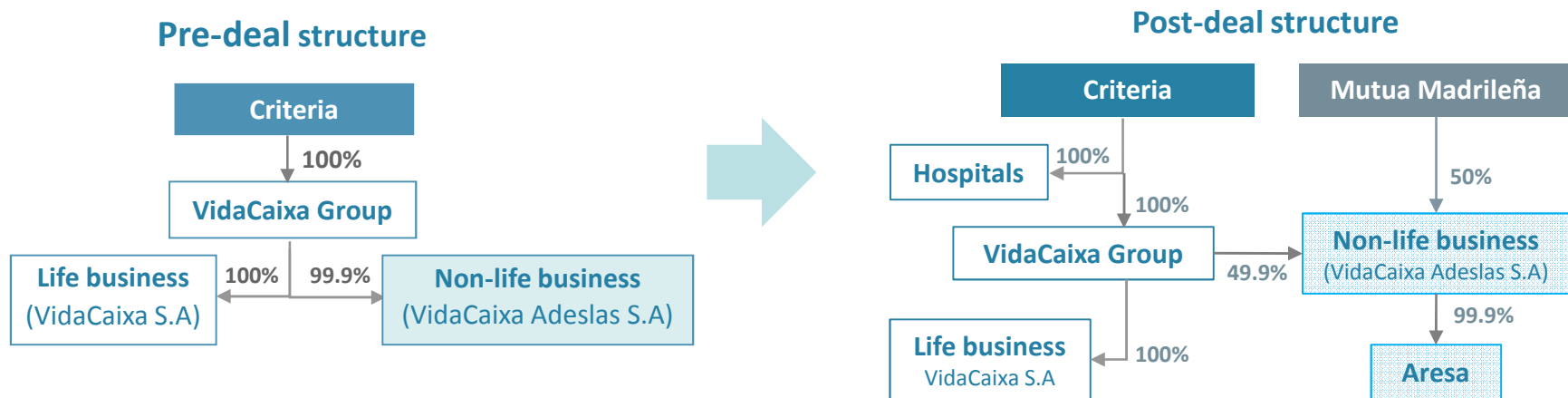
- Mutual institution with over 2.4 MM members and more than 80 years of history
- #4 Spanish auto insurer, 9.3% market share
- Active in other insurance areas: health, funeral, households, life, accidents, pensions, mutual funds, etc
- Top level solvency: €3.5bn excess capital

1) As of January 1<sup>st</sup> 2011, the insurance group companies were renamed as follows:

- Segurcaixa,S.A. (already merged with Adeslas, SA) becomes VidaCaixa Adeslas Seguros Generales, S.A., and
- SegurCaixa Holding, S.A. (the insurance holding company) becomes VidaCaixa Grupo, S.A.

## Transaction structure

- “Mutua” acquires 50% of VidaCaixa Adeslas for a consideration of:
  - €1 bn in cash
  - 50% of Aresa, a health and funeral insurance company (2.8% market share in health). Aresa has been valued at €150 M<sup>1</sup> and will become a 99.9% subsidiary of VidaCaixa Adeslas (further details can be found in Appendix II)
  - Earn-out:** Criteria is entitled to receive additional payments if Vidacaixa Adeslas exceeds a preagreed baseline of net profits over the next 10 years. The amount will depend on the level of overachievement. As a reference, a cumulative excess of 50% over the baseline would result in €246 M in NPV terms.
- Prior to the acquisition:
  - Criteria will be entitled to an extraordinary dividend pre-closing estimated at €65 M
  - Criteria will acquire 100% of Adeslas hospitals from VidaCaixa Adeslas for a consideration of €150 M
- Criteria maintains 100% of its life insurance business



(1) valuation reflects certain transactions and distributions that Aresa will carry out before the closing, including a €70 M extraordinary dividend

## Transaction structure

### Agreements

The new alliance implies:

- A **shareholders' agreement** among Criteria, VidaCaixa Group and Mutua Madrileña in relation with VidaCaixa Adeslas S.A
- The signature of a new **long-term non-life insurance distribution agreement** between VidaCaixa Adeslas S.A and “la Caixa”
- A number of other servicing agreements between the parties

### Timetable (tentative)

- **13 January, 2011:** Board approvals and signature of binding framework agreement
- **2Q 2011:** Signature of final contracts
- **3Q 2011:** Closing

Authorizations of insurance regulator (DGSFP) and antitrust are required

## Value Creation: strategic fit

### 1 Reinforcement of Criteria's non-life business:

- Largest non-life bancassurance player in Spain
- "la Caixa"'s strong distribution and commercial capabilities + first class insurance expertise of "Mutua"
- Value creation areas identified:
  - "Mutua" and VidaCaixa Adeslas will integrate overtime their claims management process, where "Mutua" has substantial expertise in auto (over 2 MM policies vs. 230,000 in VidaCaixa Adeslas) and is developing a similar one in household.
  - Cost savings in health due to integration of Adeslas and Aresa
  - VidaCaixa Adeslas will have access to "Mutua" 2.4 MM clients to sell health insurance products

### 2 Insurance remains a key strategic business

- 49.9% of non-life business retained
- Criteria maintains full control of life and pension business
- "la Caixa" is fully committed to the distribution of the whole range of insurance products
- Insurance will continue to be a major asset in our portfolio, representing more than 13% of GAV

### 3 Limited change in the weight of the financial portfolio

- 36.9 % post deal (vs. 38.3% pre-deal)



## Value creation: financial terms

... and highlights the value of our insurance business

**Proforma figures:**

<b>Net profit 2010e<sup>(1)</sup></b>	<b>€96 M</b>
<b>Book value 2010e</b>	<b>€1,410 M</b>
<b>Tangible Book value 2010e</b>	<b>€319 M</b>



<b>PE 2010e<sup>(1)</sup></b>	<b>23.0x</b>
<b>P/BV 2010e</b>	<b>1.6x</b>
<b>P/Tangible BV 2010e</b>	<b>6.9x</b>

(1) Proforma 2010 profit including full year of Adeslas (without hospitals) and excluding amortization of intangibles. Actual 2010 net income expected to be €59.5 M (includes only 7 months of Adeslas)



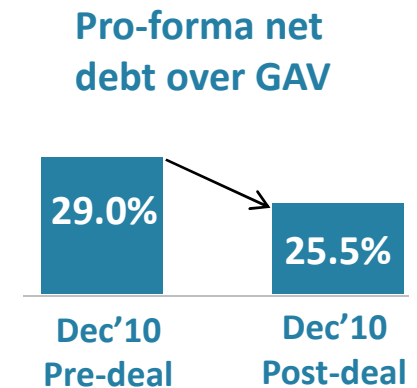
## Value creation: financial terms

### 2 Significant capital gains

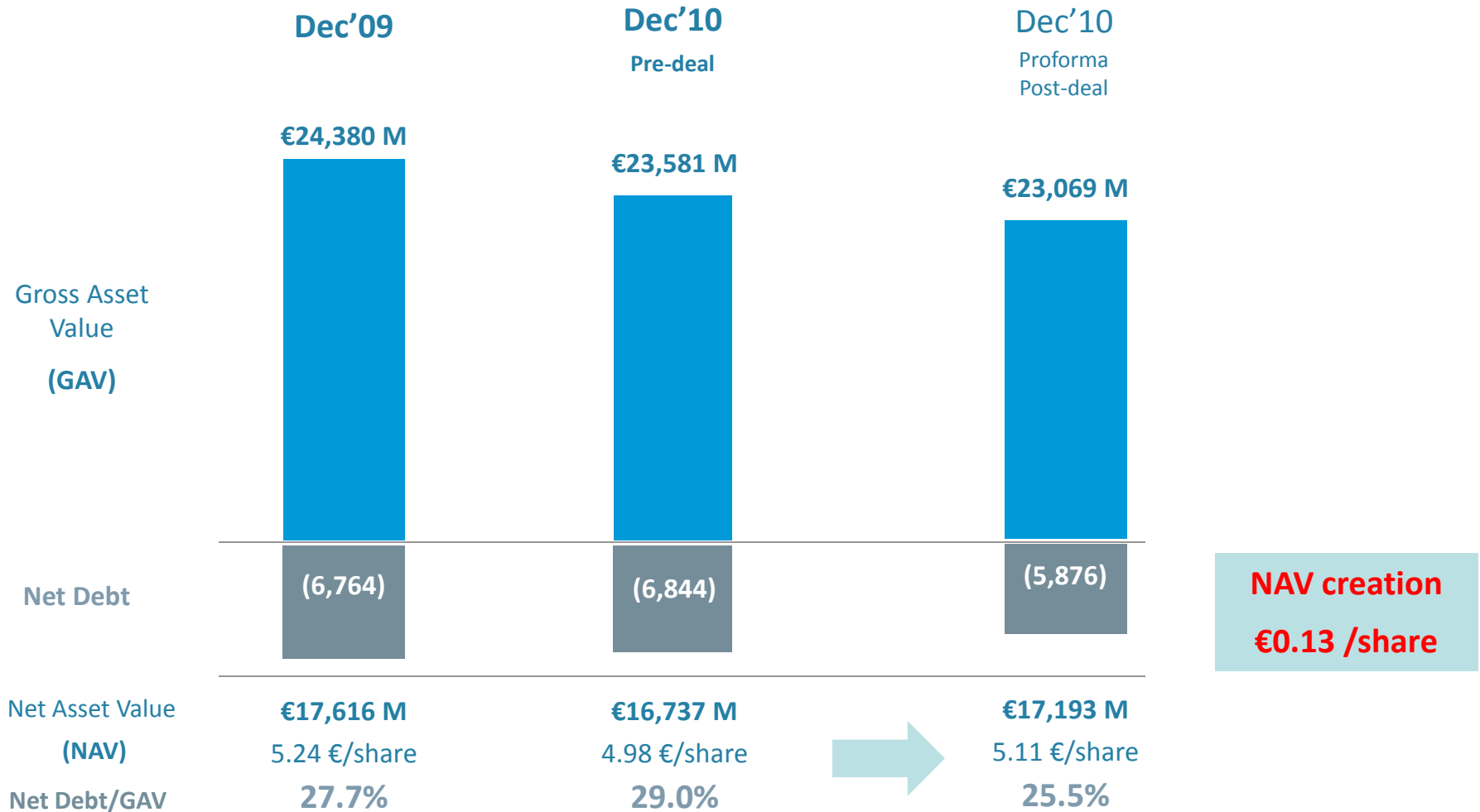
- Net capital gain estimated at **€450 M**

### 3 Lower leverage

- Liquidity injection of €1bn (€903 M post-taxes)
- Pro-forma net debt over GAV reduced to 25.5%



## NAV update



## NAV update

PortAventura (€M)	Dec'09		Dec'10	
Mediterranea Beach & Golf Community (100% stake)	410	→	229	→
PortAventura Entertainment (theme park – 50% stake)	95	→	124	→
	505		353	
				<ul style="list-style-type: none"> <li>Prudent reduction in valuation:               <ul style="list-style-type: none"> <li>since IPO real estate value has been brought down by 51%</li> </ul> </li> <li><b>A value-creating JV with Investindustrial</b> <ul style="list-style-type: none"> <li>Proforma 2010 EBITDA increased by 11% (€38.9M vs. €35M in '09)</li> <li>Strong EBITDA growth prospects for 2011 (continued cost management, commercial activity, impact of new investments...)</li> </ul> </li> </ul>
<hr/>				
Insurance Group (€M)	Dec'09		Dec'10	
Life	1,932	→	1,972	→
Non-life	1,702	→ 50% sold	1,150	→
	3,634		3,122	
				<ul style="list-style-type: none"> <li>Prudent valuation despite positive performance (Net profit €146 M<sup>1</sup>, +8.2 yoy; life premiums +21% yoy<sup>1</sup>)</li> <li>Increase of €40 M due to retained earnings of VidaCaixa</li> <li>Valuation derived from strategic agreement with “Mutua”</li> <li>Conservatively, earn-out not included in GAV</li> </ul>

(1) As of Sept. 30<sup>th</sup>, 2010

## Investment track record: a year of success

	Investment/ Initial value (€M) <sup>1</sup>	Current value <sup>2</sup> (€M)	% Var.	Period
VidaCaixa Adeslas (+JV with “Mutua”)	1,628	2,215	+36%	15 months <sup>3</sup>
PortAventura theme park (JV with Investindustrial)	95	124	+31%	15 months
Erste Bank (5% - Nov 2009 capital increase)	622	767	+23%	14 months
BEA (5% - January 2010 capital increase)	320	401	+25%	12 months
1% Telefónica (unwinding Equity Swap)	758	832	+10%	10 months

### Value Creation from Active Portfolio Management

- (1) Adjusted by dividends received since the investment date. In the case of VidaCaixa Adeslas, see slide 7 for the detail of the concepts included  
 (2) Market prices as of 13<sup>th</sup> January, 2011  
 (3) The agreement to acquire Adeslas was released on 22th October, 2009; remaining non-life business has a much longer investment history

## Conclusions

### 1. Active portfolio management:

- Acquisition of 60% of CaiFor's non-life (Jul'07 )
- Adeslas/Agbar swap (Oct'09),
- Integration of health and other non-life business
- Spin-off of hospitals
- JV with "Mutua" with the incorporation of Aresa

### 2. Boosts Criteria's competitive position in insurance:

- Additional non-life expertise (i.e. auto)
- Cost savings Adeslas-Aresa
- Revenue synergies Adeslas-Mutua

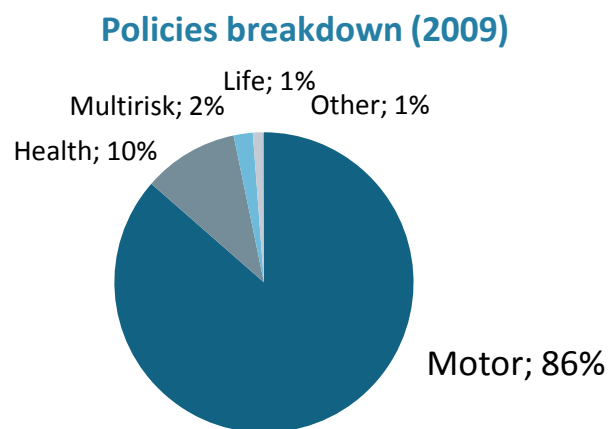
### 3. Highlights value of Criteria's assets:

- 30% premium over reported GAV
- NAV accretion of 0.13€/share
- Capital gains of €450 M

# APPENDIX

## Appendix 1: Mutua Madrileña Group – main figures

- Founded in 1930
- “Mutua” operates in life and non-life businesses: motor, health life, funeral, defense, accidents, household. Motor insurance is its main division, with 9.4% market share (#4 in Spain)



	Ranking 3Q2010	Mk. Share	Premiums growth <sup>1</sup> (yoy)
<b>All products</b>	<b>11</b>	<b>2.4%</b>	<b>+4.4%</b>
▪ Life	38	0.2%	+16%
▪ Non-life:	7	4.1%	+4.1%
○ Motor	4	9.4%	+3.2%
○ Multirisk	31	0.2%	+86%
○ Health	6	2.8%	+5.8%

(1) As of Sept 30<sup>th</sup> 2010. Source: ICEA

### Key figures

#### Balance sheet

Total assets (Dec'09)	€5,093 M
Solvency margin (Sept'09)	€3.5 bn
Solvency ratio (non-life)	1,908%

#### P&L (2009)

Net profit	€151 M
Total premiums	€1,289 M
Combined ratio	96%

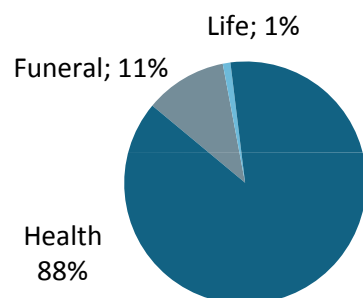
#### Operational

Employees (Sept'10)	1,960
Policyholders	2.4 M
Branches	7

## Appendix 2: Aresa – main figures

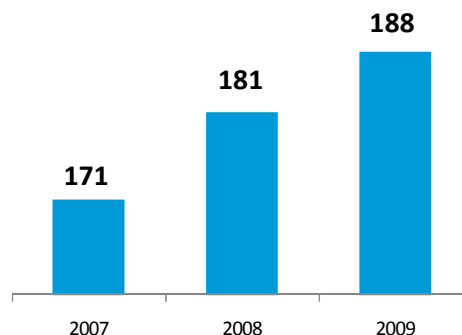
- Founded in 1961 and acquired by Mutua Madrileña in 2005
- Aresa operates in life and non-life businesses. Health insurance is its main division.

### Premiums breakdown ('09)



### Premiums evolution

(€M)



	Ranking	Mk. Share	Premiums growth <sup>1</sup> (yoy)
Health	6 (sept'10)	2.8%	+5.8%
Funeral	11 (Dec'09)	1.3%	+1.5%

(1) Source: ICEA

### Key figures<sup>2</sup>

#### Balance sheet (2009)

Total assets	€187 M
Book value	€100 M
Solvency margin	€101 M
Solvency ratio	810%

#### P&L (2009)

Net profit	€9.4 M
Total premiums	€188 M
Combined ratio	98%

#### Operational

Employees	289
Policyholders	672,196

2) Prior to the transaction Aresa will distribute an extraordinary dividend of approximately €70 M, to harmonize capital levels with VidaCaixa Adeslas



## Appendix 3: Aresa – P&L

<b>Non-life Technical PL</b>	<b>2009</b>
Net earned premiums	187,836
Income from assets and investments	3,915
Claims	(166,590)
Net operating expenses	(15,026)
Other expenses	(3,119)
<b>Non-life technical result</b>	<b>7,016</b>
<b>Non technical PL</b>	
Income from assets and investments	4,524
Other	479
<b>Non technical result</b>	<b>5,003</b>
<b>Non-life technical result</b>	<b>7,016</b>
<b>Life technical result</b>	<b>394</b>
Taxes	(2,974)
<b>Net Income</b>	<b>9,439</b>

## 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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