

## IMPORTANT NOTICE

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**Restrictions:** Nothing in this electronic transmission constitutes an offer of securities for sale in the United States or any other jurisdiction. Any securities to be issued will not be registered under the Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States as such term is defined in Regulation S under the Securities Act unless registered under the Securities Act or pursuant to an exemption from such registration.

The attached Listing Particulars may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. address. Any forwarding, distribution or reproduction of this document in whole or in part is unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

Under no circumstances shall the attached Listing Particulars constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds referred to herein, in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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## LISTING PARTICULARS



**CAIXA D'ESTALVIS I PENSIONS DE BARCELONA "LA CAIXA" ("la Caixa" or the "Issuer")**  
(incorporated as a savings bank (*caja de ahorros*) under the laws of the Kingdom of Spain).

**Euro 837,700,000 3.50 per cent. Exchangeable Bonds due 2011 issued by "la Caixa" and exchangeable into ordinary shares of Criteria CaixaCorp, S.A. (a limited liability company (*sociedad anónima*) incorporated under the laws of the Kingdom of Spain).**

The issue price of the Euro 837,700,000 exchangeable bonds due 2011 (the "Bonds") of the Issuer is 100 per cent. of their principal amount. The Bonds will be exchangeable into a Pro Rata Share (as defined herein) of the Exchange Property (as defined herein), initially comprising 148,000,000 ordinary shares having a par value of Euro 1 each (the "Shares") of Criteria CaixaCorp, S.A. ("Criteria"), a limited liability company incorporated under the laws of the Kingdom of Spain. (See "Terms and Conditions of the Bonds - Exchange"). The Issuer may elect to pay the Cash Alternative Amount (as defined herein) (together with any amounts which may be payable by the Issuer in respect of, or following, such election) as described below and more fully in "Terms and Conditions of the Bonds - Exchange - Cash Election".

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed at their principal amount on 19 June 2011. The Bonds may, by not less than 30 nor more than 60 days' irrevocable notice from the Issuer to the holders of the Bonds, be redeemed at the option of the Issuer in whole, but not in part, at their principal amount, together with accrued interest to such date (a) at any time on or after 4 July 2010, provided that the Value (as defined herein) of the Pro Rata Share of the Exchange Property in respect of a Bond in the principal amount of Euro 50,000 on each of not less than 20 Trading Days in any period of 30 consecutive Trading Days ending not earlier than the seventh day prior to the date on which the notice of redemption is given by the Issuer to the holders of the Bonds shall have exceeded Euro 65,000 or (b) at any time if prior to the date on which the relevant notice of redemption is given by the Issuer, 90 per cent. or more in aggregate principal amount of the Bonds issued has been redeemed, exchanged or purchased and cancelled.

The Bonds will bear interest from and including the Closing Date at the rate of 3.50 per cent. per annum payable semi-annually in arrear on 19 June and 19 December in each year, commencing on 19 December 2008. Payments on the Bonds will be made in Euro without deduction for or on account of taxes imposed or levied by the Kingdom of Spain to the extent described in "Terms and Conditions of the Bonds - Taxation".

These Listing Particulars comprise listing particulars given in compliance with the listing rules (the "Listing Rules") made under Section 73A of the Financial Services and Markets Act 2000 (the "FSMA") by the UK Listing Authority (the "UKLA"). Applications have been made for the Bonds to be admitted to listing on the Official List of the UKLA and to trading on the Professional Securities

Market of the London Stock Exchange plc (the “London Stock Exchange”). The Professional Securities Market is not a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC) of the European Parliament and of the Council. These Listing Particulars have not been approved as a prospectus for admission to trading of the Bonds on any market in the European Economic Area which has been designated as a regulated market for the purposes of Directive 2003/71/EC. The Shares are listed on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia.

The Bonds and the Shares have not been, and will not be, registered under the United States Securities Act of 1933 (the “Securities Act”). The Bonds and the Shares are being offered outside the United States by the Managers (as defined in “Subscription and Sale”) in accordance with Regulation S under the Securities Act (“Regulation S”), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Bonds will be in registered form in the denomination of Euro 50,000. The Bonds will be represented by a global registered bond certificate (the “Global Bond Certificate”) registered in the name of The Bank of New York Depository (Nominees) Limited as nominee for, and deposited with, a common depository for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, *société anonyme*, Luxembourg (“Clearstream Luxembourg”). Individual bond certificates (“Individual Bond Certificates”) evidencing holdings of Bonds will only be available in certain limited circumstances. See “*Summary of Provisions relating to the Bonds in Global Form*”.

Investing in the Bonds involves risks. See “Risk Factors” herein on pages 11 to 16

#### JOINT LEAD MANAGERS

JPMORGAN

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SOCIÉTÉ GÉNÉRALE  
CORPORATE & INVESTMENT  
BANKING

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## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in these Listing Particulars and declares that, having taken all reasonable care to ensure that such is the case, the information contained in these Listing Particulars, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import.

Information contained in these Listing Particulars under the headings “Information relating to the Criteria Shares” and “Criteria” has been derived from Criteria’s most recent annual accounts, public documents or other publicly available sources of information including from information filed with the *Comisión Nacional del Mercado de Valores* (“CNMV”) by Criteria.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer, the Bonds, Criteria or the Shares other than as contained in these Listing Particulars or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorised by the Issuer or the Managers named under “Subscription and Sale” below (the “Managers”).

Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Bond shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or Criteria since the date of these Listing Particulars.

These Listing Particulars do not constitute an offer of, or an invitation to subscribe for or purchase, any Bonds.

The distribution of these Listing Particulars and the offering, sale and delivery of Bonds in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars come are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Bonds and on distribution of these Listing Particulars and other offering material relating to the Bonds, see “Subscription and Sale”.

In particular, the Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

In connection with the offering of the Bonds, each Manager and/or its affiliates may act as an investor for their own account and may take up Bonds and/or Shares in the offering and in that capacity may retain, purchase or sell for their own account Bonds and/or Shares and any other securities of the Issuer or Criteria or related investments and may offer or sell such securities or other investments otherwise than in connection with the offering. Accordingly, references herein to the Bonds being offered should be read as including any offering of Bonds to such Manager and/or its affiliates acting in such capacity. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Managers have not verified the information contained in these Listing Particulars. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Managers as to the accuracy, completeness or verification of the information contained in these Listing Particulars or any other information supplied in connection with the Bonds or the Shares and nothing contained in these Listing Particulars is or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Each Manager accordingly disclaims, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of these Listing Particulars or any other information supplied in connection with the Bonds or the Shares. Each person receiving these Listing Particulars acknowledges that such person has: (i) not relied on any Manager in connection with its investigation of the accuracy of such information or its investment decision and each person must rely on its own examination of the Issuer and the merits and risks involved in investing; and (ii) relied only on the information contained in these Listing Particulars, and that no person has been authorised to give any information or to make any representation concerning the Issuer, the Bonds or the Shares (other than as contained in these Listing Particulars) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer or the Managers.

The Managers are acting exclusively for the Issuer and no one else in connection with the offering of the Bonds. None of the Managers will regard any other person (whether or not a recipient of these Listing Particulars) as its client in relation to the offering of the Bonds and will not be responsible to anyone other than the Issuer for providing the protections afforded its clients nor for giving advice in relation to the offering of the Bonds or any transaction or arrangement referred to herein.

In these Listing Particulars, unless otherwise specified, references to a “Member State” are references to a Member State of the European Economic Area; references to “U.S. \$”, “U.S. dollars” or “dollars” are to United States dollars; references to “€”, “EUR” or “Euro” are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended; and references to “£” are to the lawful currency of the United Kingdom.

*Certain figures included in these Listing Particulars have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.*

Investors should read the section of these Listing Particulars entitled “*Risk Factors*”, and the description of the business of the Issuer and Criteria in the sections of these Listing Particulars entitled “*Description of the Issuer*”, “*Information relating to the Criteria Shares*” and “*Criteria*” for a discussion of the factors that could affect the future performance of the Issuer and Criteria and the markets in which the Issuer and Criteria operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in these Listing Particulars may not occur.

## **INFORMATION INCORPORATED BY REFERENCE**

The information set out in the tables below shall be deemed to be incorporated in, and to form part of, these Listing Particulars, provided however that any statement contained in any document incorporated by reference in, and forming part of, these Listing Particulars shall be deemed to be modified or superseded for the purpose of these Listing Particulars to the extent that a statement contained herein modifies or supercedes such statement.

Such information will be made available, free of charge, during usual business hours at the specified offices of the Paying, Transfer and Exchange Agents, unless such documents have been modified or superseded.

For ease of reference, the tables below set out the relevant page references for:

- (i) the audited consolidated financial statements, the notes to the audited consolidated financial statements and the Auditors' reports as of and for the years ended 31 December 2006 and 31 December 2007 for the Issuer;
- (ii) the audited consolidated financial statements, the annual report to the audited consolidated financial statements and the Auditors' report as of and for the year ended 31 December 2006 for Caixa Holding S.A. and companies composing the CaixaHolding Group;
- (iii) the audited consolidated financial statements, the notes to the audited consolidated financial statements and the Auditors' report as of and for the year ended 31 December 2007 for Criteria CaixaCorp, S.A. and companies composing the Criteria CaixaCorp Group; and,
- (iv) the unaudited consolidated income statement and balance sheet as of and for the three months ended 31 March 2008 (see document entitled “”la Caixa” GROUP HIGHLIGHTS” including the press note thereto) for the Issuer,

in each case as set out in the respective annual reports or interim report.

For the avoidance of doubt and with reference to paragraph (ii) above, CaixaHolding, S.A. changed its name to Criteria CaixaCorp, S.A. on 19 July 2007, and the financial information described in paragraph (ii) above therefore relates to Criteria.

Any information not listed in the cross-reference table below and not identified by a page reference but that appears in the financial statements and financial information referred to in the table below is not incorporated by reference into these Listing Particulars and is given for information purposes only.

Where any of the income statements, the balance sheets, the cash flow statements, the notes to the financial statements, the auditors' reports, the press note or the annual report of the Issuer or Criteria that are listed in the table below (the “Financial Information”), themselves incorporate further information described in the Financial Information, such further information does not form part of these Listing Particulars and is given for information purposes only.

The Financial Information that is referred to in the table below has been translated from the original Spanish. In the event of any discrepancy between the Spanish language version of the Financial Information and the corresponding English translation, the Spanish version shall prevail.

The English translation of the Financial Information is in all instances a direct and accurate translation of the original Spanish.

**Caixa d'Estalvis i Pensions de Barcelona "la Caixa"**

***Audited consolidated financial statements as of and for the year ended 31 December 2006***

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***Audited consolidated financial statements as of and for the year ended 31 December 2007***

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***Unaudited interim consolidated financial information as of and for the 3 months ended 31 March 2008***

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**Criteria CaixaCorp, S.A.**

***Audited consolidated financial statements as of and for the year ended 31 December 2006***

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***Audited consolidated financial statements as of and for the year ended 31 December 2007***

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## KEY FEATURES OF THE BONDS

***This summary must be read as an introduction to these Listing Particulars and any decision to invest in the Bonds should be based on a consideration of these Listing Particulars as a whole, including the documents incorporated by reference.***

***Words and expressions defined in the “Terms and Conditions of the Bonds” below or elsewhere in these Listing Particulars have the same meanings in this summary.***

**The Issuer:** Caixa d'Estalvis i Pensions de Barcelona "la Caixa", incorporated in the Kingdom of Spain.

**Joint Lead Managers:** J.P. Morgan Securities Ltd., Morgan Stanley & Co. International plc and Société Générale

**The Bonds:** Euro 837,700,000 3.50 per cent. Exchangeable Bonds due 19 June 2011 exchangeable into ordinary shares of Criteria CaixaCorp, S.A.

**Issue Price:** 100 per cent. of the principal amount of the Bonds.

**Issue Date:** 19 June 2008.

**Interest:** The Bonds will bear interest from and including the Closing Date at a rate of 3.50 per cent. per annum payable semi-annually in arrear on 19 June and on 19 December in each year, commencing 19 December 2008.

**Status:** The Bonds are senior, unsubordinated, unconditional and unsecured obligations of the Issuer ranking *pari passu* and without any preference among themselves and (subject to any applicable statutory exceptions) at least *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer.

**Form and Denomination:** The Bonds will be issued in registered form in the denomination of Euro 50,000.

The Bonds will be represented by a global registered bond certificate (the “Global Bond Certificate”) registered in the name of The Bank of New York Depository (Nominees) Limited as nominee for, and deposited with, a common depository for Euroclear and Clearstream Luxembourg. Individual Bond Certificates evidencing holdings of Bonds will only be available in certain limited circumstances. See “Summary of Provisions relating to the Bonds in Global Form”.

**Maturity Date:** 19 June 2011.

- Optional Redemption:** The Bonds may, by not less than 30 nor more than 60 days' irrevocable notice from the Issuer to the holders of the Bonds, be redeemed at the option of the Issuer in whole, but not in part, at their principal amount, together with accrued interest to such date (a) at any time on or after 4 July 2010, provided that the Value of the Pro Rata Share (each as defined herein) of the Exchange Property in respect of a Bond in the principal amount of Euro 50,000 on each of not less than 20 Trading Days in any period of 30 consecutive Trading Days ending not earlier than the seventh day prior to the date on which the notice of redemption is given by the Issuer to the holders of the Bonds shall have exceeded Euro 65,000 or (b) at any time if prior to the date on which the relevant notice of redemption is given by the Issuer, 90 per cent. or more in aggregate principal amount of the Bonds issued has been redeemed, exchanged or purchased and cancelled. See Condition 7.2 (*Optional Redemption*) of the Terms and Conditions of the Bonds.
- Cross Default:** Any Bond may be declared due and payable in advance of the Maturity Date in the circumstances described in Condition 10.1(iiii) (*Cross default of Issuer or Subsidiary*) of the Terms and Conditions.
- Exchange for Shares:** Unless previously redeemed, and subject to the right of the Issuer to make a Cash Election (see "Cash Election" below), each Bondholder has the right to have all or any of its Bonds redeemed at their principal amount at any time during the Exchange Period (as defined herein). Forthwith upon such redemption the Bondholder shall have the right and obligation to have that amount applied on its behalf in acquiring a Pro Rata Share of the Exchange Property (each as defined herein). Upon exchange, the Issuer shall deliver or procure the delivery of the relevant Pro Rata Share of the Exchange Property and, if applicable, any Premium Compensation Amount, as provided herein. See "Terms and Conditions of the Bonds - Exchange".
- Cash Election:** Upon a Bondholder's delivery of an Exchange Notice (as defined herein), the Issuer may (but is not required to) elect to pay the Cash Alternative Amount (together with any amounts which may be payable by the Issuer in respect of, or following, such exercise) in lieu of its obligation to deliver the relevant Pro Rata Share of the Exchange Property to the relevant Bondholder. "Cash Alternative Amount" means a sum in cash in euro determined by the Calculation Agent equal to the average of the Value (rounded downwards to the nearest cent) on each Trading

**Day in the Cash Averaging Period of the relevant Pro Rata Share of the Exchange Property which, had a Cash Election not been made, would otherwise fall to be delivered to such Bondholder upon exercise of Exchange Rights in respect of the relevant Bonds. See Condition 4.4 (Cash Election) of the Terms and Conditions of the Bonds.**

**Adjustments to the Exchange Property:**

**The Bonds contain provisions for the adjustment of the Exchange Property in the event of certain dilutive events including, inter alia, share sub-divisions, consolidations or redenominations, rights issues, bonus issues, reorganisations and Capital Distributions. See Condition 4.8 (Adjustments to the Exchange Property) of the Terms and Conditions of the Bonds.**

**Offers:**

**Subject as provided herein, in the event of an Offer (as defined herein), the Issuer shall have absolute discretion to accept such Offer (and, in the event of such Offer consisting of alternative choices, as to which of such alternatives to accept) or reject such Offer as it sees fit. If the Issuer accepts any Offer for Relevant Securities in a Relevant Company (each as defined herein) (or if the Relevant Securities are subject to compulsory acquisition), then, in relation to each Bond for which the Exchange Date has not occurred prior to the settlement of such Offer, the Exchange Property will consist, in whole or in part, of the consideration (the "Offer Consideration") received for the Relevant Securities acquired under the Offer (or pursuant to such compulsory acquisition) (less any taxes determined by the Issuer in its sole discretion to be payable by it in connection with such Offer). If the Offer Consideration consists wholly or partly of cash or securities other than Eligible Equity Securities (as defined herein), such cash or, as the case may be, such securities, shall be added to and form part of the Exchange Property and if the Exchange Date in respect of any Bond falls after the date the relevant Offer becomes or is declared unconditional in all respects, then the relevant Bondholder shall be entitled to receive, in addition to a Pro Rata Share of the Exchange Property, an amount (the "Premium Compensation Amount") in respect of each Bond surrendered for exchange calculated in accordance with the formula set out in Condition 4.9(c).**

**Lock-up:**

**The Issuer has agreed in the Subscription Agreement that, for a period commencing on the date of the Subscription Agreement and continuing to the date 90 days after the Closing Date, it will not, without the prior written consent of the Managers, enter**

into any transaction that transfers, in whole or in part, the economic risk or benefit of ownership of Shares (subject to certain exceptions). See “Subscription and Sale”.

**Stock lending:** The Issuer has entered into certain arrangements with the Managers to make available 148 million Shares to the Managers for the purposes of making such Shares available to investors in relation to the offering of the Bonds up until the Maturity Date.

**Use of proceeds:** The Issuer will use the proceeds of the issue of the Bonds for general funding requirements.

**Rating:** The Bonds will not be rated.

**Governing Law:** The Bonds (save for Condition 13.1, which will be governed by Spanish law), the Agency Agreement (save as provided therein in relation to regulations of the Syndicate of Bondholders) and the Calculation Agency Agreement will be governed by English law.

**Listing and Trading:** Applications have been made for the Bonds to be admitted to listing on the Official List of the UKLA and to trading on the Professional Securities Market of the London Stock Exchange.

**Risk Factors:** Investing in the Bonds involves risks. See “Risk Factors”.

**Taxation:** Save as set out in the Terms and Conditions of the Bonds, all payments in respect of the Bonds will be made free and clear of withholding taxes of the Kingdom of Spain unless the withholding is required by law. There is no gross-up. See “Taxation - Taxation in the Kingdom of Spain”.

**Disclosure of identity of holders:** Under Spanish Law 13/1985, the Issuer is obliged to disclose to the Spanish Tax and Supervisory Authorities the identity of certain holders of the Bonds.

Euroclear and Clearstream Luxembourg are expected to follow certain procedures to facilitate the Principal Paying, Transfer and Exchange Agent in the collection of the details referred to above from holders of the Bonds.

If Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) are, in the future, unable to facilitate the collection of such information they may decline to allow Bonds to be cleared through the relevant clearing system and this may affect the liquidity of such Bonds. Provisions have been made for Bonds, in such a case, to be represented by definitive

**Bonds.**

**The procedure contained in these Listing Particulars is a summary only and is subject to the detailed procedures of each of Euroclear and/or Clearstream, Luxembourg and/or any other clearing system in which the Bonds may be cleared and settled from time to time. Such procedures are also subject to any changes in Spanish tax law and/or regulations, or the interpretation thereof, which the Spanish tax authorities may promulgate from time to time. Holders of Bonds must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Bonds. None of the Issuer, the Managers, any Paying, Transfer and Exchange Agent or any clearing system (including Euroclear and Clearstream, Luxembourg) assume any responsibility therefor.**

## RISK FACTORS

*Prospective investors should read the entire Listing Particulars. Words and expressions defined in the “Terms and Conditions of the Bonds” below or elsewhere in these Listing Particulars have the same meanings in this section.*

*The following risk factors may affect the ability of the Issuer to fulfil its obligations under the Bonds. The risk factors below represent all material risk factors relating to the Issuer and the Bonds that the Issuer deems to be material. However, the risks described below are not the only risks that may occur. Additional risk factors not currently known, or which the Issuer currently deems immaterial based upon information currently available to it, may also affect the Issuer's business and financial condition. Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Bonds. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Bonds. Investors may lose some or all of the value of their investment.*

*Investors should understand the risks associated with an investment in the Bonds and should only reach an investment decision after careful consideration with their legal, tax, accounting, financial and other advisers of (i) the suitability of an investment in the Bonds in the light of their own particular financial and other circumstances, and (ii) the information set out in this document.*

*The value of the Bonds can go down as well as up and an investor may not be able to sell the Bonds for the amount invested in them. Prospective investors should assess the taxation consequences to them of investing in the Bonds as well as considering the section “Risk Factors Affecting the Bonds” below.*

*No investment should be made in the Bonds without careful consideration of the following risk factors.*

### RISKS RELATING TO THE BONDS

#### *There is no active trading market for the Bonds*

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made for the Bonds to be admitted to listing on the Official List of the UKLA and to trading on the Professional Securities Market of the London Stock Exchange, there is no assurance that such application will be accepted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds.

#### *The Bonds may be redeemed prior to maturity*

The Conditions provide that the Bonds are redeemable at the Issuer's option in certain circumstances and accordingly the Issuer may choose to redeem the Bonds at times when prevailing interest rates

may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Bonds.

*For as long as the Global Bond is held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer*

The Bonds will be represented by the Global Bond Certificate except in certain limited circumstances described in the Global Bond Certificate. The Global Bond Certificate will be registered in the name of The Bank of New York Depository (Nominees) Limited as nominee for, and deposited with, a common depository for Euroclear and Clearstream, Luxembourg. Individual Bond Certificates evidencing holdings of Bonds will only be available in certain limited circumstances. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Bond Certificate. While the Bonds are represented by the Global Bond Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Bonds by making payments to the common depository for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Bond Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Bond Certificate.

Holders of beneficial interests in the Global Bond Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

*Holders of the Bonds have no security interest in the Exchange Property*

There are no custody arrangements relating to the Exchange Property. No security interest is or will be created in favour of the holders of the Bonds either to secure the payment obligations arising under the Bonds or to secure the performance of the Exchange Rights thereunder. Accordingly, in the event of any insolvency of the Issuer, the holders of the Bonds will rank on a *pari passu* basis with all other unsecured and unsubordinated creditors of the Issuer and will have no direct rights in respect of the Exchange Property.

*Holders of the Bonds have limited anti-dilution protection*

The Exchange Property into which the Bonds may be exchanged on a *pro rata* basis will be adjusted in the event that there is a subdivision, consolidation or redenomination, a rights issue, bonus issue, reorganisation, Capital Distribution or other adjustment, including an Offer, which affects the property comprising the Exchange Property, but only in the situations and only to the extent described herein under Condition 4.8 (*Adjustments to the Exchange Property*) and Condition 4.9 (*Offers*) of the Terms and Conditions of the Bonds. There is no requirement that there would be an adjustment for every corporate or other event that may affect the value of the Exchange Property and, therefore, adversely affect the value of the Bonds.

***Bondholders have no shareholder rights before exchange***

An investor in a Bond will not be a holder of any Exchange Property. No Bondholder will have any voting rights, any right to receive dividends or other distributions or any other rights with respect to any underlying Exchange Property until such time, if any, as such investor exchanges its Bond for a Pro Rata Share of such Exchange Property and (as applicable) becomes registered as the holder thereof.

***No obligation on the part of Criteria with respect to the Bonds***

Criteria is not involved in the offering of the Bonds and has no obligation with respect to the Bonds or amounts to be paid to the holders of the Bonds, including any obligation to take into consideration for any reason the needs of the Issuer or the holders of the Bonds. Accordingly, a holder of the Bonds can look only to the Issuer for repayment of the Bonds and exercise of Exchange Rights and will have no recourse against Criteria.

***Further issues or sales of Shares***

There can be no certainty as to the effect, if any, that future issues or sales of Exchange Property, or the availability of such Exchange Property for future issue or sale, would have on the market price of the Exchange Property prevailing from time to time and therefore on the price of the Bonds. Sales of any substantial portion of the Exchange Property in the public market, or a perception in the market that such sales could occur, could adversely affect the prevailing market price of the Exchange Property and the Bonds.

***The Issuer has not verified the information relating to Criteria***

Included in these Listing Particulars is certain publicly available information relating to Criteria. The Issuer was not involved in the preparation of such information and has not verified the accuracy of such information. Criteria has not participated in the preparation of these Listing Particulars nor in establishing the terms of the Bonds. Consequently, there can be no assurance that all events occurring prior to the date hereof (including events that would affect the accuracy or the completeness of the information relating to Criteria) that would affect the trading price of the Shares (and therefore the price of the Bonds) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of, or failure to disclose, material future events concerning Criteria and/or the Shares could affect the trading price of the Shares deliverable upon exchange of Bonds and therefore the trading price of the Bonds.

***Risks Attached to the Exercise of Exchange Rights***

Holders of the Bonds should be aware that the Bonds, being exchangeable for a Pro Rata Share of the Exchange Property, bear certain risks. Depending on the performance of the Exchange Property, the value of the Exchange Property may be substantially lower than when the Bonds were initially purchased. In addition, the value of the Exchange Property to be delivered may vary substantially between the date on which the Exchange Rights are exercised and the date on which such Exchange Property is delivered.



## **RISKS RELATING TO INVESTMENTS IN SPAIN**

Under Spanish law, income in respect of the Bonds will be subject to withholding tax in Spain, currently at the rate of 18 per cent., in the case of individual holders who are resident in Spain.

The Issuer is required pursuant to Spanish law to submit to the Spanish tax authorities certain details relating to holders of the Bonds. Holders in respect of whom such information is not provided in accordance with procedures described herein to the Issuer will also receive payments subject to Spanish withholding tax, currently at the rate of 18 per cent. The Issuer will not gross up payments in respect of any such withholding tax (see “Taxation - Taxation in the Kingdom of Spain - Disclosure of holder information in connection with Payments”).

The procedure described in these Listing Particulars for the provision of information required by Spanish laws and regulations is a summary only and is subject to the detailed procedures of each of Euroclear and/or Clearstream, Luxembourg and/or any other clearing system in which the Bonds may be cleared and settled from time to time. Such procedures are also subject to any changes in Spanish tax law and/or regulations, or the interpretation thereof, which the Spanish tax authorities may promulgate from time to time. Holders of Bonds must seek their own advice to ensure that they comply with all procedures to ensure correct tax treatment of their Bonds. None of the Issuer, the Managers, the Commissioner, any Paying, Transfer and Exchange Agent or any clearing system (including Euroclear and Clearstream, Luxembourg) assume any responsibility therefor.

## **RISKS RELATING TO THE ISSUER**

### ***Competition and Adverse Economic Conditions***

The Issuer operates in an increasingly competitive banking environment. Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of its business activities. Adverse changes in the credit quality of its borrowers and counterparties or a general deterioration in the Spanish or global economic conditions, or arising from systemic risks in the financial systems, could reduce the recoverability and value of the assets of the Issuer and require an increase in its level of provisions for bad and doubtful debts. Such consequences could in turn have a material adverse effect on the financial condition of the Issuer.

### ***Operational Risks***

The banking business of the Issuer depends on its ability to process a large number of transactions efficiently and accurately. Losses can result from inadequate or failed internal control processes and systems, human error, fraud or from external events that interrupt normal business operations. Risks also arise from the use of computer systems and modern information systems whereby system failures can lead to delays in payment processes and the settlement of financial transactions. Although the Issuer has implemented risk controls and loss mitigation actions and substantial resources are dedicated to developing efficient procedures and staff training, it is only possible to be reasonably, but not absolutely certain, that such procedures will be effective. Any failure of the controls and processes described in this paragraph may have a material adverse effect on the financial condition of the Issuer.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either the Issuer, or the Issuer and its consolidated subsidiaries (the “Group”), will be unable to comply with its obligations as a company with securities admitted to the Official List.

### ***Governmental, Regulatory and Legal Risks***

The Issuer is subject to financial services laws, regulations, administrative actions and policies which may change dramatically as a result of political, economic or social events. The nature and impact of these changes are unpredictable and outside the control of the Issuer. For example, in recent times there have been significant regulatory changes in the European Union which have resulted in increased compliance costs and responsibilities. Any such changes could materially affect the business operations of the Group, the products and services offered or the value of the Group's assets.

### ***Financial Risks***

The most significant market risks that the Issuer faces are interest rate, foreign exchange and bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. Changes in currency rates may affect the value of assets and liabilities denominated in foreign currencies and affect earnings reported by non-euro denominated businesses of the Issuer.

The Issuer has implemented risk management methods to mitigate and control these and other market risks to which it is exposed. However, it is difficult to predict changes in economic or market conditions and to anticipate the effects that such changes could have on the financial performance and business operations of the Issuer. The following risks that fall with the general description of Financial Risks are set out below:

#### ***(i) Market Risk***

Market risk refers to the potential losses in the financial value of financial instruments entered into by the Issuer as a result of adverse fluctuations in the price of such financial instruments on the capital and financial markets. Prices of financial instruments on the capital markets are influenced by, *inter alia*, adverse changes in the financial risk factors set out below which, were such financial risks to materialise, may have a material adverse effect on the financial condition of the Issuer.

#### ***(ii) Liquidity Risk***

Liquidity risk refers to potential negative impacts on the business operations of the Issuer as a result of the inability to generate sufficient funds to pay liabilities when due and to fulfil its financing requirements. To manage liquidity, the Issuer depends mainly on the issuance of term debt, principally in Spain and in other European capital markets. Therefore, the Issuer relies on broad access to these capital markets and investors. Changes in demand for term debt instruments on capital markets could limit the ability of the Issuer to fund its operations or its financing requirements and this may have a material adverse effect on the financial condition of the Issuer.

***(iii) Credit Risk***

Credit risk results from the risk of default of internal or external counterparties. The amount recognised in the balance sheet of the Issuer for financial assets is, ignoring any collateral received, the maximum credit risk in the case that counterparties are unable to fulfil their contractual obligations. In the case of derivative financial instruments, the Issuer is also exposed to credit risk, which results from the non-fulfilment of contractual agreements on the part of the counterparty; however such credit risk is mitigated by entering into such contracts with highly rated parties only. In the event that such risks materialised, this may have a material adverse effect on the financial condition of the Issuer.

***(iv) Currency Risk***

Currency risk or exchange rate risk refers to potential changes of value in financial assets, liabilities or derivatives in response to fluctuations in exchange rates of the euro, US Dollar and other currencies. Although the main banking activities of the Issuer are developed in Spain, in order to mitigate the impact of currency risk arising from operational, financing and investment activities, the Issuer continually assesses its exposure to this risk. Currency risk is managed and hedged through the use of derivative financial instruments, such as forward contracts, options and cross currency swaps, although when deemed appropriate, the Issuer may hold unhedged positions. Changes in exchange rates can have adverse effects on the financial position and operating results of the Issuer.

***(v) Risk of an Increase in Credit Spreads***

Increases in credit spreads could arise from changes in demand for term debt instruments on capital markets and other factors beyond the control of the Issuer. Increases in credit spreads could negatively affect the cost of borrowing and, therefore, the operating results of the Issuer.

***(vi) Interest Rate Risk***

Interest rate risk refers to potential changes of value in financial assets, liabilities or derivatives in response to fluctuations in interest rates. The Issuer holds a substantial volume of interest rate sensitive financial assets, liabilities and derivatives for operational, financing and investment activities. In order to mitigate the impact of interest rate risk, the Issuer continually assesses its exposure to this risk. Interest rate risk is managed and hedged through the use of derivative financial instruments, such as interest rate swaps and forward rate agreements, although when deemed appropriate, the Issuer may hold unhedged positions. Changes in interest rates can have adverse effects on the financial position and operating results of the Issuer.

## TERMS AND CONDITIONS OF THE BONDS

*The following, save for the paragraphs in italics, is the text of the terms and conditions of the Bonds which is incorporated by reference into the Global Bond and endorsed on the Bonds in definitive form (if issued):*

The issue of the €837,700,000 3.50 per cent. exchangeable bonds due 2011 (the “Bonds”) of Caixa d’Estalvis i Pensions de Barcelona “la Caixa”, a Spanish savings bank (*Caja de Ahorros*) incorporated under the laws of The Kingdom of Spain (the “Issuer”) was approved by resolutions of the Executive Committee (*Comisión Ejecutiva*) of the Board of Directors of the Issuer adopted on 24 April 2008 and 8 May 2008.

The Issuer has entered into a paying, transfer and exchange agency agreement (the “Agency Agreement”) dated 19 June 2008 (the “Closing Date”) with The Bank of New York as principal paying, transfer and exchange agent, The Bank of New York (Luxembourg) S.A. as registrar and the other paying, transfer and exchange agents named therein. The registrar, the principal paying, transfer and exchange agent and the other paying, transfer and exchange agents for the time being are referred to below, respectively, as the “Registrar”, the “Principal Paying, Transfer and Exchange Agent” and the “Paying, Transfer and Exchange Agents” (which expression shall include the Principal Paying, Transfer and Exchange Agent). Certain statements in these terms and conditions of the Bonds (the “Conditions”) are summaries of, and are subject to, the detailed provisions of the Agency Agreement, copies of which are available without charge at the specified offices of the Paying, Transfer and Exchange Agents. Holders of the Bonds are deemed to have notice of the provisions of the Agency Agreement that relate to their rights under the Bonds.

The Issuer, as required by Spanish law, has executed an *escritura pública* (the “Public Deed”) before a Spanish notary public in relation to the issue of the Bonds and has registered the Public Deed with Barcelona’s Mercantile Registry. The Public Deed contains, among other information, these Conditions.

### 1. Denomination, form and title

#### 1.1 Denomination

The Bonds are issued in the aggregate principal amount of €837,700,000, divided into Bonds with a principal amount of €50,000 each.

#### 1.2 Form

The Bonds are in registered form, serially numbered, and are each represented by a Certificate (each a “Certificate” and together the “Certificates”).

#### 1.3 Title

Title to the Bonds will pass by transfer and registration as described in Condition 3. The holder (as defined below) of any Bond will (except as otherwise required by law or as

ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or its theft or loss (or that of the related certificate, as appropriate) or anything written on it or on the certificate representing it) and no person will be liable for so treating the holder.

## **2. Status of the Bonds**

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer which shall rank *pari passu* and without any preference among themselves and (subject to any applicable statutory exceptions) at least *pari passu* with all other present or future unsecured and unsubordinated obligations of the Issuer.

## **3. Registration and transfer**

### **3.1 Register**

The Issuer will cause a register (the “Register”) to be kept at the specified office of the Registrar outside the United Kingdom in which will be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers and redemptions of Bonds. For so long as any of the Bonds are outstanding, the Issuer will keep an up-to-date copy of the Register at its registered office.

### **3.2 Transfer**

Each Bond may, subject to the terms of the Agency Agreement and to Conditions 3.3, 3.4 and 3.5, be transferred in whole but not in part by lodging the Certificate in respect of the relevant Bond (with the form of application for transfer in respect thereof duly executed and duly stamped where applicable) at the specified office of the Registrar or any Paying, Transfer and Exchange Agent.

No transfer of a Bond will be valid unless and until entered on the Register. A Bond may be registered only in the name of, and transferred only to, a named person (or persons, not exceeding four in number).

The Registrar will, within 7 Business Days (in the city of the Registrar’s specified office) of any duly made application for the transfer of a Bond, deliver a new Certificate in respect of the Bond to the transferee, at the specified office of the Registrar, or (at the risk and, if mailed at the request of the transferee otherwise than by ordinary mail, at the expense of the transferee) mail the Certificate in respect of the Bond by uninsured mail to such address as the transferee may request.

### **3.3 Formalities free of charge**

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith and (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application.

### **3.4 Closed periods**

**Neither the Issuer nor the Registrar will be required to register the transfer of any Bond:**

- (a) during the period of seven Business Days (in the city of the Registrar's specified office) immediately prior to the Maturity Date or any earlier date fixed for redemption of the Bonds pursuant to Condition 7.2;**
- (b) in respect of which an Exchange Notice (as defined below) has been delivered in accordance with Condition 4.3; or**
- (c) during the period of 14 Business Days (in the city of the Registrar's specified office) ending on (and including) any Bond Record Date (as defined below) in respect of any payment of interest on the Bonds.**

### **3.5 Regulations**

**All transfers of Bonds and entries on the register of Bondholders will be made subject to the detailed regulations concerning transfer of Bonds set forth in the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Bondholder upon request.**

## **4. Exchange**

### **4.1 Definitions**

**For the purpose of the Conditions:**

**"Additional Exchange Property" has the meaning set out in paragraph (f) of Condition 4.3.**

**"Bondholder" and "holder" mean the person in whose name a Bond is registered in the Register.**

**"Bond Record Date" has the meaning set out in Condition 6.1.**

**"Business Day" means, in respect of any city, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in that city.**

**"Calculation Agent" means The Bank of New York, in its capacity as calculation agent pursuant to a calculation agency agreement entered into with the Issuer on 19 June 2008, or such other independent investment bank of international repute as may be selected by the Issuer.**

**"Capital Distribution" means:**

- (a) in relation to a Criteria Share;**
  - (A) in the case of a Cash Dividend (other than any portion of such Cash Dividend which comprises a Cash Dividend from Reserves), in respect of any relevant Semi-Annual Period, if the Fair Market Value of the proposed**

**Cash Dividend per Criteria Share, together with the Fair Market Value per Criteria Share of the aggregate of any other Cash Dividend or Cash Dividends on the Criteria Shares in respect of such Semi-Annual Period (disregarding for such purpose any amount previously determined to be a Capital Distribution in respect of that Semi-Annual Period and any portion of any Cash Dividend which comprised a Cash Dividend from Reserves), exceeds the amount shown below in respect of such Semi-Annual Period, provided that in the case of the Semi-Annual Period ending 31 December 2008, the Fair Market Value of the aggregate Cash Dividends per Criteria Share in respect of such Semi-Annual Period shall be increased by €0.02 per Criteria Share (being the amount of the Cash Dividend declared by Criteria on 29 April 2008):**

	<b>Amount</b>
	<b>(Euro)</b>
<b>in respect of the Semi-Annual Period ending</b>	
<b>31 December 2008 .....</b>	<b>0.13</b>
<b>30 June 2009 .....</b>	<b>0.11</b>
<b>31 December 2009 .....</b>	<b>0.12</b>
<b>30 June 2010 .....</b>	<b>0.12</b>
<b>31 December 2010 .....</b>	<b>0.13</b>
<b>30 June 2011 .....</b>	<b>0.13</b>

**then the Cash Dividend shall constitute a Capital Distribution and the amount of such Capital Distribution shall be the amount of such excess;**

- (B) in the case of the portion of a Cash Dividend which comprises a Cash Dividend from Reserves, the amount of such Capital Distribution shall be the aggregate of (x) the Fair Market Value of the portion of such Cash Dividend per Criteria Share which comprises a Cash Dividend from Reserves (such portion being determined by dividing the aggregate amount of the Cash Dividend from Reserves by the number of Criteria Shares entitled to receive such Cash Dividend) and (y) the amount determined in accordance with paragraph (A) above; and**
  - (C) in the case of a Non-Cash Dividend, such Non-Cash Dividend shall constitute a Capital Distribution and the amount of such Capital Distribution shall be the Fair Market Value of such Non-Cash Dividend per Criteria Share; and**
- (b) in relation to any Relevant Securities (other than Criteria Shares) comprised in the Exchange Property, any Dividend charged or provided for in the financial**

statements of the issuer thereof for any financial period (whenever paid or made) (the “Relevant Dividend”), if and to the extent that the sum of (i) the Fair Market Value of the Relevant Dividend per Relevant Security and (ii) the Fair Market Value of any other Dividend per Relevant Security charged or provided for in such financial statements (other than any Dividend or part thereof previously determined to be a Capital Distribution in respect of such financial period), exceeds 5.0 per cent. of the Reference Amount, then the Relevant Dividend shall constitute a Capital Distribution and the amount of such Capital Distribution shall be the amount of such excess.

For the purpose of this definition:

- (i) “Reference Amount” means the average of the Volume Weighted Average Price of the Relevant Securities on the 10 consecutive Trading Days ending on the Trading Day immediately preceding the date on which the Relevant Dividend is announced;
- (ii) the Fair Market Value of a Dividend shall be determined as at the date of announcement of the relevant Dividend; and
- (iii) in making any such calculation, such adjustments (if any) shall be made as an independent investment bank of international repute selected by the Issuer may consider appropriate to reflect any Sub-division, Consolidation or Redenomination of the Relevant Securities or any change in the number of Relevant Securities comprising Exchange Property pursuant to Condition 4.8 in issue in relation to financial periods being compared.

“Cash Alternative Amount” means a sum in cash in euro determined by the Calculation Agent equal to the average of the Value (rounded downwards to the nearest cent) on each Trading Day in the Cash Averaging Period of the relevant Pro Rata Share of the Exchange Property which, had a Cash Election not been made, would otherwise fall to be delivered to such Bondholder upon exercise of Exchange Rights in respect of the relevant Bonds.

“Cash Averaging Period” means the period of 30 consecutive Trading Days commencing on the fifth Business Day in Madrid and Barcelona after the Exchange Notice Delivery Date (provided that such date is a Trading Day and, if it is not, on the next Trading Day).

“Cash Dividend” means any Dividend which is to be paid or made in cash (in whatever currency).

“Cash Dividend from Reserves” means, in respect of any financial year, any Cash Dividend if and to the extent that the Fair Market Value of such Cash Dividend, together with the Fair Market Value of the aggregate of any other Cash Dividend or Cash Dividends on the Criteria Shares in respect of such financial year (disregarding for such purpose any amount previously determined to be a Cash Dividend from Reserves) exceeds the distributable profits of Criteria for such financial year.

“Cash Election” has the meaning set out in paragraph (a) of Condition 4.4.



**“Cash Payment Date” means the date falling five Business Days in Madrid after the last day of the Cash Averaging Period.**

**“Change Date” has the meaning set out in paragraph (b) of Condition 4.4.**

**“Change of Control Event Record Date” means in the case of an Offer the date determined (in its sole and absolute discretion) by the Issuer and notified to Bondholders in accordance with Condition 12 as being the last day for acceptance of the Offer, provided that, if the Offer is extended, the Change of Control Event Record Date shall be the last day for acceptance of the Offer as so extended.**

**“Criteria” means Criteria CaixaCorp, S.A.**

**“Criteria Shares” means ordinary shares of Criteria having a par value of €1.00 each.**

**“Dividend” means any dividend or distribution, whether of cash, assets or other property, and whenever paid or made and however described and shall include any distribution or repayment of capital, whether upon a reduction in the par value or principal value of any Relevant Securities or otherwise, and howsoever described (and a distribution of assets includes, without limitation, an issue of shares or other securities credited as fully or partly paid up) provided that:**

- (a) where a Cash Dividend is announced which is to be, or may at the election of a holder or holders of Relevant Securities be, satisfied by the issue or delivery of Relevant Securities or other property or assets, then the Dividend in question shall be treated as a (i) Cash Dividend of the Fair Market Value on the date of announcement of such Dividend of the Cash Dividend so announced; and/or (ii) a Non-Cash Dividend of the Fair Market Value on the date of announcement of such Dividend of such Relevant Securities or other property or assets to be issued or delivered in satisfaction of such Dividend, the Issuer being entitled to make such election as it may see fit in respect of any such Dividend;**
- (b) any issue of Relevant Securities falling within paragraph (a) or (c)(i) of Condition 4.8 shall be disregarded;**
- (c) any offer of Relevant Securities or other securities or options, warrants or rights to subscribe or purchase further Relevant Securities (or any of them) or other securities falling within paragraph (b) of Condition 4.8 shall be disregarded; and**
- (d) a repurchase or redemption of Relevant Securities shall be disregarded.**

**“Due Date” has the meaning set out in Condition 10.2.**

**“Entitlement” has the meaning set out in Condition 4.11.**

**“exchange” has the meaning set out in paragraph (a) of Condition 4.2.**

**“Exchange” means the Spanish Stock Exchanges or such other stock exchange on which the Criteria Shares are, in the determination of the Issuer, traded or quoted as the Issuer may (in**

its absolute discretion) select and notify to Bondholders in accordance with Condition 11 or (in any such case) any transferee or successor exchange.

“Exchange Date” has the meaning set out in paragraph (c) of Condition 4.3.

“Exchange Expenses” has the meaning set out in paragraph (d) of Condition 4.3.

“Exchange Notice” has the meaning set out in paragraph (a) of Condition 4.3.

“Exchange Notice Delivery Date” means the date of the delivery to a Paying, Transfer and Exchange Agent of a duly completed and executed Exchange Notice in accordance with Condition 4.3(a) and the relevant Certificate (provided that any payment or indemnity required to be made or given under the Conditions in connection with the exercise of such Exchange Right has been made or given on or before such date and, if it has not, means the date on which such payment is made or indemnity is given).

“Exchange Period” has the meaning set out in paragraph (b) of Condition 4.2.

“Exchange Property” shall initially comprise 148,000,000 Criteria Shares and shall include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to these Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property.

“Exchange Right” has the meaning set out in paragraph (a) Condition 4.2.

“Event of Default Notice Date” has the meaning set out in Condition 10.

“Fair Market Value” means, with respect to any property on any date, the fair market value of that property as determined in good faith by the Calculation Agent, provided that:

- (a) the fair market value of a Cash Dividend paid or to be paid per Relevant Security shall be the amount of such Cash Dividend per Relevant Security;
- (b) where shares, options, warrants or other securities or rights are publicly traded in a market of adequate liquidity (as determined in good faith by the Calculation Agent) the fair market value of such shares, options, warrants or other securities or rights shall equal the arithmetic mean of the daily closing prices of such shares, options, warrants or other securities or rights during the period of five trading days on the relevant market commencing on such date (or, if later, the first such trading day on which such shares, options, warrants or other securities or rights are publicly traded), or such shorter period as such shares, options, warrants or other securities or rights are publicly traded; and
- (c) any amount shall be converted into euro (if expressed in a currency other than euro) at the Relevant Exchange Rate.

“First Exchange Date” has the meaning set out in paragraph (b)(i) of Condition 4.2.

“Further Amount” has the meaning set out in paragraph (b) of Condition 4.4.

**“Iberclear”** means the Spanish clearing and settlement system (*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.*).

**“Non-Cash Dividend”** means any Dividend which is not a Cash Dividend.

**“Offer”** means any offer or scheme (including an offer by Criteria) which is addressed to all or substantially all the holders of any Relevant Securities comprising Exchange Property (other than the offeror or holders connected with the offeror) to acquire or the effect of which is to seek to acquire all or any of a holder’s Relevant Securities and, in particular, a take-over bid of a kind that is subject to the Spanish Royal Decree 1066/2007, dated 27 July 2007 (as amended and restated from time to time) on take-over bids, Spanish statutory rules or any other applicable regulations.

**“Optional Redemption Date”** has the meaning set out in Condition 7.2.

**“Premium Compensation Amount”** has the meaning set out in paragraph (c) of Condition 4.9.

**“Pro Rata Share”** means, for each Bond at any time, a fraction of the Exchange Property the numerator of which shall be the principal amount of such Bond and the denominator of which shall be the aggregate principal amount of all the Bonds (including the Bond to which the Pro Rata Share relates) which are outstanding at such time (excluding for this purpose the principal amount of any Bonds in respect of which Exchange Rights have been exercised by a Bondholder but the Exchange Property has not yet been delivered and excluding from the Exchange Property such undelivered Exchange Property).

**“Realisation Proceeds”** means the proceeds of sale (after the deduction of costs and expenses of such sale and any taxes determined by the Issuer in its sole discretion to be payable by it in connection with such sale) of the relevant Exchange Property or the relevant dividends or other income or distributions or rights attaching thereto which is carried out by an independent broker or investment bank of international repute, selected by the Issuer, on an arm’s length basis (converted if necessary into euro at the Relevant Exchange Rate on the date of receipt of such proceeds).

**“Redemption Amount”** means, in respect of each Bond, the average calculated by the Calculation Agent of the Value of the Pro Rata Share of the Exchange Property on the 20 Trading Days immediately preceding the date on which a notice declaring such Bond, or all of the Bonds, due is received by the Issuer in accordance with Condition 10.1.

**“Registered Securities”** has the meaning set out in paragraph (f)(ii) of Condition 4.3.

**“Registration Date”** in respect of any Registered Securities means the date on which the relevant Bondholder is registered as the holder of such Registered Securities.

**“Relevant Company”** means (a) Criteria, (b) any corporation or company derived from or resulting or surviving from the merger, consolidation, amalgamation, reconstruction, demerger or acquisition of Criteria with, into or by such other corporation or company, and

(c) any other entity, all or part of the share capital of which is, or all or some of the securities of which are, at the relevant time included in the Exchange Property.

“Relevant Date” means, in respect of any Bond, whichever is the later of (i) the date on which payment in respect of it first becomes due and (ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 12 that, upon further presentation of the Bond, where required pursuant to these Conditions, being made, such payment will be made, provided that such payment is in fact made as provided in these Conditions.

“Relevant Event” has the meaning set out in Condition 4.8.

“Relevant Exchange Rate” means the rate fixed by the European Central Bank (the “ECB Rate”) in effect on the relevant dealing day. For information purposes, the ECB Rate appears at approximately 12.00 hours (Madrid time) on the display designated as “Page ECB37” on Reuters.

“Relevant Securities” means any securities of any Relevant Company which at the relevant time are included in the Exchange Property;

“Rights Issue” has the meaning set out in paragraph (b) of Condition 4.8.

“Semi-Annual Date” means 1 January and 1 July in each year.

“Semi-Annual Period” means the period commencing on (and including) a Semi-Annual Date and ending on (but excluding) the next following Semi-Annual Date, with the first Semi-Annual Period commencing on 1 July 2008.

“Settlement Date” means the date falling 10 Trading Days after the relevant Exchange Notice Delivery Date or, in the case of any requirement to deliver Additional Exchange Property, the date falling 10 Trading Days after the relevant change to the composition of the Exchange Property becomes effective.

“Sub-division, Consolidation or Redenomination” has the meaning set out in paragraph (a) of Condition 4.8.

“Suspension Period” has the meaning set out in paragraph (b) of Condition 4.9.

“TARGET Business Day” means a day on which the TARGET System is open.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System which utilises a single shared platform and which was launched on 19 November 2007.

“Trading Day” means (a) in relation to the Criteria Shares, a day (other than a Saturday or Sunday) on which the Exchange is open for business and (b) in respect of any other Relevant Securities or any other securities or options, warrants or other rights, a day (other than a Saturday or Sunday) on which the stock exchange or other securities market on which such

**Relevant Securities or any other securities or options, warrants or other rights are principally traded is open for business.**

**“Value” means, on any day, the value of property calculated by the Calculation Agent on the basis that:**

- (a) the value of Relevant Securities (or other publicly traded securities) shall be deemed to be the Volume Weighted Average Price of such Relevant Securities (or other publicly traded securities) on such day;**
- (b) the value of all other assets and of publicly traded securities for which a value cannot be determined pursuant to (a) above shall be deemed to be the value on such day as certified by (i) the Calculation Agent (in the case of securities) or (ii) an independent appraiser (in the case of other assets (other than cash)) of international repute selected by the Calculation Agent; and**
- (c) the value of cash shall be deemed to be the amount thereof,**

**provided that:**

- (i) any amount shall be converted into euro (if expressed in a currency other than euro) at the Relevant Exchange Rate on such day;**
- (ii) if on any day any such publicly traded securities are quoted on the Exchange or, as the case may be, such stock exchange or other securities market as aforesaid cum any dividend or other entitlement, or any assets or publicly traded securities the value of which is to be determined pursuant to (b) above have the benefit of, or are entitled to, or carry the right to, any dividend or other entitlement, in any such case which a Bondholder would not be entitled to pursuant to the Conditions on exercising Exchange Rights on the last day permitted pursuant to the Conditions, then the value of any such assets or publicly traded securities on such day shall be reduced by an amount equal to the gross amount of any such dividend or other cash entitlement or, as the case may be, the value (as determined by the Calculation Agent or an independent appraiser as aforesaid) of any entitlement or dividend where that is other than cash; and**
- (iii) if on any day any such publicly traded securities are quoted on the Exchange or, as the case may be, such stock exchange or other securities market as aforesaid ex any dividend or other entitlement, or any assets or publicly traded securities the value of which is to be determined pursuant to (b) above do not have the benefit of, or are not entitled to, or do not carry the right to, any dividend or other entitlement, in any such case which a Bondholder would be entitled to pursuant to the Conditions on exercising Exchange Rights on the last day permitted pursuant to the Conditions, then the value of any such assets or publicly traded securities on such day shall be increased by an amount equal to the gross amount of any such dividend or other cash entitlement or, as the case may be, the value (as determined**

by the Calculation Agent as aforesaid) of any entitlement or dividend where that is other than cash less the amount (if any) in respect of any such dividend, entitlement or, as the case may be, value to which the Bondholder is otherwise entitled pursuant to any other provision of the Conditions.

**“Volume Weighted Average Price” means:**

- (a) in respect of any Trading Day, means, in respect of a Criteria Share or, as the case may be, any other Relevant Security (or other publicly traded security) on any Trading Day, the volume weighted average price of a Criteria Share or, as the case may be, Relevant Security appearing on or derived from Bloomberg page AQR or any successor page on such Trading Day as determined by the Calculation Agent, provided that if on any such Trading Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined; and
- (b) in respect of any day which is not a Trading Day, the value determined in accordance with paragraph (a) on the immediately preceding Trading Day.

#### **4.2 Exchange Period and Exchange Rights**

- (a) **Exchange Right**

Subject to the right of the Issuer to make a Cash Election and subject to compliance with the provisions of this Condition 4, each Bondholder has the right to have all or any of its Bonds redeemed at their principal amount at any time during the Exchange Period referred to below. Forthwith upon such redemption the Bondholder shall have the right and obligation to have that amount applied on its behalf in acquiring a Pro Rata Share of the Exchange Property. Such redemption of a Bond and acquisition of a Pro Rata Share of the Exchange Property is referred to herein as an “exchange” and the right of a Bondholder to require an exchange is referred to herein as an “Exchange Right”. Upon exchange, the Issuer shall deliver or procure the delivery of the relevant Pro Rata Share of the Exchange Property and, if applicable, any Premium Compensation Amount as provided herein.

- (b) **Exchange Period**

Subject to and upon compliance with the Conditions, the Exchange Right attaching to any Bond may be exercised by the holder thereof, at any time during the period (the “Exchange Period”) from (but excluding) 30 July 2008 (the “First Exchange Date”) to and including the close of business (in the location of the specified office of the Paying, Transfer and Exchange Agent where the Bond is deposited for exchange) on the tenth Business Day in Madrid prior to (A) the Maturity Date, or (B) if the Bonds have been called for redemption under Condition 7.2, the Optional Redemption Date.

**Subject as provided in Condition 10, Exchange Rights in respect of any Bond shall lapse in the event that such Bond becomes immediately due and payable.**

**(c) Entitlement upon exchange**

**Other than where a Cash Election is made by the Issuer, upon a due exercise of Exchange Rights the relevant Bondholder shall be entitled to receive a Pro Rata Share of the Exchange Property and, if applicable, any Premium Compensation Amount, calculated as at the relevant Exchange Date (but taking into account any changes in the composition of such Pro Rata Share of the Exchange Property which occur between the Exchange Date and the date of delivery in accordance with the Conditions).**

**(d) Fractions**

**No fraction of a Criteria Share or of any other property comprised in the Exchange Property which is not divisible shall be delivered on exercise of the Exchange Rights and the Issuer shall not be under any obligation to make any payment to Bondholders in respect of any such fractions and any such fraction will be rounded down to the nearest whole multiple of a Criteria Share or transferable unit of any such other property. If more than one Bond is to be exchanged by a Bondholder pursuant to any one Exchange Notice, the Exchange Property to be delivered to that Bondholder shall be calculated on the basis of the aggregate principal amount of such Bonds.**

**4.3 Procedure for Exchange**

**(a) Exchange Notice**

**To exercise the Exchange Right attaching to any Bond, the holder thereof must at its own expense complete, execute and deliver, either directly or indirectly through a financial intermediary, to any Paying, Transfer and Exchange Agent during its usual business hours, a duly completed and signed exchange notice setting out clearly, *inter alia*, (i) the name and address of such holder and (ii) details of such holder's account to which any cash or Exchange Property, as applicable, is payable or to be delivered (an "Exchange Notice") in the form for the time being current (which, on the Closing Date, will be in the form set out in the Agency Agreement) which will be furnished, upon request of any Bondholder, by any Paying, Transfer and Exchange Agent, together with the Certificate in respect of such Bond and any Exchange Expenses, provided that the Exchange Notice may be delivered in electronic form and, if delivered in electronic form, it need not be signed by the Bondholder or accompanied by the relevant Certificate. Electronic delivery of an Exchange Notice is subject to the rules of the clearing system through which it is submitted. A duly completed Exchange Notice once delivered shall be irrevocable. The Exchange Right attaching to any Bond may only be exercised in respect of the whole of the principal amount of the Bond. Any Exchange Notice delivered after 11:00 am London time on any day shall be deemed delivered on the next following**

**Business Day in London. Any Exchange Notice not duly completed and signed as specified above shall be deemed not to have been delivered and shall be null and void.**

**(b) Non-US certification**

**A Bondholder exercising Exchange Rights will be required to certify in the relevant Exchange Notice that it and any person(s) for whom it is acquiring a Pro Rata Share of Exchange Property and, if applicable, any Premium Compensation Amount (a) is located outside the United States (within the meaning of Regulation S (“Regulation S”) under the U.S. Securities Act of 1933, as amended (the “Securities Act”)), (b) is not acquiring any shares being delivered as part of the Pro Rata Share of Exchange Property as a result of any directed selling efforts (within the meaning of Regulation S), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media “with a general circulation in the United States” (within the meaning of Regulation S) and will not deposit such shares into any unrestricted depository receipt facility in respect of such shares that may be established or maintained by a depository bank, and (c) purchased such Bonds or a beneficial interest therein in an offshore transaction made in accordance with Regulation S.**

**(c) Exchange Date**

**The exchange date in respect of a Bond (the “Exchange Date”) in respect of which the Exchange Right shall have been exercised by a Bondholder will be the fifth Business Day in Madrid and Barcelona following the Exchange Notice Delivery Date (provided that such date is a Trading Day and, if it is not, will be the next Trading Day).**

**(d) Exchange Expenses**

**Upon exercise of the Exchange Right attaching to a Bond, the relevant Bondholder shall pay all stamp, transfer, registration and similar taxes and duties and other stock exchange transaction costs (if any), together with any value added or other tax thereon, arising on exercise of such Exchange Right and/or the transfer or delivery of Exchange Property to, or to the order of, the relevant Bondholder by or on behalf of the Issuer (“Exchange Expenses”) that are payable outside of The Kingdom of Spain and the jurisdiction in which the relevant Exchange Property is situated (and for this purpose any securities in registered form comprising Exchange Property shall be deemed to be situated in the jurisdiction in which the register (or in the case of more than one register, the principal register or the register on which such securities are recorded or maintained) is located). Any Exchange Expenses payable in The Kingdom of Spain or the jurisdiction in which the relevant Exchange Property is situated shall be paid by the Issuer. For the avoidance of doubt, none of the Agents shall be responsible for the payment of Exchange Expenses.**



**(e) Settlement**

**Other than where a Cash Election is made by the Issuer, the Issuer shall as soon as practicable, and in any event not later than the relevant Settlement Date:**

- (i) in respect of Criteria Shares comprising the relevant Pro Rata Share of the Exchange Property to be delivered on exercise of Exchange Rights, effect delivery of such Criteria Shares through Iberclear to the person designated for such purpose in the relevant Exchange Notice;**
- (ii) procure that Relevant Securities (other than Criteria Shares) comprising the relevant Pro Rata Share of the Exchange Property to be delivered on exercise of Exchange Rights are transferred into such name as the holder shall direct pursuant to the Exchange Notice and shall procure that forms of transfer and certificates (if certificates for the Relevant Securities are then generally being issued) together with all other documents of title and evidence of ownership and all other documents necessary to transfer or evidence the transfer of such Relevant Securities will be despatched by mail, and free of charge (but uninsured and at the risk of the person entitled thereto) to such address, subject to applicable securities laws, as the holder may request (as specified in the relevant Exchange Notice); and**
- (iii) procure that such documents of title and evidence of ownership of any other Exchange Property to be delivered on exercise of Exchange Rights shall be despatched and that payment of any part of the Exchange Property comprising cash to be delivered on exercise of Exchange Rights (converted if necessary into euro at the Relevant Exchange Rate on the relevant Exchange Date) shall be made, in each case in accordance with directions given by the relevant holder in the Exchange Notice.**

**Notwithstanding the above, in the event that the Issuer determines that Iberclear (or, where the Exchange Property is comprised of Relevant Securities other than Criteria Shares and certificates for such Relevant Securities are not then generally being issued, the clearing system through which the transfer of such Relevant Securities is required to be effected) has been closed for a continuous period of two or more days (excluding Saturdays and Sundays and save by reason of holidays, statutory or otherwise) in the period between the Exchange Date and the Settlement Date (both inclusive), then the Issuer will notify the relevant Bondholder in accordance with Condition 12 or at the address of the holder specified in the relevant Exchange Notice (as the Issuer may determine) and the date for such delivery shall be the later of the period above and the earliest practicable date on which the relevant Exchange Property may be delivered by or through Iberclear or, as the case may be, the relevant clearing system.**

**If, at any time when the transfer or delivery of any Exchange Property (other than cash) is required, such transfer or delivery would, as determined by the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official**

declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will notify the relevant holder in accordance with Condition 12 or at the address of the holder specified in the relevant Exchange Notice (as the Issuer may determine) and the Issuer will make a cash payment equal to the aggregate of the Realisation Proceeds of the relevant Exchange Property. The Issuer will pay any such amount to the relevant holder not later than seven Business Days in Madrid after the relevant Settlement Date.

**(f) Additional Exchange Property**

If:

- (i) the Exchange Date in respect of any Bonds shall be on or after the date of any public announcement affecting the composition of any part of the Exchange Property (other than Criteria Shares or other securities in registered form (“Registered Securities”)) in circumstances where the relevant entitlement is determined by reference to a record date in respect thereof), but before the date on which such change becomes effective; or**
- (ii) the Exchange Date in respect of any Bonds shall be after the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or Sub-division, Consolidation or Redenomination or Relevant Event in respect of any Registered Securities comprising Exchange Property but before the date on which adjustment of the Exchange Property becomes effective; or**
- (iii) the Exchange Date in respect of any Bonds shall be on or before the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or Sub-division, Consolidation or Redenomination or Relevant Event in respect of any Registered Securities comprising Exchange Property in circumstances where the Registration Date in respect of such Registered Securities is after such record date or other due date for the establishment of the relevant entitlement and the relevant holder would not otherwise receive the relevant entitlement but the Issuer has received or is entitled to receive such entitlement,**

then the relevant Bondholder, other than where a Cash Election shall have been made by the Issuer in which case the provisions of paragraph (b) of Condition 4.4 shall apply, shall be entitled to receive, in respect of the exercise of the relevant Exchange Rights, such *pro rata* amount or, as the case may be, further *pro rata* amount of the Exchange Property (“Additional Exchange Property”) as would have been receivable had the relevant Exchange Date occurred immediately after the date on which such change in the composition of the Exchange Property became effective or, as the case may be, had the relevant Registration Date in respect of such Registered Securities been immediately before such record date.

Unless a Cash Election is made by the Issuer, the relevant Bondholder (or the person designated in the relevant Exchange Notice) will be the owner of the Pro

**Rata Share of the Exchange Property to be delivered upon exchange with effect from the Exchange Date and, in respect of any Additional Exchange Property, will be entitled to all rights, distributions or payments in respect of such Additional Exchange Property from the Exchange Date for the Exchange Property previously delivered pursuant to such exchange.**

**Subject as provided herein, Exchange Property delivered on exercise of Exchange Rights shall not include any dividends or other income thereon or other distributions or rights in respect thereof, declared, paid or made by reference to a record date or other due date for the establishment of the relevant entitlement falling prior to the relevant Exchange Date and the relevant Bondholder shall have no entitlement thereto.**

**Exchange Property delivered or transferred or to be delivered or transferred upon exchange shall rank for and be entitled to all dividends, interest and other income, payments and distributions and rights thereon in respect thereof declared, paid, made or granted by reference to a record date or other due date for the establishment of entitlement falling on or after the relevant Exchange Date.**

**(g) Specified account**

**A Bondholder shall, in the relevant Exchange Notice, specify a euro account with a bank in a city in which banks have access to the TARGET System to which any cash amount payable on or in respect of the relevant exercise of Exchange Rights by that Bondholder (including any Realisation Proceeds and/or Premium Compensation Amount) shall be credited and the Issuer shall pay any such sum to the relevant Bondholder in accordance with such directions.**

**4.4 Cash Election**

- (a) Upon a Bondholder's delivery of an Exchange Notice, the Issuer may (but is not required to) elect to pay the Cash Alternative Amount (together with any amounts which may be payable by the Issuer in respect of, or following, such exercise) in lieu of its obligation to deliver the relevant Pro Rata Share of the Exchange Property to the relevant Bondholder (a "Cash Election"). If the Issuer wishes to make a Cash Election it must do so on or before the fourth Business Day in Madrid and Barcelona following the Exchange Notice Delivery Date and, if the Issuer fails to make a Cash Election on or before such date, it will be deemed not to have made a Cash Election and provided that the Issuer may not make a Cash Election in respect of any Bond on or after the Due Date. The Issuer shall make a Cash Election by notifying the relevant Bondholder at its address specified in the relevant Exchange Notice. If the Issuer has made a Cash Election, it shall make payment of such amount to the relevant Bondholder not later than the relevant Cash Payment Date by transfer to a euro account specified in the relevant Exchange Notice.**

- (b) If a Bondholder shall be entitled to receive, in respect of the exercise of Exchange Rights, any Additional Exchange Property pursuant to paragraph (f) of Condition 4.3, then, in circumstances where a Cash Election is made in respect of the relevant exercise of Exchange Rights, the Issuer shall, in lieu of delivering such Additional Exchange Property, pay to the relevant Bondholder an amount (the “Further Amount”) equal to the Value of such Additional Exchange Property as at the date on which the relevant change in the composition of the Exchange Property is or would be effective (the “Change Date”), and such Further Amount shall be paid by transfer to such euro account as is specified, in the relevant Exchange Notice by not later than (i) the third Business Day in Madrid after the Change Date or (ii) if later, the Cash Payment Date.
- (c) If a Bondholder shall be entitled to receive, in respect of the exercise of Exchange Right, any Premium Compensation Amount pursuant to paragraph (c) of Condition 4.9, then, if a Cash Election is made in respect of the relevant exercise of Exchange Rights, the Issuer shall pay to the relevant Bondholder the relevant Premium Compensation Amount. Such payment shall be made on the Cash Payment Date and otherwise in accordance with paragraph (a) of this Condition.

#### **4.5 Title to Exchange Property**

On the exercise of Exchange Rights, Bondholders will (except where a Cash Election shall have been made by the Issuer) initially be entitled to receive 8,833.92 Criteria Shares for each €50,000 principal amount of Bonds (based on an initial exchange price of €5.6601 per Criteria Share) subject to adjustment pursuant to the Conditions. All Exchange Property transferred or delivered upon exercise of Exchange Rights shall be transferred or delivered free of encumbrances. Except in the circumstances described in the Conditions, dividends and other income and other benefits derived from the Exchange Property shall not comprise part of the Exchange Property.

#### **4.6 Release from the Exchange Property**

Upon actual delivery of the Pro Rata Share of the Exchange Property to the relevant Bondholder or in the case of a Cash Election upon payment being made on the relevant Cash Payment Date or upon redemption of the Bonds or upon any purchase and cancellation of the Bonds, the relevant Pro Rata Share of the Exchange Property or the relevant part thereof attributable to each relevant Bond shall cease to be part of the Exchange Property and the Exchange Property shall be reduced accordingly.

#### **4.7 Voting rights**

Bondholders shall have no voting rights in respect of any Exchange Property prior to the delivery or transfer thereof to the relevant Bondholders. Subject as provided elsewhere in this Condition 4, the Issuer shall be entitled to exercise any votes or other rights in respect of the Exchange Property as it may in its sole and absolute discretion think fit. Where a Cash Dividend is announced by a Relevant Company in respect of Relevant Securities which may, at the election of a holder or holders of such Relevant Securities, be satisfied by the issue or

**delivery of Relevant Securities or other property or assets, the Issuer shall be entitled to make such election as it may determine in its sole and absolute discretion.**

#### **4.8 Adjustments to the Exchange Property**

**(a) Sub-division, Consolidation or Redenomination**

**If any Relevant Securities comprising the Exchange Property shall be sub-divided or consolidated, re-classified or re-denominated or in any other manner have their par value changed (“Sub-division, Consolidation or Redenomination”) then the securities resulting from such Sub-division, Consolidation or Redenomination so far as attributable to the Exchange Property, shall be included in the Exchange Property.**

**(b) Rights Issues**

**If further Relevant Securities or other securities, or options, warrants or rights to subscribe or purchase further Relevant Securities (or any of them) or other securities, shall be offered by way of rights to holders of Relevant Securities (or any of them) (a “Rights Issue”), then the Issuer shall, by not later than the latest day for accepting or taking up any such rights, either:**

- (i) on an arm’s length basis in good faith, procure the sale by an independent broker or investment bank of international repute selected by the Issuer of sufficient rights to enable the whole of the balance of such rights to be taken up and procure the application of the proceeds of sale, after the deduction of the costs and expenses of such sale, in the taking up of such rights (with any excess proceeds of sale being added to and forming part of the Exchange Property); or**
- (ii) in the absence of any election under paragraph (i) above, add to the Exchange Property such number of Relevant Securities or options, warrants or rights as would have been subscribed or purchased if sufficient rights had been sold on an arm’s length basis in good faith to enable (after the deduction of the costs and expenses of such sale) the whole of the balance of such rights to be taken up together with an amount equal to what would have been any such excess proceeds of sale as aforesaid,**

**provided that, if such rights may not be sold, the Issuer shall use any part of the Exchange Property comprising cash to take up such rights and/or, on an arm’s length basis, sell sufficient Relevant Securities to enable (after the deduction of the costs and expenses of such sale) the whole of the balance of such rights to be taken up, with, in any such case, any excess proceeds of sale being added to and forming part of the Exchange Property.**

**Any Relevant Securities or other securities or options, warrants or rights taken up pursuant to this paragraph and any excess proceeds of sale as aforesaid shall be added to and form part of the Exchange Property.**

Pending application of the provisions of this paragraph, such rights shall form part of the Exchange Property.

(c) **Bonus issues, Capital Distributions and reorganisations**

If any of the following events occurs (each a “Relevant Event”):

- (i) Relevant Securities or other securities are issued credited as fully paid to holders of Relevant Securities comprised in the Exchange Property by way of capitalisation of profits or reserves or otherwise by virtue of being holders of Relevant Securities (otherwise than in lieu of the whole or any part of a cash dividend which such holders would or could otherwise have received);
- (ii) any Capital Distribution is made in respect of any Relevant Securities comprised in the Exchange Property;
- (iii) a Relevant Company purchases or redeems any Relevant Securities comprising Exchange Property; or
- (iv) pursuant to any scheme of arrangement, reorganisation, amalgamation, reconstruction, merger, demerger or any like or similar event of any company or companies (whether or not involving liquidation or dissolution), any further Relevant Securities or other securities, property or assets (including cash) are issued, distributed or otherwise made available to holders of Relevant Securities or other securities comprised in the Exchange Property,

then the further Relevant Securities, securities or other property or assets (including cash) received in relation to the Relevant Event, so far as attributable to the Exchange Property or, as the case may be, the Capital Distribution in respect of the Relevant Securities comprising the Exchange Property, shall be included as part of the Exchange Property (and, if applicable, be applied in accordance with Condition 4.11).

In relation to any scheme of arrangement, reorganisation, amalgamation, reconstruction, merger, demerger or any like or similar event of any company or companies (whether or not involving liquidation or dissolution), the Issuer shall at all times be entitled, in relation to any Relevant Securities, to exercise any rights to vote or other rights in respect of, or otherwise participate in, any such any scheme of arrangement, reorganisation, amalgamation, reconstruction, merger, demerger or any like or similar event as it thinks fit. *In voting on, exercising its rights in respect of, or otherwise participating in, any scheme of arrangement, reorganisation, amalgamation, reconstruction, merger, demerger or any like or similar event, the Issuer is not obliged to take account of the interests of the Bondholders and it is therefore possible that the Issuer may act in a manner which is contrary to the best interests of the Bondholders.*

#### 4.9 Offers

- (a) In the event of an Offer, the Issuer shall have absolute discretion to accept such Offer (and, in the event of such Offer consisting of alternative choices, as to which of such alternatives to accept) or reject such Offer as it sees fit provided that it will not accept any Offer prior to the fifth Business Day in Madrid and Barcelona prior to the Change of Control Event Record Date in respect thereof. If the Issuer accepts any Offer for Relevant Securities in a Relevant Company (or if the Relevant Securities are subject to compulsory acquisition), then, in relation to each Bond for which the Exchange Date has not occurred prior to the settlement of such Offer, the Exchange Property will consist, in whole or in part, of the consideration (the “Offer Consideration”) received for the Relevant Securities acquired under the Offer (or pursuant to such compulsory acquisition) (less any taxes determined by the Issuer in its sole discretion to be payable by it in connection with such Offer). In the event of two or more simultaneous Offers, the Issuer may accept any or none of the Offers. The Issuer will not accept any Offer for Relevant Securities in a Relevant Company in respect of such part of the Exchange Property which would be deliverable to Bondholders who have exercised Exchange Rights for which the Exchange Date falls prior to the commencement of the Suspension Period. *In accepting or rejecting any Offer, the Issuer is not obliged to take account of the interests of Bondholders (save as provided in the previous sentence) and it is therefore possible that the Issuer may act in a manner which is contrary to the best interests of Bondholders.*
- (b) The Exchange Rights shall be suspended during the period (the “Suspension Period”) from the fifth Business Day in Madrid and Barcelona prior to the Change of Control Event Record Date in respect of the Offer until the relevant Offer is withdrawn, lapses or becomes or is declared unconditional in all respects (both dates inclusive), and if Exchange Rights are exercised such that the Exchange Date would otherwise fall in the Suspension Period, such exercise shall be null and void. The Issuer shall notify Bondholders in accordance with Condition 12 as soon as reasonably practicable of the commencement and last day of the Suspension Period.
- (c) In the event that the Offer Consideration consists wholly or partly of cash or securities other than Eligible Equity Securities, such cash or, as the case may be, such securities, shall be added to and form part of the Exchange Property and if the Exchange Date in respect of any Bond falls after the date the relevant Offer becomes or is declared unconditional in all respects (the “Offer Closing Date”), then the relevant Bondholder shall be entitled to receive, in addition to a Pro Rata Share of the Exchange Property pursuant to paragraph (a) of Condition 4.2, an amount (the “Premium Compensation Amount”) in respect of each Bond surrendered for exchange calculated in accordance with the following formula:

$$PC = K^2 * (\text{Principal} - IP) * (T/C) * (CB/(CB + CS))$$

Where:

PC	= Premium Compensation Amount per Bond
K	= the lesser of (a) IP/MP and (b) MP/IP
Principal	= €50,000
IP	= €39,221.73
CB	= the Offered Cash Amount
CS	= the Offered Property Value
MP	= Value of the Pro Rata Share of the Exchange Property for one Bond on the Change of Control Event Record Date
C	= 1095 days, being the number of days from (but excluding) the Closing Date to (and including) the Maturity Date
T	= the number of days from (but excluding) the Change of Control Event Record Date to (and including) the Maturity Date (which shall be zero if the Change of Control Event Record Date occurs after such date)

For the purposes of calculating the Premium Compensation Amount:

“Eligible Equity Securities” means equity securities which are listed and/or admitted to trading on a stock exchange in a member state of the European Union;

“Offered Cash Amount” means the cash amount received by the Issuer in euro (or, where applicable, converted into euro at the Relevant Exchange Rate on the Offer Closing Date) as the whole or part of the consideration for one Relevant Security in the Offer (other than cash paid in respect of fractional entitlements to the Offered Property) provided that if the Offered Property comprises securities that are not Eligible Equity Securities, such securities will be deemed, for the purpose of this definition to form part of the Offered Cash Amount in an amount equal to their Fair Market Value at the close of business on the Change of Control Event Record Date;

“Offered Property” means any Offer Consideration received by the Issuer as the whole or part of the consideration for one Relevant Security in the Offer (excluding the Offered Cash Amount); and

“Offered Property Value” means the Fair Market Value of the Offered Property at the close of business on the Change of Control Event Record Date. If the Offer Consideration is entirely comprised of cash and/or securities which are not Eligible Equity Securities, the Offered Property Value shall be zero.

The provisions of this paragraph (c) shall apply *mutatis mutandis* to any subsequent Offer, with the result that such Bondholder may become entitled to receive more than one Premium Compensation Amount.

#### 4.10 Notice of change in the Exchange Property



The Issuer shall give notice to the Bondholders in accordance with Condition 12 of any change in composition of the Exchange Property as soon as reasonably practicable following such change and, at the same time, shall notify Bondholders of any other information relative to such change relevant to the Bondholder's exercise of its rights under the Conditions.

#### 4.11 Purchase of Relevant Securities

If any cash amount or securities or other property is received under or pursuant to these Conditions in respect of Exchange Property which is to be added to and form part of the Exchange Property (other than (i) any Criteria Shares or Relevant Securities of a class already comprised in the Exchange Property, (ii) as included in the Offer Consideration added to and forming part of the Exchange Property pursuant to Condition 4.9 and (iii) any amount to be sold pursuant to this Condition) before the end of the Exchange Period, such cash amount shall be applied, and such securities or other property shall be sold by the Issuer and the proceeds of such sale, net of any costs and expenses incurred in connection with such sale) shall be applied, by the Issuer as soon as reasonably practicable and to the extent possible in purchasing additional Criteria Shares (not then comprised in the Exchange Property) or, where the Exchange Property comprises Relevant Securities other than Criteria Shares, additional units of such securities. Any such Criteria Shares or other securities purchased shall thereafter form part of the Exchange Property.

#### 4.12 Maintenance of Exchange Property

*Exchange Rights are not exercisable in respect of any specific Criteria Shares or other property comprising Exchange Property from time to time and no Criteria Shares or other Exchange Property has been or will be charged or otherwise placed in custody or set aside to secure or satisfy the Issuer's obligations in respect of the Exchange Rights. At any time the Issuer may or may not be the owner of the whole or any part of Criteria Shares or other property comprising Exchange Property from time to time and the Issuer is under no obligation to hold any Criteria Shares and/or other Exchange Property and may sell or otherwise dispose of the same at any time. The composition of the Exchange Property may also change as a result of the operation of the Conditions.*

*The arrangements described herein do not amount to any security interest in favour of Bondholders to secure the debt obligations of the Bonds or to secure performance of the Exchange Rights thereunder. Accordingly, in the event that the Issuer ceases at any time to hold any Criteria Shares or other property comprising Exchange Property from time to time and such person is or becomes insolvent, bankrupt or in liquidation, such Exchange Property will form part of the assets of such person available on a pari passu basis to all unsecured creditors of such person.*

If and to the extent that the Issuer does not at any time own Exchange Property sufficient to satisfy the Exchange Rights in respect of all outstanding Bonds, references in the Conditions to Relevant Securities, securities, property or assets (including cash) and/or consideration (an "Entitlement") received or entitled to be received by the Issuer in respect of the Exchange Property or any part thereof (howsoever expressed) shall operate as if the Issuer had received

or was entitled to receive the relevant Entitlement and, where appropriate, the Exchange Property shall be increased and added to as if at all relevant times the Issuer owned the Exchange Property (or the relevant part thereof) and had received or was entitled to receive the relevant Entitlement on the date it would have received or have been entitled to receive such Entitlement had it at all relevant times been the owner of the Exchange Property (or the relevant part thereof), and references in the Conditions to the Exchange Property and to the Exchange Property being added to or increased (howsoever expressed) shall be construed accordingly, and, in particular:

- (a) in the case of a Rights Issue, the Exchange Property shall be increased by the Relevant Securities or other securities or options, warrants or rights and any excess proceeds of sale which would have been added to the Exchange Property had the Issuer owned the Relevant Securities or other securities comprising the Exchange Property at all relevant times and complied with its obligations under paragraph (b)(ii) of Condition 4.8 in relation thereto;
- (b) for the purposes of paragraph (a) to the definition of “Dividend” and Condition 4.7, if and to the extent that the Issuer does not own the Relevant Securities at the relevant time, then the Issuer shall be entitled to specify by notice to the Principal Paying, Transfer and Exchange Agent (by not later than the last day on which a holder of the Relevant Securities would be required to make the relevant election referred to in that definition) that it is to be treated as if it had made such election as it shall specify in such notice, failing which the Dividend shall be treated as a Dividend of (i) the Fair Market Value of the cash Dividend so announced, or (ii) if the Fair Market Value on the date of announcement of such Dividend of such Relevant Securities or other property or assets is greater than the Fair Market Value of cash Dividend so announced, the Fair Market Value on the date of announcement of such Dividend of such Relevant Securities or other property or assets;
- (c) if and to the extent that the Issuer does not own the relevant Exchange Property at the relevant time, then the Realisation Proceeds in respect thereof will nevertheless be calculated as if the Issuer owned the same at the relevant time and had sold the same as provided in the Conditions;
- (d) where any of the provisions of the Conditions require the Issuer to sell any property comprising Exchange Property or deriving therefrom or received in respect thereof, then such provisions shall operate as if the Issuer had sold the same as provided in the Conditions, and an amount equal to that which would have been the net proceeds of such sale and required to be applied as provided in the Conditions (whether in the purchase of other assets or securities to comprise or be added to the Exchange Property, in payment to Bondholders or otherwise) shall be or, as the case may be, be treated as being so applied by the Issuer, with any amount representing what would have been the balance of proceeds of any such sale being treated as being applied as so provided;

- (e) any reference in the Conditions to the time or date of receipt by the Issuer of any property or assets shall be construed as a reference to the time at, or date on, which the Issuer would otherwise have received or would have first been entitled to receive the same had it been owner of the Exchange Property at all relevant times;
- (f) any provisions of the Conditions in respect of the obligation of the Issuer to deliver or distribute all or any part of the Exchange Property or other property or assets (including cash) shall operate as if at all relevant times the Issuer owned the relevant Exchange Property, and the Issuer shall be required to deliver or distribute the same as if at all relevant times it owned such Exchange Property; and
- (g) for the purposes of Condition 4.9, the Issuer shall be entitled by notice to the Principal Paying, Transfer and Exchange Agent to elect to be treated as accepting (including as to any alternative consideration) or (unless the Relevant Securities are subject to compulsory acquisition) rejecting such Offer as if it owned the Relevant Securities the subject of such Offer, but the Issuer may not elect to be so treated in respect of such part of the Exchange Property which would be deliverable to Bondholders who have exercised Exchange Rights for which the Exchange Date falls prior to the commencement of the Suspension Period,

provided that paragraph (c)(iii) of Condition 4.8 shall be disregarded unless and to the extent the Relevant Company purchases or redeems Relevant Securities such that thereafter the total outstanding Relevant Securities are less than the number required to be comprised in the Exchange Property, in which case to the extent of such shortfall, the Issuer shall be treated as if it owned such Relevant Securities and the provisions of paragraph (c)(iii) of Condition 4.8 shall apply accordingly in respect of the number of Relevant Securities representing such shortfall.

#### **4.13 Other adjustments to the Exchange Property**

If the Issuer determines that an adjustment should be made to the Exchange Property as a result of one or more events or circumstances not referred to in Condition 4.8 or 4.9 even if the relevant event is or circumstances are specifically excluded from the operation of Condition 4.8 or 4.9, the Issuer shall, at its own expense and acting reasonably, request an independent investment bank of international repute selected by the Issuer, acting as an expert, to determine as soon as practicable what adjustment (if any) to the Exchange Property is fair and reasonable to take account thereof and the date on which such adjustment should take effect and upon such determination the Issuer shall procure that such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this Condition if such investment bank is so requested to make such determination in writing not more than 21 days after the occurrence of the relevant event or circumstance.

## **5. Interest**

### **5.1 Interest rate and Interest Payment Dates**

The Bonds bear interest from and including the Closing Date at the rate of 3.50 per cent. per annum, payable semi-annually in arrear on 19 June and 19 December in each year (each an "Interest Payment Date"). The first payment (representing a full six month's interest) shall be made on 19 December 2008.

## 5.2 Interest accrual

Each Bond will cease to bear interest (i) where the Exchange Right has been exercised in respect thereof from (and including) the Interest Payment Date immediately preceding the relevant Exchange Date or, if none, the Closing Date (but without prejudice to Condition 5.3) or (ii) where such Bond is redeemed, from (and including), the due date for redemption unless, upon due surrender of the relevant Certificate, payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Bond have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Bonds has been received by the Principal Paying, Transfer and Exchange Agent and notice to that effect has been given to the Bondholders in accordance with Condition 12 (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

## 5.3 Interest upon Exchange prior to early redemption

If:

- (a) any notice requiring the redemption of any Bonds is given pursuant to Condition 7 on or after (or within 15 days before) the record date or other due date for the establishment of entitlement in respect of any dividend, distribution or interest payable in respect of the Criteria Shares (or other Relevant Securities comprising on such date more than one-quarter by Value of the Exchange Property);
- (b) such notice specifies an Early Redemption Date falling on or before (or within 14 days after) the Bond Record Date in respect of the next following Interest Payment Date; and
- (c) the Exchange Date in respect of any Bond which is the subject of any such notice (a "Relevant Bond") falls after such record date or other due date for the establishment of entitlement and on or before the Bond Record Date in respect of the Interest Payment Date next following such record date or other due date for the establishment of entitlement,

then interest shall accrue on each Relevant Bond from, and including, the preceding Interest Payment Date (or, if the relevant Exchange Date falls on or before the first Interest Payment Date, from, and including, the Closing Date) to (but excluding) the relevant Exchange Date.

Any such interest shall be paid by the Issuer not later than 7 days after the relevant Exchange Date by transfer to such euro account as is specified in the relevant Exchange Notice.

#### **5.4 Calculation of broken interest**

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the “Accrual Date”) to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

### **6. Payments**

#### **6.1 Payments in respect of Bonds**

Payment of principal and interest due on the Bonds will be made by transfer to the persons shown in the Register at the close of business on the eighth day before the due date for any payment of interest (the “Bond Record Date”) and, other than in the case of a payment of interest on an Interest Payment Date, subject to the surrender of the Certificates in respect of the Bonds at the specified office of the Registrar or any of the Paying, Transfer and Exchange Agents. Payment of all other amounts will be made as provided in these Conditions.

#### **6.2 Method of payments**

Each payment referred to in Condition 6.1 will be made in euro by transfer to a euro account maintained by the relevant Bondholder with a bank in a city in which banks have access to the TARGET System.

Each payment to be made by transfer pursuant to this Condition 6.2 will be made by transfer to the account noted on the Register on the relevant Bond Record Date or, as the case may be, specified in the relevant Exchange Notice.

#### **6.3 Agents**

The names of the initial Paying, Transfer and Exchange Agents and their initial specified offices are set out below. The Issuer reserves the right under the Agency Agreement at any time to remove any Paying, Transfer and Exchange Agent, and to appoint other or further Paying, Transfer and Exchange Agents, provided that there will at all times be:

- (a) a Principal Paying, Transfer and Exchange Agent and a Registrar;
- (b) a Paying, Transfer and Exchange Agent having a specified office in a city in Western Europe; and
- (c) a Paying, Transfer and Exchange Agent in a European Union member state that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any such removal or appointment and of any change in the specified office of any Paying, Transfer and Exchange Agent will be given as soon as practicable to Bondholders in accordance with Condition 12.

#### **6.4 Payments subject to fiscal laws**

**All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations. No commissions or expenses shall be charged to the Bondholders in respect of such payments.**

#### **6.5 Fractions**

**When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.**

#### **6.6 Delay in payment**

**Bondholders will not be entitled to any interest or other payment, including in respect of or relating to the exercise of Exchange Rights, for any delay after the due date in receiving the amount due:**

- (a) as a result of the due date not being a TARGET Business Day or a Business Day in the place of the specified office of the Principal Paying, Transfer and Exchange Agent where the relevant Certificate is surrendered (where such surrender is required as a precondition to payment); or**
- (b) if the Bondholder is late in surrendering the Certificate in respect of the relevant Bond (if required to do so).**

### **7. Redemption and purchase**

#### **7.1 Redemption at maturity**

**Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Bonds at their principal amount on 19 June 2011 (the “Maturity Date”).**

#### **7.2 Optional redemption**

**The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount, together with accrued interest to such date:**

- (a) at any time on or after 4 July 2010, provided that the Value of the Pro Rata Share of the Exchange Property in respect of a Bond in the principal amount of €50,000 on each of not less than 20 Trading Days in any period of 30 consecutive Trading Days ending not earlier than the seventh day prior to the date on which the notice of redemption is given by the Issuer to the Bondholders shall have exceeded €65,000; or**
- (b) at any time if prior to the date on which the relevant notice of redemption is given by the Issuer, 90 per cent. or more in aggregate principal amount of the Bonds issued has been redeemed, exchanged or purchased and cancelled.**

In order to exercise such option the Issuer shall give not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 12 (which notice shall be irrevocable and shall oblige the Issuer to redeem the Bonds on the date for redemption specified in such notice (the "Optional Redemption Date")).

Such notice shall specify:

- (i) the date when the relevant redemption will take place;
- (ii) the last day on which Exchange Rights may be exercised by a Bondholder; and
- (iii) the Value of the Pro Rata Share of the Exchange Property attributable to each Bond as at the most recent practicable date prior to the giving of the relevant notice.

### **7.3 Purchases**

The Issuer may at any time purchase Bonds in any manner and at any price. The Bonds so purchased, while held by or on behalf of the Issuer, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Conditions 10 and 13.

### **7.4 Cancellations**

All Bonds which are (a) redeemed or (b) purchased by or on behalf of the Issuer will forthwith be cancelled, and accordingly may not be reissued or resold.

## **8. Taxation**

All payments of principal (including any payment in lieu of the delivery of Exchange Property pursuant to Condition 4.4) and any interest payable pursuant to Condition 5 in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or environmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within The Kingdom of Spain or any other jurisdiction or any political sub-division thereof or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In the event that any payments of principal, interest or any payment in lieu of the delivery of Exchange Property pursuant to Condition 4.4, in respect of the Bonds by or on behalf of the Issuer shall be made subject to withholding or deduction for any such relevant taxes, duties, assessments or charges so required by law, and no additional amounts shall be payable by the Issuer in respect of such withholding or deduction.

## **9. Prescription**

Claims in respect of principal and interest will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date.

## **10. Events of Default**

### **10.1 If:**

- (i) Non-payment: the Issuer fails to pay any amount of principal or any cash sum payable in accordance with Condition 4.4 in respect of the Bonds within seven days of the due date for payment thereof or fails to pay any amount of interest in respect of the Bonds within 14 days after the due date for payment thereof; or**
- (ii) Breach of other obligations: the Issuer defaults in the performance or observance of any of its other obligations under or in respect of the Bonds or the Agency Agreement and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Bondholder, has been delivered to the Issuer or to the specified office of the Principal Paying, Transfer and Exchange Agent; or**
- (iii) Cross-default of Issuer or Subsidiary (as defined below):**
  - (a) any Relevant Indebtedness (as defined below) of the Issuer or any of its Subsidiaries is not paid when due or (as the case may be) within any originally applicable grace period;**
  - (b) any such Relevant Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, or (as the case may be) the relevant Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such Relevant Indebtedness; or**
  - (c) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any guarantee (as defined below) of any Relevant Indebtedness,**

**provided that the amount of Relevant Indebtedness referred to in paragraph (a) and/or paragraph (b) above and/or the amount payable under any guarantee referred to in paragraph (c) above individually or in the aggregate exceeds €10,000,000 (or its equivalent in any other currency or currencies); or**
- (iv) Unsatisfied judgment: one or more final judgment(s) or order(s) for the payment of any amount is rendered against the Issuer or any of its Subsidiaries (if any) and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or**
- (v) Security enforced: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any material part of the undertaking, assets and revenues of the Issuer or any of its Subsidiaries (if any); or**
- (vi) Insolvency etc.:**



- (a) the Issuer or any of its Subsidiaries (if any) becomes insolvent, is adjudicated bankrupt (or applies for an order of bankruptcy) or is unable to pay its debts as they fall due;
  - (b) an administrator or liquidator of the Issuer or any of its Subsidiaries (if any) or of the whole or any part of the undertaking, assets and revenues of the Issuer or any of its Subsidiaries (if any) is appointed (or application for any such appointment is made);
  - (c) the Issuer or any of its Subsidiaries (if any) takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Relevant Indebtedness or any guarantee (as defined below) given by it; or
  - (d) the Issuer or any of its Subsidiaries (if any) ceases or threatens to cease to carry on all or any substantial part of its business (otherwise than, in the case of a Subsidiary of the Issuer, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (vii) **Winding-up:** an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution of the Issuer or any of its Subsidiaries (if any) (otherwise than, in the case of a Subsidiary of the Issuer (if any), for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (viii) **Analogous event:** any event occurs which under the laws of The Kingdom of Spain has an analogous effect to any of the events referred to in paragraphs (iv) to (vii) above, including, but not limited to, *concurso*, *disolución* or *liquidación*; or
- (ix) **Failure to take action etc.:** any action, condition or thing at any time required to be taken, fulfilled or done in order (a) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Bonds, (b) to ensure that those obligations are legal, valid, binding and enforceable and (c) to make the Bonds admissible in evidence in the courts of The Kingdom of Spain is not taken, fulfilled or done; or
- (x) **Unlawfulness:** it is or will be unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds,

then any Bond may, by written notice to the Issuer, at the specified office of the Principal Paying, Transfer and Exchange Agent, by (i) the Commissioner acting upon a resolution of the Syndicate of Bondholders in respect of all the Bonds or (ii) unless there has been a resolution to the contrary by a Syndicate of Bondholders, the holder of such Bond, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest or, if higher, the Redemption Amount, without further formality.

**In this Condition 10.1:**

**“guarantee” means any obligation of any Person to pay any Relevant Indebtedness of another Person, including (without limitation):**

- (i) any obligation to purchase such Relevant Indebtedness;**
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Relevant Indebtedness;**
- (iii) any indemnity against the consequences of a default in the payment of such Relevant Indebtedness; and**
- (iv) any other agreement to be responsible for such Relevant Indebtedness;**

**“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;**

**“Relevant Indebtedness” means any obligation (whether present or future, actual or contingent) in the form of or represented by bonds, notes, debentures, loan stock or other securities which are or are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over the counter market or other securities market (for which purpose any such bonds, notes, debentures, loan stock or other securities shall be deemed not to be capable of being so quoted, listed or ordinarily dealt in if the terms of the issue thereof expressly so provide); and**

**“Subsidiary” means, at any particular time, any company more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned by the Issuer and/or one or more of the Issuer’s subsidiaries and either:**

- (i) whose net assets represent not less than 10 per cent. of the net consolidated assets of the Group as calculated by reference to the then-latest audited accounts (or consolidated accounts, as the case may be) of such company and the then-latest audited consolidated accounts of the Group; or**
- (ii) whose gross revenues represent not less than 10 per cent. of the gross consolidated revenues of the Group, all as calculated by reference to the then-latest audited accounts (or consolidated accounts, as the case may be) of such company and the then-latest audited consolidated accounts of the Group.**

**10.2 If the Commissioner shall give notice to the Issuer declaring the Bonds due and payable pursuant to Condition 10.1, notice of such fact shall be given forthwith by the Issuer to the Bondholders in accordance with Condition 12, whereupon each Bondholder shall (whether or not the Exchange Right attaching to its Bond is then otherwise exercisable) be entitled at any time on or after the date on which the Bonds become so due and repayable (the “Due Date”) to and including the date falling 10 Business Days in Madrid after the Due Date or, if later, the date falling 10 Business Days in Madrid after the date on which such notice is given by the Issuer, to elect (by delivering in accordance with the provisions of Condition 4 a duly signed and completed Exchange Notice, together with the relevant Certificate, to the specified**

office of a Paying, Transfer and Exchange Agent) in lieu of having its Bond(s) repaid, to exercise the Exchange Right in respect of such Bond as at the Due Date (and references to the Exchange Date shall be construed accordingly), save that no such election may be made in respect of a Bond the Certificate in respect of which has been presented for payment on or after the Due Date (provided that payment in full of all amounts then due on the relevant Bond is made upon such presentation).

#### **11. Replacement of Certificates**

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Principal Paying, Transfer and Exchange Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

#### **12. Notices**

All notices regarding the Bonds will be valid if published via a regulatory information service (as defined in the Financial Services Authority's Listing Rules). The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed and the rules and regulations of any clearing system through which the Bonds are for the time being cleared. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one manner, on the date of the first such publication in each required manner.

#### **13. Syndicate of Bondholders and modification**

##### **13.1 Syndicate of Bondholders**

Bondholders shall meet in accordance with certain regulations governing the Syndicate of Bondholders (the "Regulations"). The Regulations contain the rules governing the Syndicate of Bondholders and the rules governing its relationship with the Issuer and are attached to the Public Deed (as defined in the introduction to these Conditions) and are included in the Agency Agreement.

The initial Commissioner for the Bondholders is José Antonio Sánchez Molina. Bondholders shall, by virtue of purchasing Bonds, be deemed to have agreed to the appointment of the initial Commissioner and to become a member of the Syndicate of Bondholders. Upon the subscription of the Bonds, the initial Commissioner will call a general meeting of the Syndicate of Bondholders to ratify or reject the acts of the initial Commissioner, confirm his appointment or appoint a substitute Commissioner for him and to ratify the Regulations. Provisions for meetings of the Syndicate of Bondholders are contained in the Regulations and in the Agency Agreement. Such provisions shall have effect as if incorporated herein.

Bondholders shall, by virtue of purchasing and/or holding Bonds be deemed to have granted to the Paying, Transfer and Exchange Agent full power and authority to take any action

and/or to execute and deliver any document or notices for the purposes of attending the first meeting of the Syndicate of Bondholders called to confirm the appointment of the initial Commissioner, approve its actions and ratify the Regulations contained in the Agency Agreement, and vote in favour of each of those resolutions.

For the purposes of these Conditions:

- (i) “Commissioner” means the *comisario* as this term is defined under Law 211/1964 of 24 December 1964 on the Syndicate of Bondholders; and
- (ii) “Syndicate of Bondholders” means the *sindicato* as this term is described under Law 211/1964 of 24 December 1964.

*In accordance with Spanish law, a general meeting of the Syndicate of Bondholders shall be validly constituted upon first being convened provided that Bondholders holding or representing two-thirds of the Bonds outstanding attend. If the necessary quorum is not achieved at the first meeting, a second general meeting may be convened one month after the first general meeting and shall be validly constituted regardless of the number of Bondholders who attend. A resolution shall be passed by holders holding an absolute majority in principal amount of Bonds at any properly constituted assembly.*

#### 13.2 Modification

The Principal Paying, Transfer and Exchange Agent may agree with the Commissioner, without the consent of the Bondholders, to any modification of any of the provisions of the Agency Agreement for the purpose of curing any ambiguity or of curing, correcting or supplementing any manifest or proven error or any other defective provision contained herein or therein. Any modification shall be binding on the Bondholders and, unless the Principal Paying, Transfer and Exchange Agent agrees otherwise with the Commissioner, any modification shall be notified by the Issuer to the Bondholders as soon as practicable thereafter in accordance with Condition 12.

#### 14. Further issues

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds, having terms and conditions the same as those of the Bonds, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Bonds.

#### 15. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

#### 16. Governing law and submission to jurisdiction

The Bonds are governed by, and will be construed in accordance with, English law. The provisions of Condition 13 relating to the appointment of the Commissioner and the Syndicate of Bondholders are governed by, and shall be construed in accordance with, Spanish law.

**The Issuer agrees for the benefit of the Bondholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Bonds (respectively, “Proceedings” and “Disputes”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.**

**The Issuer waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum. The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Bondholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.**

**The Issuer appoints Clifford Chance Secretaries Limited at its office in London for the time being (being as at the Closing Date at 10 Upper Bank Street, London E14 5JJ) as its agent for service of process, and undertakes that, in the event of such agent ceasing so to act, it will appoint another person as its agent for service of process in England in respect of any Proceedings.**

***There will appear at the foot of the Conditions endorsed on each Bond Certificate in individual registered form the names and Specified Offices of the Registrar and the Paying, Transfer and Exchange Agents as set out at the end of these Listing Particulars.***

## SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

*The Bonds will upon issue be represented by a Global Bond Certificate in registered form, deposited with, and registered in the name of, a common depositary for Euroclear and Clearstream, Luxembourg. Interests in the Global Bond Certificate will be exchangeable for definitive Bonds in registered form only in the limited circumstances described below.*

*The Global Bond Certificate will contain provisions which apply to the Bonds while they are in global form, some of which modify the effect of the Conditions set out in this document. The following is a summary of certain of these provisions.*

*Capitalised terms used in this section and not otherwise defined have the meanings given to them in the Conditions.*

### 1. Exchange

The Global Bond Certificate will be exchangeable (free of charge to the holder and the Bondholders) in whole, but not in part, for the definitive certificates representing the Bonds described below if, but only if, the Global Bond Certificate is held on behalf of Clearstream, Luxembourg and/or Euroclear and either such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

On or after the Bond Exchange Date (as defined below), the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated certificates in registered form, printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Global Bond Certificate, the Issuer will, if the holder of the Global Bond Certificate so requests, procure that it is cancelled and returned to the holder together with any relevant certificates.

“Bond Exchange Date” means a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar is located and except in the case of exchange pursuant to (1) above in the cities in which Euroclear and Clearstream, Luxembourg or, if relevant, the Alternative Clearing System (as defined below) are located.

### 2. Exchange Rights

For so long as this Global Bond Certificate is held on behalf of any one or more of Euroclear, Clearstream, Luxembourg or the Alternative Clearing System, Exchange Rights may be exercised as against the Issuer at any time during the Exchange Period by the presentation to or to the order of the Principal Paying, Transfer and Exchange Agent of this Global Bond for appropriate notation, together with one or more Exchange Notices duly completed by or on behalf of a holder of a book-entry interest.

### 3. Purchase and Cancellation

Cancellation of any Bond represented by the Global Bond Certificate which is required by the Conditions to be cancelled will be effected by reduction in the principal amount of the Global Bond Certificate on its presentation to or to the order of the Principal Paying, Transfer and Exchange Agent for notation in the Schedule thereto.

#### **4. Redemption at the Option of the Issuer**

Any option of the Issuer provided for in the Conditions shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the Conditions.

#### **5. Events of Default**

From time to time the Bonds represented by the Global Bond Certificate may be declared due and payable following an Event of Default in accordance with the Conditions by stating in a notice from the Commissioner (acting on a resolution of the Syndicate of Bondholders) or relevant Bondholder given to the Principal Paying, Transfer and Exchange Agent the nominal amount of Bonds (which may be less than the outstanding nominal amount hereof) to which any such notice relates.

If principal in respect of any Bonds is not paid when due (but subject as provided below), the holder of the Global Bond Certificate may from time to time elect that Direct Rights (as defined in the Global Bond Certificate) under the provisions of Schedule A of the Global Bond Certificate shall come into effect. Such election shall be made by notice from the Commissioner (acting on a resolution of the Syndicate of Bondholder) or relevant Bondholder to the Principal Paying, Transfer and Exchange Agent and presentation of the Global Bond Certificate to or to the order of the Principal Paying, Transfer and Exchange Agent for reduction of the nominal amount of Bonds represented by the Global Bond Certificate by such amount as may be stated in such notice by endorsement thereon, and corresponding endorsement of such nominal amount of Bonds formerly represented hereby as the nominal amount of Bonds in respect of which Direct Rights have arisen. Upon each such notice being given the appropriate Direct Rights shall take effect.

No such election may however be made on or before an Exchange Date fixed in accordance with the Global Bond Certificate with respect to the Bonds to which the Exchange Date relates unless the holder elects in such notice that the exchange in question shall no longer take place.

#### **6. Notices**

So long as this Global Bond is held on behalf of Euroclear Bank S.A./N.V. ("Euroclear") or Clearstream Banking, société anonyme ("Clearstream, Luxembourg") or such other clearing system as shall have been approved by the Principal Paying, Transfer and Exchange Agent (the "Alternative Clearing System"), notices required to be given to Bondholders may be given by their being delivered to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System, rather than by notification as required by the Conditions in which case such notices shall be deemed to have been given to Bondholders on the date of delivery to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System.

**So long as all the Bonds are represented by the Global Bond Certificate, and such Global Bond Certificate is held on behalf of Clearstream, Luxembourg and/or Euroclear and/or such other clearing system as shall have been approved by the Principal Paying, Transfer and Exchange Agent (the “Alternative Clearing System”), notices required to be given to Bondholders may be given by their being delivered to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System, rather than by notification as required by the Conditions in which case such notices shall be deemed to have been given to Bondholders on the date of delivery to Euroclear and Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System.**

#### **7. Prescription**

**Claims against the Issuer in respect of principal or interest or other amounts payable on the Bonds while the Bonds are represented by the Global Bond will become void unless the Global Bond is presented for payment within a period of 10 years (in the case of principal and such other amounts) and 5 years (in the case of interest) from the appropriate Relevant Date in respect thereof.**

#### **8. Meetings**

**The holder of the Global Bond Certificate shall (unless the Global Bond Certificate represents only one Bond) be treated as one person for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each €50,000 principal amount of Bonds for which the Global Bond Certificate may be exchanged.**



## **USE OF PROCEEDS**

**The gross proceeds of the issue of the Bonds, expected to amount to Euro 837,700,000 before deduction of the combined management and underwriting commission will be used by the Issuer for general funding requirements.**

## DESCRIPTION OF THE ISSUER

### HISTORY AND DEVELOPMENT OF THE ISSUER

#### The legal and commercial name of the Issuer

The Issuer's legal name and commercial name are “Caixa d'Estalvis i Pensions de Barcelona ”la Caixa”” and “”la Caixa””, respectively.

The Issuer is registered with number 3,003 in the Barcelona Companies Registry, volume 20,397, folio 1, page nº B-5,614, 1<sup>st</sup> entry, with code number 2100 in the Special Register for Savings Banks of the Bank of Spain and is also entered with number 1 in the Register of Catalan Savings Banks of the Directorate General of Financial Policy of the Ministry of Economy and Finance of the Government of Catalonia (*Generalitat de Catalunya*). The Issuer's tax identification code is NIF: G-58.89999.8.

#### Date of incorporation

The Issuer was established on 27 July, 1990, by the merger of Caja de Ahorros y Monte de Piedad de Barcelona, founded in 1844, and Caja de Pensiones para la Vejez y de Ahorros de Cataluña y Baleares, founded in 1904.

The Issuer began its activities at the time of its incorporation, continuing the activity of the two merged institutions. The Issuer is incorporated for an indefinite duration.

#### Domicile, legal form and special legislation applicable

The Issuer's legal form is that of a Savings Bank, subject to Legislative Decree 1/2008 of 11 March 2008, which approves the text of the Law on Savings Banks in Catalonia as amended.

The special legislation to which the Issuer is subject is derived from its character as a financial and credit institution, and as such it is subject to regulations promulgated by Law 26/1988 of 29 July 1988, Law 31/1985 of 2 August 1985, Royal Decree 798/1986 of 21 March 1986, and by those laws enacted by the Spanish Economic and Monetary Authorities (Bank of Spain, Ministry of Economy and Finance) such as Bank of Spain Circular 4/2004, of 22 December 2004 regarding Standards for Public and Reserved Financial Information and Financial Statements Formats for Credit Institutions; Bank of Spain Circular 2/2006, of 30 June 2006, relating to legislation on capital (*recursos propios*) and supervision on a consolidated basis of financial institutions. The Kingdom of Spain has recently implemented Directive 2002/87/EC on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and Directive 2001/24/EC on the reorganisation and winding up of credit institutions by way of Law 5/2005 of 22 April 2005 and Law 6/2005 of 22 April 2005 respectively, each of which now apply to the Issuer.

The Issuer's registered office is at Avenida Diagonal, 621-629, 08028 Barcelona, Spain and its telephone number is + 34 93 404 60 00.

## Recent Events relevant to the solvency of the Issuer

The Issuer's aim for its banking business in 2008 is centred on a combination of efficient and profitable growth, while maintaining high levels of solvency. In addition, the Issuer expects to strengthen its risk management systems. In this regard, pursuant to the provisions of Circular 2/2006, dated 30 June 2006, at 31 December 2007, the Issuer's core capital (highest quality equity) improved to 8.0% (from 6.2% at 31 December 2006), rising to 13,678 million euros (8,995 million euros at 31 December 2006), the Issuer's Tier 1 capital rose to 9.8% (from 8.3% at 31 December 2006), reaching 16,678 million euros (11,995 million euros at 31 December 2006) and the Tier Total (BIS ratio) climbed to 12.1% (from 11.3% at 31 December 2006), at 20,652 million euros (16,459 million euros at 31 December 2006).

The Group has significantly strengthened its solvency levels following the initial public offering of 21.97% of Criteria in October 2007. This operation resulted in an increase in the Issuer's core capital of 3,848 million euros. As at 31 December 2007, the Issuer's surplus resources over the 8% required minimum of assets at risk was 7,018 million euros or 4.1% (compared to 4,848 million euros, 3.3% at 31 December 2006). The non-performing loans ratio<sup>1</sup> as at 31 December 2007 stood at 0.55% (compared to 0.33% at 31 December 2006) and non-performing loans coverage<sup>2</sup>, at 281% (336% if mortgage guarantees are included) (444% and 480% respectively, at 31 December 2006).

## Principal activities of the Issuer

The Group is divided into two separate business lines: Banking Business and the Investee Portfolio.

The Group's Banking Business is made up of financial and insurance institutions that offer products and services that complement those offered by the Issuer. As far as possible, such products and services are offered to customers on a 24 hour, 7 day week basis through innovative and accessible technologies such as self-service ATMs, internet banking, digital television, CaixaMóvil (mobile telephone services) and telephone banking.

The Investee Portfolio includes investments of a strategic or financial nature, with the object of diversifying the Group's sources of income. In particular, and as far as possible, the Investee Portfolio takes advantage of perceived opportunities for the acquisition of under-performing assets and it also participates in utilities. Its activity is divided into two areas or groups: services and financing, and insurance. For further information, please see "Organisational Structure" below.

The Group's investment strategy and international expansion is primarily managed through Criteria (in which most of the stock holdings of the Group are held), which actively manages investments and controls risk, permitting identification of investment and exit opportunities in the market.

As part of its role as a Spanish savings bank (*caja de ahorros*), the Issuer undertakes "la Caixa" Welfare Projects which are funded with profits of the Issuer, which the Issuer has allocated for such purposes. The "la Caixa" Welfare Projects carry on non-profit activities in four areas: social;

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<sup>1</sup> Doubtful loans as a percentage of total loans.

<sup>2</sup> Non-performing loans coverage is the amount of non-performing loans divided by provisions made.

environment and science; culture; and education and research. The social programme is aimed at contributing to relieve instances of social deprivation. The environmental and scientific programmes aim to protect marine ecosystems and natural areas while the cultural programme's objective is to bring science, art and new technology closer to young people. The educational and research programmes complete the activity of "la Caixa" Welfare Projects.

Below is a list of the principal products and services offered by the Group, divided between savings and investment for individuals and companies, financing for individuals, financing for companies, foreign trade, insurance and other services.

<b>1. SAVINGS AND INVESTMENT – INDIVIDUALS AND COMPANIES</b>	
<b>1.1 LIABILITIES</b>	Demand Deposits
	Term Deposits
	Instruments issued by the Issuer and its subsidiaries
	Instruments issued by the State and by other Institutions
<b>1.2 INVESTMENT FUNDS</b>	Money Market Investment Funds
	Fixed income
	Mixed fixed income
	Mixed variable income
	Variable Funds
	Global Funds
	Guaranteed Funds
	Active Management Funds
Funds of Funds	
Third Party Management Funds	
<b>1.3 SAVINGS AND INVESTMENT INSURANCE, PENSION AND SOCIAL PROVISION SCHEMES</b>	Savings and investment insurance
	Individual Pension Schemes
	Individual Social Provision Schemes
	Pension Schemes for Groups

<b>2. FINANCING – INDIVIDUALS</b>	
<b>2.1 CREDIT AND LOANS</b>	Mortgage Loans
	Unsecured Personal Loans
	Other security

	Personal Guarantees
	Loans in foreign currency
<b>2.2 CREDIT CARDS</b>	Generic
	Affinity and Private

<b>3. FINANCING - COMPANIES</b>	
<b>3.1 WORKING CAPITAL</b>	Credit accounts
	Discounts and advances
	Credit Lines
	Specialised financing
<b>3.2 OTHER PURPOSES</b>	Financing machinery and installations
	Financing property
	Endorsements
	Overdraft facilities
	Hedging

<b>4. FOREIGN TRADE</b>	
<b>4.1 IMPORT AND EXPORT</b>	Export
	Import
	Endorsements and bank guarantees
<b>4.2 EXCHANGE RISK INSURANCE AND OPTIONS</b>	Exchange risk insurance
	Options on currency
<b>4.3 LÍNEA ABIERTA (OPEN LINE)</b>	Foreign Business

<b>5.1 INSURANCE – INDIVIDUALS AND COMPANIES</b>	
<b>5.1 LIFE AND ACCIDENT INSURANCE</b>	Life insurance
	Accident insurance
<b>5.2. INSURANCE FOR SELF-EMPLOYED WORKERS</b>	Insurance for self-employed workers
<b>5.3 OTHER INSURANCE</b>	Home and vehicles
	Developers

	Health insurance
	Insurance covering material damage, damage to assets and pecuniary damage
	Agricultural insurance
	Credit card insurance
<b>6. SERVICES – INDIVIDUALS AND COMPANIES</b>	
<b>6.1 SERVICUENTAS (Service Accounts) (individuals)</b>	Package of banking services - each type of "Servicuenta" provides several different banking services (bank account, credit card, etc) in exchange for a flat rate
<b>6.2 SINGLE RECEIPT (individuals)</b>	Service pack - this service enables customers to consolidate their bill payments throughout the year into a single fixed monthly payment
<b>6.3 OTHER SERVICES</b>	Securities  Linea Abierta (Internet banking)*  Telephone banking  Wedding lists  Direct payment of salaries  Direct payment of pensions
<b>6.4 COLLECTIONS, PAYMENTS AND TREASURY (company)</b>	Payment management
	Collections management
	Treasury management
<b>6.5 COMMERCIAL ESTABLISHMENTS</b>	Electronic fund payment system at point of sale

\* Remote banking services are offered through the "Línea Abierta" (Open Line), which makes it possible to do practically all financial transactions that can be done in a branch, with the possibility of using different IT channels to access the service: internet, fixed line telephone, digital television and mobile phone.

### New products and services

Other than those described in the foregoing section, no new products or services have been introduced.

## Principal markets of the Issuer

As at 31 December 2007, the Group's operating network was made up of 5,480 branches located as follows: 1,808 in Catalonia, 769 in Madrid, 672 in Andalusia, 497 in the Autonomous Community of Valencia, 247 in Balears, 1,475 in other autonomous communities, and 10 representative branches and 2 operating branches in other countries.

The growth of the operating network since 2006 is illustrated in the table below:

NETWORK BRANCHES	<u>Number of branches</u>	
	<u>As at 31 December 2007</u>	<u>As at 31 December 2006</u>
AUTONOMOUS COMMUNITY		
CATALONIA	1,808	1,789
MADRID	769	751
ANDALUSIA	672	613
COMMUNITY OF VALENCIA	497	478
BALEARIC ISLANDS	247	242
CASTILE-LEON	287	201
GALICIA	196	182
BASQUE COUNTRY	178	170
CANARY ISLANDS	157	150
MURCIA	141	131
CASTILE-LA MANCHA	128	114
ARAGON	93	93
ASTURIAS	82	75
EXTREMADURA	84	64
NAVARRA	54	54
CANTABRIA	47	44
LA RIOJA	28	28
<b>Total branches in Spain</b>	<b>5,468</b>	<b>5,179</b>

**Representative branches of the Issuer**

<b>UNITED KINGDOM (London)</b>	<b>1</b>	<b>1</b>
<b>BELGIUM (Brussels)</b>	<b>1</b>	<b>1</b>
<b>ITALY (Milan)</b>	<b>1</b>	<b>1</b>
<b>PORTUGAL (Oporto)</b>	<b>1</b>	<b>1</b>
<b>PORTUGAL (Lisbon)</b>	<b>1</b>	<b>1</b>
<b>GERMANY (Stuttgart)</b>	<b>1</b>	<b>1</b>
<b>MOROCCO (Casablanca)</b>	<b>1</b>	<b>1</b>
<b>FRANCE (Paris)</b>	<b>1</b>	
<b>GERMANY (Frankfurt)</b>	<b>1</b>	
<b>CHINA (Beijing)</b>	<b>1</b>	
<b>Operational branches of the Issuer</b>		
<b>POLAND (Warsaw)</b>	<b>1</b>	
<b>ROMANIA (Bucharest)</b>	<b>1</b>	
<b>Total branches</b>	<b>5,480</b>	<b>5,186</b>



## Declaration of the Issuer relating to its competitiveness

**As of 31 December 2007, the financial position of the Group in comparison to the major banking groups and savings banks in Spain was the following:**

Banking groups	"la Caixa" Group	Santander Group	BBVA Group	Caja Madrid	Banco Popular
(In millions of euros)					
Own funds	14,418	51,945	24,811	9,636	6,224
Total customer funds <sup>(1)</sup>	223,816	784,995	485,621	150,863	104,284
Customer loans <sup>(2)</sup>	160,700	565,477	310,882	107,759	88,108
Total assets	248,496	912,915	502,204	158,855	107,169
<b>Profit attributed to the Group</b>	<b>2,488</b>	<b>9,060</b>	<b>6,126</b>	<b>2,861</b>	<b>1,260</b>
ROE	23,2%	21,9%	34,2%	42,3%	24,0%
ROA	1,2%	1,1%	1,4%	2,0%	1,4%
Efficiency Ratio	39,2%	40,8%	38,1%	25,5%	30,7%
Number of employees	26,342	131,819	111,913	14,379	15,038
Number of branches	5,480	11,178	8,028	2,018	2,531

**Source: Public information of the institutions.\***

**(1) Includes off balance sheet resources.**

**(2) As required under IFRS, includes customer loans securitized after January 1, 2004 (but not before).**

**At 31 December, 2007 the Group was the third largest Spanish financial group by reference to volume of total assets. (Source: Financial Reports published by the relevant institutions for the 2007 financial year.)<sup>3</sup>**

## ORGANISATIONAL STRUCTURE

### Description of the Group

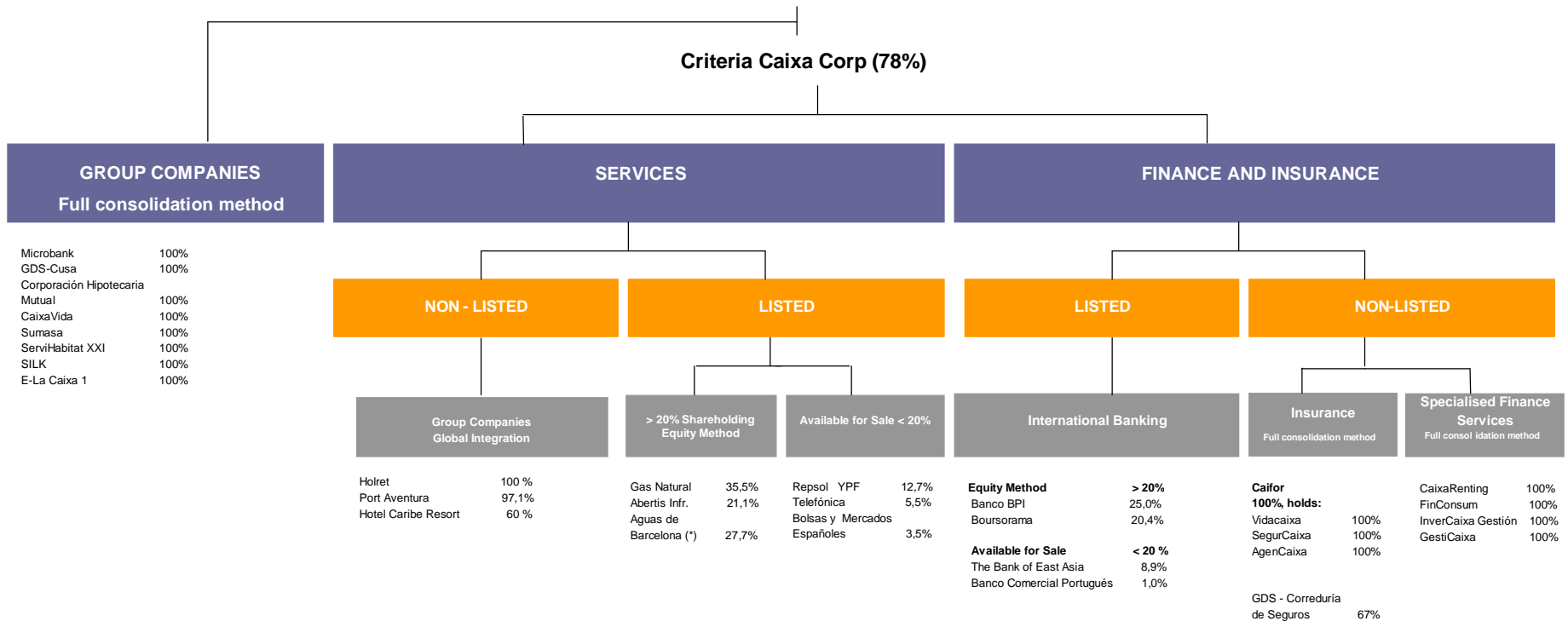
**The structure and composition of the Group's major holdings as of 31 December 2007, is shown in the Group structure chart below:**

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<sup>3</sup> The Issuer confirms that such information has been accurately reproduced from the public information and financial reports of the relevant institutions and as far as the Issuer is aware and is able to ascertain from such public information or financial statements, no facts have been omitted which would render the reproduced information inaccurate or misleading.

**DECEMBER 2007**

**"LA CAIXA"**



\* Takeover by Hisusa, Suez and Critería of 100% of Agbar authorised by CNMV on 27/12/07. Agbar multigroup entity

## **Recent acquisitions and takeovers made by the Issuer and Criteria since 31 December 2007**

### **Takeover bid for AGBAR**

A takeover bid for Aguas de Barcelona, S.A. (“AGBAR”) launched jointly by Criteria, Hisusa Holding de Infraestructuras y Servicios Urbanos, S.A., Suez Environnement, S.A. and Suez Environnement España, S.L.U. was successfully concluded on 22 January 2008, and accepted by 33.55% of the holders of AGBAR's share capital. Following the settlement of the bid, the aforesaid companies jointly control 90% of AGBAR's share capital and the Group holds a 44.1% stake. The aforesaid companies intend to keep AGBAR listed on a Spanish securities stock exchange, with a free float of around 30% for a two-year period.

### **Acquisition of the private banking division of Morgan Stanley in Spain**

On 31 March 2008 the Issuer finalised its purchase of Morgan Stanley's private banking division in Spain and implemented an integration process that it believes will take advantage of the best aspects of both management models. As a result, the Issuer is now one of the top three private banking institutions in Spain, with 40,000 customers and banking business volumes totaling EUR 32,000 million, thus raising its market share in investment funds to 7%.

### **Acquisition of an additional 3% in Abertis**

On 27 March 2008, the Group, through Criteria, purchased a 3% stake in Abertis Infraestructuras S.A. from Caixa d'Estalvis de Catalunya, for approximately 400 million euros. As a result of this acquisition the Group holds, as of 31 March 2008, 25% of the share capital of Abertis Infraestructuras S.A..

### **GFINbursa**

On 26 May 2008 Criteria reached an agreement in principle to acquire 20% of Grupo Financiero Inbursa, S.A.B. de C.V. (“GFINbursa”) a leading Mexican financial group in asset management and custody services, for an approximate amount of 1,500 million euros. This transaction gives the Issuer a significant foothold, in partnership with GFINbursa, in the United States, Central America and Latin America. The transaction is subject to ratification by the Board of Directors and general shareholders' meeting of GFINbursa and obtaining the relevant approvals from the Spanish and Mexican regulators.

## **TREND INFORMATION**

Since the date of the Issuer's last audited and published financial statements, there has been no material adverse change in the prospects of the Issuer.

The Issuer is not aware of any trend, uncertainty, demand, commitment or fact that could reasonably be expected to have an important effect on the Issuer's prospects for the present financial year.

## **ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

### **Members Of The Administrative, Management And Supervisory Bodies**

## 1. Board of Directors

The members of the Board of Directors of the Issuer at the date of these Listing Particulars are as follows:

	Office	Sector represented
Fainé Casas, Isidro	President	Depositors
Gabarró Serra, Salvador	First Vice-president	Depositors
Mercader Miró, Jorge	Second Vice-president	Local Corporations
Raventós Negra, Manuel	Third Vice-president	Founding Institutions
Balagueró Gañet, Ramón	Member	Depositors
Camarasa Carrasco, María Amparo	Member	Depositors
Doménech Sardà, Marta	Member	Depositors
García Biel, Manuel	Member	Personnel
Godó Muntañola, Javier	Member	Founding Institutions
Juan Franch, Inmaculada	Member	Depositors
López Burniol, Juan José	Member	Founding Institutions
Lopez Ferreres, Montserrat	Member	Depositors
Noguer Planas, Miguel	Member	Local Corporations
Novella Martínez, Justo Bienvenido	Member	Personnel
Oller Compañ, Vicente	Member	Founding Institutions
Pallarès Morgades, Magín	Member	Local Corporations
Rodés Castañé, Leopoldo	Member	Founding Institutions
Tomás Munar, Lluc	Member	Local Corporations
Tutzó Bennasar, Francesc	Member	Founding Institutions
Villalba Fernández, Nuria Esther	Member	Depositors
Zaragozà Alba, Josep Francesc	Member	Personnel
García-Bragado Dalmau, Alejandro	Secretary - not member	
Calderón de la Oya, Óscar	Vice-secretary - not member	

**The professional address of the members of the Board of Directors is the same as that of the Issuer: Avenida Diagonal, 621-629, 08028 Barcelona, Spain.**

## **2. Executive Committee**

**The members of the Executive Committee of the Board of Directors of the Issuer at the date of these Listing Particulars are as follows:**

**President:**

**Mr. Isidro Fainé Casas**

**1<sup>st</sup> Vice-president:**

**Mr. Salvador Gabarró Serra**

**2<sup>nd</sup> Vice-president:**

**Mr. Jorge Mercader Miró**

**3<sup>rd</sup> Vice-president:**

**Mr. Manuel Raventós Negra**

**Members:**

**Mrs. M<sup>a</sup> Amparo Camarasa Carrasco**

**Mr. Manuel García Biel**

**Mr. Javier Godó Muntañola**

**Mr. Miguel Noguer Planas**

**Secretary (not member):**

**Mr. Alejandro García-Bragado Dalmau**

**Vice-secretary (not member)**

**Mr. Oscar Calderón de Oya**

**The professional address of the members of the Executive Committee is the same as that of the Issuer: Avenida Diagonal, 621-629, 08028 Barcelona, Spain.**

## **3. Investments Committee**

**The members of the Investments Committee of the Board of Directors of the Issuer at the date of these Listing Particulars are as follows:**

**President:**

**Mr. Isidro Fainé Casas**

**Members:**

**Mr. Manuel García Biel**

**Mr. Manuel Raventós Negra**

**Secretary (not member):**

**Mr. Alejandro García-Bragado Dalmau**

**Vice-secretary (not member)**  
**Mr. Oscar Calderón de Oya**

**The professional address of the members of the Investments Committee is the same as that of the Issuer: Avenida Diagonal, 621-629, 08028 Barcelona (Spain).**

#### **4. The Remuneration Committee**

**The members of the Remuneration Committee of the Board of Directors of the Issuer at the date of these Listing Particulars are as follows:**

**President:**  
**Mr. Isidro Fainé Casas**

**Members:**  
**Mr. Salvador Gabarró Serra**  
**Mr. Jorge Mercader Miró**

**Secretary (not member):**  
**Mr. Alejandro García-Bragado Dalmau**

**Vice-secretary (not member)**  
**Mr. Oscar Calderón de Oya**

**The professional address of the members of the Remuneration Committee is the same as that of the Issuer: Avenida Diagonal, 621-629, 08028 Barcelona, Spain.**

#### **5. The Welfare Projects Committee**

**The members of the Welfare Projects Committee of the Board of Directors of the Issuer at the date of these Listing Particulars are as follows:**

**President:**  
**Mr. Isidro Fainé Casas**

**Members:**  
**Mr. Salvador Gabarró Serra**  
**Mr. Jordi Mercader Miró**  
**Mr. Manuel Raventós Negra**  
**Ms. Marta Doménech Sardà**  
**Mr. Javier Godó Muntañola**  
**Ms. Inmaculada Juan Franch**  
**Ms. Justo Bienvenido Novella Martínez**  
**Mr. Magí Pallarés Morgades**

**Secretary (not member):**  
**Mr. Alejandro García-Bragado Dalmau**

**Vice-secretary (not member)**

**Mr. Oscar Calderón de Oya**

The professional address of the members of the Welfare Projects Committee is the same as that of the Issuer: Avenida Diagonal, 621-629, 08028 Barcelona (Spain).

**6. Control Committee**

The members of the Control Committee of the Board of Directors of the Issuer at the date of these Listing Particulars are as follows:

	<b>Office</b>	<b>Representation</b>
<b>Mr. Enrique Corominas Vila</b>	<b>President</b>	<b>Founding and Social Interest Institutions</b>
<b>Mr. Martí Pàmies Solà</b>	<b>Secretary</b>	<b>Depositors</b>
<b>Mrs. Josefina Castellví Piulachs</b>	<b>Member</b>	<b>Founding and Social Interest Institutions</b>
<b>Mrs. Elvira Colom Rosich</b>	<b>Member</b>	<b>Depositors</b>
<b>Mr. José-Delfin Guardia Canela</b>	<b>Member</b>	<b>Founding and Social Interest Institutions</b>
<b>Mr. Santiago Pallàs Guasch</b>	<b>Member</b>	<b>Local Corporations</b>
<b>Mr. Àngel Ros Domingo</b>	<b>Member</b>	<b>Local Corporations</b>
<b>Mr. Carlos Santana Fuster</b>	<b>Member</b>	<b>Depositors</b>
<b>Mr. Juan Sierra Fatjó</b>	<b>Member</b>	<b>Employees</b>

The professional address of the members of the Control Committee is the same as that of the Issuer: Avenida Diagonal, 621-629, 08028 Barcelona, Spain.

The Control Committee assumes all the functions attributed to the Audit Committee by additional provision eighteen of Law 24/1988, of 28 July, on the Stock Market.

**7. Management**

The Issuer is managed by the following executive management, as at the date of these Listing Particulars:

**President and Chief Executive Officer: Mr. Juan Maria Nin Génova**

**Senior Executive Vice-Presidents:**

**Mr. Antonio Massanell Lavilla**

**Mr. Tomás Muniesa Arantegui**

**Mr. Marcelino Armenter Vidal**

**Mr. Juan Antonio Alcaraz García**

**Executive Vice-Presidents:**

**Head Office:**

**Mr. Julio Lage González**  
**Mr. Xavier Coll Escursell**  
**Ms. Elisa Maria Durán Montolio**  
**Mr. Jesús Escolano Cebolla**  
**Mr. Alejandro García-Bragado Dalmau**  
**Mr. Jaime Lanaspá Gatnau**  
**Mr. Sebastián Sastre Papiol**  
**Mr. Joaquím Vilar Barrabeig**

**General Area Managers:**

**Mr. Evaristo del Canto Canto**  
**Mr. Juan Carlos Gallego González**  
**Mr. Roberto Leporace Roig**  
**Mr. Juan José Muguruza Angulo**  
**Mr. Juan Antonio Odriozola Fernández-Miranda**  
**Mr. Andrés Orozco Muñoz**  
**Mr. Juan Reguera Díaz**  
**Mr. Manuel Romera Gómez**

The professional address of the members of Upper Management is the same as that of the Issuer: Avenida Diagonal, 621-629, 08028 Barcelona, Spain.

Principal external activities of the members of the administrative, management and supervisory bodies set out in sections 1 (*Board of Directors*) to 7 (*Management*) inclusive above

This section lists all the principal external activities of all the members of the administrative, management and supervisory bodies set out in sections 1 (*Board of Directors*) to 7 (*Management*) inclusive above, that are material with respect to their activities in relation to the Issuer.

The remainder of the persons listed in the administrative, management and supervisory bodies set out in sections 1 (*Board of Directors*) to 7 (*Management*) inclusive above, that are not listed in this section do not carry on activities outside of the Issuer that are material with respect to their activities in relation to the Issuer.

**Mr. Isidro Fainé Casas:**

**Abertis Infraestructuras, S.A. (President)**  
**Banco BPI, S.A. (Board Member)**  
**Brisa Auto-Estradas de Portugal, S.A. (Board Member)**  
**Caifor, S.A. (Board Member)**  
**Confederación Española de Cajas de Ahorros-CECA (Vice-president)**



**Criteria CaixaCorp, S.A. (Board Member)**  
**Port Aventura, S.A. (Board Member)**  
**Repsol YPF, S.A. (2<sup>nd</sup> Vice-president)**  
**Sanef (Board Member)**  
**Telefónica, S.A. (1<sup>st</sup> Vice-president)**  
**Hisusa-Holding de Infraestructuras y Servicios Urbanos, S.A.**  
**(representative of Criteria CaixaCorp, S.A. as Board Member)**

**Mr. Salvador Gabarró Serra:**

**Gas Natural S.D.G., S.A. (President)**  
**ENAGAS, S.A. (Board Member)**  
**Criteria CaixaCorp, S.A. (Board Member)**

**Mr. Jorge Mercader Miró:**

**Sociedad General de Aguas de Barcelona, S.A. (President and Managing Director)**  
**Caifor, S.A. (Board Member)**  
**Criteria CaixaCorp, S.A. (Board Member)**  
**Miquel y Costas & Miquel, S.A. (President)**

**Mr. Manuel Raventós Negra:**

**Sociedad General de Aguas de Barcelona, S.A. (2<sup>nd</sup> Vice-president)**  
**Caifor, S.A. (Board Member)**  
**Abertis Infraestructuras, S.A. (Board Member)**  
**Criteria CaixaCorp, S.A. (Board Member)**

**Mr. Leopoldo Rodés Castañé:**

**Abertis Infraestructuras, S.A. (Board Member)**  
**Sogecable, S.A. (Board Member)**

**Mr Juan María Nin Génova:**

**Caifor, S.A. (Board Member)**  
**Criteria CaixaCorp, S.A. (Board Member)**  
**Gas Natural S.D.G., S.A. (Board Member)**  
**Repsol YPF, S.A. (Board Member)**

**Mr. Antonio Massanell Lavilla:**

**Telefónica, S.A. (Board Member)**  
**Telefónica de España, S.A. (Board Member)**  
**Port Aventura, S.A. (Board Member)**  
**Boursorama, S.A. (Representative of the Issuer as Board Member)**

**Mr. Tomás Muniesa Arantegui:**

**Caifor, S.A. (Managing Director)**  
**MEFF AIAF SENAF Holding de Mercados Financieros, S.A. (President)**

**Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A. (3<sup>rd</sup> Vice-president)**

**Mr Javier Godó Muntañola:**

**Caifor, S.A (Board Member)**

**Criteria CaixaCorp, S.A. (Board Member)**

**Ms María Amparo Camarasa Carrasco:**

**Autopistas Aumar, S.A.C.E. (Board Member)**

**Criteria CaixaCorp, S.A. (Board Member)**

**Port Aventura, S.A. (Board Member)**

**Mr Manuel García Biel:**

**Autopistas Concesionaria Española, S.A. (Board Member)**

**Criteria CaixaCorp, S.A. (Board Member)**

**Saba Aparcamientos, S.A. (Board Member)**

**Mr. Miguel Noguera Planas:**

**Sociedad General de Aguas de Barcelona, S.A. (Board-member)**

**Criteria CaixaCorp, S.A. (Board Member)**

**Abertis Logística, S.A. (Board Member)**

## **CONFLICTS OF INTERESTS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

**No conflicts of interest exist between the duties to the Issuer of the members of the administrative, management and supervisory bodies set out in sections 1 (*Board of Directors*) to 7 (*Management*) inclusive above and their private interests and or other duties.**

**Some companies in which Issuer is a shareholder provide utility services or necessities to the Issuer, such as water (Aguas de Barcelona, S.A.) and telephone (Telefónica, S.A.), at market prices and conditions.**

**Article 15.3 of the Articles of Association of the Issuer establishes that the concession of loans, endorsements and guarantees by the Issuer to members of the Board of Directors or of the Control Committee, to the General Manager, or to their spouses, ascendants, descendants or relatives to the second degree, and also to the companies in which these persons have, jointly or severally, a majority holding, or in which they hold the office of president, Board Member, administrator, manager, general manager or similar, must be authorised by the Board of Directors of the Issuer and reported to the Ministry of Economy and Finance of the Government of Catalonia (Generalitat de Catalunya), which must expressly authorise any such activity. The amount of loan, endorsement or guarantee operations carried out to 31 December 2007, whether directly, indirectly, in favour of members of the Board of Directors, the Control Committee, to relatives in the first degree or with companies or institutions that they control, in terms of article 4 of Law 24/1988, of 28 July on the**

Stock Market, amounted to 10,640,000 euros and 919,000 euros, respectively, and these operations were carried out at market rates.

In addition, article 9.4 of the Articles of Association of the Issuer establishes that Board Members may not be linked to the Issuer, or to companies in which it has a shareholding of twenty-five per cent or more of the capital, through contracts for work, services, supply or remunerated work, during the period in which they hold this office and during the two years following the end of their term of office, counting from their resignation as board-member. This restriction does not apply to Board Members of the Issuer, who are elected to the Board and sit on the Board solely as a representative of the employees of the Issuer.

## MAJOR SHAREHOLDERS

The Issuer is an organisation with no share capital.

The Board of Directors of the Issuer is appointed by a general assembly made up of 160 members elected by the following persons and entities:

- Municipalities of cities where banking branches are located (elects 34 members).
- Depositors (elects 58 members).
- Employees (elects 20 members).
- Founding entities and other entities with social interests (elects 48 members).

## FINANCIAL STATEMENTS

Copies of the consolidated and individual annual accounts of the Issuer for the financial years 2007 and 2006 have been deposited at the CNMV and have been audited by Deloitte, S.L., who are registered auditors in Spain registered in the *Registro Oficial de Auditores de Cuentas* with registration number S0692. The registered office of Deloitte, S.L. is at Plaza Pablo Ruiz Picasso, 1, 28020 Madrid, Spain.

The audit reports rendered by Deloitte S.L. in respect of the individual annual accounts of the Issuer and the consolidated annual accounts of the Group corresponding to financial years 2007 and 2006 contain an unqualified opinion.

## TAX YEARS OPEN FOR REVIEW

In 1996 the Spanish tax authorities began an inspection of the tax group<sup>4</sup> for the tax years 1991 to 1993, in respect of the principal taxes applicable to it. This inspection ended in 1997 with tax liability assessments being issued, resulting principally from differences between the accounting treatment of the Group's tax exposure and the tax regulations applicable to it. Although the Issuer believes in good faith that there are valid grounds to successfully dispute such assessments, the Issuer has recorded provisions to cover the maximum contingencies that could arise from these tax

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<sup>4</sup> The composition of the consolidated Group for corporation tax purposes in 2007 is shown in Appendix 6 to the notes to the consolidated financial statements for the year ending 31 December 2007.

liability assessments. In 2001 the Central Economic-Administrative Tribunal (*Tribunal Económico Administrativo Central*) cancelled the tax liability assessments received in three rulings after partially upholding the pleadings submitted by the Issuer. As a result, the provisions relating to the amounts upheld by the Central Economic Administrative Tribunal were reversed, and currently they total EUR 7,932,000. An appeal for judicial review was filed in relation to the other items for which a decision is yet to be handed down by the Spanish Supreme Court.

In 1999 the tax authorities began an inspection of the tax group in relation to the tax years 1994 to 1997, in respect of the principal taxes applicable to it. This inspection ended in 2001 with tax liability assessments being issued, resulting principally from differences between the accounting treatment of the Group's tax exposure and the tax regulations applicable to it. Although the Issuer believes in good faith that there are valid grounds to successfully dispute part of such tax liability assessments, the Issuer has recorded provisions totalling 34,425,000 euros to cover the maximum contingencies that could arise from these tax liability assessments. In 2005 the Central Economic Administrative Tribunal cancelled the tax liability assessments received in three rulings relating to the tax years 1994, 1995 and 1996, after partially upholding the pleadings submitted by the Issuer. In addition, in 2007, the Central Economic Administrative Tribunal handed down a ruling relating to the tax year 1997, cancelling the tax liability assessment received, after partially upholding the pleadings submitted. An appeal for judicial review was filed in relation to the other items on which a decision is yet to be handed down by the Spanish National Appellate Court.

In 2005 the tax authorities began an inspection of the tax group in relation to the tax years 2000 to 2003 in respect of the principal taxes applicable to it. The inspection relating to the tax years 2000 and 2001 ended in 2006 and the inspection relating to the tax years 2002 and 2003 ended in 2007. Tax liability assessments were issued, resulting principally from differences between the accounting treatment of the Group's tax exposure and the tax regulations applicable to it. Although the Issuer believes in good faith that there are valid grounds to successfully dispute part of such assessments, the Issuer has recorded provisions totalling EUR 17,983,000 to cover the maximum contingencies that could arise from these assessments.

The varying interpretations which can be made of the tax regulations applicable to transactions carried out by financial institutions, including the Issuer, may give rise to certain contingent tax liabilities of the Issuer which cannot be objectively quantified. The Issuer's management and legal advisors consider that the provisions included in the consolidated balance sheets for the year ending 31 December 2007 under "*Provisions for Taxes*" of EUR 106,132,000, are sufficient to cover the tax contingent liabilities.

## INFORMATION RELATING TO THE CRITERIA SHARES

### Share Capital

The share capital of Criteria amounts to 3,362,889,837 euros, represented by 3,362,889,837 shares with a nominal value of 1 euro each, belonging to a single class and series, with identical ownership and economic rights, and represented by account entries. The registrar for the Shares is Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (“Iberclear”).

The International Security Identification Number of the Shares is ES0140609019.

Criteria Shares are listed on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia through the Stock Market Interconnection System (Continuous Market).

The table below sets out the share capital issues of Criteria on the dates specified:

Date	Event	Share capital (€)	Issue premium (€)	Shares Issued	Resulting number of shares	Nominal value per share (€)	Resulting share capital (€)
31.12.04		2,629,870,800			2,629,870,800	1	2,629,870,800
31.12.05		2,629,870,800			2,629,870,800	1	2,629,870,800
31.12.06		2,629,870,800			2,629,870,800	1	2,629,870,800
09.10.07	Capital increase through the issue of ordinary shares	657,500,000	2,794,375,000	657,500,000	3,287,370,800	1	3,287,370,800
07.11.07	<i>green shoe</i>	75,519,037	320,955,907	75,519,037	3,362,889,837	1	3,362,889,837

### Recent Price History for the Criteria Shares

The following table shows the high and low closing prices of the Criteria Shares traded on the Madrid Stock Exchange and the dividends paid in respect of the Criteria Shares for the periods indicated below. The closing price of the Criteria Shares on the Madrid Stock Exchange on 10 June 2008 was 4.18 euros.

In Euro	High	Low	Dividend (gross)
<b>2007</b>			
Month ending 31 October	5.44	5.13	n/a
Month ending 30 November	5.27	4.95	n/a
Month ending 28 December	5.27	5.09	n/a
<b>2008</b>			
Month ending 31 January	5.21	3.73	0.03
Month ending 29 February	4.86	4.05	n/a
Month ending 31 March	4.55	4.14	n/a

Month ending 30 April	4.52	4.22	n/a
Month ending 31 May	4.68	4.24	n/a

### **Dividend policy**

**Criteria aims to distribute to its shareholders the majority (around 90%) of its non-consolidated net distributable profit for the financial year in question, excluding any extraordinary net profits (arising, for example, from the disposal of investments) which, with a view to safeguarding its investing capacity and for the benefit of its ordinary course of operations, will be applied on a priority basis in financing reinvestments in line with its strategic objectives.**

**Within the boundaries described above, Criteria may also consider returning value to shareholders by other means, such as share buybacks and/or the distribution of ordinary dividends.**

**Moreover, Criteria's dividend policy and the amount of future dividends Criteria decides to pay, if any, will, in addition, depend upon a number of factors, including, but not limited to, its earnings, financial condition, and such other factors as it may deem relevant at that time. Accordingly, Criteria may decide to modify its dividend policy for these or other reasons.**

## CRITERIA

*The information set forth in this section has been derived from Criteria's most recent annual accounts, public documents or other publicly available sources of information.*

### About Criteria

Criteria Caixacorp, S.A. ("Criteria"), is registered in the Companies Registry of Barcelona, under Volume 37883, Folio 124, Sheet B-41232, Entry 56, with tax identification number A-08663619. Criteria has its registered office at Avda. Diagonal, 621-629, Torre II, Planta 3<sup>a</sup>, 08028 Barcelona and Criteria's telephone number is (+ 34) 93 411 75 75. Criteria is incorporated for an unlimited term.

As illustrated by the Group structure chart on page 63 of these Listing Particulars, the Issuer holds 78 per cent. of the share capital of Criteria.

Information on Criteria and the Shares (including past performance, future performance prospects and volatility) can be obtained on the internet at Criteria's website <http://www.criteria.com>. Criteria is also currently required to file periodic information with the CNMV.

Information that appears on the internet and in particular on the websites of Criteria and the CNMV is not incorporated into these Listing Particulars and does not form part of these Listing Particulars.

### Business Overview

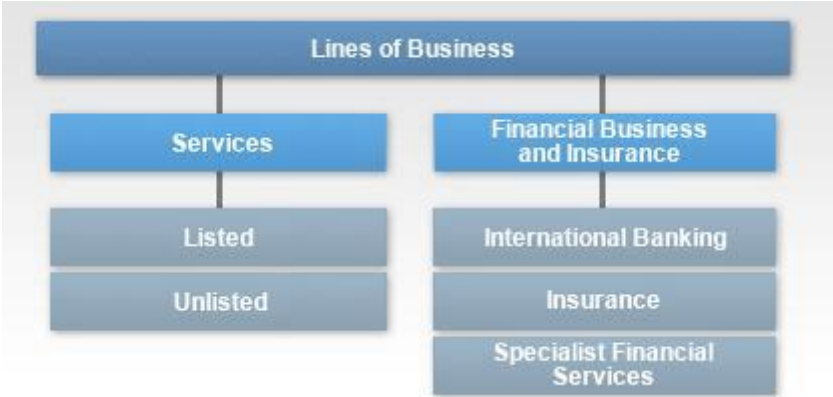
Criteria is an investment group that brings together a significant industrial portfolio, with holdings mainly in Spain but with a firm commitment to internationalisation.

Criteria's intention is to create value for its shareholders via active management of its portfolio of affiliated companies and by contributing to their growth, development and profitability at controlled levels of risk.

### Lines of Business

Criteria has two business lines ("Infrastructure, energy, utilities and services" and "Financial business and insurance") that combine investments in listed market leading entities and holdings in unlisted companies, to produce a diverse portfolio.

Criteria currently plans to develop its two main business lines as follows:



**Infrastructure, energy, utilities and services**

Criteria's objective is to make selective investments and divestments, identifying and taking advantage of opportunities arising from time to time. Although Criteria's overall aim is to reduce the amount of investment in infrastructure, energy, utilities and services as a proportion of its entire investment portfolio, it expects its investments in these sectors to remain sizeable - between 40% and 60% of its total investment portfolio in the medium/long term. Criteria's objective is to create a value differential in companies which operate in strategic sectors of the economy, taking core positions in their shareholder structures, which allows it to play an active role in their governing bodies, key decision-making and the development of their business strategies. Criteria holds key positions in such companies and in some cases holds a controlling interest.

**Financial business and insurance**

Criteria intends to gradually increase its investments in the financial business sector, both in retail banking and specialized financial services such as insurance, asset management, operational leasing and consumer finance. On a medium/long term basis, investments in the financial business sector are expected to account for between 40% and 60% of total assets held by Criteria.

- (a) **Financial business - International banking:** Criteria's strategy is to increase its exposure to financial businesses, particularly through investments in companies focused on international retail banking. It intends to make investments mainly in central Europe, the NAFTA (North American Free Trade Agreement), markets with high growth potential and other markets geographically close to Spain.
- (b) **Financial business - Insurance and specialized financial services:** Criteria's objective is to grow its investments in the insurance and specialized financial services sector, by expanding and consolidating its positions in Spain. Criteria believes that these businesses naturally leverage off the Issuer's growing distribution network and the potential for cross-selling. In the medium/long term, Criteria believes that these businesses have the potential to expand abroad, taking advantage of experience acquired within the framework of Criteria's increasing exposure to the international banking business. Criteria believes that these investments naturally complement Criteria's banking activity which it intends to use as a support for its expansion in the banking sector abroad.



## TAXATION

*The following is a general description of certain Spanish tax considerations relating to the Bonds and the Shares. The information provided below does not purport to be a complete summary of tax law and practice currently applicable in the Kingdom of Spain and is subject to any changes in law and the interpretation and application thereof, which could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Bonds, and does not purport to deal with the tax consequences applicable to all categories of investors, some of whom (such as dealers in securities) may be subject to special rules. Prospective investors who are in any doubt as to their position should consult with their own professional advisers.*

### Taxation in the Kingdom of Spain

#### Introduction

The information that is included in this section entitled “Taxation”, has been prepared in accordance with the following Spanish tax legislation in force at the date of these Listing Particulars:

- (a) of general application, Additional Provision Two of Law 13/1985, of 25 May on investment ratios, own funds and information obligations of financial intermediaries, as amended by Law 19/2003, of 4 July on legal rules governing foreign financial transactions and capital movements and various money laundering prevention measures, Law 62/2003, of 30 December and Law 23/2005, of 18 November, on certain measures to promote productivity, as well as Royal Decree 1065/2007 (“Royal Decree 1065/2007”), of 27 July approving the General Regulations of the tax inspection and management procedures and developing the common rules of the procedures to apply taxes;
- (a) for individuals with tax residency in Spain who are Personal Income Tax taxpayers, Law 35/2006, of 28 November on Personal Income Tax and on the partial amendment of to the Corporate Income Tax Law, Non Residents Income Tax Law and Wealth Tax Law (the “Personal Income Tax Law”), and Royal Decree 439/2007, of 30 March promulgating the Personal Income Tax Regulations, along with Law 19/1991, of 6 June on Wealth Tax and Law 29/1987, of 18 December on Inheritance and Gift Tax;
- (b) for legal entities resident for tax purposes in Spain which are Corporate Income Tax taxpayers, Royal Legislative Decree 4/2004, of 5 March promulgating the Consolidated Text of the Corporate Income Tax Law, and Royal Decree 1777/2004, of 30 July promulgating the Corporate Income Tax Regulations; and
- (c) for individuals and legal entities who are not resident for tax purposes in Spain and are non-Resident Income Tax taxpayers, Royal Legislative Decree 5/2004, of 5 March promulgating the Consolidated Text of the Non-Resident Income Tax Law, as amended by Royal Decree Law 2/2008 of 21 April, on measures to promote economic activity and Royal Decree 1776/2004, of 30 July promulgating the Non-Resident Income Tax Regulations, along with Law 19/1991, of 6 June on Wealth Tax and Law 29/1987, of 18 December on Inheritance and Gift Tax.

Whatever the nature and residence of the holder of a beneficial interest in the Bonds (“a holder of Bonds”), the acquisition and transfer of the Bonds will be exempt from indirect taxes in Spain, for example exempt from transfer tax and stamp duty, in accordance with the consolidated text of such tax promulgated by Royal Legislative Decree 1/1993, of 24 September, and exempt from value added tax, in accordance with Law 37/1992, of 28 December regulating such tax.

## **1. Individuals with Tax Residency in Spain**

### **1.1 Individual income tax (*Impuesto sobre la Renta de las Personas Físicas*)**

Payments of both interest periodically received and income deriving from the transfer, redemption or repayment of the Bonds constitute a return on investment obtained from the transfer of own capital to third parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and must be included in each investor's taxable savings and taxed at the rate of 18 per cent.

Both such types of income are subject to a withholding on account of Personal Income Tax at the rate of 18 per cent.

### **1.2 Wealth tax (*Impuesto sobre el Patrimonio*)**

Individuals with tax residency in Spain and who hold Bonds on 31 December in any given year will be subject to wealth tax in Spain for such year. However, although the relevant law has not been enacted as of the date hereof, the Spanish Government formally announced in April 2008 their intention to abolish wealth tax, with retroactive effect to 1 January 2008.

### **1.3 Inheritance and gift tax (*Impuesto sobre Sucesiones y Donaciones*)**

Individuals with tax residency in Spain who acquire ownership or other rights over any Bonds by inheritance, gift or legacy will be subject to inheritance and gift tax in accordance with the applicable Spanish regional or state rules.

## **2. Legal Entities with Tax Residency in Spain**

### **2.1 Corporate Income Tax (*Impuesto sobre Sociedades*)**

Payments of both interest periodically received and income deriving from the transfer, redemption or repayment of the Bonds must be included in the profit and taxable income of legal entities with tax residency in Spain for Corporate Income Tax purposes in accordance with the rules for Corporate Income Tax.

In accordance with Section 59.s) of the Corporate Income Tax Regulations there is no obligation to make a withholding on income obtained by Spanish Corporate Income Tax taxpayers (which include Spanish tax resident investment funds and Spanish tax resident pension funds) from financial assets traded on organised markets in OECD countries. In relation to Bonds which are listed on the Official List of the FSA and admitted to trading on the Professional Securities Market, this requirement will be satisfied. On 27 July 2004, the Directorate General for Taxation (*Dirección General de Tributos*) issued a reply to a non-

binding consultation indicating that in the case of issues made by entities resident in Spain, such as the Issuer, the exemption applies in the case of Bonds placed outside Spanish territory, in another OECD country.

The Issuer considers that the Bonds will fall within this exemption as the Bonds are to be placed outside Spain and in the international capital markets. Consequently, the Issuer will not make any withholding payments to Spanish Corporate Income Tax taxpayers that provide the relevant information to qualify as such. If the Spanish tax authorities maintain a different opinion on this matter, however, the Issuer will be bound by that opinion and shall make the appropriate withholding and the Issuer will not, as a result, be under any obligation to pay additional amounts.

In order to implement the exemption from withholding, the Order of 22 December 1999 (see “Disclosure of holder information in connection with Payments” below).

## **2.2 Wealth tax (*Impuesto sobre el Patrimonio*)**

Spanish resident legal entities are not subject to wealth tax.

## **2.3 Inheritance and gift tax (*Impuesto sobre Sucesiones y Donaciones*)**

Legal entities with tax residency in Spain which acquire ownership or other rights over the Bonds by inheritance, gift or legacy are not subject to inheritance and gift tax and must include the market value of the Bonds in their taxable income for Spanish Corporate Income Tax purposes.

## **3. Individual and Legal Entities with no tax residency in Spain**

### **3.1 Non-resident income tax (*Impuesto sobre la Renta de No Residentes*)**

#### **(a) *Non-Spanish resident investors acting through a permanent establishment in Spain***

Ownership of the Bonds by investors who are not resident for tax purposes in Spain will not in itself create the existence of a permanent establishment in Spain.

If the Bonds form part of the assets of a permanent establishment in Spain of a person or legal entity who is not resident in Spain for tax purposes, the tax rules applicable to income deriving from such Bonds are similar to those for Spanish Corporate Income Tax taxpayers.

#### **(b) *Non-Spanish resident investors not acting through a permanent establishment in Spain***

Pursuant to Law 13/1985, payments of both interest periodically received and income deriving from the transfer, redemption or repayment of the Bonds, obtained by individuals or legal entities without tax residency in Spain, and who are Non-Resident Income Tax taxpayers with no permanent establishment in Spain, are, in principle, exempt from Non-Resident Income Tax.

Holders of Bonds wishing to be eligible for the exemption from Non-Resident Income Tax will need to provide (or arrange to be provided on their behalf) certain information relating to the identity and residence of such holders, in the manner detailed under “Disclosure of holder information in connection with Payments” pursuant to section 44 of Royal Decree 1065/2007. If the relevant information is not provided the Issuer will be obliged by Spanish law to apply withholding tax at the rate of 18 per cent. (or at such other rate as may be established by Spanish law from time to time) and the Issuer will not pay additional amounts.

### 3.2 Wealth tax (*Impuesto el Patrimonio*)

To the extent that income deriving from the Bonds is exempt from Non-Resident Income Tax, individuals who are not tax resident in Spain on 31 December in any given year will be exempt from wealth tax.

Furthermore, individuals resident in a country with which Spain has entered into a double tax treaty in relation to wealth tax will generally not be subject to wealth tax.

If the provisions of the foregoing two paragraphs do not apply, individuals who are not tax resident in Spain on 31 December in a given year will be subject to wealth tax, to the extent that rights deriving from the Bonds can be exercised within the Spanish territory. However, although the relevant law has not been enacted as of the date hereof, the Spanish Government formally announced in April 2008 their intention to abolish wealth tax, with retroactive effect to 1 January 2008.

Non-Spanish resident legal entities are not subject to Spanish wealth tax.

### 3.3 Inheritance and gift tax (*Impuesto sobre Sucesiones y Donaciones*)

Individuals who do not have tax residency in Spain who acquire ownership or other rights over the Bonds by inheritance, gift or legacy, and who reside in a country with which Spain has entered into a double tax treaty in relation to inheritance and gift tax will be subject to the relevant double tax treaty.

If the provisions of the foregoing paragraph do not apply, such individuals will be subject to inheritance and gift tax in accordance with the applicable Spanish regional and state legislation, to the extent that rights deriving from the Bonds can be exercised within the Spanish territory.

Non-Spanish resident legal entities which acquire ownership or other rights over the Bonds by inheritance, gift or legacy are not subject to inheritance and gift tax. They will be subject to a Non-Resident Income Tax. If the legal entity is resident in a country with which Spain has entered into a double tax treaty, the provisions of such treaty will apply. In general, double-tax treaties provide for the taxation of this type of income in the country of residence of the beneficiary.

#### **4. Disclosure of holder information in connection with Payments**

##### **4.1 Tax Reporting Obligations of the Issuer**

The Issuer is required by Spanish law to file an annual return with the Spanish tax authorities in which it reports on certain information relating to payments made in respect of the Bonds. The Spanish tax authorities may rely on such returns in order to assess whether or not the Issuer has correctly withheld tax on payments made by it under the Bonds.

The Issuer completes each annual return on the basis of the information provided to it by, or on behalf of, holders of Bonds. Holders of Bonds who are individuals or legal entities without tax residency in Spain, who are legal entities with tax residency in Spain, and who are not individuals resident in Spain, may receive payments in respect of the Bonds free of withholding provided that they provide (or arrange to be provided on their behalf) accurate and timely information enabling them to qualify for such an exemption from withholding.

The information required by the Issuer in order to comply with its annual reporting obligations and make payments under the Bonds free of withholding is that set out in Section 44 of Royal Decree 1065/2007 and Order of 22 December 1999.

##### **4.2 Rulings on the Disclosure Procedures of Euroclear and Clearstream, Luxembourg**

In response to the combined effect of various rulings dated 28 September 2007 and 31 January 2008, Euroclear and Clearstream, Luxembourg, have adapted their procedures put in place by them to assist Spanish issuers in complying with the reporting obligations required by Spanish tax law and regulations.

The following is a summary only of the procedures implemented by Euroclear and Clearstream, Luxembourg following such rulings and is subject to any publications and notifications which may be made by Euroclear and Clearstream, Luxembourg detailing such procedures (and as amended from time to time), as well as to any changes in Spanish tax law and/or regulations, or the interpretation thereof, which the Spanish tax authorities may promulgate from time to time. Holders of Bonds must seek their own advice to ensure that they comply with all procedures to ensure the correct tax treatment of their Bonds. None of the Issuer, the Managers, any Paying, Transfer and Exchange Agent or Euroclear and Clearstream, Luxembourg (or any other clearing system) assume any responsibility therefor.

##### **4.3 Individuals and Legal Entities without tax residency in Spain**

In accordance with sub-section 44(1) of Royal Decree 1065/2007, each annual return filed by the Issuer with the Spanish tax authorities must include the following information with respect to the relevant Bonds:

- (a) the identity and country of residence of the recipient of the income from the Bonds. When such income is received on behalf of the holder of Bonds by a third party, the identity and country of residence of that third party;
- (b) the amount of income received; and

(c) **details identifying the Bonds.**

**In accordance with sub-section 4(2) of Royal Decree 1065/2007, for the purpose of preparing the return referred to in sub-section 44(1), certain documents with information regarding the identity and country of residence of each non-Spanish resident holder of Bonds must be received by the Issuer at the time of each payment in respect of the Bonds. In particular, on each payment of income, and in order to obtain an immediate refund of Spanish withholding taxes initially deducted by the Issuer, the following documentation must be obtained from Euroclear and Clearstream, Luxembourg and the entities holding accounts with them (“Participants” and “Customers” either acting in their own name and on their own behalf or duly represented by Euroclear and Clearstream, Luxembourg (each a “Legal Representative”)<sup>5</sup>) no earlier than the close of business on the day preceding the relevant payment date:**

- (1) a non-Spanish resident holder of Bonds who acts on its own account and is a central bank, other public institution or international organisation, a bank or credit institution or a financial entity, including collective investment institutions, pension funds and insurance entities resident in an OECD country or in a country with which Spain has entered into a treaty for the avoidance of double-taxation subject to a specific administrative registration or supervision scheme (a “Qualified Institution”), must certify its name and tax residency in accordance with Annex I of the Order of 16 September 1991 establishing the procedure for the payment on Book Entry State Debt to non-residents who invest in Spain without a permanent establishment, developing the Royal Decree 1285/1991 of 2 August, the form of which is attached hereto as Annex I;**
- (2) in the case of transactions in which the Participant or Customer is a Qualified Institution which is not the holder of Bonds but acts as an intermediary, the entity in question must, in accordance with the information contained in its own records, certify the name and tax residency of each non-Spanish resident holder of Bonds in accordance with Annex II of the Order of 16 September 1991, the form of which is attached hereto at Annex II;**
- (3) if the Participant or Customer is not a Qualified Institution, refunds of Spanish withholding taxes initially deducted by the Issuer will only be available if Euroclear and Clearstream, Luxembourg issue in their own name and on their own behalf an Annex II. However, Euroclear and Clearstream, Luxembourg are not obliged to do so, in which case holders**

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<sup>5</sup> The principle of legal representative could permit, in the appropriate cases, Euroclear and Clearstream, Luxembourg to prepare, issue and sign the relevant Annexes under a power of attorney provided by the Participants and Customers of Euroclear and Clearstream, Luxembourg.

**of the Bonds will have to seek their own tax advice in order to seek a refund from the Spanish Tax Authorities.**

**In accordance with sub-section 44(3) of Royal Decree 1065/2007, on the relevant payment date the Issuer must arrange for the net amounts payable after deduction of Spanish withholding tax at the applicable rate (currently 18 per cent.) to be transferred to the entities referred to in paragraphs (A), (B) and (C). Withholding tax will be applied to the whole amount of the interest payable on the relevant Bonds on the relevant payment date. Provided the procedures put in place from time to time by Euroclear and Clearstream, Luxembourg are complied with, the Issuer will pay an immediate refund on the payment date of amounts withheld to those non-Spanish resident holders of Bonds entitled to receive payments free of withholding on that date. Payments made to non-Spanish resident holders of Bonds who provide the relevant document (or in respect of whom the relevant document is provided) to the Principal Paying, Transfer and Exchange Agent other than by the Legal Representative, or in respect of whom the relevant document is provided after the relevant time on the payment date will be subject to Spanish withholding tax on the relevant payment date at the current rate of 18%, although such holders may be entitled to a refund at a later date of amounts withheld as further described under paragraphs 4.5 and 4.6, below.**

#### **4.4 Legal Entities with tax residency in Spain subject to Spanish Corporate Income Tax**

**Holders of Bonds who are legal entities resident for tax purposes in Spain and subject to Spanish Corporate Income Tax may receive payments in respect of the Bonds free of withholding provided that they provide (or arrange to be provided on their behalf by their Legal Representative) accurate and timely information enabling them to qualify for such an exemption from withholding substantially in the form set out in Annex III below and following the procedures put in place from time to time by Euroclear and Clearstream, Luxembourg. In such case, the Issuer will pay an immediate refund of amounts withheld to those holders of Bonds entitled to receive payments free of withholding on that date. Payments made to holders of Bonds who provide the relevant information (on in respect of whom the relevant information is provided) to the Principal Paying, Transfer and Exchange Agent other than by the Legal Representative, or in respect of whom the relevant document is provided after the relevant payment date will be subject to Spanish withholding tax on the relevant payment date at the current rate of 18%, although such holders may be entitled to a refund at a later date of amounts withheld as further described under paragraphs 4.5 and 4.6, below.**

#### **4.5 Quick Refund by the Issuer**

**In the case of both paragraphs 4.3 and paragraph 4.4 above, in order for a holder of Bonds to benefit from an applicable exemption from Spanish withholding tax, the documentation described in paragraphs 4.3 and 4.4 must be received by the Principal Paying, Transfer and Exchange Agent in accordance with the detailed procedures established in the Agency Agreement (which may be inspected during normal business hours at the specified office of the Issuing and paying agent).**

If the Principal Paying, Transfer and Exchange Agent does not receive the relevant certificate in respect of an eligible holder of Bonds by the relevant time on the relevant payment date, it will be obliged to transfer payment to such holder (or to a nominee on behalf of such holder) subject to Spanish withholding tax (currently at the rate of 18 per cent.). However, the holder of Bonds may obtain a refund by the Issuer of the amount withheld by ensuring that the Principal Paying, Transfer and Exchange Agent receives the relevant, correctly completed certificate by no later than 10:00 am (CET) on the business day before the 10<sup>th</sup> calendar day of the month following the relevant payment date (or if such date is not a local banking day, the local banking day immediately preceding such date) (the “Quick Refund Deadline”).

#### 4.6 Refund by the State

Holders of Bonds who might otherwise have been entitled to a refund but in respect of whom the Issuing and Paying Agent does not receive the relevant, accurately completed certificate on or before a Quick Refund Deadline may seek a refund of Spanish tax withheld directly from Spanish tax authorities.

*Set out below are Annexes I, II and III. Sections in English have been translated from the original Spanish. In the event of any discrepancy between the Spanish language version of the certificates contained in each of Annexes I, II and III and the corresponding English translation, the Spanish tax authorities will give effect to the Spanish language version of the relevant certificate only.*

*The English translation included in Annexes I, II and III, is in all instances a direct and accurate translation of the original Spanish.*



Annex I

***The translation into English of this certificate is for information only. In the event of any discrepancy between the Spanish language version of this certificate and the English translation, the Spanish tax authorities will give effect to the Spanish language version of this certificate only.***

**Modelo de certificación en inversiones por cuenta propia**

**Form of Certificate for Own Account Investments**

**(Nombre)**

**Name** \_\_\_\_\_

**(Domicilio)**

**Address** \_\_\_\_\_

**(NIF)**

**(Fiscal ID number)** \_\_\_\_\_

**(en calidad de)**

**, en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 44.2a) del Real Decreto 1065/2007,**

**(function)** \_\_\_\_\_

**, in the name and on behalf of the Entity indicated below, for the purposes of article 44.2a) of Royal Decree 1065/2007,**

**Certifico:**

**I certify:**

- 1. Que el nombre o razón social de la Entidad que represento es:**  
**that the name of the Entity I represent is:** \_\_\_\_\_
  
- 2. Que su residencia fiscal es la siguiente:**  
**that its residence for tax purposes**  
**is:** \_\_\_\_\_
  
- 3. Que la Entidad que represento está inscrita en el Registro de**  
**that the institution I represent is recorded in the \_\_\_\_\_ Register**  
**of \_\_\_\_\_**  
**(país, estado, ciudad), con el número**  
**(country, state, city), under number \_\_\_\_\_**
  
- 4. Que la Entidad que represento está sometida a la supervisión de (Órgano supervisor)**  
**that the institution I represent is supervised by \_\_\_\_\_ (Supervisory body)**

en virtud de \_\_\_\_\_ **(normativa que lo regula)**  
under \_\_\_\_\_ **(governing**  
rules).

**Todo ello en relación con:**  
**All the above in relation to:**

**Identificación de los valores poseídos por cuenta propia**  
**Identification of securities held on own account** \_\_\_\_\_

**Importe de los rendimientos**  
**Amount of income** \_\_\_\_\_

**Lo que certifico en \_\_\_\_\_ a \_\_\_\_\_ de \_\_\_\_\_ de 20**  
**I certify the above in \_\_\_\_\_ on the \_\_\_\_\_ of \_\_\_\_\_ of 20**

Annex II

*The translation into English of this certificate is for information only. In the event of any discrepancy between the Spanish language version of this certificate and the English translation, the Spanish tax authorities will give effect to the Spanish language version of this certificate only.*

Modelo de Certificación en inversiones por cuenta ajena

Form of certificate for third party investments

(Nombre)

Name \_\_\_\_\_

(Domicilio)

Address \_\_\_\_\_

(NIF)

(Fiscal ID number) \_\_\_\_\_

(en calidad de)

, en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 44.2b) y c) del Real Decreto 1065/2007,

(function) \_\_\_\_\_

, in the name and on behalf of the Entity indicated below, for the purposes of article 44.2b) and c) of Royal Decree 1065/2007,

Certifico:

I certify:

1. Que el nombre o razón social de la Entidad que represento es:  
that the name of the Entity I represent is: \_\_\_\_\_

2. Que su residencia fiscal es la siguiente:  
that its residence for tax purposes  
is: \_\_\_\_\_

3. Que la Entidad que represento está inscrita en el Registro de  
that the institution I represent is recorded in the \_\_\_\_\_ Register  
of \_\_\_\_\_  
(país, estado, ciudad), con el número  
(country, state, city), under number \_\_\_\_\_

4. Que la Entidad que represento está sometida a la supervisión de (Órgano supervisor)  
that the institution I represent is supervised by \_\_\_\_\_ (Supervisory body)

en virtud de \_\_\_\_\_ (normativa que lo regula)  
under \_\_\_\_\_ (governing  
rules).

5. Que, de acuerdo con los Registros de la Entidad que represento, la relación de titulares adjunta a la presente certificación, comprensiva del nombre de cada uno de los titulares no residentes, su país de residencia y el importe de los correspondientes rendimientos, es exacta, y no incluye personas o Entidades residentes en España.

That, according to the records of the Entity I represent, the list of beneficial owners hereby attached, including the names of all the non-resident holders, their country of residence and the corresponding income amounts, is accurate and does not include person(s) or institution(s) resident in Spain.

Lo que certifico en \_\_\_\_\_ a \_\_\_\_\_ de \_\_\_\_\_ de 20  
I certify the above in \_\_\_\_\_ on the \_\_\_\_\_ of \_\_\_\_\_ of 20

**RELACIÓN ADJUNTA A CUMPLIMENTAR:  
TO BE ATTACHED:**

**Identificación de los valores:  
Identification of the securities**

**Listado de titulares:  
List of beneficial owners:**

**Nombre / País de residencia / Importe de los rendimientos  
Name / Country of residence / Amount of income**

Annex III

*The translation into English of this certificate is for information only. In the event of any discrepancy between the Spanish language version of this certificate and the English translation, the Spanish tax authorities will give effect to the Spanish language version of this certificate only.*

**Modelo de certificación para hacer efectiva la exclusión de retención a los sujetos pasivo del Impuesto sobre Sociedades y a los establecimientos permanentes sujetos pasivos del Impuesto sobre la Renta de no Residentes (a emitir por las entidades citadas en el art. 44.2a) del Real Decreto 1065/2007**

**Certificate for application of the exemption on withholding to Spanish Corporate Income Tax taxpayers and to permanent establishments of Non-Resident Income Tax taxpayers to be issued by entities mentioned under article 44.2a) of Royal Decree 1065/2007**

(Nombre)

Name \_\_\_\_\_

(Domicilio)

Address \_\_\_\_\_

(NIF)

(Fiscal ID number) \_\_\_\_\_

(en calidad de)

, en nombre y representación de la Entidad abajo señalada a los efectos previstos en el artículo 59.s) del Real Decreto 1777/2004,

(function) \_\_\_\_\_

, in the name and on behalf of the Entity indicated below, for the purposes of article 59.s) of Royal Decree 1777/2004,

**Certifico:**

**I certify:**

1. Que el nombre o razón social de la Entidad que represento es:  
That the name of the Entity I represent is: \_\_\_\_\_
2. Que su residencia fiscal es la siguiente:  
That its residence for tax purposes is: \_\_\_\_\_
3. Que la Entidad que represento está inscrita en el Registro de \_\_\_\_\_ Register of \_\_\_\_\_  
(país, estado, ciudad), con el número  
(country, state, city), under number \_\_\_\_\_

4. Que la Entidad que represento está sometida a la supervisión de **(Órgano supervisor)**

That the institution I represent is supervised by \_\_\_\_\_ (Supervisory body)

en virtud de \_\_\_\_\_ **(normativa que lo regula)**  
under \_\_\_\_\_ (governing rules).

5. Que, a través de la Entidad que represento, los titulares incluidos en la relación adjunta, sujetos pasivos del Impuesto sobre Sociedades y establecimientos permanentes en España de sujetos pasivos del Impuesto sobre la Renta de no Residentes, son perceptores de los rendimientos indicados.

That, through the Entity I represent, the list of holders hereby attached, are Spanish Corporate Income Tax taxpayers and permanent establishments in Spain of Non-Resident Income Tax taxpayers, and are recipients of the referred income.

6. Que la Entidad que represento conserva, a disposición del emisor, fotocopia de la tarjeta acreditativa del número de identificación fiscal de los titulares incluidos en la relación.

That the Entity I represent keeps, at the disposal of the Issuer, a photocopy of the card evidencing the Fiscal Identification Number of the holders included in the attached list.

Lo que certifico en \_\_\_\_\_ a \_\_\_\_\_ de \_\_\_\_\_ de 20  
I certify the above in \_\_\_\_\_ on the \_\_\_\_\_ of \_\_\_\_\_ of 20

#### RELACIÓN ADJUNTA

#### TO BE ATTACHED:

#### Identificación de los valores:

#### Identification of the securities

Razón social / Domicilio / Número de identificación fiscal / Número de valores / Importe de los rendimientos brutos / Retención al 18%

Name / Domicile / Fiscal Identification Number / Number of securities / Gross income / Amount withheld at 18%.

## **EU Savings Tax Directive**

**Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.**

**A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.**

## SUBSCRIPTION AND SALE

J.P. Morgan Securities Ltd., Morgan Stanley & Co. International plc and Société Générale (the “Managers”) have, in a subscription agreement dated 20 May 2008 (the “Subscription Agreement”), and made between the Issuer and the Managers, upon the terms and subject to the conditions contained therein, severally and not jointly agreed to procure subscribers for, or failing which to subscribe for the Bonds, in the amount set out opposite their respective names in the table below at the issue price of 100 per cent. of the principal amount of the Bonds.

Name	Underwriting Commitment	
	Percentage of Aggregate Amount of Securities offered	Principal amount of Securities
J.P. Morgan Securities Ltd.	33 1/3%	€279,233,334
Morgan Stanley & Co. International plc	33 1/3%	€279,233,333
Société Générale	33 1/3%	€279,233,333
<b>Total</b>	<b>100%</b>	<b>€837,700,000</b>

The Issuer has agreed to pay to the Managers certain fees in respect of the issue of the Bonds. The Issuer has also agreed to indemnify the Managers in respect of certain matters pursuant to the Subscription Agreement. The Managers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Bonds.

The Issuer has agreed that, during the period beginning from the date of the Subscription Agreement and continuing to the date 90 days after the Closing Date, it shall not, without the prior written consent of the Managers, enter into any transaction that transfers, in whole or in part, the economic risk or benefit of ownership of Shares, including without limitation, any offer, pledge, sale, contract to sell or sale of any option (or sale of any other contract to purchase), purchase of any option to sell, grant of any option, right or warrant to purchase, or other transfer or disposal of any Shares, including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, Shares, or any derivative or similar transaction of equivalent economic effect, whether any of the foregoing transactions is to be settled by delivery of Shares or other such securities, in cash or otherwise, or announce publicly plans to do any of the foregoing, other than as provided herein, other than (i) the Bonds, (ii) any stocklending transactions, or transfer of Shares pursuant to such stocklending transactions, entered into between the Issuer and the Managers in connection with the offering of the Bonds, or (iii) in connection with transactions which had already been publicly announced as at the date of the Subscription Agreement.



## **United Kingdom**

**Each Manager has represented and agreed that:**

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds or Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and**
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds or the Shares in, from or otherwise involving the United Kingdom.**

## **United States of America**

**The Bonds and the Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Manager has represented that it has not offered or sold, and has agreed that it will not offer or sell, any Bonds or Shares within the United States except in accordance with Rule 903 of Regulation S under the Securities Act or pursuant to another exemption from registration thereunder. Accordingly, each Manager has represented and agreed that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds or the Shares. Terms used in this paragraph have the meanings given to them by Regulation S.**

## **Spain**

**The Bonds have not been and will not be registered with the *Comisión Nacional del Mercado de Valores* in Spain. Accordingly, each Manager has represented and agreed that it will only offer Bonds with a nominal value of at least Euro 50,000, and Shares pursuant to and in accordance with Law 24/1988, as amended, Royal Decree 1310/2005 and any regulation issued thereunder and has acknowledged that the Bonds must not be offered, distributed or sold in Spain in the primary markets. Save as required by law or regulation, no publicity of any kind in relation to the issue and offering of the Bonds may be made in Spain.**

## **General**

**No action has been or will be taken by the Issuer or any Manager that would permit a public offering of the Bonds or the Shares or possession or distribution of this Listing Particulars or other offering material relating to the offering of the Bonds in any country or jurisdiction where action for that purpose is required. Each Manager has agreed that it will, to the best of its knowledge and belief, observe all applicable laws and regulations in each jurisdiction in or from which it may offer or sell Bonds or Shares or have in its possession or distribute this Listing Particulars or any other offering material relating to the offering of the Bonds and any offer, sale, delivery or distribution of the Bonds, the Shares, this Listing Particulars or other offering material relating to the offering of the Bonds by it will be made on the same terms as above. Persons into whose hands these Listing**

**Particulars come are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Bonds or possess, distribute or publish these Listing Particulars or any other offering material relating to the Bonds, in all cases at their own expense.**

#### **Stock lending**

**The Issuer has entered into certain arrangements with the Managers to make available 148 million Shares to the Managers for the purposes of making such Shares available to investors in relation to the offering of the Bonds up until the Maturity Date.**

## GENERAL INFORMATION

### Listing

1. Applications have been made for the Bonds to be admitted to listing on the Official List of the UKLA and to trading on the Professional Securities Market of the London Stock Exchange.

### Authorisation

2. The creation and issue of the Bonds has been authorised by resolutions of the Executive Committee of the Board of Directors of the Issuer dated 24 April and 8 May 2008.

### Expenses

3. The Issuer estimates that the total expenses related to the admission to trading of the Bonds will be approximately £7175.

### Legal and Arbitration Proceedings

4. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of these Listing Particulars, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries.

### Significant/Material Change

5. Since 31 March 2008 (being the date of the most recently published interim unaudited consolidated financial information of the Issuer), there has been no significant change in the financial or trading position of the Issuer or the Group.

### Auditors

6. The consolidated financial statements of the Issuer have been audited without qualification for the years ended 31 December 2006 and 2007 by Deloitte, S.L., registered auditors in Spain registered in the *Registro Oficial de Auditores de Cuentas* with registration number S0692 and registered office at Plaza Pablo Ruiz Picasso, 1, 28020 Madrid, Spain.

### Documents on Display

7. Copies of the following documents (and, where appropriate, English translations thereof) may be inspected during normal business hours at the registered office of the Issuer at Avenida Diagonal, 621-629, 08028 Barcelona, Spain for 12 months from the date of these Listing Particulars:
  - (a) the constitutional documents of the Issuer;
  - (b) drafts (subject to modification) of the Agency Agreement and the Calculation Agency Agreement; and

- (c) **the audited consolidated financial statements of the Issuer as of and for the years ended 31 December 2006 and 31 December 2007 and the unaudited interim consolidated financial information of the Issuer as of and for the three months ended 31 March 2008.**

#### **Material Contracts**

8. **At the date of these Listing Particulars, no contracts had been entered into that were not in the ordinary course of the business of the Issuer and which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders.**

#### **Yield**

9. **The yield to maturity of the Bonds is 3.50 per cent. per annum. The yield to maturity is calculated at the Closing Date on the basis of the initial issue price. It is not an indication of future yield.**

#### **ISIN and Common Code**

10. **The Bonds have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN is XS0366105145 and the common code is 036610514.**

**REGISTERED OFFICE OF THE  
ISSUER**

**Caixa d'Estalvis i Pensions de Barcelona "la Caixa"  
Avenida Diagonal 621-629  
08028 Barcelona  
Spain**

**PRINCIPAL PAYING,  
TRANSFER AND EXCHANGE  
AGENT**

**The Bank of New York  
One Canada Square  
London E14 5AL  
United Kingdom**

**REGISTRAR**

**The Bank of New York  
(Luxembourg) S.A.  
Aerogolf Center - 1A,  
Hoehenhof  
L-1736 Senningerberg  
Luxembourg**

**LEGAL ADVISERS**

***To the Issuer as to English law:***

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***To the Managers as to English law:***

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***To the Issuer as to Spanish law:***

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***To the Managers as to Spanish law:***

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