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EMPAGUA PRIVATIZATION: REPORT FROM STUDY TOUR

FINAL REPORT

Bureau for Private Enterprise
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INTRODUCTION

The objective of this study tour was to accompany Mr. Roberto Gonzalez, Director of EMPAGUA, on his visits to several European companies that specialize in water distribution. The meetings, arranged directly by EMPAGUA, were intended to provide Mr. Gonzalez with information on those companies' operations in Europe and abroad, to make those companies aware of EMPAGUA's privatization plan at an early stage and to elicit potential interest and feedback.

Contacts with Spanish companies were made by Mr. Gonzalez during the Alicante World Bank seminar which he attended (see Annex 3 for a synthesis of the seminar); a meeting initially arranged with Agbar in Barcelona could not be held as the Agbar manager had to travel unexpectedly.

The main and most useful contacts in France were with *Compagnie Generale des Eaux* and *Lyonnaise des Eaux*. Our main objectives were met with both companies. These objectives were to elicit potential interest and support for EMPAGUA's privatization plans and to agree on a follow-up visit to EMPAGUA by both companies. A summary of discussions follow.

COMPAGNIE GENERALE DES EAUX (CGE)

CGE is a large French conglomerate with headquarters in Paris. With activities in water distribution, energy waste management, building and construction, communications, and health care, its consolidated sales exceeded US$27 billion in 1991. Water distribution and waterworks represented 25 percent of consolidated sales (some US$6.5 billion). Total consolidated assets were $34 billion at December 31, 1991. (See Annex 2 for more detail.)

Outside France, CGE's water operations are increasing rapidly throughout Europe, particularly in the United Kingdom where it operates several well-established subsidiaries, as well as in Spain and Italy. In the United States, the group operates through several subsidiaries and affiliates involved in water utility management services, production and distribution of bottled water, and water distribution.

CGE has shown an increasing interest in water operations in Latin America. A consortium co-led by *Lyonnaise des Eaux* and CGE won a bid to operate the potable water and sewer system for the city of Buenos Aires in Argentina. CGE has been looking at possible water management in Caracas, Venezuela (although it decided not to participate). The group is actively looking at management opportunities in Mexico, Colombia, and other Latin American countries.

After a brief presentation of EMPAGUA, the following comments were made by CGE:

- CGE welcomes this early contact with EMPAGUA and would like to keep informed on progress of our work plan.

- CGE strongly notes that they are essentially interested in an "affermage" approach (i.e., operating concession).

- CGE feels that the Argentine "model," where an operating consortium is made responsible for large investments in water production and treatment, is not in the best interest of the consumers, who will have to bear higher tariffs in the long run. CGE feels that the World Bank "forced" this approach on the consortium. Companies like CGE are operators, and not investors.

- Although CGE joined forces with *Lyonnaise des Eaux* in Argentina, these companies usually compete fiercely on all business opportunities.

- CGE is not concerned *a priori* with the size of EMPAGUA's business or with privatization by geographic units. If this makes technical and economic sense, then CGE would like to look at it.

- CGE could enter into a joint venture with other local and/or foreign investors to bid for an EMPAGUA concession; CGE has no *a priori* requirements concerning share majority control.

- CGE would be glad to assist informally and provide inputs during the preparation phase. CGE could arrange a first visit to EMPAGUA during the fall 1993 at a time to be mutually agreed.

LYONNAISE DES EAUX - DUMEZ

Lyonnaise is a large industrial group with consolidated sales of US$18 billion and total personnel of 120,000. It has two main activities: services, particularly to local collectivities, for a broad range of environment linked businesses (e.g., water, waste management, energy); and large development and construction operations. The group is very export oriented with non-France turnover reaching 43% of total sales. The group has a reputation for being dynamic and agressive in the international market.

Turnover from foreign water distribution represents 24 percent of total sales. *Lyonnaise* distributes potable water to about 22 million inhabitants in Europe, of which 14 million are in France and 3 are million in the United Kingdom. The group is also active in Asia and the Pacific Basin. In Latin America, the group led a consortium that won a water distribution concession in Buenos Aires. *Lyonnaise* is aggressively pursuing business opportunities in Latin America.

Following a presentation of EMPAGUA and our work program, the following comments were made:

- *Lyonnaise* welcomes the visit and the opportunity to learn about EMPAGUA's privatization project at an early stage.

- *Lyonnaise* is flexible regarding the approach for privatization from the Argentine case (i.e., 30 years concession with transfer of assets) to affermage (7-10 years operating concession).

- *Lyonnaise* insists that the preparation for privatization has to be done very professionally. Otherwise privatization will fail as in Caracas, Venezuela, where Lyonnaise and most large companies decided not to bid for an operating concession because the tender conditions were out of line with industry practices.

- *Lyonnaise* could informally assist EMPAGUA during the preparation phase. A visit to EMPAGUA could be arranged (from *Lyonnaise*'s offices in Mexico) in August or September.

SOGREAH

SOGREAH is a large French engineering firm headquartered in Grenoble. Having carried out several studies for this institution (namely, North Occidental Project in 1985, and Optimization of Distribution Systems in 1989), SOGREAH is very familiar with EMPAGUA . Unfortunately the project manager most familiar with EMPAGUA was away on foreign travel during our visit.

The following comments were made:

- SOGREAH is aware of the numerous problems faced by EMPAGUA and agrees that any privatization effort requires "intensive" preparation to reestablish financial sustainability, improve service, and resolve crucial water supply issues in the long term.

- Privatization by geographic unit appears possible but should be investigated in detail to assess technical implications and the "minimum" economic size of a unit.

- SOGREAH would welcome assisting the project (formally and informally). A visit by SOGREAH (Mr. Gueguen) should be arranged within the next few months.

Annex I

List of Contacts

Mr. Jean Francois Deschamps
Deputy General Manager
Compagnie Generale des Eaux (CGE)

Mr. Denis Bouvelle
Manager, International Operations
Lyonnaise des Eaux -- Dumez

Mr. Jean Francois Viguie
Manager, International
SOGREAH Ingenierie

Mr. Michel Herjean
Manager
ALCATEL

Mr. Adolfo A. Thamm
General Manager
ESVAL

Mr. Juan Amirola
Deputy General Manager
Aguas de Alicante

Annex 2

Detailed Descriptions of Companies Visited

C.G.E

INTERNATIONAL ACTIVITY

In each of the countries in which the Group has water interests — the UK, Spain, and the United States — our position has been consistently strengthened whenever any market opportunity arose. Its experience and expertise in the management of water and waste water utilities as well as in the construction and financing of new installations is attracting growing interest in an increasing number of countries. Vast new prospects for expansion are opening up throughout several continents. A variety of major projects have attracted widespread interest in the EC, Russia, Central and Eastern Europe, Canada, Mexico, Argentina, Australia, and Southeast Asia. The inclusion of the Group in these contracts can be expected to extend rapidly our activities in utilities management, engineering consultancy, and construction.

EUROPE

United Kingdom

After three years of increasing its holdings in and control of water distribution companies, General Utilities and its subsidiaries made significant progress in organization and productivity in 1991. The development of the required investments in technology were also assured. The Group's companies had to cope with difficulties caused by a third year of inadequate rainfall, particularly in the London area and around Folkestone.

In 1990 Three Valleys Water Services PLC was set up by merging the Lee Valley, Colne Valley and Rickmansworth water supply companies covering the northern and western London suburbs. By the end of 1991 the new company had 931,000 consumers, corresponding to a population equivalent of 2,350,000. Some 267 million cubic metres of water were distributed — slightly less than the previous year, because of drought restrictions and the fall-off in industrial consumption as a result of the sluggishness of the overall economy. Nonetheless, net sales totalled £92.5 million, up by 12% on 1990.

The new organizational pattern is based on well-tried principles. Operational structures are decentralized into four units, each serving a population equivalent of some 600,000; and the head office has been streamlined, with consumer management, computer services, laboratories, and so on having been pooled. As a result, part of the gain in productivity expected from the merger had already become reality by the end of 1991. At the same time, Three Valleys raised its level of capital expenditures and investments considerably, as it had undertaken to do in its agreement with the Office of Water Services. This entailed spending almost £50 million in 1991; improvements included modernizing and extending the Iver production unit (which treats water from the Thames and now has a capacity of 160,000 cubic metres per day), and increasing the capacity of the distribution network in order to supply inadequately served areas. Net income amounted to £14.1 million, 15% up on 1990 when profits were pushed up by exceptional capital gains.

The North Surrey company serves 185,000 consumers (population equivalent: 467,000) in the south-western London suburbs. The company has its own water resources, and has had no difficulty in obtaining supplies. North Surrey distributed 65 million cubic metres of water: 40 million to consumers and 25 million to other water companies, sold on a wholesale basis. Net sales totalled £18.5 million, up by 17%. Capital expenditures and investments also increased

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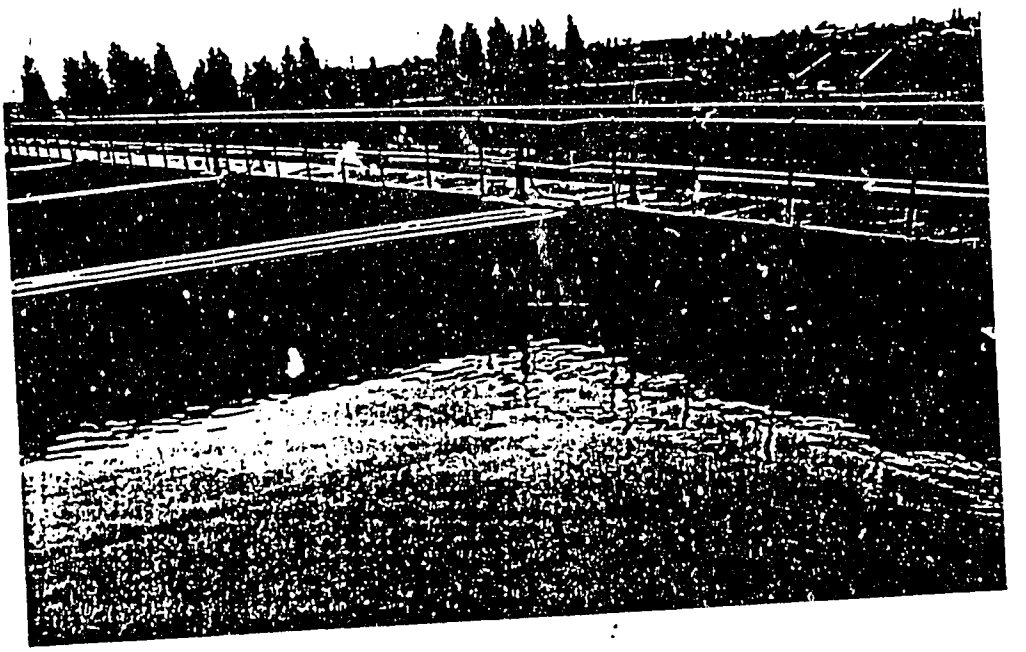
considerably to £11 million, which went into modernizing its principal production unit at Egham on the Thames (sludge treatment), on extending its distribution networks, and increasing storage capacity. Net income after taxes came to £4.4 million, a substantial increase.

Tendring Hundred and Folkestone and District, the Group's other two subsidiaries, also reported rapid growth, despite supply difficulties experienced by the latter company.

Total net sales reported by the Group's four subsidiaries came to £127 million, up by 14.4%. Their net income amounted to £21.4 million, a 31% increase over 1990, and capital expenditures and investments totalled a record £70 million. The Group serves 3.2 million people.

At the end of 1990, in order to improve its control of the choice and implementation of subsidiaries' capital expenditures and investments, the Group set up a new company, General Utilities Projects. This entity brings together and develops the technical resources of the subsidiaries. GUP now employs more than 70 engineers and technicians, who work closely with the operators in the field on defining and carrying out investment programmes. Future development of the Group's subsidiaries will be based on these investments, and their relations with OFWAT will depend on them to a large extent. This method of organization has made it possible to put the entire expertise of the Group at the disposal of each of the subsidiaries. In matters like ozonization, pesticide treatment,



Filtering process at Three Valley's Iver treatment plant.

International Activity

iron extraction and denitrification, all the benefits of experience in France will be available for adaptation to British conditions.

A plan for capital investment has been drawn up at the Group level. The subsidiaries will be able to supplement their own self-financing capacity by drawing on a £160 million credit line. This will ensure that their needs are comfortably covered until 1995.

The Group has minority holdings (of between 28% and 30%) in three other water distribution companies: South Staffordshire (covering a population equivalent of 1.2 million in the Birmingham region); Bristol (population equivalent: 1,020,000); and Mid-Kent (population equivalent: 500,000). On the whole, these companies reported satisfactory growth, and their new legal status as privatized companies will enable them to declare dividends, which should make the Group's investments worthwhile.

Consolidated net sales for the General Utilities group thus came to £130 million, up by 16.5%. Consolidated net income amounted to £28.9 million (£4.8 million coming from exceptional capital gains), a 65% increase.

Spain

During 1991, the Group strengthened its position on the Spanish markets for the management of water and waste water services.

SOGESUR

The Group now holds 98.5% of SOGESUR (Sociedad de Gestion de Servicios Urbanos). In 1991 SOGESUR's net sales totalled 3.8 billion pesetas, up 20% on 1990. The volume of water sold came to almost 45 million cubic metres.

Several municipalities in Murcia and Andalusia have contracted out the management of their

Laying water distribution pipes at St-Albans, in the south of England.

water utilities to SOGESUR. The company is now also to manage the water and waste water services of the city of Puerto de la Cruz (Canary Islands) on a 30-year contract. It also has a 30% share in the association which manages the water and waste water services of the town of Vigo (Galicia), and business has started in a satisfactory manner. In 1991 some 29.2 million cubic metres of water were sold in Vigo, up 6.6% on the previous year.

EYSA

The Group has a 30% holding in Eysa. In 1991 this company recorded net sales of 940 million pesetas. This figure is slightly lower than that reported the previous year, when there had been exceptionally intense activity in the works department.

TEDESA

Tedesa reported net sales of 2.2 billion pesetas in 1991, up by 15% on 1990.

A major sales effort was made to improve and extend the company's existing contracts. Several

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medium-sized local authorities, mostly in the Asturias, contracted out the operation of their water and waste water utilities to Tedesa.

The Group also broadened its position in Andalusia — in particular in the south between Huelva and Algesiras — by acquiring holdings in local companies.

The Group's Spanish subsidiaries recorded consolidated net sales of some 8 billion pesetas, up by almost 50% on 1990. The Group is currently working with more than 200 local authorities in all parts of Spain, and serves a population equivalent of some two million. As in many other European countries, there are still many problems to be solved. The new European standards will entail investment to upgrade waste water facilities and improve the quality of drinking water. Persistent drought in recent years has brought home the need to set up new infrastructures and to optimize management. In the coming years, management and operation will no doubt be increasingly contracted out to specialist firms, and the Group's business can be expected to continue expansion.

Italy

The legal and regulatory framework for water distribution was to have been reorganized by the Galli Bill in 1991. The bill, however, was not passed. The subsequent general elections and elections to the senate will no doubt entail the drafting of a new bill.

Among the expansion measures taken by Compagnie Générale des Eaux in Italy special mention should be made of its acquisition, during the second half of the year, of Siemec, a company based in Monselice (Venice). Siemec operates 90 waste water treatment stations in the region, their total capacity corresponding to a population equivalent of some 650,000. The company also manages landfill sites for household refuse and is developing its laboratory activity, which includes monitoring and analysing the quality of both water and waste water. In 1991 it recorded net sales of 15 billion lire.

The companies in which Compagnie Générale des Eaux already had holdings met with varying measures of success during the year under review.

The Group's two Genoese subsidiaries, De Ferrari Galliera and Nicolay, reported net sales of 34.3 billion lire and 12.7 billion lire respectively. Net income totalled 7.4 billion lire in the case of De Ferrari Galliera and 1.3 billion lire for Nicolay -- the former up 39% on its 1990 result, but the latter down 12.5%.

Condotta di Acque Potabili, with net sales of 34.8 billion lire, recorded a 43.2% increase and net income of 1.3 billion lire. However, Compagnia Generale delle Acque reported a reduction in net income to 436 million lire, mainly as a result of a fall in the dividends paid in by its subsidiaries.

USA

Anjou International is the Compagnie Générale des Eaux subsidiary which controls its major holdings in the United States. These are Polymetrics, which specializes in the production of ultra-pure water, Professional Services Group (PSG), which manages municipal water and waste water utilities, and Hinckley & Schmitt and Sierra Spring, two companies which produce and distribute drinking water in bottled forms. Apart from these subsidiaries, Compagnie Générale des Eaux itself holds 20% of the capital in two other water distribution companies, Philadelphia Suburban Corporation, and Consumers Water Company.

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PHILADELPHIA SUBURBAN CORPORATION

In 1991 net sales from Philadelphia Suburban Corporation's water distribution business increased to $87 million, up 7.8% on 1990. The volume of water sold was 100 million cubic metres, and a population equivalent of around 780,000 is now being supplied.

To meet the new standards set by the Safe Drinking Water Act, the corporation has now completed its filter treatment unit at Pickering. The unit, which can produce 60,000 cubic metres per day, has been designed to supply communities beyond the area currently served by the corporation.

The corporation's other activities are in decline and accounted for net sales of only $40 million in 1991, against $60 million the year before. This trend is expected to continue in 1992.

Net income amounted to $4.9 million, up 20% on the previous year, but nonetheless well below the figure recorded in 1988-1989, when diversification activities did not have a negative impact.

CONSUMERS WATER COMPANY

Consumers Water Company manages 25 water distribution networks from Maine to Illinois in the north-eastern United States. These networks have a total of 812,000 consumers and in 1991 104.8 million cubic metres of water were sold. The company has other activities (such as the installation of water meters) which are linked to its core business. During 1991 all its property activities were sold off, except for a small business in prefabricated homes. Total net sales amounted to $85.2 million.

Water distribution developed satisfactorily in 1991. The volume of business increased by 7.5%, to $72.4 million. Exceptional capital gains were recorded when a small water-distribution service was sold off. The sale of its property activities enabled the company to recover the $1.8 million which had been allocated to provide for risks in this sector during the previous financial year. These factors explain the exceptional level of net income, which reached $11.2 million in 1991.

PROFESSIONAL SERVICES GROUP (PSG)

Professional Services Group specializes in the management of water and waste water facilities for American municipalities. During 1991 growth was brisk and the range of its services was diversified. Net sales reached $48 million, up 30% on 1990 and net income after tax amounted to $700,000.

Among the new contracts awarded to PSG were those at Schenectady (New York) for a waste water treatment plant and sludge composting unit; Caldwell (Idaho), for a waste water treatment unit; Wright County (Minnesota), for a composting unit for household waste; and several water-treatment facilities in Florida. A major contract with Oklahoma City was extended for a further six years.

Towards the end of the year, PSG won the contract for the management of New Orleans's two waste water treatment units. The main unit has a capacity of 500,000 cubic metres per day and is now the largest plant to be managed by any private company in the USA

In 1991 PSG became the leader in its market in the US. Though still somewhat small in American terms, it promises to grow very fast.

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HINCKLEY & SCHMITT, SIERRA SPRING

These two companies specialize in the distribution of drinking water, which they deliver in bottles or in special containers for use in drinking fountains. About 80% of the water used comes from municipal networks; additional treatment gives it a taste and quality which meets the most demanding standards. In 1991 the two companies sold more than 117 million gallons of water. A fleet of 650 trucks on 455 different delivery routes regularly supplied some 340,000 customers.

Hinckley & Schmitt operates mainly in the mid-western United States and Southern California. In 1991 the company continued to extend its distribution network, in particular by acquiring companies including two in Indianapolis (Indiana) and Las Vegas (Nevada), where it was already doing business. Despite an unfavourable business environment and weather conditions, net sales amounted to $84.7 million dollars, up 9.8% on 1990. Net income, taking into account exceptional occurrences, came to $6.9 million, up 23%. Prospects for 1992 are favourable.

Sierra Spring operates mainly in Texas and Northern California, and also has branches in Nevada and Canada. In 1991 the company continued recovery, cutting built-in costs and regrouping its production units. Net sales totalled $45 million.

POLYMETRICS

Polymetrics is one of the USA's most efficient companies in its fields of activity. The first of these is the production of ultra-pure water, which is used in certain industries. The second is producing drinking water derived by reverse osmosis from sea water.

PSG carries out maintenance work on 10,200 fire hydrants.

In 1991 net sales totalled $37 million, slightly lower than in 1990 when the company sold a large amount of equipment to the Maltese authorities. Net income came to $1.1 million. During the year under review, Polymetrics commissioned a new unit at Pembroke in Malta; the company now runs all five reverse osmosis desalination plants on the island, which supply 70% of its water.

In the USA, the reorganization initiated in 1990 continued, and profits improved notably.

In October 1991 the company acquired Aqua Media, which also specializes in the production of ultra-pure water (in particular for the semiconductor industry). It also built and operates the ultra-pure water production plant at the California factory of Nippon Electric Company (NEC).

Development prospects for Polymetrics in 1992 and subsequent years seem bright.

FIVE YEAR CONSOLIDATED FINANCIAL SUMMARY

(in millions of French francs except per share amounts)	1991	1990	1989	1988	1987
Net sales	134,922.3	116,822.3	98,451.3	85,207.9	52,719.1
Of which foreign net sales	36,474.4	29,827.3	21,980.8	16,486.5	6,702.9
Income before amortization of goodwill and minority interest	3,209.8	2,659.9	2,143.2	1,686.7	1,299.0
Amortization of goodwill	408.4	341.4	282.8	244.8	118.5
Income before minority interest	2,801.4	2,318.5	1,860.4	1,441.9	1,180.5
Minority interest	188.2	97.9	28.0	66.9	133.3
Net income	2,613.2	2,220.6	1,832.4	1,375.0	1,047.2
Earnings per share (in French francs) (1)	116.7	103.8	91.2	87.9	68.3
Shareholders' equity	18,363.7	16,019.2	13,347.3	7,334.0	6,135.3
Total capital employed	71,755.0	60,658.6	45,718.2	34,245.8	22,275.7
Cash flow from operations (including net gains on disposals of fixed assets)	9,171.3	9,446.8	7,787.0	7,180.5	4,263.0
Cash flow from operations	8,564.9	8,135.8	6,750.5	5,815.6	3,908.5
Capital expenditures and acquisition of investments	19,982.5	21,414.8	16,592.4	14,602.0	7,600.3
Capital expenditures	11,511.1	10,132.1	9,232.2	5,788.5	3,469.6
Acquisition of investments	8,471.4	11,282.7	7,360.2	8,813.5	4,130.7
Number of employees	198,550	173,105	153,901	138,435	87,102

(1) As a consequence of a stock distribution of one share for ten shares, which took place in 1991, earnings per share for the years 1987 to 1990 have been restated in order to make them comparable to the 1991 corresponding figure

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED NET SALES

The Group's 1991 net sales (including costs transferred to inventories and capitalized costs; cf. note 1 in the Notes to the Consolidated Balance Sheet) amounted to FRF 134.9 billion, up from FRF 116.8 billion in 1990 (+15.5%). Consolidated net sales for the year include the net sales of 1,970 companies, including 530 units outside France, employing 198,550 people (up from 173,000), with 68,500 outside France. The breakdown and trends of net sales by business segments were as follows:

(in millions of French francs)	1991	%	1990	%	1991/1990 %
Water distribution	20,830.9	15.4	19,197.5	16.4	8.5
Waterworks construction	12,502.4	9.3	11,030.8	9.5	13.3
Thermal energy	18,541.2	13.7	14,221.4	12.2	30.4
Electrical energy	10,866.5	8.0	9,518.5	8.2	14.2
Energy industries	1,576.4	1.2	1,328.9	1.1	18.6
Waste management	8,034.1	6.0	6,058.5	5.1	32.6
Building, construction and public works	42,564.3	31.6	37,244.1	31.9	14.3
Urban and property development	11,455.1	8.5	11,317.2	9.7	1.2
Communications	2,482.9	1.8	1,315.8	1.1	—
Healthcare	3,281.7	2.4	3,330.0	2.9	(1)
Communal services(2)	2,786.8	2.1	2,259.6	1.9	23.3
TOTAL	134,922.3	100.0	116,822.3	100.0	15.5

Note: Some activities of the former category "other services" have been included under the heading "communal services". The net sales of bottled water distribution, building management services, urban lighting, hotel management and business leasing have been transferred to the proper headings: water distribution, thermal and electrical energy and urban development. The heading "energy industries" includes the net sales of the Solitam and GHF groups.

(1) Because of a change in the date for the closing of accounts, the figures for AMI Healthcare, the British private healthcare group, reflect a total of 16 months of operation as at December 31, 1990, compared with 12 months as at December 31, 1991. At comparable reference periods, healthcare sales rose 10.2%.

(2) Passenger transport, car parks, parks and gardens, leisure, data processing and insurance.

Water distribution revenue rose at a slower pace (+7.3%) in France following two years of exceptional weather conditions. Although prices varied little and the volume of water consumed saw only a modest increase, water collection and waste water treatment operations continued to grow at a high rate.

Water service revenue outside France experienced sustained growth, reaching FRF 4.6 billion, up from FRF 3.5 billion in 1990. This increase was mainly fuelled by Europe, accounting for FRF 3.1 billion (including FRF 1.3 billion in the UK, FRF 800 million in Spain, and FRF 550 million in Denmark), as well as by the United States, accounting for FRF 1.1 billion (including FRF 670 million from bottled water sales), and Africa, accounting for almost FRF 400 million (mainly waterworks).

Revenues from thermal energy activities included for the first time the business of the Blanzy Ouest Group. Billings rose by 10.5% overall, excluding the impact of this addition to the consolidation scope (FRF 2.2 billion) and various acquisitions made during the year (FRF 700 million), mostly by Compagnie Générale de Chauffe. Electrical contracting companies continued their steady expansion despite a difficult economic environment, while the sales of US

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power generation plants amounted to US$200 million (up 12.1%). Energy industries include the Sofitam group (manufacture and maintenance of fuel distributors) and the company GFF and its subsidiaries (trade in equipment for refrigeration systems), fully consolidated this year. Applying comparable accounting bases, sales in this sector dipped slightly.

Waste management operations continued to boom. France was marked by the acquisition of the Soulier group, the French waste paper recycling leader with sales of FRF 600 million. Growth outside France accelerated, rising to FRF 1.7 billion (+92%), FRF 1.4 billion of which was achieved in Europe (FRF 850 million in Spain, FRF 350 million in the UK, and FRF 100 million in Germany) and FRF 340 million in other countries (of which more than FRF 100 million in Australia).

In a bleak economic environment, sales of building and construction companies rose mainly because of the international expansion of the Group's companies in this sector. Net sales outside France rose from FRF 17.6 billion to FRF 20.7 billion (up 17.6%). In Europe, this amount rose from FRF 11.7 billion to FRF 15.6 billion, including FRF 6.8 billion in Germany (twice last year's figure), FRF 5.5 billion in the UK, FRF 1.3 billion in Belgium and almost FRF 1 billion in Eastern Europe.

As in previous years, net sales from urban and property development were generated by widely varying business activities. The ongoing development and construction projects in Paris' La Défense business district (mainly the Valmy section) brought in FRF 2.2 billion in 1991 (down from FRF 3.7 billion in 1990). Sari's urban development operations in various cities surrounding Paris and in the French provinces, many of which were consolidated for the first time in 1991, accounted for FRF 1.9 billion. The specialized realty and property trading operations of Compagnie Immobilière Phénix accounted for FRF 2.5 billion, a level in line with last year's sales. In addition, the service fees of the Seeri and Sari groups rose from FRF 1.3 billion to FRF 1.5 billion. Furthermore, net sales posted by Immobilière du Parvis (apartment building sales) and the property operations of Compagnie Générale de Bâtiment et de Construction were similar to last year's, FRF 1.1 billion and FRF 1 billion respectively.

French healthcare business suffered from the restrictive regulations enacted in 1991. Sales, which include several specialized clinics acquired during the year, nevertheless reached FRF 1.4 billion, up from FRF 1.2 billion the year before. This sector posted a satisfactory improvement in the UK, reaching almost FRF 1.9 billion in 1991 (+9.6% at comparable accounting periods). Communications sales nearly doubled to FRF 2.5 billion. This sharp increase was fuelled by the commercial expansion of Société Française de Radiotéléphone (FRF 800 million worth of billings, compared with FRF 380 million in 1990), the acquisition of Talkland, a British radiotelephony service provider (FRF 420 million) and the increase in cable television subscriptions, rising from FRF 200 million to almost FRF 400 million in France (for the first time including FRF 62 million from British cable TV networks). Sales of the Group's remaining communal services operations continued to soar: FRF 2.8 billion in 1991, up 23.3%. Transport operations accounted for FRF 1.5 billion, up from FRF 1 billion, and car parks posted sales of FRF 400 million, up from FRF 300 million.

The Group's revenues from international operations rose to FRF 36.5 billion in 1991, up from

Consolidated Financial Statements

FRF 29.8 billion the previous year. This amount is almost five and a half times the 1987 figure. As in earlier years, this growth resulted from the expansion of the Group's activities in Europe, which posted net sales of FRF 25.3 billion, compared with FRF 18.7 billion in 1990 (+35.5%), including more than FRF 11 billion in the UK, up from FRF 9.7 billion (mainly water distribution, building, construction and public works, thermal energy and healthcare); FRF 7.1 billion in Germany, up from FRF 3.7 billion (SGE subsidiaries); FRF 2.2 billion in the Benelux countries, up from FRF 1.7 billion (thermal energy, waterworks construction, and construction and public works); FRF 2.1 billion in Spain, up from FRF 1.4 billion (water-related businesses, waste management, heating, construction); nearly FRF 1 billion in Eastern Europe (mainly through CBC); and FRF 1.9 billion in the other European countries, up from FRF 1.5 billion (SGE works, Krüger water treatment).

North American sales amounted to FRF 4.7 billion, up from FRF 4.4 billion, mainly accounted for by the US companies of the Anjou International group, the US and Canadian subsidiaries of Montenay and by the Energies USA group. The Group's net sales in other parts of the world (FRF 6.5 billion) were mostly produced by Société Générale d'Entreprises.

CONSOLIDATED BALANCE SHEETS
As of December 31, 1991 and 1990

Assets

(in millions of French francs)	Note	1991	1990
Intangible assets other than goodwill	4	6,959.1	4,084.5
Goodwill	5	9,335.9	7,257.1
Owned property, plant and equipment		43,869.7	36,724.4
Publicly-owned utility networks financed and managed by the Group		4,782.5	4,087.7
Construction in progress		2,945.3	1,935.4
Accumulated depreciation		(17,611.9)	(14,537.1)
Tangible assets	4	33,985.6	28,210.4
Investments accounted for by the equity method	6	5,783.2	4,932.4
Unconsolidated investments	7	9,857.8	8,714.1
Investments held as fixed assets and other financial assets	8	4,550.2	3,993.6
Financial assets		20,191.2	17,640.1
Total fixed assets		70,471.8	57,192.1
Inventories	9	28,736.3	21,100.4
Accounts receivable		56,479.0	47,307.0
Financial receivables		4,579.9	6,352.0
Cash and marketable securities	11	9,741.2	10,115.2
Total current assets		99,536.4	84,874.6
TOTAL ASSETS		170,008.2	142,066.7

CONSOLIDATED BALANCE SHEETS
As of December 31, 1991 and 1990

Shareholders' equity and liabilities

(in millions of French francs)	Note	1991	1990
Capital stock		2,239.4	1,944.2
Additional paid-in capital		10,691.8	9,138.8
Retained earnings		5,432.5	4,936.2
Shareholders' equity	13	**18,363.7**	**16,019.2**
Minority interest	13	2,988.4	2,316.8
Grants related to assets		230.7	214.4
Provisions for replacements and full warranty and amortization of capital employed in publicly-owned utility networks		11,458.4	9,850.1
Provisions for liabilities and charges		10,391.2	10,320.3
Total provisions	14	**21,849.6**	**20,170.4**
Subordinated securities	15	1,506.5	—
Convertible bonds		5,088.0	5,089.7
Other long-term debt		19,625.4	14,058.7
Total long-term debt	16	**24,713.4**	**19,148.4**
Other long-term liabilities		2,102.7	2,789.4
Total capital employed		**71,755.0**	**60,658.6**
Accounts payable		71,447.4	59,255.4
Short-term debt		26,805.8	22,152.7
Total current liabilities		**98,253.2**	**81,408.1**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		170,008.2	142,065.7

LYONNAISE

Le Groupe en Chiffres

Un chiffre d'affaires en légère augmentation, un résultat net en fort recul, essentiellement du fait d'importantes provisions dans l'immobilier et à un moindre degré dans la construction, une capacité d'autofinancement stable : telles sont les principales caractéristiques des comptes de Lyonnaise des Eaux-Dumez en 1992.

Activité : une année de consolidation.
Le chiffre d'affaires s'est établi en 1992 à 90.4 milliards de francs, soit une hausse de 3.3 % sur l'année précédente. Cette croissance a été freinée par les effets de change négatifs enregistrés sur des pays où le groupe est actif (Espagne, Grande-Bretagne, Etats-Unis, Canada) : a contrario, elle n'a pas été dynamisée par une extension significative du périmètre de consolidation. Sans ces deux effets, la hausse serait ressortie à + 3.8 %.

La ventilation sectorielle fait apparaître des évolutions très différenciées : le pôle services enregistre en effet une forte croissance (+ 14 %), celui de la construction une quasi-stabilité (+ 1.7 %) tandis que les secteurs de l'immobilier et de la distribution connaissent une baisse marquée (- 15 à - 20 %).

La répartition géographique se caractérise par des taux de progression positifs mais d'ampleur variable dans toutes les régions du monde sauf en Amérique où la baisse du chiffre d'affaires est essentiellement due aux effets de change déjà mentionnés.

Au 31 décembre 1992, les carnets de commandes du secteur Aménagement et Construction s'établissent à 39 milliards de francs, soit une réduction de 5.3 % sur la situation constatée un an auparavant.

Résultats : des performances contrastées
L'exercice 1992 s'est traduit pour le groupe Lyonnaise des Eaux-Dumez par un net recul du résultat net part du groupe qui s'établit à 379 MF.

Cette baisse est imputable au premier chef à l'accentuation de la crise du marché immobilier et, dans une moindre mesure, aux difficultés conjoncturelles de certaines branches du secteur construction.

Ces évolutions ont conduit le groupe à passer d'importantes provisions et charges de restructuration : la contribution de l'immobilier a ainsi pesé négativement pour 1.1 milliard de francs et celle de la construction pour près de 500 millions de francs sur le résultat du groupe.

Cette baisse ne doit néanmoins pas masquer les motifs de satisfaction apportés par la grande majorité des activités. Le secteur de la distribution (United Westburne) a ainsi réduit ses pertes tandis que le groupe CTM-Entrepose a fait preuve d'une belle résistance, accentuée par le redressement confirmé de l'offshore (ETPM). Le résultat courant des services a quant à lui progressé fortement, en hausse de 18 % par rapport à 1991.

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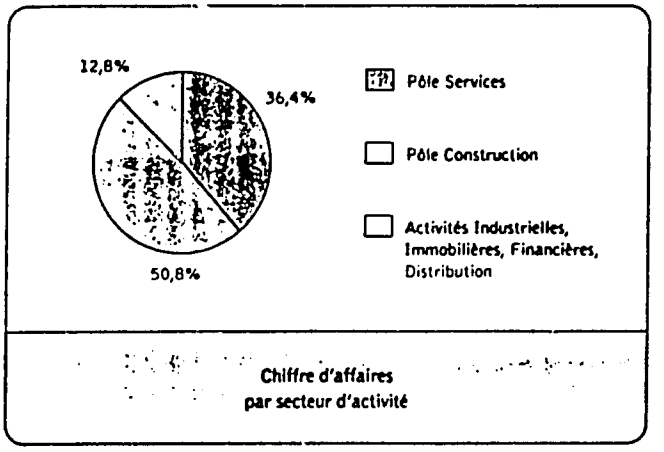
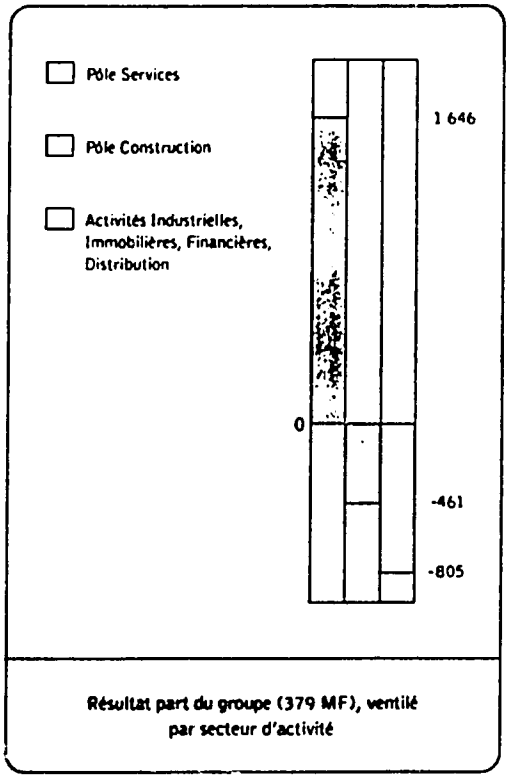
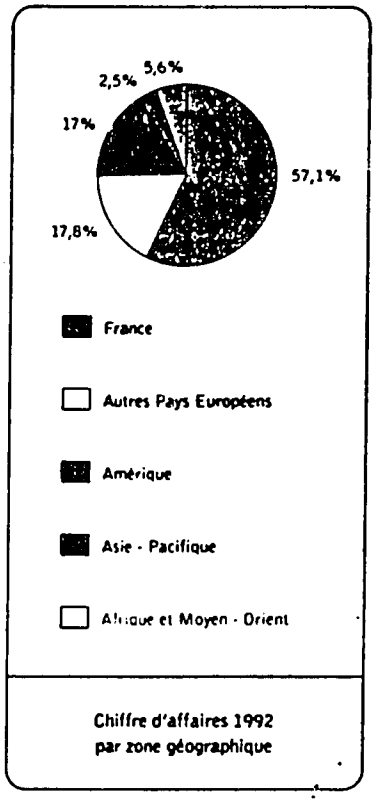


Chiffre d'affaires par secteur d'activité



Résultat part du groupe (379 MF), ventilé par secteur d'activité



Chiffre d'affaires 1992 par zone géographique

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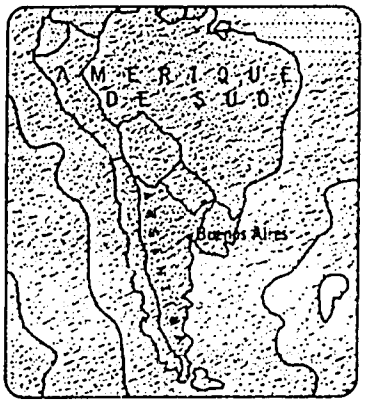
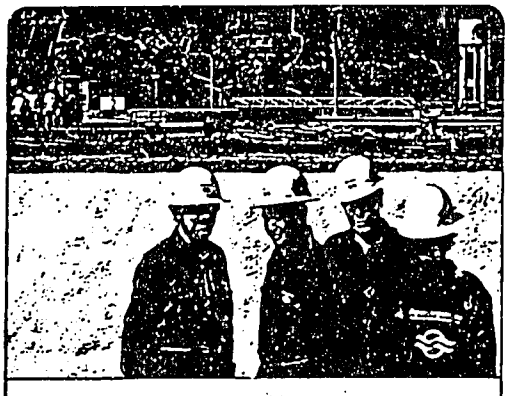
Un Groupe Mondial de Construction et de Services pour l'Environnement





Argentine, Buenos Aires : Répondant à un appel d'offre international, Lyonnaise des Eaux-Dumez a constitué un groupement rassemblant des intérêts européens (Lyonnaise des Eaux-Dumez : 28%, Aguas de Barcelona, filiale espagnole du groupe : 14%, Anglian Water : 5%, la Compagnie Générale des Eaux : 9%) et des intérêts argentins (le groupe Soldati : 23%, la Banco Galicia : 9% et Meller : 12%).

Ce groupement a remporté le contrat de concession de Buenos Aires (6 millions d'habitants), pour la production, la distribution de l'eau et l'assainissement de la ville pendant une durée de 30 ans.
Il s'agit du plus important contrat jamais conclu dans le domaine de l'eau.

Au cours des négociations, Lyonnaise des Eaux-Dumez a profité de l'appui local de ses filiales Degrémont et Dumez, présent depuis plus de dix ans en Argentine où il construit le barrage de Yacyreta.
Les estimations de travaux à réaliser d'ici à 1998 varient entre 3 et 4 milliards de francs. Une grande partie de ces travaux sera confiée à une société dont le groupe est actionnaire à 60% (Dumez : 40% et Degrémont : 20%).

Lyonnaise des Eaux-Dumez est un groupe industriel de 90,4 milliards de francs de chiffre d'affaires, employant 120 000 personnes dans plus d'une centaine de pays.

Il est organisé en deux branches d'activité :

– les services, essentiellement des services aux collectivités locales dans les métiers de l'environnement (eau, propreté, énergie et chaleur) ;
– la construction (BTP, concessions d'ouvrages publics, travaux industriels et électriques).

Le projet industriel du groupe

Les besoins en équipement pour l'eau, la propreté, la gestion de l'énergie, l'aménagement des villes et les infrastructures de transport requièrent des compétences de plus en plus poussées, exigeant à la fois la maîtrise de technologies complexes et un savoir-faire global.

L'alliance des métiers de la construction et des services permet de répondre à ces besoins. Le groupe est ainsi en mesure de concevoir, construire et gérer l'ensemble des activités qui contribuent de façon durable à l'amélioration de l'environnement et de la vie collective. Les contrats remportés cette année par Lyonnaise des Eaux-Dumez à Buenos Aires ou à Johor en Malaisie (voir encadrés) en sont l'illustration.

Appuyé par d'importants moyens financiers et humains, disposant de réseaux internationaux et d'un bon potentiel de recherche, le groupe, issu de la fusion en 1990 de la Lyonnaise des Eaux et de Dumez, est désormais de taille à jouer un rôle significatif sur le marché mondial de l'équipement et des services.

Des marchés en progression rapide

Le projet industriel du groupe est justifié par les enjeux de la concurrence mondiale et par l'évolution des marchés depuis le milieu des années 80. Partout dans le monde, les marchés de l'environnement, de l'aménagement urbain et des grandes infrastructures se sont ouverts aux investisseurs privés. Depuis quelques années, les appels d'offre aux entreprises privées incluant conception, construction et gestion d'ouvrages se sont multipliés. La plupart des instituts de prospective économique confirment les fortes perspectives de croissance des marchés de l'environnement pour les prochaines années ainsi que l'importance des besoins en infrastructures, aussi bien dans les pays développés que dans les nouveaux pays industrialisés et dans les pays en voie de développement.

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Le développement des activités concessionnaires

Caractéristique majeure de l'évolution des marchés, la gestion déléguée d'ouvrages publics et de services se développe dans le monde entier.

Lyonnaise des Eaux-Dumez est un des groupes de dimension internationale qui a la plus longue expérience des contrats de concession dans les métiers de services et de gestion d'infrastructures. Dès ses origines (1881) le groupe a développé, dans le cadre de contrats de gestion déléguée pour l'eau et l'éclairage public, des relations de partenariat de longue durée avec les collectivités locales. Cette expérience représente aujourd'hui l'un de ses principaux atouts. Dans le cadre de contrats de 20, 25, 30 ans et plus, Lyonnaise des Eaux-Dumez gère aujourd'hui, sur les cinq continents, des services de distribution d'eau, d'assainissement, de collecte et de traitement des déchets, des réseaux de chaud et de froid urbains, des installations de production et de distribution de gaz et d'électricité, des parcs de stationnement, des autoroutes et des ouvrages de franchissement (ponts, tunnels).

Les activités d'exploitant de longue durée de services ou d'ouvrages sont un gage de cash-flows réguliers et durables.

Le développement international

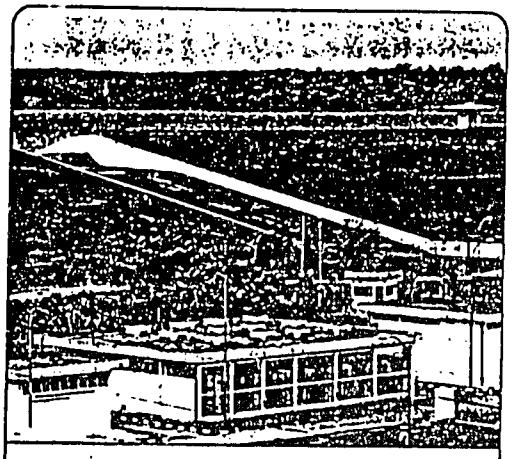
En 1992, Lyonnaise des Eaux-Dumez a réalisé hors de France 43% de son chiffre d'affaires.

Le groupe poursuit un développement privilégiant :

– l'Europe (41,4% de son chiffre d'affaires à l'étranger) où il a au cours de l'exercice, consolidé ses implantations dans les principaux pays de la Communauté Européenne (Grande-Bretagne, Espagne, Allemagne, Italie, Belgique) et obtenu d'importants résultats en Europe orientale et en Europe du Nord

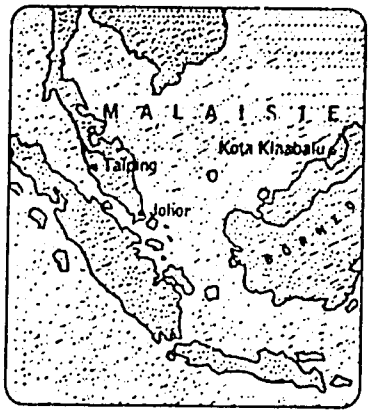
– l'Asie du sud-est, la Chine et le Bassin Pacifique (6% de son chiffre d'affaires à l'étranger);

– les grandes métropoles où les besoins en infrastructures, ouvrages d'art et gestion des services publics sont très importants.



Malaisie, Johor : Lyonnaise des Eaux-Dumez a remporté en 1992 le contrat de Johor (500 000 habitants) pour la production et la livraison en gros d'eau potable.
Le groupe a confié au bureau d'études, Safege, et à un bureau d'ingénierie local, le soin de conduire les études préalables.

D'importants investissements (1,9 milliard de francs) vont être réalisés entre 1993 et 1996. Un réseau d'adduction d'eau sera construit. Les travaux d'ingénierie et d'installations de traitement ont été confiés à Degrémont, les travaux de construction d'ouvrages (canalisations, réservoirs) à GTM-Entrepose.



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Eau

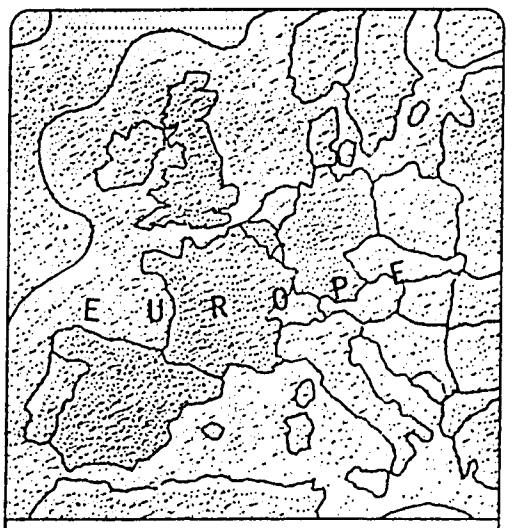
Lyonnaise des Eaux-Dumez et Degrémont

Gestion de réseaux de distribution et d'assainissement, construction d'installations de traitement : en cinq ans, le marché de l'eau s'est ouvert aux entreprises privées presque partout dans le monde. Saisissant les opportunités quand elles se sont présentées, Lyonnaise des Eaux-Dumez et sa filiale Degrémont ont entrepris un développement international rapide depuis le milieu des années 80.

Essor international

Lyonnaise des Eaux-Dumez a réalisé en 1992 à l'étranger 24 % de son chiffre d'affaires dans le domaine de la distribution de l'eau.

En remportant en 1992 de grands contrats internationaux (Buenos Aires : 6 millions d'habitants ; Sydney : 3 millions d'habitants ; Johor en Malaisie et Rostock, premier contrat de gestion déléguée jamais obtenu en Allemagne), Lyonnaise des Eaux-Dumez est devenu le plus grand groupe privé de distribution de l'eau dans le monde.



CEE : Lyonnaise des Eaux-Dumez dessert plus de 28 millions d'habitants en eau potable dans la communauté européenne : 14 millions en France, 10 millions en Espagne, 3 millions en Grande-Bretagne, 600 000 en Italie, 350 000 en Allemagne et 175 000 en Belgique.

Europe

Lyonnaise des Eaux-Dumez a poursuivi son effort commercial à l'Est :

– en République tchèque, pour la gestion de l'eau et de l'assainissement de deux agglomérations : Brno, 400 000 habitants, et Ostrava, 320 000 habitants ;

– en Lituanie, pour l'affermage de l'eau et de l'assainissement de la capitale, Vilnius (700 000 habitants) ;

– en Allemagne, dans un Land de l'ex-RDA, Eurawasser, filiale de Lyonnaise des Eaux-Dumez (49%) et du groupe industriel allemand Thyssen (51%) a signé un contrat de concession d'une durée de 25 ans pour l'eau et l'assainissement de la ville de Rostock (350 000 habitants). C'est la première expérience de gestion déléguée en Allemagne.

En Europe de l'Ouest, le groupe a renforcé ses implantations existantes. En Grande-Bretagne, il a fusionné deux de ses filiales, Newcastle and Gateshead et Sunderland and South Shields, qui ont donné naissance à North-East Water plc. En Italie, Crea, dont Lyonnaise des Eaux-Dumez détient 49% du capital, a conforté ses positions.

Asie et Bassin Pacifique

Depuis dix ans, Lyonnaise des Eaux-Dumez a entrepris dans cette zone d'importantes actions commerciales.

Déjà présent en Malaisie, il y a remporté en 1992 deux nouveaux contrats d'une durée de 20 ans pour la livraison en gros d'eau potable : Johor-Bahru (600 000 habitants), capitale de l'Etat de Johor et Kota-Kinabalu (400 000 habitants), capitale de l'Etat de Sabah, dans l'île de Bornéo. Au total, le groupe produit aujourd'hui de l'eau pour plus d'un million de personnes en Malaisie.

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En Indonésie, il a signé un accord de partenariat exclusif avec Salim, premier groupe industriel de ce pays.

La Chine commence à s'ouvrir à la gestion déléguée. Associé au groupe New World, Lyonnaise des Eaux-Dumez a signé avec Tanzhou (70 000 habitants), dans la province de Canton, un contrat d'une durée de 30 ans, qui prévoit la fourniture de 120 000 m³ d'eau par jour. Le groupe a également entamé des négociations avec Shenyang, quatrième ville chinoise, située à 500 kilomètres au nord de Pékin.

Dans le Bassin Pacifique, Lyonnaise des Eaux-Dumez a développé ses filiales des Territoires d'Outre-Mer : EEC (Electricité et Eau de Calédonie) a obtenu le contrat de Dumbéa (deuxième ville de Nouvelle Calédonie). A Tahiti, le groupe a créé la Société Polynésienne des Eaux et de l'Assainissement (SPEA) qui s'est vu confier en concession la distribution de l'eau de Papeete (80 000 usagers) pour une durée de 40 ans.

Grandes métropoles

Plusieurs grandes métropoles ont lancé en 1992 des appels d'offre internationaux concernant la gestion de leurs réseaux d'eau et d'assainissement.

En Australie, en coopération avec les groupes P&O Australia et Lend Lease Corporation, Lyonnaise des Eaux-Dumez a remporté à Sydney (3 millions d'habitants) un contrat qui lui confie, pour une durée de 20 ans, la livraison en gros d'eau potable. Dans le cadre de ce contrat, le groupe va réaliser la plus importante station de traitement du monde (4,2 millions de m³/jour).

En Argentine, le groupement d'entreprises conduit par Lyonnaise des Eaux-Dumez et comprenant Aguas de Barcelona, Anglian Water et la Générale des Eaux, a été choisi pour assurer la gestion de l'eau et de l'assainissement de Buenos Aires (6 millions d'habitants).

Brochier, dont le siège social est à Nuremberg, est une affaire créée en 1873 dans le capital de laquelle Lyonnaise des Eaux-Dumez est entré en 1991 à hauteur de 25,1%.

Le groupe Brochier a réalisé en 1992 un chiffre d'affaires de 2,7 milliards DM. Il exerce des activités dans les domaines de la pose, de la maintenance et de la réhabilitation de canalisations. Sa filiale Südrohrbau est spécialisée dans les pipelines (pétrole, gaz). Depuis quelques années, le groupe s'est diversifié dans les techniques de l'environnement.

Il s'appuie sur un réseau dense couvrant l'ensemble de l'Allemagne, et s'est particulièrement développé dans les nouveaux Länder grâce à une politique très offensive mise en oeuvre dès la chute du mur de Berlin.

Environ un tiers du chiffre d'affaires est réalisé à l'étranger, principalement en Russie, Europe Centrale et Arabie Saoudite.

Buenos Aires : le service de l'eau et de l'assainissement rassemble 5000 personnes.

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COMPTES CONSOLIDÉS DU GROUPE

Compte de résultat consolidé

	Note n°	1992	1991	1990
Chiffre d'Affaires		90 358 769	87 485 074	71 990 654
Autres produits d'exploitation		5 155 936	3 916 388	3 515 096
Produits d'exploitation		95 514 705	91 401 462	75 505 750
Achats		21 915 224	22 364 515	19 340 937
Impôts et Taxes		1 560 9[illegible]0	1 494 974	1 291 804
Salaires et Charges		22 816 929	22 094 868	17 918 033
Encaissement pour compte des Collectivités		3 669 491	3 158 872	2 400 184
Autres Charges		35 599 555	33 855 473	27 275 625
Dotations aux Amortissements et Provisions		7 262 589	5 834 980	4 167 314
Charges d'exploitation		92 824 688	88 803 682	72 393 897
RÉSULTAT D'EXPLOITATION	1	2 690 017	2 597 780	3 111 853
Produits de Participations		421 020	290 347	293 633
Autres		1 864 226	1 959 386	1 211 270
Produits financiers		2 285 246	2 249 733	1 504 903
Charges d'Intérêts		2 525 159	2 355 189	1 841 889
Autres		348 212	400 966	411 328
Charges financières		2 873 371	2 756 155	2 253 217
Résultat financier	2	–588 125	–506 422	–748 314
Résultat courant		2 101 892	2 091 358	2 363 539
Résultat exceptionnel	3	–197 646	428 449	50 839
Participation des salariés aux fruits de l'expansion		–172 627	–155 892	–112 931
Impôts sur les bénéfices	4	–823 231	–764 577	–776 114
Part dans les résultats des sociétés mises en équivalence	8	295 577	166 197	431 605
Résultat net avant amortissement des écarts d'acquisition		1 203 965	1 765 535	1 956 938
Dotation aux amortissements des écarts d'acquisition	7	–381 143	–301 320	–170 065
BÉNÉFICE		822 822	1 464 215	1 786 873
Part du Groupe		379 390	1 168 380	1 425 183
Minoritaires		443 432	295 835	361 690

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Bilan consolidé

BILAN ACTIF	Note n°	1992 Brut	1992 Amortissements et Provisions	1992 Net	1991 Net	1990 Net
Immobilisations Incorporelles	5	4 694 121	966 789	3 727 332	2 642 205	1 187 707
Ecarts d'Acquisition	7	8 576 251	1 353 660	7 222 591	5 882 133	3 194 429
Immobilisations Corporelles	5	56 002 800	19 477 528	36 525 272	30 758 731	21 824 192
Immobilisations Financières (A)	6	10 922 593	1 705 661	9 216 932	8 146 995	8 061 664
Titres mis en Equivalence	8	2 237 795	0	2 237 795	1 912 518	2 781 424
TOTAL ACTIF IMMOBILISE		82 433 560	23.503 638	58 929 922	49 342 582	37 049 416
Stocks et En Cours	9	25 033 276	1 151 981	23 881 295	21 128 058	20 443 408
Clients et Comptes Rattachés (B)		27 484 350	1 141 207	26 343 143	24 235 776	19 187 657
Autres Créances d'exploitation (B)		10 944 668	638 406	10 306 262	8 733 723	6 999 686
Valeurs Mobilières de Placement	10	4 997 136	3 132	4 994 004	4 396 118	4 812 256
Disponibilités		6 862 434	592	6 861 842	6 469 129	4 527 628
TOTAL ACTIF CIRCULANT		75 321 864	2 935 318	72 386 546	64 962 804	55 970 635
Comptes de régularisation et assimilés (B)		2 547 803	0	2 547 803	2 251 631	2 081 510
TOTAL DE L'ACTIF		160 303 227	26 438 956	133 864 271	116 557 017	95 101 561
(A) dont à moins d'un an		*709 657*	*286 737*	*422 920*	*1 016 769*	*480 624*
(B) dont à plus d'un an		*1 311 384*	*1 384*	*1 310 000*	*1 279 368*	*926 563*

BILAN PASSIF	Note n°	1992	1991	1990
Capital		2 891 895	2 848 937	2 704 738
Primes		4 468 672	4 173 774	3 633 362
Réserves		5 797 521	5 153 316	4 038 327
Ecarts de Conversion		–1 208 222	–662 471	–679 026
Ecarts de Réévaluation		298 548	307 482	314 204
Résultat de l'Exercice (part du groupe)		379 390	1 168 380	1 425 183
Propres Actions détenues par le Groupe		–94 452	–82 976	–91 071
CAPITAUX PROPRES	11	12 533 352	12 906 442	11 345 717
Intérêts minoritaires		8 206 393	5 499 035	5 048 453
Prêts subordonnés à durée indéterminée		328 528	349 158	0
Comptes spécifiques des concessions (B)		16 690 166	12 949 696	8 230 750
Provisions pour risques et charges	12	13 022 323	10 552 150	8 867 026
DETTES (A)				
Emprunts et Dettes Financières	13	27 288 412	25 111 983	21 993 425
Fournisseurs et Comptes Rattachés		37 859 131	32 767 756	27 640 859
Autres Dettes		14 312 080	13 238 770	8 817 344
TOTAL DES DETTES		79 459 623	71 118 509	58 451 628
Comptes de régularisation et assimilés (A)		3 623 886	3 182 027	3 157 987
TOTAL DU PASSIF		133 864 271	116 557 017	95 101 561
(A) dont à moins d'un an		*64 755 734*	*57 729 433*	*46 730 055*
dont a plus d'un an		*18 327 775*	*16 571 103*	*14 879 560*
(B) dont contrepartie immobilisations reçues		*13 408 897*	*9 998 100*	*6 203 347*

Annex 3

Proceedings from the World Bank-sponsored Water Supply Seminar in Alicante, Spain

ALICANTE

SINTESIS DEL CONTENIDO E INFORMACION DEL SEMINARIO DE ALICANTE, ESPAÑA "ABASTECIMIENTOS DE AGUA". 14 AL 18 DE JUNIO 1993.

El Banco Mundial tiene significativo interés en la participación del sector privado en el abastecimiento del agua potable, es por ello que escoge a España como un particular modelo para los paises latinoamericanos.

Esta escogencia no sólo obedece a los resultados positivos que este país ha tenido con esa actividad, sino a que el marco legal regulador de dichas actividades tiene y ha tenido una gran influencia en los paises latinos, es decir que si America Latina ha adoptado marcos y estructuras legales creadas desde España, también puede aprender de las modificaciones y nuevas creaciones que la misma ha hecho para permitir esa participación privada.

El marco legal del gobierno español se concentra en tres poderes, el central, regional y el local; siendo de estos el más significativo el regional[1].

El gobierno regional se configura mediante lo que se denomina las comunidades autónomas o Autonomías, quienes también tienen la capacidad de legislar. Son asociaciones de diversas zonas geográficas como Estados, Departamentos o Provincias cuyo objetivo es permitir el desarrollo de todo el conglomerado y de coordinar y regular las actividades que les incumbe a todos. Ej. el agua.

Ya que este poder no se circunscribe a una localidad especifica, está orientada a la participación de empresas "Supramunicipales" en la solución de los asuntos de cada localidad o municipalidad. Una empresa de gestión de actividades para varios municipios o provincias. Ej. Aquagest.

Las comunidades autónomas tienen entre otras cosas la responsabilidad de la salud y la educación que la constitución les ha delegado (descentralización); es como un autogobierno. Son entes públicos de base territorial "Intermediarios entre el gobierno central y los gobiernos locales".

Hay otro tipo de asociaciones de nivel inferior, las areas metropolitanas, que no son más que la unión de los municipios totalmente urbanos con otros suburbios aledaños.

Los problemas clásicos de America Latina (cuya solución se ha dado relativamente en España) son derivados por que la Constitución por medio de una ley general ordinaria asigna funciones al Ayuntamiento y no toma en cuenta la forma de financiación que habrá de tener para cumplir con esa función.

La regulación del agua debe estar orientada a sólo tres aspectos: Calidad, Cantidad y Continuidad de agua. Si es una encomienda o función delegada a la Municipalidad, esta debe

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[1] El gobierno central y el local obedecen a la clásica estructura de gobierno federal o total y el segundo al poder municipal. Algo muy bien establecido en America Latina. Por el contrario el regional es una nueva y fortalecida modalidad.

cumplirla por los medios que la ley permite. Si esta permite concesiones, descentralización de servicios o cualquier otra forma de ADMINISTRAR BAJO EL REGIMEN DE DERECHO PRIVADO, ese es el camino que hay que tomar.

No son concepciones filosóficas unicamente las que se aplican para que la gestión pública sea más eficiente, son situaciones prácticas, de sentido común y de la realidad; la principal limitación de los administradores públicos es el derecho administrativo, en cuyo régimen se encuentran enmarcadas todas las acciones de los mismos. En el se dictan los procedimientos que éste debe seguir para poder "administrar"[2]. Estas leyes fueron creadas con el objetivo noble de controlar y supervisar la gestión de los burócratas, es un costo o sacrificio que se debe pagar, pues por el bien común debe existir.

La tendencia mundial es mantener un balance en lo planteado anteriormente. Se han implementado nuevos y mejores métodos de control para la administración pública, orientados a resultados y no actuaciones especificas. En ese sentido se solicita al gestor público que se sitúe en otras plataformas de control[3] para poder administrar eficazmente y no se pierda esa función de supervisión al mismo tiempo.

Siempre en el tema de la regulación, en España se ha publicado la "ley de depuración de las aguas" y se aplica en 1995; esto es un ejemplo del márgen que se da a la sociedad en una nueva regulación.

La fijación de los precios del agua se realizan por el Estado en la mayoría de los paises de América Latina, en otros paises desarrollados los asignan las "Juntas de precios" que es un grupo de personas con representación popular (con algunos burócratas en su conformación), quienes han sido elegidos por diversas formas. Su función es determinar TECNICAMENTE los precios del agua para cada región específica.

La razón de estas "juntas" es que no se puede establecer

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[2] Los reglamentos de compras, contrataciones, presupuestos y normativos del recurso humano, son algunos ejemplos clásicos. Se constituyen en el principal "corcel" de los administradores públicos. Es el Derecho Público en su rama administrativa.

[3] Otras plataformas de control significa que se traslade la gestión a otro marco legal que no sea el Público, como por ejemplo el Mercantil; ya sea que la empresa contraiga un contrato con un tercero. De esta forma es el derecho mercantil quien cumple la función tutelar de cumplimiento, control y supervisión del administrador público y el tercero lógicamente.

precios totalmente libres, aunque pueden haber simulaciones[4]. La competencia no se realize en forma perfecta por ser un monopolio natural de tipo técnico.

Es claro que la distribución de las aguas a traves de tuberias ha sido una función encomendada a las municipalidades, y las condiciones de los pactos y normas que ellas realizan deben de ser por un lado, el cumplimiento de la función de garantizar bienestar y por el otro ante las empresas privadas, el de proveer recursos como en cualquier bien económico.

Algo de la experiencia chilena:

Existen cuatro tipos de concesiones:

- en la producción;
- la distribución;
- captación aguas servidas;
- tratamiento y disposición de aguas servidas.

Los subsidios son focales e independientes de la tarifa; es decir que el precio del agua no está subsidiado, se le da el subsidio al individuo preestablecido en forma de bono o crédito en m3 de agua a consumir. Es el Estado o la Municipalidad la que PAGA por el cliente, osea que la empresa siempre obtiene el precio real del agua.

El precio del agua es el valor económico, no la sumatoria de los costos de los diversos procesos del ciclo del agua. Es el valor marginal.

Todavia se mantienen cobros o tarifas por sectores, por lo que hay una tendencia a unificar este cobro del agua.[5]

En España se ha creado un fondo compensatorio para recuperación de obras en infraestructura o activos fijos, lo que permite que los futuros concesionarios no cargen con el peso de las grandes obras. Esto está a cargo del Estado quien distribuye los fondos en forma de creditos, asistencias tecnicas, etc. tanto a las "Autonomías" como a las "Municipalidades"; ahora ya se está contemplando asistir a las empresas "Supramunicipales" privadas.

El saneamiento debe pagarse en el recibo del agua potable, para aprovechar la infraestructura de recaudación ya establecida, normalmente es un cargo fijo.

La infraestructura se puede concesionar aplicando el mismo concepto de las carreteras.

Cuando el Estado realiza una obra con financiamiento adquirido por él, debe cobrar a los habitantes beneficiados

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[4] El caso chileno es que dentro de esas simulaciones han creado una empresa modelo a nivel teórico, la cual les sirve como parámetro a las demás empresas no sólo en aspectos tecnicos sino administrativo-financieros, es decir que las tarifas se acomodan a la gestión ideal.

[5] El caso de Guatemala es un punto positivo, pues se han cancelado todas las distinciones y clasificaciones en los cobros del agua; es decir, que se tiene una norma general para todos en concepto de precios, sin distinciones territoriales, socioeconómicas, raciales, etc.

la amortización de las obras;
gastos de mantenimiento;
gastos de explotación;
gastos generales de gestión.

El recibo del agua debe de contemplar el cobro de cada uno de los procesos, a efecto de tener más cristalinidad. Las tasas deben de diferenciarse como un primer paso para la educación del usuario en el pago de ese producto, "es tan complicado el recibo como lo complejo del proceso".

Los incentivos al sector privado:

1. como DEMANDANTE DE AGUA (usuario)
2. como CONSTRUCTOR de obras de infraestructrura.
3. como GESTOR de producción, distribución y administración.

Los estudios han comprobado que la elasticidad del agua en paises desarrollados es muy baja, es decir que el precio influye muy poco en los hábitos de uso del agua en la población. En los paises de América Latina, en donde todavía no existe una población educada para el uso del recurso, un movimiento en los precios si puede afectar sensiblemente dichos habitos.[6] Esto último sólo en el corto plazo.

La teoría del agua con costo "0" nunca se ha descartado, por ejemplo en una playa el costo por agua salada pudiera ser cero; lo que se cobra no sólo es el producto sino el uso de infraestructura, su mantenimiento y ampliación.

FORMAS O ESTRATEGIAS DE CONCESION Y DESCENTRALIZACION DE SERVICIOS

Existen varias formas en que se ha aplicado la concesión de los servicios relacionados con el abastecimiento del agua potable, ha sido tan variada como los paises mismos que han optado por ese camino. Aunque existen casos muy particulares que por la similitud de las circunstancias con otros lugares, pueden de servir de orientación (nunca de modelo).

ESPAÑA:

Empresas Mixtas:

Son empresas conformadas en su gran mayoría por entes municipales y privados, con una proporción de 51% de capital

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[6] Por ejemplo en Guatemala un incremento de precios en el agua si podría variar los hábitos de uso o consumo, por ejemplo lavar carros, regar los jardines o limpiar pisos y aceras con agua en lugar de barrer.

público en lo referente a Producción y Distribución de agua potable y una participación pública minoritaria en empresas de saneamiento, laboratorios y gestión de servicios específicos[7].

La ingerencia municipal obedece a:

Razones de financiamiento blando por el Estado.
Control tarifario y mejor posición de peticion de modificar tarifas a las "Juntas".
Simplificación en el proceso de concursos al no enajenar totalmente los bienes públicos.
etc.

Empresas Supramunicipales:

Son empresas de caracter netamente privado que realizan "Joint Ventures" con el estado; tanto para la construcción de obras de infraestructura que conciernen a varias provincias o municipios, como para la gestión misma. En este ultimo caso, si se asociara a una municipalidad o ayuntamiento, lo que se conforma es una empresa mixta nuevamente, quien se encargará de administrar y gestionar con la infraestructura existente a un precio establecido en "alta" los servicios de distribución y potabilización del agua u otros.

** Esta es una de las experiencias más favorables que ha tenido España.

Como es de imaginar es el Estado quien se responsabiliza de la captación de los financiamientos, siendo el riesgo de recuperación de las inversiones algo compartido.

Empresas Privadas:

Son específicamente introducidas para servicios colaterales del ciclo integral del agua, como lo pudiera ser análisis de laboratorios y de calidad de agua en las redes de distribución, limpieza y mantenimiento de redes de agua y saneamiento, de servicios de apoyo a la administración tales como centros de computo, seguridad, etc.

AMERICA LATINA

BOLIVIA:

El caso de Bolivia más representativo es el caso de las concesiones hechas a las cooperativas de Santa Cruz y Cochabamba. Estas han operado con sensible eficacia desde su inicio, aunque han padecido de un costo de aprendizaje alto.
Hubo una participación de los antiguos trabajadores estatales quienes en calidad de cooperativa se iniciaron en el "Negocio del agua potable".

El Estado continúa con la edificación de obras de

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[7] Este es el caso de servicios como por ejemplo el de limpieza de cloacas o tragantes; facturación, lectura, u otros relacionados con la administración propia.

infraestructura y sitúa en bloque el agua a determinado precio para ser tratada y distribuida por la empresa (cooperativa).

Parte de la recuperación de la inversión hecha en infraóstructura al momento de la concesión fue absorvido por el municipio o ayuntamiento y otro porcentaje fué distribuído en el período de la concesión para la nueva empresa gestora.

CHILE:

El caso chileno aunque ya de él se ha escrito con anterioridad merece que se enfatice lo siguiente:

En este país existen concesiones y procesos de privatización de todas las faces del ciclo integral del agua. Es quizas su sistema jurídico lo que ha permitido este cambio, mediante la implementación y cumplimiento de leyes claras e impersonales. Ha sido lo establecido en los contratos mercantiles lo que a regido las diferentes interacciones de las empresas gestoras de los servicios de agua potable.

La autoridad del agua ha sido conformada como un ente multidisciplinario en el cual participan tanto del sector público como del privado, en el que se toman las desiciones acerca de los derechos de propiedad de las aguas y los incentivos de gestión.[8]

Las actividades de gestión son medidas y controladas bajo parámetros establecidos mediante la creación teórica de una empresa modelo, que simulando condiciones normales genera la información financiera, tecnica y administrativa necesaria para que otras empresas reales tiendan a esa simulación-objetivo. Esto al parecer ha dado muy buen resultado.

Una experiencia muy significativa es que el "CONCESIONAMIENTO DE AREAS GEOGRAFICAS" ha sido realizado en el momento que legalmente se han constituido las "areas metropolitanas" es decir, la unión del municipio urbano con otros municipios que se han constituído en suburbios a las metrópolis. Es en el período en el cual se hace una distribución de las entidades gestoras de servicios para los diferentes sectores o areas geográficas, el momento propicio para involucrar al sector privado concesionándole una porción del área citada.

La experiencia ha demostrado que en estas regiones atendidas empiezan a sobresalir las más eficientes o las mejores servidoras, lo que constituye una demanda por esas empresas y un potencial de recursos para los gestores, iniciando un proceso de ampliación de los servicios de área en área. Este proceso espontáneo es el resultado de la seguridad en las normas y del cumplimiento de los contratos. Generalmente han sido las empresas privadas con concesiones las que han abarcado poco a poco las mayores regiones, aunque existen excepciones.

ARGENTINA:

El caso argentino obedece a la concesión clásica del largo

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8 "Es parecido a lo establecido en Francia como tribunales de cuencas.

plazo, en la cual la empresa concedida se compromete a realizar una serie de inversiones en el corto plazo y recuperarlas en el largo plazo. Las inversiones son orientadas al centro urbano, ya sea en remodelación de redes, plantas intermediarias de captación y de potabilización. La inversión en alta sigue en manos del Estado quien se compromete suministrar determinada cantidad de agua a la empresa a un precio determinado en el cual recupera las inversiones.

La administración de esta nueva empresa esta en manos de administradores con "Know How" de empresas francesas como Aguas de León, una de las más influyentes del mundo.
Al parecer existe un porcentaje de inversión propuesta para infraestructura de conducción de agua a la ciudad por esta empresa concecionada, pero no se tienen datos oficiales.

Existen otras experiencias positivas en Latino America como en el caso de Brasil, México[8], República Dominicana, Perú y un intento en Venezuela quien por errores en el concurso no se pudo concretar.

CONCLUSIONES

1. America Latina, especialmente los paises sudamericanos, han iniciado un proceso formal de privatización y concesionamiento de las empresas gestoras del servicio de agua; respondiendo a los ejemplos de eficiencia de algunos paises desarrollados del mundo.

2. Este proceso no es más que el traslado de un servicio prestado en una dimensión enmarcada en el derecho público, el administrativo; a otro plano regido por el derecho privado a traves de los contratos o derecho mercantil.

3. En su gran mayoría no se contempla la venta de activos sino el traslado de los mismos para su administración en manos de terceros por un periodo de tiempo determinado. Inclusive las inversiones en infraestructura, al menos en el aspecto de financiamiento, continúa en manos públicas, lo que hace que los primeros pasos en concesiones sean para Potabilización y Distribución de agua a los centros urbanos, es decir que las grandes obras de conducción son las últimas en concesionar

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[8] En este país se tienen ejemplos de concesiones de acueductos para conducción de agua a los municipios o las ciudades, el Estado realiza la obra en su totalidad o con participación de inversionistas (inclusive con emisión de acciones o bonos colocados en las bolsas), algo parecido a las carreteras privadas; y de esta forma se le vende a las empresas gestoras ya sea privadas o públicas este bloque de agua. Ejemplos como el de Cancún, Monterrey y Toluca son sobresalientes.

generalmente, aunque ya existen, como en Mexico y Chile, experiencias de esa naturaleza.

4. Las concesiones por areas geográficas crean el proceso espontáneo de ampliación de cobertura por las empresas eficientes, generalmente las que se administran por el sector privado. Logrando que las primeras concesiones continuen ampliando los servicios hasta obtener significativos sectores urbanos o ciudades enteras.

5. Toda concesión debe de ser a largo plazo.

6. El efecto económico que genera una concesión significa entre otras cosas la creación de servicios colaterales al del agua potable, es decir empresas brindadoras de servicios relacionados con la administración, el mantenimiento, los analisis de laboratorio, venta de articulos relacionados, etc. Esto crea nuevos recursos en el mercado.

6. Los precios no son totalmente libres, pues es un servicio de carácter monopólico por naturaleza; aunque existe competencia de precios entre sector y sector, en las areas asignadas no axiste alternativa, no siendo entonces un mercado libre. El efecto de busquedas de alternativas es lo que crea la demanda potencial expuesta en el numeral 4.

7.Si se tiene plenamente definido las reglas y los derechos de propiedad del agua, se crean suficientes incentivos para que dentro de un regimen de derecho, el sector privado interactúe sirviendo a la población, con plena seguridad que lo estipulado en los contratos será cumplido.