



ALBA: PORTFOLIO AND FIRST QUARTER 2004 RESULTS

I. FIRST QUARTER TRANSACTIONS

During the first quarter of 2004 Corporación Financiera Alba has increased its participation in Acerinox and ACS.

Alba has acquired a 2.07% stake in ACS, with an investment of 99 M€. This transaction increases our stake to 15.39%, and consolidates Alba as the major shareholder of Spain's leading construction and services group.

Also during the first quarter of the year Alba increased its participation in Acerinox to 9.28%, with the acquisition of an additional 2.72%, which required an outlay of 66.5 M€. In April Alba continued to buy shares in the market until it reached a 10.37% stake. Acerinox's clever international diversification policy, with investments in the USA and in South Africa, will allow the company to maintain healthy growth rates and to improve even further its productivity and efficiency ratios.

As a result of these investments, the sector distribution of Alba's portfolio has been modified, and reflects a remarkable increase in the importance of investments in the Construction and Industrial sectors.

During the first months of the year Alba has acquired 173.000 own shares at an average price of 23.35 €. These acquisitions raise the balance of Treasury Stock to 1.67% of the share capital as of March 31.

Regarding disinvestments made in the period, Alba has sold a 0.52% in Havas for 7.2 M€, with a capital gain of 3.9 M€.

After the closing of the quarter Alba has exercised its option to sell the remaining 10% stake in Banco Urquijo to Kredietbank S.A. Luxemburgeoise for a total consideration of 39.4 M€. This transaction has resulted in a capital gain of 15.7 M€.

II. PORTFOLIO

Alba portfolio on the 31st of March, 2004 was as follows:

	%	Book value
	<u>Stake</u>	<u>Million €</u>
<u>Listed holdings</u>		
Acerinox (*)	9.28%	157.8
ACS (*)	15.39%	293.8
Carrefour (*)	3.32%	250.4
Havas (*)	3.72%	23.8
Prosegur (*)	5.33%	13.2
Spirent	0.67%	7.1
Vodafone	0.13%	22.3
Total book value		768.4
Goodwill		253.9
Total market value (31-3-04)		2,188.1
Unrealised capital gains		1,165.8

	%	Book value
	<u>Stake</u>	<u>Million €</u>
<u>Unlisted holdings</u>		
Banco Urquijo ⁽¹⁾	10.0%	23.7
Celtel (formerly MSI)	2.2%	16.4
Palio	17.0%	2.8
Princes Gate	n.a.	6.4
Quavitae (*)	20.0%	3.3
Unipsa (*)	82.6%	4.1
Xfera	11.3%	0.0
Other	n.a.	2.7
Total book value		59.4
Real estate under lease		148.4

* Investments consolidated by the Equity method.

(1) Sold in April 2004

III. NET ASSET VALUE

The key figure for gauging the value of a holding company such as Alba is its net asset value. Calculated according to internal methods consistent with those normally used by equity analysts, on the 31st of March 2004, Alba's net asset value was estimated at 2,136.5 M€, or 32.18 € per share, after deducting own shares held as Treasury Stock.

	<i>Million euros</i>
Listed holdings	2,188.1
Unlisted holdings and real estate	327.6
Other assets and debt	(379.2)
Net asset value	2,136.5
Million shares (minus Treasury Stock)	66.39
Net asset value / share	32.18 €

The sector breakdown of the net asset value on the 31st of March, 2004 and on the 31st of December, 2003, is as follows:

	Mar 04	Dec 03
Retail	44%	47%
Construction	34%	28%
Real Estate	11%	10%
Industrial	11%	7%
Telecommunications	9%	9%
Financial Services	3%	3%
Media	2%	3%
Security Services	2%	2%
Other	1%	1%
Net Debt	-17%	-10%
	100%	100.0%

IV. RESULTS

The following table highlights the main figures of Alba's Profit and Loss account to March 31.

	31-3-04	31-3-03
Net profits from affiliates consolidated by the equity method	37.3	30.3
Results from the securities portfolio	3.1	(0,8)
Rental Income	3.0	3.0
Net Income	35.2	29.8
Earnings per share (€) (After deducting own shares)	0.53	0.41

Consolidated net income for the first quarter reached 35.2 M€, compared to 29.8 M€ obtained in the same period of last year. Earnings per share have increased by 29.2%, from 0.41 € in the first quarter of 2003 to 0.53 € in that same period of 2004.

This increase in profits is due mainly to the good evolution of the recurring caption *Net profits from affiliates consolidated by the equity method*, which totalled 37.3 M€ in the first quarter of 2004, compared to 30.3 M€ in the first quarter of 2003. This positive evolution is a result of better results from consolidated companies and to the increase in our participation in ACS and Acerinox.

The *Results from the securities portfolio* have also contributed to the abovementioned increase in profits, reaching 3.1 M€, compared to a negative result of 0.8 M€ in the first quarter of 2003. This year's positive result corresponds mainly to the sale of a 0.52% participation of Havas.

V. ANNUAL GENERAL MEETING

On the coming 25th of May, Alba will hold its Annual General Meeting in Madrid. Among other proposals, the AGM will discuss and vote a capital reduction through the amortisation of Treasury Stock representing 1.07% of the current share capital and the payment of a 2003 final dividend of 0.06 € per share, which, together with the interim dividend paid in 2003, makes a total dividend of 0.12 € per share.

(12th of May 2004)