



FIRST HALF 2003

In the first half of 2003 Alba invested a total of 58 M€, increasing its holding in ACS and Havas to 24.2% and 4.9% respectively, and acquiring 0.9% of its own shares. In addition, Alba has made a double offer to its shareholders, to buy back 7% of its own shares and to sell Vodafone shares, both in favourable terms. Over the six months Alba's share price has risen 25% compared to the Ibex increase of 14%.

PORTFOLIO 30-6-2003

Listed holdings	%	Book value
	Stake	Million €
Acerinox (*)	6.33	105.9
ACS (*)	24.18	260.3
Carrefour (*)	3.27	226.8
Havas (*)	4.86	56.0
Prosegur (*)	5.23	11.5
Spirent	0.68	2.4
Vodafone	0.23	36.1
Total book value		699.0
Goodwill		142.4
Total market value (30-6-03)		2,077.0
Unrealised capital gains		1,235.6

Unlisted holdings	%	Book value
	Stake	Million €
Banco Urquijo	10.0	23.7
MSI (Mobile Systems International)	2.7	16.1
Palio	17.0	3.5
Princes Gate	n.a.	6.4
Quavitae (*)	20.0	3.4
Unipsa (*)	82.6	2.4
Xfera	7.1	32.8
Others	n.a.	4.5
Total book value		92.8
Real estate under lease		150.1

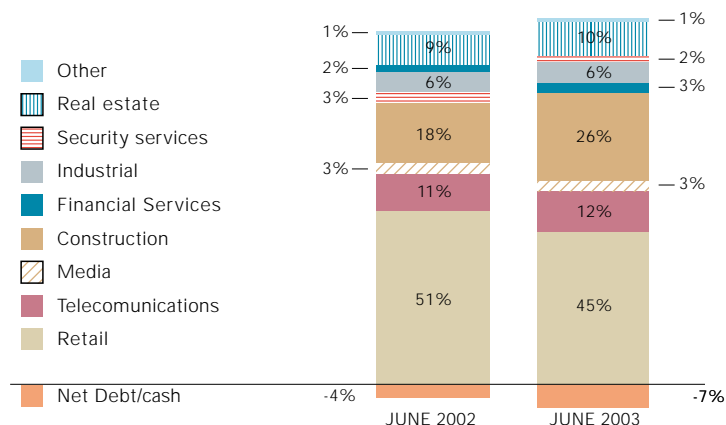
(*) Investments consolidated by the Equity method

NET ASSET VALUE

The most significant figure for a company such as Alba is its Net Asset Value. Calculated in a way consistent with standard methods of analysis, Alba's Net Asset Value before tax at 30 June 2003 was 2,234.5 M€, that is 31.08 € per share after deducting own shares held as treasury stock.

	Million euros
Listed holdings	2,077.0
Unlisted holdings and real estate	324.5
Other assets and debt	(167.0)
Net asset value	2,234.5
Million shares (minus Treasury Stock)	71.89
Net asset value/share	31.08 €

SECTOR DISTRIBUTION OF NET ASSET VALUE





RELEVANT NEWS



One of the most significant operations undertaken by Alba in the first half of the year was the double offer to its shareholders: to buy back 7% of Alba's share capital (by OPA) and to sell Vodafone shares, both in favourable terms for the shareholder. The price set for the shareholders to sell their Alba shares was 24.47 € per share, and the price for them to buy at least one Vodafone share for each Alba share they held was 1.00 £ per share. Alba has used this opportunity to increase the retribution to its shareholders.

The time frame for this double offer enabled the shareholders who sold Alba shares to use that revenue to purchase the Vodafone shares offered to them.

The Vodafone share offer follows Alba's tradition of offering its shareholders the opportunity to

purchase shares in its portfolio companies in favourable terms.

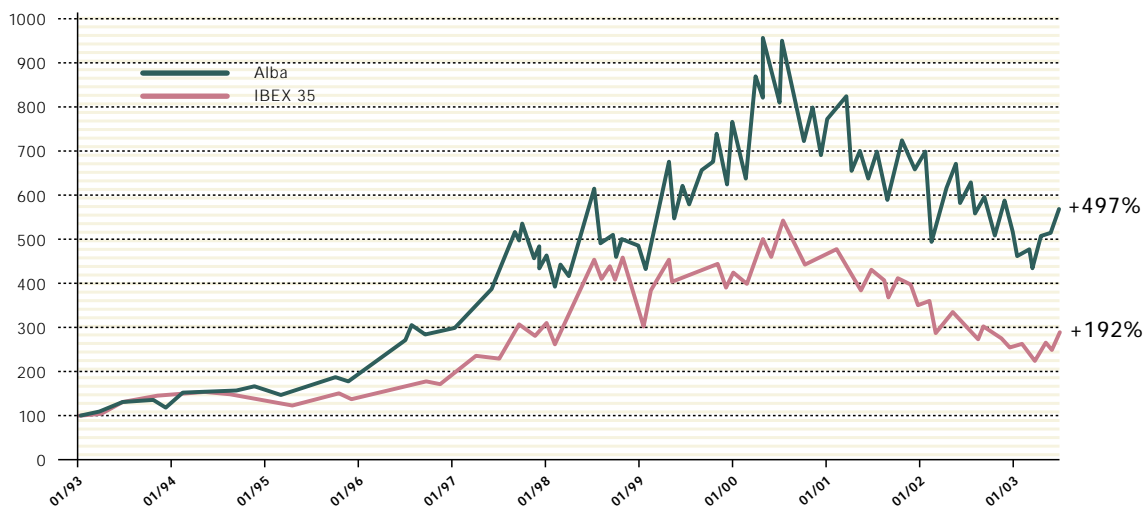
As part of its investment activity, Alba increased its holding in ACS to 24.18% and in Havas to 4.86%, investing 41.1 and 4.5 M€ respectively.

Given the discount at which the Company's shares are trading, Alba has spent 12.4 M€ purchasing own shares which represent 0.91% of its capital. In the AGM held on the 22nd of May it was decided to reduce share capital by 2.81% by amortising treasury stock.

In its real estate business, Alba has sold a hotel in Mallorca for 6.3 M€, with capital gains of 2.6 M€. At 30 June 2003 Alba's real estate portfolio was made up of 100,000 square metres, mainly office space in Madrid and Barcelona, with an



SHARE PRICE EVOLUTION





occupation rate of 96%. This portfolio, whose market value is estimated internally at 230 M€, is expected to generate net income from rent of more than 12.5 M€ in 2003.

One of the major transactions among the portfolio companies over the six months was the ACS acquisition by Public Offer (OPA) of a further 10% of Dragados. Since then, the two companies have informed the CNMV (Spanish Stock Market Commission) that they have initiated a merger process, exchanging 33 ACS shares for 68 Dragados shares.

Another portfolio company, Prosegur, is to acquire SEEI, a French security services company, for 5 M€. The purchase of SEEI, which has a turnover of 25 M€, consolidates Prosegur as France's third security services company.

Alba's AGM, held on 22nd of May, approved the modification of the Company's by-laws, introducing the regulation of the Auditing Committee and setting up Procedural Rules for the AGM. At the same time, the Board has updated its own Procedural Rules, establishing an Appointments and Pay Commission and an Internal Code of Conduct, thereby adapting them to the Financial Law and the recommendations of the Aldama Report.

The AGM also agreed to a 2002 final dividend of 0.06 € per share, which was paid on June 9. Together with the interim payment, this brings the 2002 dividend up to a total of 0.12 € per share.

ALBA ONLINE



Alba's internet site (www.corporacionalba.es) provides comprehensive, up-to-date information on developments related to Alba, as well as information on the most relevant news for investee companies, with direct links to their respective web pages.



CONSOLIDATED RESULTS

(unaudited results)

Alba's Consolidated Net Income in the first half of 2003 was 51.3 M€, compared to the 144.4 M€ for the same period of 2002. Given the nature of Alba's business, this profit figure should not be seen as indicative of the 2003 year-end result.

This drop in profit is due to the fact that there have not been disinvestments over the period, so that the Income from Securities Portfolio figure to June is zero, compared to the previous year's 97.6 M€. It is important to note the non-recurrent nature of this income item. In the second half of the year, pre-tax gains of an estimated 86 M€ from the Vodafone share sale will bring these results up to a level comparable to that of last year.

Net Profits from Affiliates recorded by the Equity Method reached 58.5 M€ compared to 54.7 M€ in the first half of 2002. This 6.9% increase reflects the positive trends in the portfolio company results.

Rental Income from the real estate portfolio came to 5.9 M€, down 6.3% on the previous year due to the aforementioned sale of the hotel in Mallorca. When properties purchased last year come into operation, this income should increase to make 2003 outperform 2002.

	Million euros	
	30-06-02	30-06-03
Net profits from affiliates recorded by the equity method	54.7	58.5
Rental income	6.3	5.9
Income from real estate & other disposals	0.0	2.5
Income from securities portfolio	97.6	(0.5)
Extraordinary income and provisions	(0.1)	0.2
	158,4	66,6
Overheads	(6.0)	(6.4)
Net financial expenses	1.0	0.2
Depreciation	(2.5)	(2.5)
Goodwill Amortisation	(3.9)	(4.1)
Corporate income tax	(2.8)	(2.5)
	(14.2)	(15.3)
Minority interests	0.1	0.0
Net profit	144.4	51.3

CONSOLIDATED BALANCE SHEET

(2003 figures unaudited)

Assets	Million euros	
	31-12-02	30-06-03
<i>Real estate</i>	155.2	150.1
<i>Other fixed assets</i>	6.5	6.3
Net tangible fixed assets	161.7	156.4
<i>Listed securities</i>	634.9	699.0
<i>Unlisted securities</i>	94.2	92.8
<i>Portfolio provisions and other financial investments</i>	(24.1)	(24.9)
Financial investments	705.0	766.9
Goodwill	126.9	144.9
Debtors	77.8	76.1
Treasury stock	44.1	15.8
Cash and equivalents	1.6	0.4
Total assets	1,117.1	1,160.5

Liabilities	Million euros	
	31-12-02	30-06-03
<i>Share capital</i>	74.7	72.6
<i>Reserves</i>	660.0	794.4
Profits for the year	177.0	51.3
Shareholders equity	911.7	918.2
Minority interests	0.7	0.7
Provisions	74.6	72.7
Negative Consolidation Reserve	0.0	2.5
Long-term creditors	2.0	2.2
Financial debt	102.4	133.6
Current liabilities	25.7	30.6
Total liabilities and shareholders equity	1,117.1	1,160.5