



ALBA: PORTFOLIO AND THIRD QUARTER 2006 RESULTS

I. THIRD QUARTER TRANSACTIONS

The most significant investment in the third quarter of the year was the acquisition of a further 3.2% in Acerinox for 121.9 M€ increasing Alba's holding to 20.8%. The weighting of the Acerinox investment in Alba's net asset value has consequently risen to 20.0%, compared with 17.0% at 30 June 2006. This additional investment has consolidated Alba's position as the company's largest shareholder.

During Q3, Alba also increased its interest in ACS to 21.0%, with the purchase of 0.3% for 33.9 M€

Highlights of the current financial year include the magnificent results achieved by ACS and the favourable outlook for Acerinox as we approach the end of the year.

Also during this period, in view of the net asset value discount of its shares, Alba acquired own shares worth 4.0 M€ As at 30 September, these purchases raised treasury stock to 0.7% of the share capital.

Of particular note among the transactions carried out by investee companies was the acquisition by ACS of a 10% holding in Iberdrola with an investment of 3,336 M€ making it the largest shareholder of the company. This performance, combined with its 35.2% holding in Unión Fenosa, will secure ACS's position as a key player in the future restructuring of the electricity sector. Moreover, the European Commission recently approved the merger of Abertis, in which ACS has a 24.8% holding, with Autostrade. This merger agreement was approved by the respective shareholders' meetings of 30 June 2006 and is pending the negotiation of a possible agreement with the Italian authorities.

Acerinox plans to expand the production capacity of NAS, its US subsidiary, by 40%, with an investment of 270 M\$. This will boost NAS's steel-production capacity from 1 million to 1.4 million tonnes/year by the end of 2008.

II. PORTFOLIO

Alba's portfolio on the 30th of September, 2006 was as follows:

<u>Listed holdings</u>	% Stake	Book value Million €
Acerinox (*)	20.8	671.9
ACS (*)	21.0	1,127.0
Prosegur	5.0	73.2
Spirent	0.6	4.2
Total book value		1,876.3
Total market value (30-09-06)		3,673.0
Unrealised capital gains		1,796.7

<u>Unlisted holdings</u>	% Stake	Book value Million €
Celtel	0.5	11.9
Palio	17.0	0.7
Unipsa (*)	42.2	4.6
Other	n.a.	3.5
Total book value		20.7
Real estate		266.1

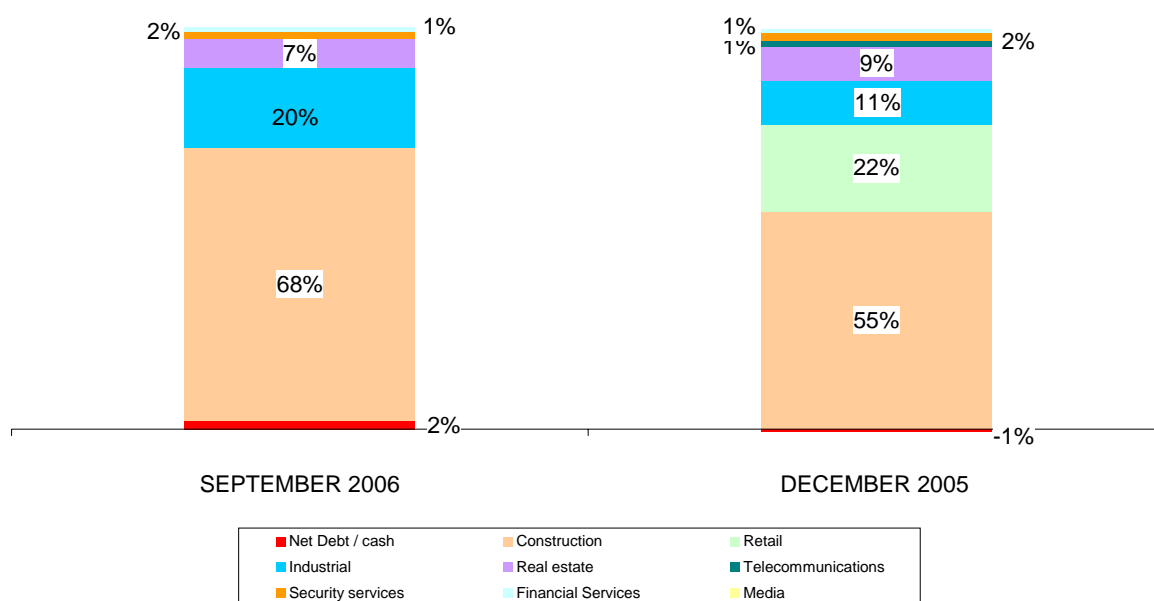
* Investments consolidated by the Equity method.

III. NET ASSET VALUE

The key figure for gauging the value of a company such as Alba is its Net Asset Value. Calculated according to internal methods consistent with those normally used by equity analysts, on the 30th of September 2006 Alba's net asset value was estimated at 4,052 M€ or 62.67 € per share, after deducting own shares held as Treasury Stock.

	<i>Million euros</i>
Listed holdings	3,673.0
Unlisted holdings (market value) and real estate	308.4
Other assets and debt	70.6
Net asset value	4,052.0
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Million shares (minus Treasury Stock)	64.65
Net asset value / share	62.67 €

IV. BREAKDOWN OF NET ASSET VALUE BY SECTOR



The 68% represented by the Construction sector reflects the investment in ACS. Given ACS's broad diversification, in order to provide a clearer picture of the distribution of Alba's portfolio by sector, this 68% has been broken down between the following sectors¹:

Construction	24%
Industrial Services	18%
Urban Services	11%
Concessions	5%
Real Estate	7%
Electricity	3%
	68%

¹ Breakdown reflects each sector's contribution to the net profit of ACS for 2006 according to Alba's internal forecast.

V. RESULTS

Alba's consolidated net profit corresponding to the first nine months of the year was 706.8 M€ compared with 233.5 M€ for the same period the previous year. The earnings per share increased by 3.04, rising from €3.56 in the first nine months of 2005 to €10.81 in the same period of 2006. This important increase is essentially due to disinvestments during the financial year.

Net profits from affiliates, which comprises a proportion of the profits of affiliate companies based on Alba's holding, increased by 93.3 M€ to 170.6 M€ mainly due to the larger interests in ACS and Acerinox and the strong performances of these companies.

Income from shares, an item which is largely made up of capital gains generated from disinvestments during the financial year, totalled 531.5 M€ compared with 148.6 M€ in 2005. These capital gains are primarily the result of the sale of the Carrefour holding. The irregular nature of this item should be highlighted, as it includes capital gains derived from portfolio management.

The decrease in *Financial Income*, which dropped from 28.2 M€ to 15.0 M€ is mainly due to the dividends which the company has ceased to receive following the sale of its Carrefour holding. Likewise, the reduction in *Financial Expenses* is due to the company's liquidity following the sale of the Carrefour stock.

CONSOLIDATED RESULTS

	Million euros	
	30/09/2006	30/09/05 (*)
Net profits from associates consolidated by the equity method	170.6	93.3
Rental income	11.8	11.2
Income from services	0.0	6.7
Results from current assets	531.5	148.6
Financial Income	15.0	28.2
	728.9	288.0
Overheads	(20.6)	(20.5)
Financial expenses	(1.0)	(3.4)
Depreciation	(0.7)	(0.9)
Corporate income tax	0.2	(29.1)
Minority shareholders	0.0	(0.6)
	(22.1)	(54.5)
Net profit	706.8	233.5
EPS (€)	10.81	3.56

(*)The Q3 2005 information, which is included for comparative purposes, differs slightly from that published in October 2005 as, the Carrefour holding was reclassified in Q4 2005 as of 1 January 2005, from an investment in associates to an asset available for sale. The effect of this on the Q3 2005 result is as follows:

- Financial income increased by 22.6 M€
 - The share in the results for the year of affiliate companies fell by 41,6 M€
- The net impact on the income statement was a reduction of 19.0 M€

CONSOLIDATED BALANCE SHEET

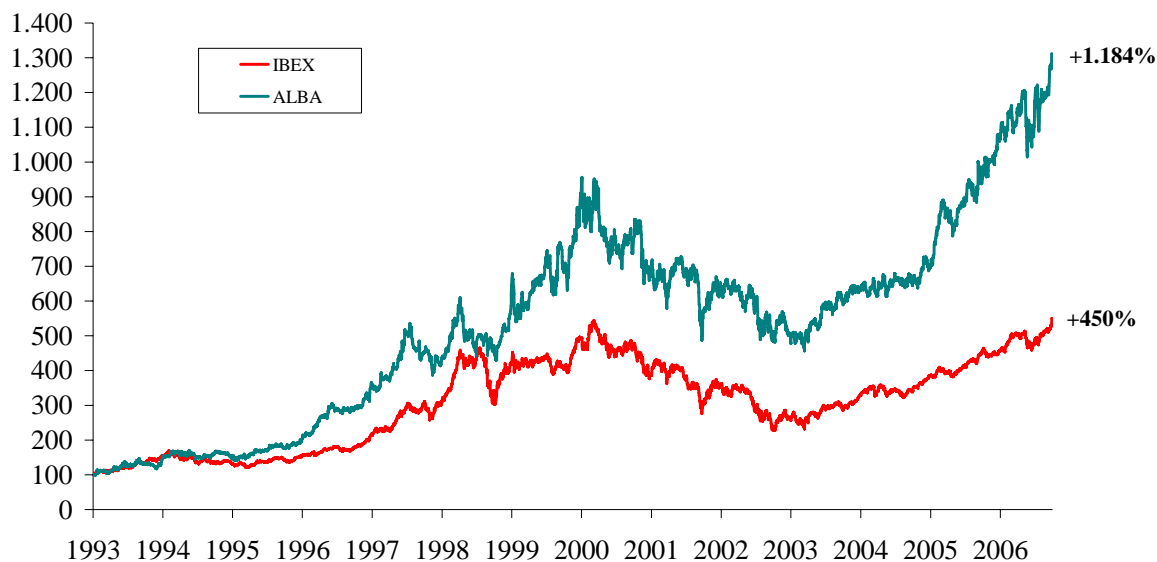
Assets	Million euros		Liabilities	Million euros	
	30-9-06	31-12-05		30-9-06	31-12-05
<i>Real Estate Investments</i>	253.4	252.8	<i>Share capital (1)</i>	65.1	66.5
<i>Other fixed assets</i>	12.7	21.3	<i>Reserves</i>	1,462.5	1,612.7
Tangible fixed assets	266.1	274.1	<i>Profits for the year</i>	706.8	444.3
<i>Investments in Associates</i>	1,806.6	1,082.7	<i>Minority interests</i>	0.0	2.1
<i>Available for sale securities</i>	90.4	788.8	Shareholders equity	2,234.4	2,125.6
<i>Other financial investments</i>	1.9	1.9	Provisions	24.8	21.3
Financial investments	1,898.9	1,873.4	Long-term creditors	2.1	2.6
Financial investments	223.3	69.9	Financial debt	114.9	54.3
Debtors and other assets	2.7	11.8	Current liabilities	14.8	25.4
Total assets	2,391.0	2,229.2	Total liabilities and shareholders equity	2,391.0	2,229.2

(1) The share capital at 30/09/06 is composed of 65,100,000 shares with a nominal value of 1 € each.

VI. DIVIDEND

On the 8th of November Alba will pay an interim dividend of 0.06 € per share, representing a 6% of the nominal value of the shares.

VII. STOCK MARKET PERFORMANCE



- Corporación Financiera Alba is listed on the Spanish Stock Exchanges, and during the first nine months of 2006 had an average daily trading volume of 3.28 M€
- During the first three quarters of 2006, the value of Alba shares rose by 20.4%, from €39.25 to €47.24 per share.

(23rd of October, 2006)