



ALBA: PORTFOLIO AND FIRST QUARTER 2010 RESULTS

- The consolidated profit after tax in the first quarter of 2010 was 78.9 M€ 73.3% lower than the result for the same period the previous year. This decrease was due to the 246.3 M€ impact that extraordinary profits obtained by ACS from the sale of its interest in Unión Fenosa had on Alba's results in Q1 2009. Excluding those extraordinary results, the net profit would have risen by 60.0% in the quarter compared with the same period the previous year.
- The total NAV was 3,939.2 M€ at 31 March 2010, equivalent to 66.16 € per share. The price of Alba shares on that same date, 37.06 €, was 44.0% lower than the NAV per share.

I. MOST SIGNIFICANT TRANSACTIONS

In the first three months of 2010, Alba acquired 0.73% own shares for 16.4 M€ at an average price per share of €37.07. At 31 March 2010, Alba's portfolio contained 1,215,831 own shares, representing 2.00% of the registered capital.

In addition, Alba acquired 1.85% of Clínica Baviera for 2.4 M€ at an average price per share of €8.01. This investment increased the shareholding in the company to 20.00%, which was notified to the Spanish Securities and Exchange Commission (CNMV) in April 2010.

On 12 February, the development capital vehicles managed by Artá Capital SGECR concluded an agreement to purchase a 10% interest in Mecalux for 55 M€ at €15 per share, subject to authorisation and completion of the delisting operation instigated by Mecalux. The General Shareholders' Meeting of Mecalux approved the delisting operation on 27 April, and it is currently pending authorisation from the CNMV in order for the acceptance period to begin.

Through Deyá Capital SCR, Alba will have an indirect holding of 7.5% in Mecalux's share capital once the agreement has been fully implemented, with an investment of 41 M€

Mecalux is a world leader in the storage systems market, with a broad international presence.

II. EVOLUTION OF OUR MAIN EQUITY INVESTMENTS

- **ACS** achieved some good results in the quarter, in spite of the difficult economic climate, recording a 2.4% increase in EBITDA and a 29.6% rise in net profits from ongoing operations, excluding exceptional activity. These results were driven by the good performance of the Industrial Services and Environment divisions, as well as international activities in Construction, offsetting the fall in national construction which has been especially marked in residential construction.
- After a very difficult first half of 2009, **Acerinox** recorded some positive, though modest, results for the third consecutive quarter thanks to the recovery of demand and stainless steel prices in its main markets. Based on the current order book and the rise in demand, the company can expect a clear improvement in its results in the second half of the year.
- **Indra** achieved moderate growth in the quarter (sales up 3.1%), in line with predictions, recording a strong increase in international activities, especially in Latin America. By sector, there has been most growth in Transport & Traffic and Financial Services. The increases in recruitment and the portfolio have been much greater than the rise in sales, which strengthens the sustainability of this growth in the medium term.
- **Prosegur's** results increased considerably in the quarter compared with the same period the previous year (sales up 17.0% and net profit up 12.9%), thanks to the good operational performance of its activities, the positive effect of exchange rate differences and acquisitions carried out in previous periods. The growth in the company's Corporate Security business in Latin America (sales up 39.6%), led by Brazil, is worth noting, and makes up for lower growth in Spain.
- **Clínica Baviera** increased its sales by 6.2% in the quarter and achieved much stronger growth in its results (EBITDA up 26.7% and net profit up 90.9%) due to its high operating leverage. The results of Clínica Baviera España remained steady, with its growth mainly explained by the good performance of Care Vision in Germany and the recovery of its aesthetics business.

These positive developments in our investee companies made it possible to achieve growth of 46.7% in the *Share of profits of associated companies* item, excluding the aforementioned increase in the value of ACS following the sale of its stake in Unión Fenosa in 2009, from 55.2 M€ to 81.0 M€

III. GENERAL SHAREHOLDERS' MEETING CALL

Notice of Alba's General Shareholders' Meeting, scheduled for 26 May in Madrid, was published on 22 April. The decisions that will be submitted to the approval of Alba's shareholders include:

- The distribution of an annual dividend of €1.00 per share from the 2009 results, which will involve the payment of an additional dividend of €0.50 per share in the month of June. This sees the dividend paid out increase for the second consecutive year, with the aim of bringing Alba's profit distribution policy in line with those of other similar international companies.
- The redemption of all the own shares that, on the date of the Meeting, form part of the company's treasury stock.

IV. PORTFOLIO

Alba's portfolio on the 31st of March, 2010 was as follows:

	%	Book value	
<u>Listed holdings</u>	<u>Stake</u>	<u>Million €</u>	<u>Web Site</u>
ACS	23.5	1,582.5	www.grupoacs.com
Acerinox	24.2	710.1	www.acerinox.es
Indra	10.0	256.4	www.indra.es
Prosegur	10.0	159.9	www.prosegur.es
Clínica Baviera	20.0	37.0	www.clinicabaviera.com
Antevenio	20.5	3.2	www.antevenio.com
Total book value		2,749.1	
Total market value (31-03-10)		3,891.7	
Unrealised capital gains		1,142.6	

	%	Book value	
<u>Unlisted holdings</u>	<u>Stake</u>	<u>Million €</u>	<u>Web Site</u>
Ros Roca (1)	16.8	31.0	www.rosroca.com
Ocibar (1)	21.7	7.4	www.portadriano.com
Otros		0.5	
Total book value		38.9	

Real Estate

Appraisal value as of Dec. 31, 2009 **247.3**

Note (1): Through Deyá Capital S.C.R.

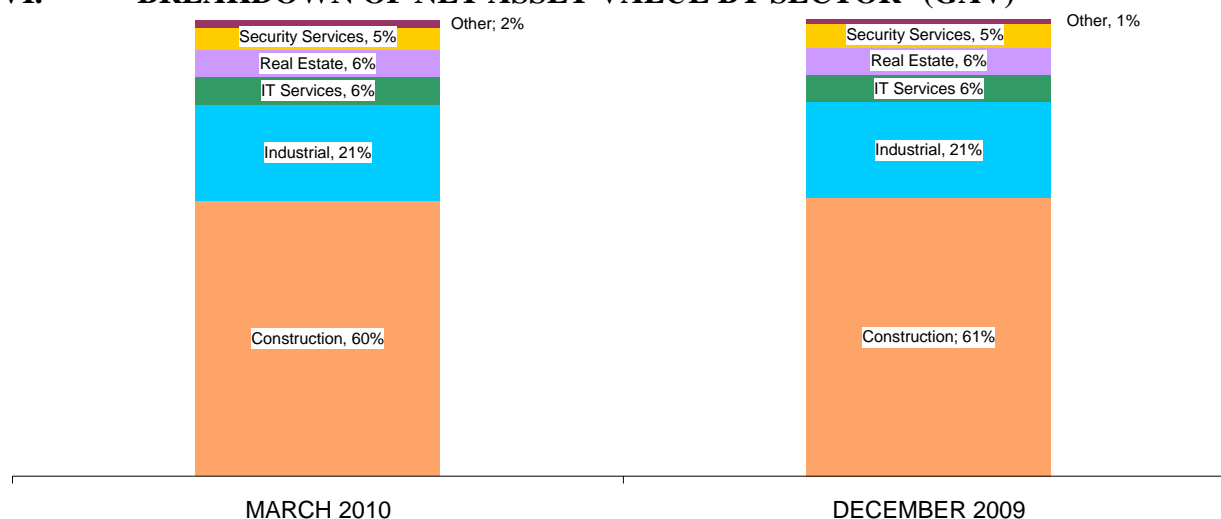
V. NET ASSET VALUE (NAV)

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 31st of March 2010 Alba's net asset value was estimated at 3,939 M€ or 66.16 € per share, after deducting own shares held as Treasury Stock.

	<i>Million euros</i>
Listed holdings	3,891.7
Unlisted holdings and Real Estate	286.1
Other assets and debt	(238.6)
Net asset value	3,939.2
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Million shares (minus Treasury Stock)	59.54
Net asset value / share	66.16 €

The NAV per share descended by 1.5% in the first quarter of the year, due to the market stock devaluation of our investments.

VI. BREAKDOWN OF NET ASSET VALUE BY SECTOR¹ (GAV)



The stake in ACS is included in the Construction sector, which represents a 60% of the total. Given ACS's broad diversification, in order to provide a clearer picture of the distribution of Alba's portfolio by sector, this percentage has been broken down between the following sectors²:

Industrial Services	25%
Construction	17%
Urban Services	11%
Concessions	6%
Energy	1%
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	60%

¹ Assets' value at market prices

² Breakdown reflects each sector's contribution to the estimated net profit 2010 of ACS

VII. RESULTS

Alba's consolidated profit after tax in the first quarter of 2010 stood at 78.9 M€ compared with 295.6 M€ for the same period the previous year. This 73.3% decrease is due to the extraordinary results obtained by ACS from the sale of its stake in Unión Fenosa in the first quarter of last year, which generated a profit of 246.3 M€ for Alba. Earnings per share stood at €1.32.

Excluding those extraordinary results, the net profit would have risen by 60.0% in the quarter compared with the same period the previous year, mainly thanks to the improvement in the ordinary results of associated companies, especially Acerinox, and the incorporation, since July, of the holding in Indra into the scope of consolidation.

Income from assets showed a loss of 1.0 M€ compared with a 0.6 M€ loss in the first quarter of 2009, generated by short-term securities.

Operating expenses remained in line with those for the same period the previous year.

The net financial result, calculated as the difference between *Financial income* and *Financial expenses* in the quarter, rose from -3.1 M€ in the first quarter of 2009 to +1.3 M€ in the same period in 2010, thanks to profits earned from derivative transactions.

RESULTS

	Million euros	
	31/03/2010	31/03/2009
Net profits from associates consolidated by the equity method	81.0	301.5
Rental income	3.8	4.2
Results from current assets	(1.0)	(0.6)
Commissions and Financial Income	6.9	1.7
Sum	90.7	306.8
Overheads	(4.0)	(4.1)
Financial expenses	(5.6)	(4.8)
Depreciation	(0.3)	(0.2)
Corporate income tax	(1.0)	(1.1)
Minority shareholders	(0.9)	(1.0)
Sum	(11.8)	(11.2)
Net profit	78.9	295.6
EPS (€)	1.32	4.83

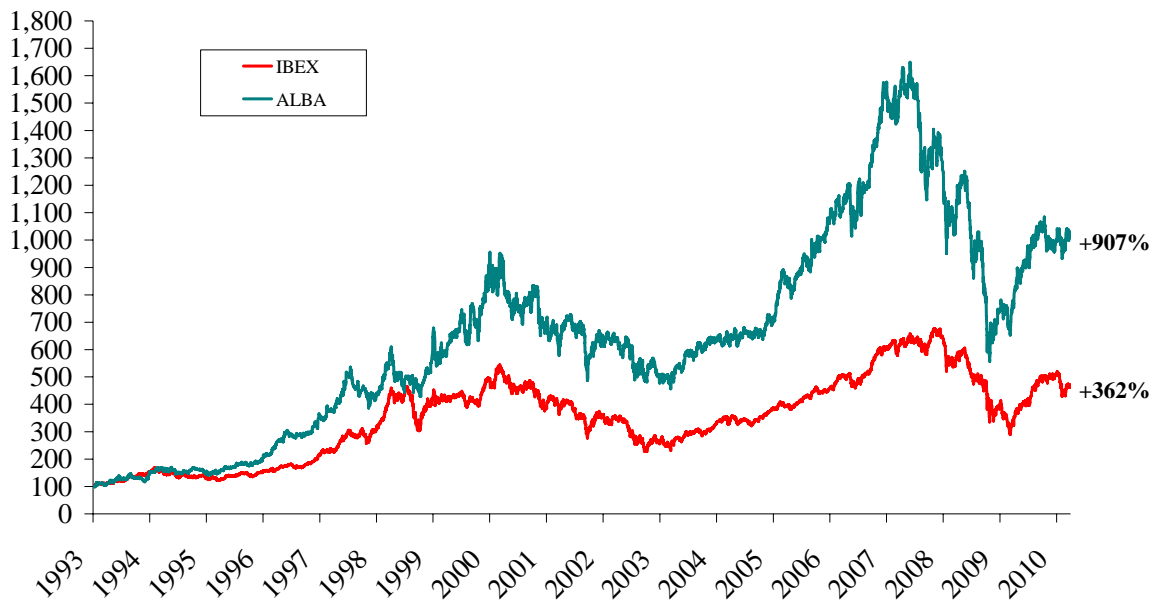
BALANCE SHEETS ⁽¹⁾

<u>Assets</u>	Million euros		<u>Liabilities</u>	Million euros	
	31/03/2010	31/12/2009		31/03/2010	31/12/2009
<i>Real Estate Investments</i>	229.3	229.2	<i>Share capital (2)</i>	60.8	60.8
<i>Fixed assets</i>	12.7	12.9	<i>Reserves and treasury stock</i>	2,651.7	2,335.5
<i>Investments in Associates</i>	2,749.1	2,723.7	<i>Profits for the year</i>	78.9	390.6
<i>Available for sale securities l.t.</i>	38.9	38.9	<u>Minority interests</u>	1.6	0.7
<i>Other financial investments and other assets</i>	80.7	81.8	Shareholders equity	2,793.0	2,787.6
Non-current assets	3,110.7	3,086.5	Provisions	6.4	6.8
Financial investments	24.2	22.5	Other non-current liabilities	32.7	32.7
Debtors and other assets	7.6	80.6	Financial debt	304.2	356.7
Total assets	3,142.5	3,189.6	<u>Current liabilities</u>	6.2	5.8
			Total liabilities and shareholders equity	3,142.5	3,189.6

(1) Year 2010 unaudited

(2) The share capital at 31/03/10 is composed of 60,760,000 shares with a nominal value of 1 €each

VIII. STOCK MARKET PERFORMANCE



- During the first quarter of 2010, the value of Alba shares rose by 1.40%, from €36.55 to €37.06 per share, comparing very favourably with changes in the IBEX 35 index which, in the same period, decline a 8.95% to 10,871 points.

(14th of May 2010)

www.corporacionalba.es