



ALBA: FIRST HALF 2010 RESULTS AND PORTFOLIO

- The consolidated profit after tax in the first half of 2010 was 148.7 M€, 54.9% lower than the result for the same period the previous year. This decrease was due to the lack of extraordinary results in 1H2010, compared with the extraordinary profits of 248.4 M€ obtained by ACS in the first half of 2009 from the sale of its interest in Unión Fenosa. Excluding this result, the net profit in H1 2010 would have been 82.5% higher than for the same period the previous year.
- The total NAV was 3,590.4 M€ at 30 June 2010, equivalent to €60.64 per share. The price of Alba shares on that same date, €30.30, was 50.0% lower than the NAV per share.

I. FIRST HALF TRANSACTIONS

In the first quarter, Alba acquired 1.85% of Clínica Baviera for 2.4 M€ at an average price per share of €8.01, increasing its holding in the company to 20.00%.

On 12 February, the venture capital entities managed by Artá Capital concluded agreements to purchase the main shareholder of Mecalux (Acerolux, S.L.), a 10% interest in the company, for 55 M€, at €15 per share, subject to a delisting operation instigated by Mecalux. The operation, which was authorised by the Spanish Securities and Exchange Commission (CNMV) on 14 June, with the corresponding acceptance period ending on 30 June, was accepted by more than 94% of the shares to which it was directed (approximately 7% of Mecalux's share capital). Once the delisting transaction had been settled, on 9 July, and hence executing the above-mentioned agreements, 10% of Mecalux was acquired for 55 M€.

Later, those same venture capital entities acquired a further 2% of Mecalux for 11 M€ and Alba purchased a 5.23% interest for 29 M€. Consequently, Alba now holds 14.23% of Mecalux's capital and Alba's total investment in the company stands at 79 M€.

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

In the first half of 2010, Alba acquired 1.28% own shares for 27.9 M€ at an average price per share of €35.87. Following the redemption of own shares decided on by the General Shareholders' Meeting of 26 May 2010, at 30 June the treasury stock balance stood at 121,915 shares, representing 0.21% of the capital stock.

II. EVOLUTION OF OUR MAIN EQUITY INVESTMENTS

- **ACS** achieved some good results in the half-year, despite the difficult economic climate, recording a 6.6% increase in EBITDA and a 10.6% 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 Construction activities, offsetting the reduction in construction in Spain.
- **Acerinox** has continued the recovery that began in mid-2009, recording its fourth consecutive quarter of profits thanks to increases in demand and stainless steel prices in its main markets, which have translated into strong growth in production (+41.3% for steel) and sales (+68.1%). It should be pointed out that Acerinox's profits in 2Q2010 were similar to those recorded prior to the crisis.

- **Indra** achieved half-year results slightly below those posted in the same period last year (-4.9% in EBITDA and -6.1% in net profit), with a significant increase in international activities, especially in Latin America. By sector, the strongest growth was recorded in Transport & Traffic and Telecom & Media. The increases in order intake (+7.8%) and in backlog (+12.0%) were significantly higher than the rise in sales (-0.4%), which strengthens the sustainability of this growth in the medium term.
- **Prosegur's** operating results increased considerably in 1H2010 (sales up 19.8% and EBIT up 22.6%), thanks to the good performance of its activities, the positive effect of exchange rate differences and acquisitions carried out in previous periods. The lower growth in net profit (+7.0%) was due to extraordinary financial expenses linked to legal claims. 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 the lower growth in Spain.
- **Clínica Baviera** increased its sales by 8.8% in the half-year and achieved much stronger growth in its results (+46.5% in EBITDA and +180.0% in net profit) due to its high operating leverage. This increase is mainly explained by the good performance of Care Vision in Germany and the recovery of the aesthetics industry; meanwhile, Ophthalmology Spain achieved moderate growth.

III. PORTFOLIO

Alba's portfolio on the 30th of June, 2010 was as follows:

<u>Listed holdings</u>	% Stake	Book value Million €	Web Site
ACS	23,5	1.345,5	www.grupoacs.com
Acerinox	24,2	746,5	www.acerinox.es
Indra	10,0	249,7	www.indra.es
Prosegur	10,0	162,7	www.prosegur.es
Clínica Baviera	20,0	37,1	www.clinicabaviera.com
Antevenio	20,5	3,2	www.antevenio.com
Total book value		2.544,7	
Total market value (30-06-10)		3.467,4	
Unrealised capital gains		922,7	

<u>Venture Capital</u>	% Stake	Book value Million €	Web Site
Ros Roca (1)	16,8	31,0	www.rosroca.com
Ocibar (1)	21,7	7,4	www.portadriano.com
Otras		0,5	
Total book value		38,9	

<u>Real Estate</u>	
Appraisal value as of Dec. 31, 2009	247,3

Note:

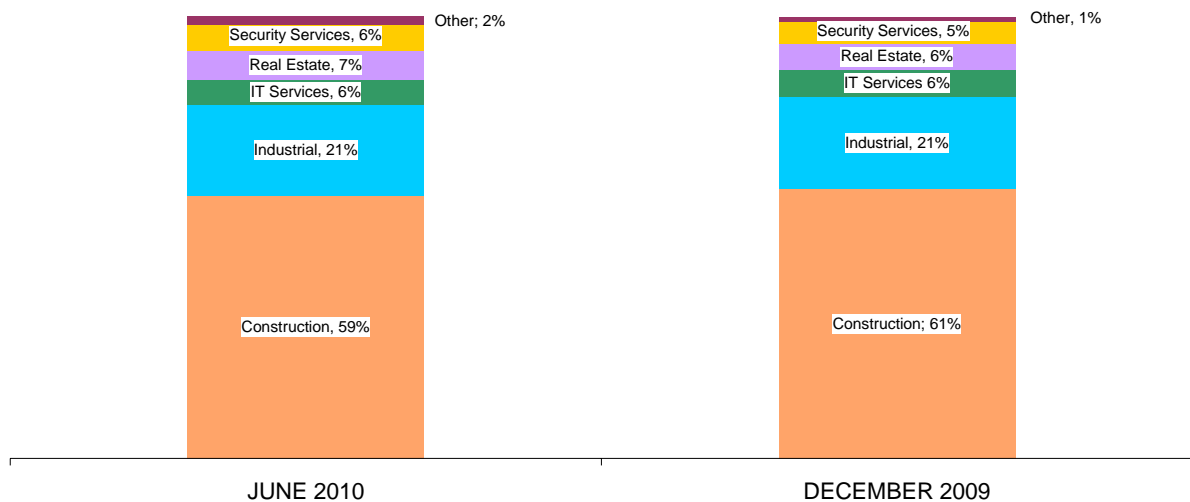
(1) Through Deyá Capital S.C.R.

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 June 2010 Alba's net asset value was estimated at 3,590 M€ or 60.64 € per share, after deducting own shares held as Treasury Stock.

	<i>Million euros</i>
Listed holdings	3,467.4
Unlisted holdings and Real Estate	286.1
Other assets and debt	(163.1)
Net asset value	3,590.4
Million shares (minus Treasury Stock)	59.21
Net asset value / share	60.64 €

IV. BREAKDOWN OF NET ASSET VALUE BY SECTOR



The stake in ACS is included in the Construction sector, which represents a 59% 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 sectors¹:

Industrial Services	25%
Construction	17%
Urban Services	10%
Concessions	6%
Energy	1%
	<hr/> 59%

¹ Breakdown reflects each sector's contribution to the estimated net profit 2010 of ACS.

V. CONSOLIDATED RESULTS

Alba's consolidated profit after tax in the first half of 2010 stood at 148.7 M€ compared with 329.9 M€ for the same period the previous year. This 54.9% decrease is due to the extraordinary results obtained by ACS from the sale of its stake in Unión Fenosa in the first half of last year, which generated a profit of 248.4 M€ for Alba. Earnings per share stood at €2.49.

Excluding those extraordinary results, the net profit would have risen by 82.5% in the half-year compared with the same period last year, mainly thanks to the improvement in the ordinary results of associated companies, especially Acerinox, and the incorporation, since July 2009, of the Indra holding into the scope of consolidation.

Income from assets showed a loss of 4.9 M€ compared with a 0.8-M€ profit in the first half of 2009, as a result of a fall in the value of tradeable assets.

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*, fell from +7.3 M€ in the first half of 2009 to -0.1 M€ in the same period in 2010, due to the greater profits earned from derivative transactions in 2009.

RESULTS

	Million euros	
	30/06/2010	30/06/2009
Net profits from associates consolidated by the equity method	155.3	324.2
Rental income	7.9	8.3
Gains from fair value adjustments in Real Estate investments	0.0	0.2
Results from current assets	(4.9)	0.8
Commissions and Financial Income	10.8	15.7
Sum	169.1	349.2
Overheads	(8.2)	(8.5)
Financial expenses	(10.9)	(8.4)
Depreciation	(0.5)	(0.5)
Corporate income tax	0.0	(1.0)
Minority shareholders	(0.8)	(0.9)
Sum	(20.4)	(19.3)
Net profit	148.7	329.9
EPS (€)	2.49	5.42

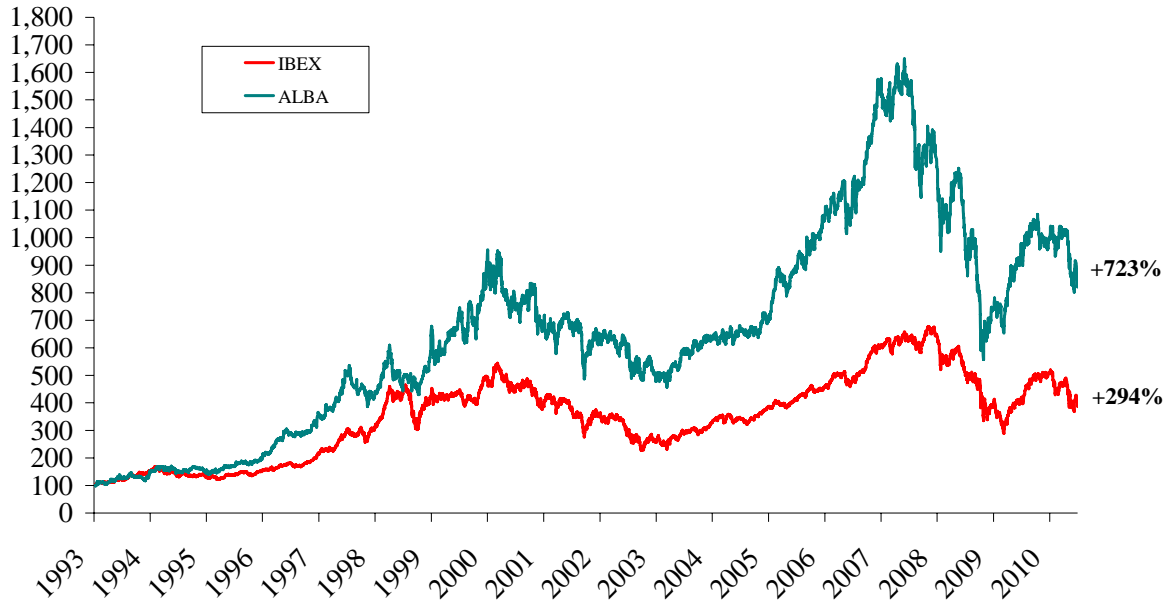
CONSOLIDATED BALANCE SHEETS (1)

<u>Assets</u>	Million euros		<u>Liabilities</u>	Million euros	
	30/06/2010	31/12/2009		30/06/2010	31/12/2009
<i>Real Estate Investments</i>	229.3	229.2	<i>Share capital (2)</i>	59.3	60.8
<i>Fixed assets</i>	12.4	12.9	<i>Reserves and treasury stock</i>	2,455.9	2,335.5
<i>Investments in Associates</i>	2,544.7	2,723.7	<i>Profits for the year</i>	148.7	390.6
<i>Available for sale securities l.t.</i>	38.9	38.9	<i>Minority interests</i>	1.5	0.7
<i>Other financial investments and other assets</i>	80.7	81.8	Shareholders equity	2,665.4	2,787.6
Non-current assets	2,906.0	3,086.5	<i>Provisions</i>	4.7	6.8
<i>Financial investments</i>	21.0	22.5	<i>Other non-current liabilities</i>	32.7	32.7
<i>Debtors and other assets</i>	130.4	80.6	<i>Financial debt</i>	344.1	356.7
Total assets	3,057.4	3,189.6	<i>Current liabilities</i>	10.5	5.8
			Total liabilities and shareholders equity	3,057.4	3,189.6

(1) Year 2010 unaudited

(2) The share capital at 30/06/10 is composed of 59,330,000 shares with a nominal value of 1 €each

VI. STOCK MARKET PERFORMANCE



- During the first half of 2010, the value of Alba shares descend by 17.10%, from €36.55 to €30.30 per share, compared with the 22.42% decrease in the Ibex 35, to 9,263.

(30th of July 2010)