



FIRST HALF 2002

Prominent amongst the key operations carried out in the first six months of 2002 were the new investments in Acerinox and Prosegur, giving Alba equity stakes in those companies of 5.4% and 5.2%, respectively. With these investments, Alba continues with its process of diversification into sectors with strong growth potential, targeting companies that are leaders in their respective industries and have international scope.

PORTFOLIO AT 30-06-2002

NET ASSET VALUE

	Book value	
	% stake	Million euros
Listed holdings		
Acerinox (*)	5.38	86.4
ACS (*)	22.27	223.7
Carrefour (*)	3.29	252.0
Havas (*)	4.21	58.2
Prosegur (*)	5.23	10.7
Spirent	0.68	8.5
Vodafone	0.23	36.2
Total book value		675.7
Goodwill		144.3
Total market value (30-6-02)		2,245.4
Unrealised capital gains		1,425.4

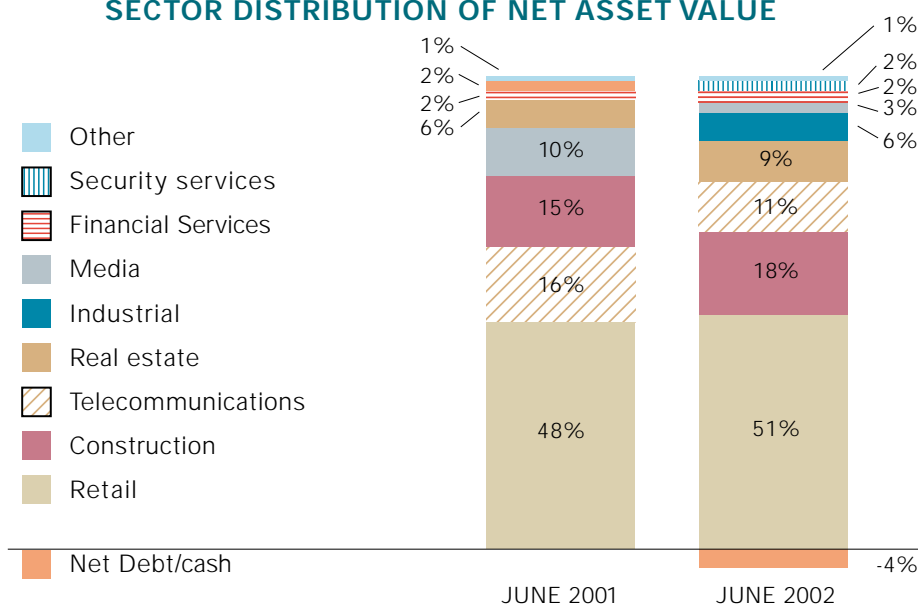
	Book value	
	% stake	Million euros
Unlisted holdings		
Banco Urquijo	10.0	23.7
MSI (Mobile Systems International)	2.7	16.3
Palio	17.0	5.2
Princes Gate	n.a.	9.1
Quavitae (*)	20.0	3.4
Unipsa (*)	82.6	1.9
Xfera	7.1	42.6
Others	n.a.	6.1
Total book value		108.3
Real estate under lease		159.7

(*) Investments consolidated by the Equity method

The key figure for gauging the value of a holding company such as Alba is its net asset value (NAV). Calculated according to internal methods consistent with those normally used by equity analysts, at 30 June 2002 Alba had an estimated net asset value before taxes of €2.516 billion, or €34.09 per share after deducting own shares held as treasury stock.

	Million euros
Listed holdings	2,245.4
Unlisted holdings and real estate	360.2
Other assets and debt	(89.2)
Net asset value	2,516.4
Million shares (minus Treasury Stock)	73.81
Net asset value/share	34.09 €

SECTOR DISTRIBUTION OF NET ASSET VALUE





HIGHLIGHTS



One of the most noteworthy of Alba's recent deals was the acquisition in the last quarter of 2001 and first half of 2002, of a 5.4% equity stake in Acerinox, S.A., one of the world's three largest producers of stainless steel. Acerinox has production plants in Spain, the United States and South Africa and boasts the best efficiency and productivity ratios in the sector. The company's healthy margins, together with its growth prospects and experienced management team, represent a good long-term investment opportunity for Alba. The total investment made in Acerinox amounts to €133.1M.



Also during the first half of the year, Alba acquired a 5.2% holding in Prosegur, the leading security services company in Spain and Portugal, with a significant presence in South America and operations in other European countries such as France and Italy. The sustained growth forecasts for the security industry and the capacity shown by Prosegur to achieve both organic and acquisition-driven growth, place the company in an excellent position to take advantage of the sector's favourable prospects. This investment, which involved a capital outlay of €50.2M, marks one more step in the process of diversifying Alba's

portfolio by participating in leading companies of high growth-potential sectors.

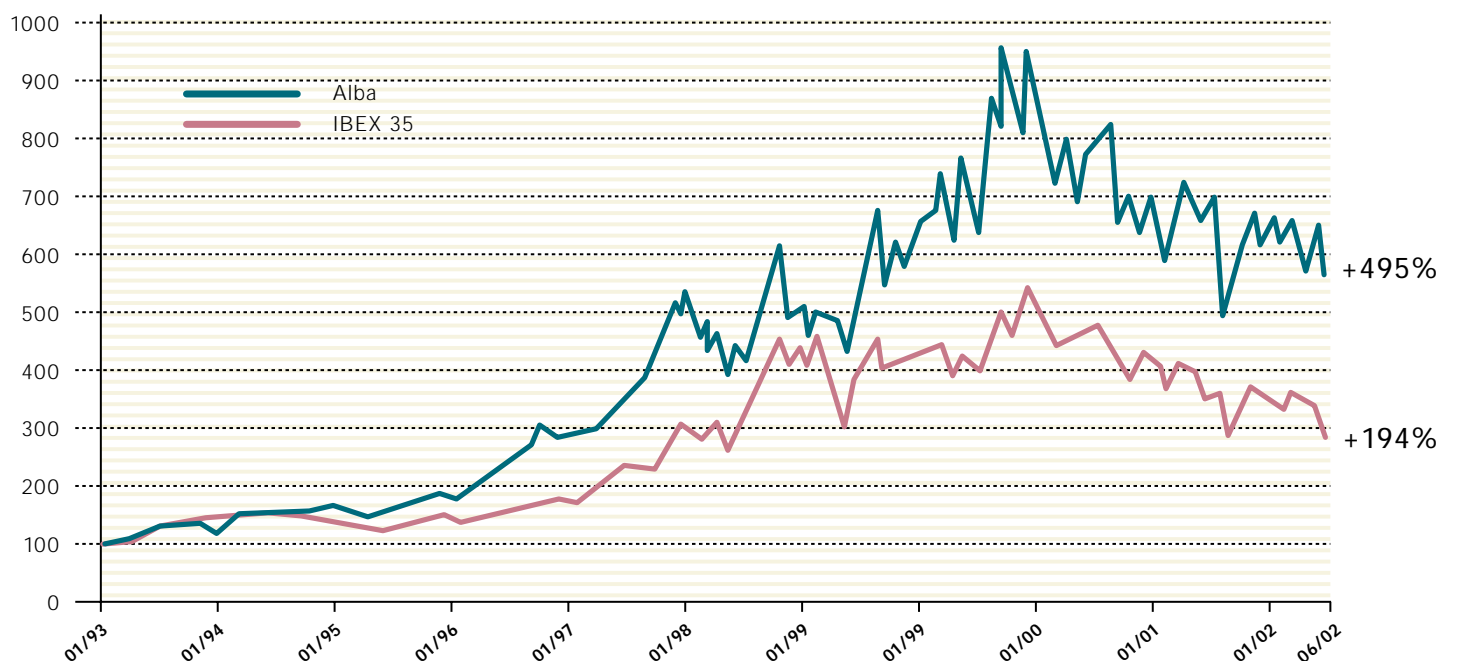
The first six months of 2002 were also marked by the completion of the acquisition of a 0.7% interest in Spirent plc, a British company with a significant presence in the United States, dedicated to the production and marketing of high-tech equipment for telecommunications networks testing and control. The acquisition involved an investment of €15.1M by Alba.

Elsewhere, the sizeable investments made in recent months, together with the normal portfolio rotation carried out by holding companies such as Alba, led the company to finish the disinvestment in Sogecable, a process which began with the IPO of the Company, in July 1999, when Alba held a 15.8% participation in Sogecable. Alba has had a stake in Sogecable since the latter was incorporated in 1989, and through it, has obtained a healthy return and has taken part in the creation of a Spanish leader in the private pay-TV and film production sectors.

In addition, Alba sold its holding in Optize, a company which has developed a portal for the



STOCK MARKET PERFORMANCE



- Corporación Financiera Alba is part of the IBEX 35, with a weighting 0.70%.
- The average daily trading volume during 2002 is €3.75 m.



sale of computer products over the Internet and which ranks amongst the top companies in its sector.



Alba's real estate portfolio was expanded in January 2002 with the acquisition from Vallehermoso of six floors of office space with rentable area of 6,550 square metres in the Master's 1 building located in the AZCA real estate complex in Madrid. The acquisition, which entailed an outlay of €28.4M, brought the property under Alba's direct management to over 110,000 square metres, most of which consists of offices in Madrid and Barcelona. According to internal estimates, our real estate assets have a market value of €218.8M, and will generate a rental income of more than €12M in 2002.

Noteworthy amongst the main transactions carried out by Alba's investee companies was the acquisition of a 23.5% interest in the capital of Grupo Dragados, S.A. by ACS, making ACS a reference shareholder in one of the construction industry's leading companies, which in recent years has been successfully pursuing a diversification of its activities.

Also, Prosegur has reached an agreement to buy BAC Sécurité, a French security firm that operates mainly in the Paris metropolitan area, making for a good fit with the activities already pursued by the Prosegur Group in the southeastern part of the country.

This past 22 May, Alba's General Shareholders Meeting approved a reduction of capital by means of retiring treasury stock representing 2.99% of the company's share capital, which, after the share retirement will be represented by 74.7 million shares with a nominal value of €1 each.

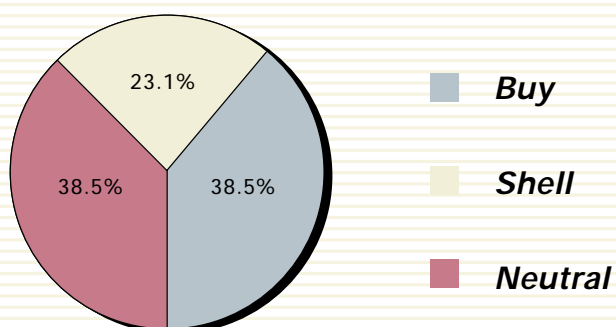
The general meeting also approved distribution of a final dividend against 2002 earnings of €0.06 per share, paid out on 11 June. This dividend, together with the previously declared interim dividend, brings the total dividend paid out against last year's profits to €0.12 per share.

In relation to internal organisational matters, Alba has created the office of Managing Director of the Company and named Santos Martínez-Conde Gutiérrez-Barquín to fill this position, who was already member of Alba's Executive Board.

EQUITY ANALYSTS GIVEN THEIR OPINION

Consensus of Analysts Summary of ratings

Fuente: Bloomberg - Recommendations
from 1 - 01 - 02 / 1 - 07 - 02





CONSOLIDATED EARNINGS AND BALANCE SHEET

(Interim figures)

In the first half of 2002 Alba made a consolidated net profit of €144.4M, compared with €109.1M for the same period last year. Given the characteristics of a company such as Alba, this profit figure should not be considered extrapolated to the year as a whole.

We should underscore the positive evolution in the caption *Net profits from affiliates recorded by equity method*, which rose to €54.7M, some 21.6% higher than the €45.0M obtained in the first half of 2001. This increase reflects the solid earning performance of Alba's investees and the inclusion of new investments such as Acerinox and Prosegur.

Another recurring caption in the Alba P&L account, *Rental income* earned on Alba's real estate assets, rose to €6.3M, a gain of 26% with respect to the figure at June 2001, thanks to the inclusion of the Master's I building acquired at the beginning of this year and the upward rent revision applied in certain contracts.

For its part, *Income from securities portfolio* during the first six months of the year amounted to €97.6M, mainly as a result of the sale of the holding in Sogecable, combined with the reduction in the stake in ACS from 22.93% to 22.27%.

	Million euros	
	30-06-01	30-06-02
Net profits from affiliates recorded by the equity method	45.0	54.7
Rental income	5.0	6.3
Income from securities portfolio	203.9	97.6
Extraordinary income and provisions	(7.7)	(0.1)
	246.2	158.5
Overheads	(5.8)	(6.0)
Net financial expenses	(2.0)	1.0
Depreciation	(8.4)	(2.5)
Goodwill Amortisation	(118.4)	(3.9)
Corporate income tax	(2.6)	(2.8)
	(137.2)	(14.2)
Minority interest	0.1	0.1
	Net profit	109.1
		144.4

CONSOLIDATED BALANCE SHEET

(Interim figures) (1)

Assets	Million euros	
	31-12-01	30-06-02
<i>Real estate</i>	132.1	159.7
<i>Other fixed assets</i>	6.9	6.7
Net tangible fixed assets	139.0	166.4
<i>Listed securities</i>	594.6	675.7
<i>Unlisted securities</i>	103.7	108.3
<i>Portfolio provisions</i>	-28.3	-28.3
Financial investments	670.0	755.7
Goodwill	57.9	144.3
Stocks	0.1	0.0
Debtors	12.9	87.9
Treasury stock	33.0	20.0
Net cash and equivalents	83.4	0.0
Total assets	996.3	1,174.3

Liabilities	Million euros	
	31-12-01	30-06-02
<i>Share capital</i> (2)	77.0	74.7
<i>Reserves</i>	788.8	743.7
Profits for the year (through 30/6/02)		144.4
Shareholders equity	865.8	962.8
Minority interests	0.8	0.7
Provisions	105.1	105.1
Long-term creditors	5.2	1.9
Net debt	0.0	24.3
Current liabilities	19.4	79.5
Total liabilities and shareholders equity	996.3	1,174.3

(1) Year 2001 audited and after profit distribution.

(2) The share capital is composed of 74,700,000 shares with a nominal value of 1€ each.