



FIRST HALF 2004

- During the first half of the financial year, Alba carried out investments amounting to 225 M€, mainly in companies forming its portfolio. As a result, the participation in ACS increased to 15.55% and in Acerinox to 10.43%.
- Also, during the period the disinvestment of the 10% which it still had in Banco Urquijo, amounting to 39.4 M€, took place.
- During this period, Alba's shares experienced a 5.7% increase, as compared with 4.4% for the Ibx.

PORTFOLIO AT 30-06-2004

Listed holdings	%	Book
		Value
	Stake	Million €
Acerinox (*)	10.43	181.8
ACS (*)	15.55	302.9
Carrefour (*)	3.32	247.1
Havas (*)	3.75	23.4
Prosegur (*)	5.23	13.1
Spirent	0.68	6.6
Vodafone	0.12	21.7
Total book value		796.6
Goodwill		263.4
Total market value (30-06-04)		2,277.2
Unrealised capital gains		1,217.2

Unlisted holdings	%	Book
		Value
	Stake	Million €
CelTel (ex-MSI)	3.2	24.9
Palio	17.0	1.8
Princes Gate	n. a.	2.5
Quavitae (*)	21.5	4.7
Unipsa (*)	82.6	2.5
Xfera	11.3	0.0
Other	n. a.	2.7
Total book value		39.1
Real estate under lease		147.9

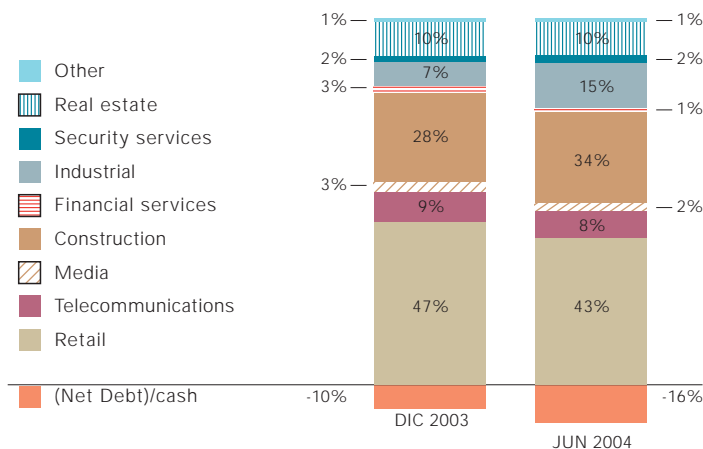
(*) Investments consolidated by the Equity method.

NET ASSET VALUE

The most representative factor of a company such as Alba is its net asset value. Calculated according to internal criteria coinciding with those normally used by analysts, as at 30 June 2004 the net asset value of Alba is estimated as being 2,210.6 M€, which means €33.47 per share, after deduction of treasury stock.

	Million €
Listed holdings	2,277.2
Unlisted holdings and real estate	293.6
Other assets and debt	(360.3)
Net asset value	2,210.6
Million shares (minus Treasury Stock)	66.05
Net asset value/share	33.47 €

DISTRIBUTION OF NET ASSET VALUE BY SECTOR





MOST SIGNIFICANT TRANSACTIONS



During the first months of the year Alba increased its participation in ACS and Acerinox. It acquired an additional 2.1% in ACS, with a total investment of 100.9 M€. The average acquisition price amounts to €13.43 per share. This investment, together with the reduction in capital carried out by ACS in the first half of 2004, has increased the participation in the leading Construction and Services group in Spain, to 15.55%. It also increased the participation in Acerinox to 10.43% of the share capital, by purchasing 3.87% for 98.3 M€, at an average acquisition price of €38.72. The international diversification policy, with investments in the United States and South Africa, is enabling Acerinox to increase its productive capacity and at the same time improve global positioning. Furthermore, the progressive improvement in the iron and steel market, with increases in prices and increased demand in the United

States and Europe, has allowed a recovery in medium term perspectives.

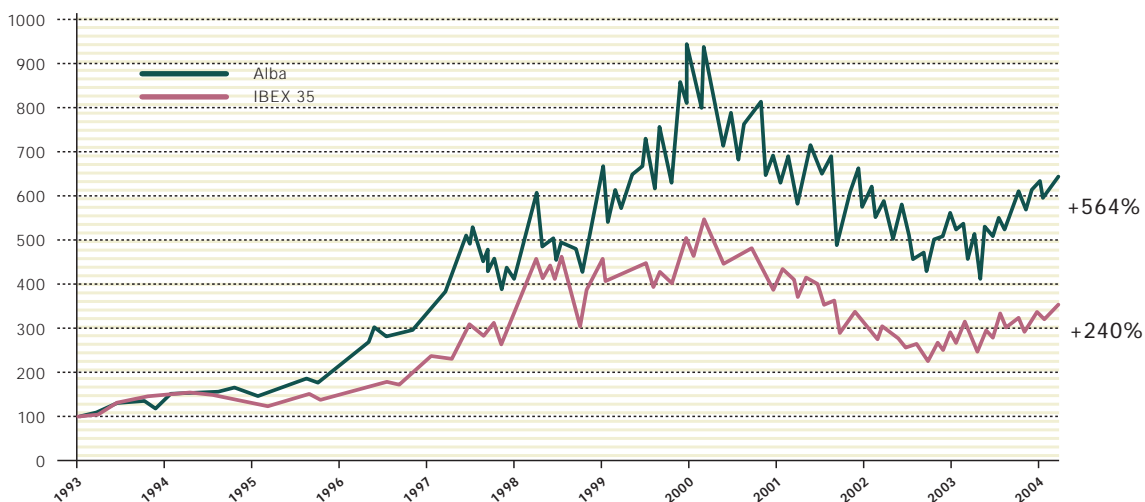
As a result of this investment, Alba increased its presence on the Board of Directors of Acerinox, with the appointment of Mr. Juan March de la Lastra as a Company Director.

Alba increased its participation in Celtel, an unquoted company, by acquiring 1% for 8.5M€. By means of this investment, Alba has achieved a participation of 3.2% in this company, which manages mobile telephone GSM licences in Africa. The progressive increase in the penetration of mobile telephones in sub-Saharan Africa, where Celtel is concentrating the major part of its investment, is allowing the company to achieve very satisfactory growth rates, which we feel confident will be maintained in the coming years.

Considering the high discount at which its shares were trading during the first half of the year, Alba



STOCK MARKET EVOLUTION



• Corporación Financiera Alba is listed in the Continuous Market in the Spanish stock exchange with an average daily trading volume of 1,34 M€ during the year 2004.



acquired 511,386 of its own shares, for an amount of 12.1 M€. These purchases increased the balance of Treasury Stock, as at 30 June, to 1.12% of the share capital.

In the section on disinvestments, within the normal active management operations of the portfolio, the sale of 0.52% of Havas for 7.2 M€, with a profit of 3.9 M€, is noteworthy.

In regard to unquoted companies, the sale of Banco Urquijo during the month of April was especially relevant. Corporación Financiera Alba sold to Kredietbank SA Luxembourgeoise 10% of the shares in Banco Urquijo which it had in its portfolio, for 39.4 M€, resulting in a capital gain of 15.7 M€.

Alba also received the partial reimbursement of 8.7 M€ made by the Princes Gate III fund following the sale of United Pubs, one of its participated companies.

Finally, it should be emphasised that in the first few days of July the sale of the participation in Quavitae, announced on 21 June last, took place. In the operation Alba sold its entire participation, 21.5%, to Mapfre, another shareholder in the company, for 8.2 M€. This operation produced a capital gain of 3.4 M€.

The General Meeting of Shareholders held on the 25th of May, agreed on the amortisation of 719,781 shares held as Treasury Stock, thereby reducing the share capital to 66.8 million shares. The payment of a complementary dividend equivalent to 6% of the nominal value of the shares, or 6 cent per share, was also approved, having become effective on 9 June last.

All the information relating to the Company and the General Meeting of Shareholders can be found at our web page www.corporacionalba.es.



ALBA ON INTERNET

INFORMATION BASE FOR SHAREHOLDERS, INVESTORS AND ANALYSTS

Periodical quarterly information and any other relevant information published by Alba in the future shall continue to be forwarded, at the time of publication thereof, by email.

If you are interested in continuing to receive this information, please register at Alba's website (www.corporacionalba.es) or send us an email to the address alba@corporacionalba.es with the instruction: "Receive quarterly information by email".

If you are interested in receiving the information but do not have the necessary equipment, please send notice thereof to Alba, at its ordinary mail address at Castelló 77, 5º, 28006 Madrid, or call the shareholder call centre (91 436 37 10), to continue receiving the information in printed format, within ten days following the official public communication.



Alba's website (www.corporacionalba.es) includes complete and updated information on the company's performance, and a reference to the most important news items concerning companies forming part of its portfolio, with the possibility to gain direct access to their respective websites.

CONSOLIDATED RESULTS

(Preliminary results)

The net consolidated profit of Alba in the first half of the year amounted to 85.1 M€, some 65.9% more than the 51.3 M€ in the first half year of 2003. This growth is due mainly to the good evolution of the consolidated results of participated companies and the realisation of gains in the disinvestment operations mentioned earlier. Due to the non-recurring nature of this last item of the profit and loss account, this growth cannot be extrapolated to the complete financial year. For its part, net profit per share amounted to €1.29, some 81.7% more than the €0.71 in the previous year.

The Profits from equity consolidated companies amounted to 77.6 M€, some 32.6% more than in the same period in the previous year. The growth of this item is due to the good evolution of the companies in the portfolio in relation to the previous year, in addition to the increased participation in ACS and Acerinox mentioned in the previous section.

The Results of the securities portfolio, an item that includes the gains and losses from the disinvestment of stock portfolio items, achieved 21.8 M€, thanks to the gains obtained in the sale of 10% in Banco Urquijo, 0.52% in Havas and the partial reimbursement from Princes Gate III. The evolution of this item is irregular, because it depends on the disinvestment opportunities presented in each period.

The Rental Income deriving from the real estate portfolio, achieved 5.8 M€, a similar figure to the 5.9 M€ achieved in the last financial year.

The Increase in Net Financial Expenditure is the result of the increased level of indebtedness recorded in the company due to the investments made during the period. Borrowing increased from 225.7 M€ in December 2003 to 360.3 M€ in June 2004, and represents 14% of the market value of the assets. The investment process for the period also had the consequence of increasing the Goodwill to 263.4 M€ and Goodwill Amortisation to 7.3 M€.

	Million euros	
	30-06-04	30-06-03
Net profits from affiliates consolidated by the equity method	77.6	58.5
Rental income	5.8	5.9
Income from Real Estate disposals	0.1	2.5
Results from the securities portfolio	21.8	(0.5)
Extraordinary income and provisions	0.0	0.2
	105.3	66.6
Overheads	(5.9)	(6.4)
Net financial expenses	(1.9)	0.2
Depreciation	(2.4)	(2.5)
Goodwill Amortisation	(7.3)	(4.1)
Corporate income tax	(2.7)	(2.5)
	(20.2)	(15.3)
Minority interests	0.0	0.0
Net profit	85.1	51.3

CONSOLIDATED BALANCE SHEETS

(Preliminary results) (1)

Assets	Million euros	
	30-06-04	31-12-03
Real estate	147.9	148.9
Other fixed assets	5.7	5.9
Net tangible fixed assets	153.6	154.8
Listed securities	796.6	660.5
Unlisted securities	39.1	59.9
Portfolio provisions and other financial investments	1.8	1.8
Financial investments	837.5	722.2
Goodwill	263.4	179.2
Debtors	47.2	48.0
Treasury stock	16.9	21.1
Cash and equivalents	1.6	3.5
Total assets	1,320.2	1,128.8

Liabilities	Million euros	
	30-06-04	31-12-03
Share capital (2)	66.8	67.5
Reserves	794.3	631.4
Profits for the year	85.1	182.5
Shareholders equity	946.2	881.4
Minority interests	0.7	0.7
Provisions	21.6	23.7
Long-term creditors	2.0	2.0
Net debt	344.7	218.2
Current liabilities	5.0	2.8
Total liabilities and shareholders equity	1,320.2	1,128.8

(1) Year 2003 audited and before profit distribution. (2) The share capital is composed of 66,800,000 shares with a nominal of 1 € each.