



FIRST HALF 2001

During the first half of 2001 Alba completed the transaction to enter into the shareholder base of Havas Advertising, the world's fourth largest communications and advertising group. The acquisition of this new equity stake, together with our already important presence in the retail sector through Carrefour and the more recent holding in the wireless telephone operator Vodafone, gives Alba ownership interests in three top-notch European companies that rank amongst the leaders in their respective sectors, with international reach and solid prospects.

PORTFOLIO AT 30-06-2001

Listed companies	Percent stake	Book Value	
		Millions of euros	Millions of pta.
ACS (*)	23,48	208	34.645
Carrefour (*)	3,41	280	46.621
Havas Advertising (*)	4,00	64	10.663
Sogecable (*)	6,95	24	4.020
Vodafone	0,23	28	4.689
Total book value		605	100.638
Total market value (30-06-01)		2.734	454.942
Unrealised capital gains		2.129	354.304

Unlisted companies	Percent stake	Book Value	
		Millions of euros	Millions of pta.
Banco Urquijo (*)	10,0	15	2.435
Batmap	15,2	4	616
MSI (Mobile Systems Int.)	3,0	16	2.739
Palio	17,0	7	1.232
Princes Gate	n.a.	5	834
Quavitae (*)	20,0	3	547
Unipsa (*)	82,6	4	598
Xfera	7,1	33	5.557
Otros	n.a.	7	1.167
Total book value		95	15.725
Real Estate		133	22.157

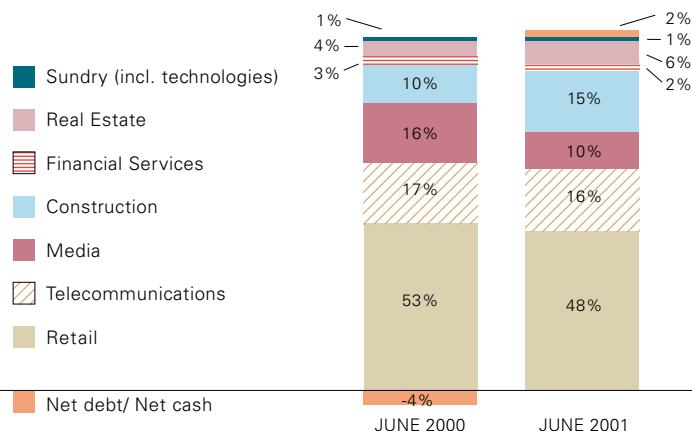
(*) Holdings consolidated by equity method

NET ASSET VALUE

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 2001 Alba had an estimated net asset value of Ptas 526.935 billion (€ 3.167bn), or 41.22 euros per share after deducting own shares held as treasury stock.

	Millions of euros	Millions of pta.
Listed securities	2.734	454.942
Unlisted securities and real estate	373	62.003
Other assets and current & long-term liabilities (net)	60	9.990
Gross net asset value	3.167	526.935
Number of shares (minus treasury stock)	76.826.830	
NAV per share	41,22 €/sh	6.859 Pta./sh

SECTOR EVOLUTION OF NAV



INVESTMENT HIGHLIGHTS

There follows a brief description of the main deals made by Alba in the first half of 2001:

Pursuant to the agreement reached at the beginning of the year with the Spanish shareholders of Media Planning Group to swap their aggregate holding of 55% in that company for shares of Havas Advertising, on 22 May Alba acquired a 3.6% stake in Havas Advertising and received Ptas 3.172 billion (€19.1m) in cash.

Alba then increased this holding, in the month of June, to 4.0%. These transactions have made Alba one of the key shareholders in the world's fourth largest communications and advertising group, with a seat on the Havas Advertising Board of Directors.

With operations in 75 countries, Havas offers a complete line of services, including advertising, direct marketing, media planning and buying, sales promotion, corporate communications and public relations. The group employs 20,000 persons throughout the world.

Alba has increased its equity interest in African GSM mobile telephony services provider, Mobile Systems International Cellular Investment (MSI), from 2.2% to 3.0% during the course of the recent capital increase carried out by the telecoms operator. The operation brings Alba's total investment in MSI to Ptas 2.760 billion (€16.6m). MSI currently holds GSM mobile telephony licenses in 13 African countries and

financial investments in operators in Egypt, Sudan, Tanzania and Hong Kong.

Alba sold 12.76% of Banco Urquijo to the bank's majority shareholder, KBL, for Ptas 10.480 billion (€ 63.0 m), valuing the whole of the bank at Ptas 82 billion (€ 492.8m). The 9.98% stake in Banco Urquijo remaining in Alba's possession after this sale is subject to reciprocal put and call options between Corporación Financiera Alba and KBL which may be exercised between 2004 to 2006.

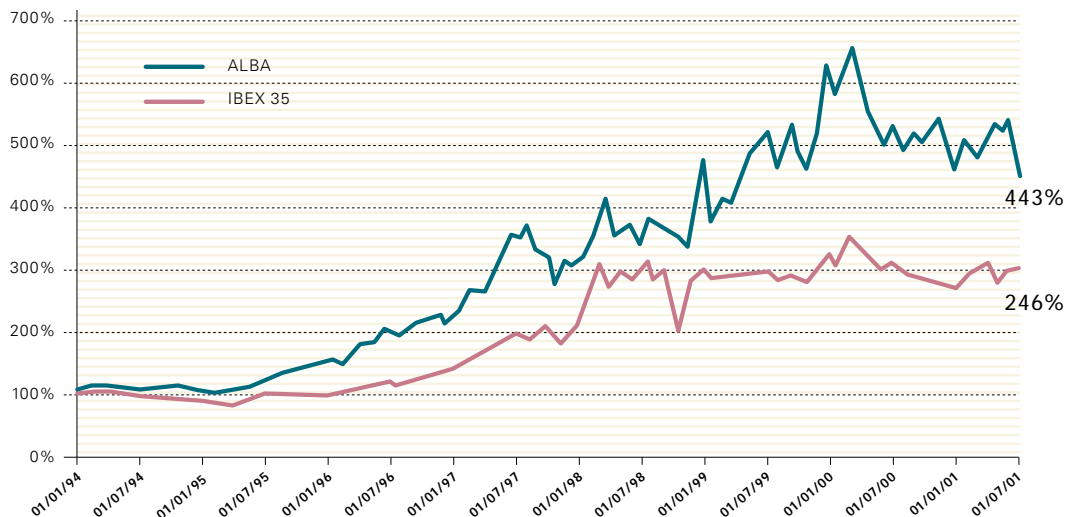
Within the framework of active management of the portfolio of listed companies, during the first half of the year Alba decreased its holdings in ACS from 23.85% to 23.48%, in Carrefour from 3.74% to 3.41% and in Sogecable from 11.33% to 6.95%.

In relation to the real estate portfolio, during the first half of the year Alba sold its 26.32% interest in the company Porto Pi, owner of the shopping complex of the same name located in Palma de Mallorca, for Ptas 1.5 billion (€ 9.0 m). Also during the first six months of the year, Alba acquired an office building located in the area of the La Florida development in Madrid for Ptas. 3 billion (€ 18.0 m). The building is fully rented and has a floor area of 11,600 square metres and 400 parking places.

Lastly, we should note that at the 30 May Annual General Meeting, the Alba shareholders approved



STOCK MARKET PERFORMANCE



- Corporación Financiera Alba forms part of the IBEX 35, with a weight of 0,624% in the index.
- The average daily trading volume during the first half of 2001 was 897 million pesetas.

INVESTMENT HIGHLIGHTS

a reduction in capital via retirement of treasury stock representing 3.31% of the share capital, which, after the reduction, will be composed of 77 million shares with a nominal value of 1 euro each. The general meeting also approved the distribution

of a final dividend against 2000 earnings of € 0.06 per share, which was paid out on 11 June. Taken together with the interim dividend, this final dividend brings the total dividend for the year to € 0.12 per share.



CONSOLIDATED ACCOUNTS

During the first half of 2001 Alba made a consolidated net profit of Ptas 18.152 billion (€ 109.1m), compared with Ptas 5.2 billion (€ 31.3m) during the same period last year.

This rise in net profit was primarily driven by the strong gains in Income from securities portfolio which, as a result of the transactions already described, reached Ptas 33.711 billion (€ 202.6m), against Ptas 7.729 billion (€ 46.5m) during the same period of 2000. It should be borne in mind that this amount has been reduced by the Ptas 8 billion (€ 48.1m) write-off of goodwill which will foreseeably be generated as a result of the acquisitions made of shares of Alba invested companies as part of the active management of our investment portfolio. This write-off has been recorded in the Negative consolidation reserve of the consolidated balance sheet.

We must once again emphasise the non-recurring nature of Income from securities portfolio, as this caption records capital gains generated from the transactions carried out pursuant to the portfolio value-optimisation policy.

Also, to maintain the prudent accounting principles followed by Alba, the whole amount of Ptas 19.71 billion (€ 118.5m) in Goodwill previously carried in the balance sheet has been amortised.

Net profits from affiliates recorded by the equity method rose to Ptas 7.483 billion (€ 45.0 m), 12% higher than the Ptas 6.676 billion (€ 40.1m) obtained during the first six months of 2000.

Rental income obtained on the real estate assets rose to Ptas 835 million (€ 5.0 m), 27% higher than the figure at June 2000. →

EQUITY ANALYSTS GIVE THEIR OPINION

• **UBS WARBURG: 11 june 2001.**

Recommendation: Strong Buy.

Price target: 30,0 €.

"Alba is trading at a 37% discount to its net asset value, an unjustified discount compared to its historical average of 25%".

• **MERRILL LYNCH: 5 april 2001.**

Recommendation: Acumular; largo plazo: Comprar.

Price target: 27,1 €.

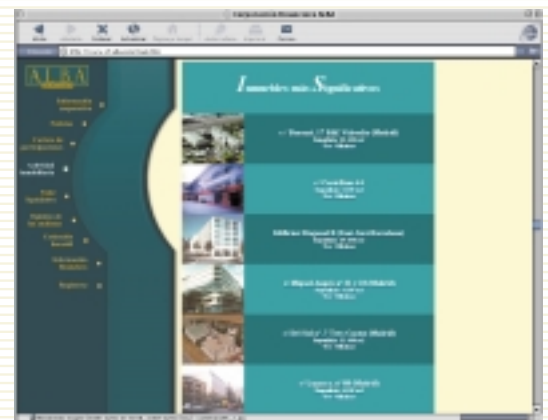
"We recommend Accumulating shares of Corporación Financiera Alba, as the 41.3% discount to its net asset value strikes us as excessive".

• **LINK SECURITIES: 7 march 2001.**

Recommendation: Acumular.

Price target: 28,7 €.

"... Investors can use Alba to take advantage of investment opportunities unavailable to most shareholders. These investments generally have strong growth potential".



CONSOLIDATED RESULTS

(Interim figures)



In relation to the main headings in the consolidated balance sheet, the Net financial debt (bank loans minus financial accounts) went from a net debt position of Ptas 29.555 billion (€ 177.6m) in December 2000 to a net cash position of Ptas 13.911 billion (€ 83.6m), as a result of the portfolio transactions discussed above.

The book value of the Unlisted securities portfolio declined from Ptas 29.546 billion (€ 177.6m) in December 2000 to Ptas 15.725 billion (€ 94.5m) in June 2001, reflecting the reduction in the holding in Banco Urquijo and reclassification of the interest in Media Planning Group, which, as a result of the swap for Havas shares, is now included in the Listed securities portfolio.

Lastly, the Ptas 10.696 billion (€ 64.3m) decline in Reserves reflects the retirement of treasury stock representing 3.31% of the share capital approved by the shareholders at the general meeting of 30 May, as mentioned above.

	Millions of pesetas		Millions of euros	
	30-6-00	30-6-01	30-6-00	30-6-01
Net profits from affiliates recorded by equity method	6.676	7.483	40,1	45,0
Rental income	659	835	4,0	5,0
Income from real estate & other disposals	963	222	5,8	1,3
Income from securities portfolio	7.729	33.711	46,4	202,6
Extraordinary income and provisions	(619)	(1.286)	(3,7)	(7,7)
	15.408	40.965	92,6	246,2
Overheads	(888)	(962)	(5,3)	(5,8)
Financial expenses (net)	(586)	(338)	(3,5)	(2,0)
Write-offs	(332)	(1.395)	(2,0)	(8,3)
Goodwill write-offs	(7.887)	(19.710)	(47,4)	(118,5)
Corporate income tax	(516)	(430)	(3,1)	(2,6)
	(10.209)	(22.835)	(61,3)	(137,2)
Minority interests	1	22		0,1
Net profit	5.200	18.152	31,3	109,1

CONSOLIDATED BALANCE SHEETS

(Interim figures) (1)

Assets	Millions of pesetas		Millions of euros		Shareholders equity & liabilities	Millions of pesetas		Millions of euros	
	31-12-00	30-6-01	31-12-00	30-6-01		31-12-00	30-6-01	31-12-00	30-6-01
Real estate	19.294	22.157	116,0	133,2	Share capital (2)	13.251	12.812	79,6	77,0
Other fixed assets	1.180	1.145	7,1	6,9	Reserves	117.659	106.963	707,1	642,9
Net tangible fixed assets	20.474	23.302	123,1	140,1	Profits for the year (through 30-6-01)		18.152		109,1
Listed securities	96.437	100.638	579,5	604,8	Shareholders equity	130.910	137.927	786,7	829,0
Unlisted securities	29.546	15.725	177,6	94,5	Minority interests	163	160	1,0	1,0
Investments	125.983	116.363	757,1	699,3	Negative consolid. reserve	0	8.349	0,0	50,1
Other intangible fixed assets	294	2	1,8	0,0	Provisions	7.400	8.465	44,6	50,8
Goodwill	17.900	0	107,5	0,0	Long-term creditors	378	262	2,3	1,6
Stocks	159	114	1,0	0,7	Net debt	29.555	0	177,6	0,0
Debtors	859	1.755	5,2	10,5	Current liabilities	1.306	1.046	7,8	6,3
Treasury stock	4.043	762	24,3	4,6					
Net cash position	0	13.911	0,0	83,6	Total shareholders equity & liabilities	169.712	156.209	1.020,0	938,8
Total assets	169.712	156.209	1.020,0	938,8					

(1) 2000 accounts are audited and after distribution of profits.

(2) The share capital is composed of 77,000,000 shares with a nominal value of euro 1 each.