



## SECOND HALF 2007

- During the 2007 financial year Alba made net investments of 557.2 M€.
- The consolidated profit after tax was 525.2 M€. The recurring income shows an increase of 24.8%.
- The earnings per share, or EPS, stood at €8.26.

### PORTFOLIO AT 31-12-2007

Listed holdings	% stake	Million €
Acerinox	23.2	824.1
ACS	22.1	1,758.1
Antevenio	20.5	2.4
Clínica Baviera	15.5	58.4
Prosegur	10.0	139.4
<b>Total book value</b>		<b>2,782.4</b>
<b>Total market value (31-12-07)</b>		<b>4,406.0</b>
<b>Unrealised capital gains</b>		<b>1,623.6</b>

Unlisted holdings	% stake	Million €
Isofotón (1)	26.1	150.0
IslaLink (2)	74.7	-
<b>Total book value</b>		<b>150.0</b>
<b>Real estate</b>		<b>286.5</b>

Note (1): Through Deyá Capital SCR.

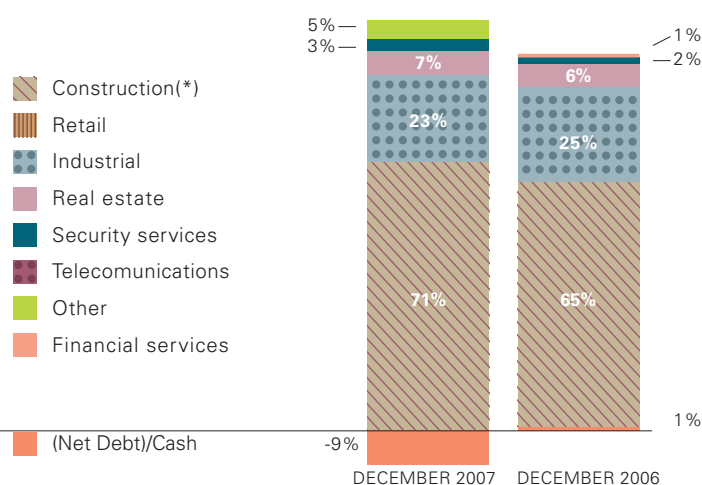
Note (2): Consolidated by the full consolidation method.

### 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 31<sup>st</sup> of December 2007 Alba's net asset value was estimated at 4,452 M€ or 71.68 € per share, after deducting own shares held as Treasury Stock.

	Million €
Listed holdings	4,406.0
Unlisted holdings and real estate	461.4
Other assets and debt	(415.3)
<b>Net assets value</b>	<b>4,452.1</b>
Million shares (minus Treasury Stock)	62.11
<b>Net asset value/share</b>	<b>71.68 €</b>

### BREAKDOWN OF NET ASSET VALUE BY SECTOR



(\* ) The 71% represented by the Construction sector reflects the investment in ACS. Given ACS's broad diversification, in order to provide a clearer picture of the distribution of Alba's portfolio by sector, this 71% has been broken down between the following sectors (1):

Construction	22%
Industrial	19%
Electricity	14%
Environmental & Logistics	9%
Concessions	7%

**71%**

(1) Breakdown reflects each sector's contribution to the estimated net profit 2007 of ACS.



## RELEVANT TRANSACTIONS



During the fourth quarter of 2007, the following relevant transactions were carried out:

- Alba acquired a further 9.8% of Clínica Baviera for the sum of 37.6 M€, taking Alba's holding in Clínica Baviera to 15.5%.
- Alba sold its 35% stake in March Unipsa Correduría de Seguros, March Gestión de Fondos and March Gestión de Pensiones to Banca March for a total of 48.4 M€. Following this transaction, Alba's portfolio is made up exclusively of industrial or non-financial services companies, and no longer includes holdings in entities controlled by Banca March whose activities are largely dependent on the Banca March sales network. Alba made a capital gain of 43.0 M€ on this sale.

- Deyá Capital SCR reached agreements to acquire a 22.1% interest in Ros Roca for 63.5 M€ and a 28.9% stake in Ocibar for 9.9 M€. The investment in Ros Roca took place in early February 2008 and the investment in Ocibar is due to take place in the coming months. Ros Roca manufactures equipment for the collection of all types of waste, and designs and builds waste treatment plants, being one of the leading companies in its sector in Europe. Ocibar builds and operates, on a concessionary basis, marinas in the Balearic Islands and is currently involved in a major project for the expansion of Port Adriano in Mallorca.
- Alba and Mercapital reached an agreement to create a venture capital management company, Artá Capital, which will take over the management of Deyá Capital SCR and of any other venture capital



## STOCK MARKET PERFORMANCE

• In 2007 Corporación Financiera Alba was traded on the Spanish Stock Exchanges with an average daily trading volume of 8.3 M€.

• The share price of Alba declined by 18.0% in 2007, from €56.55 to €46.29 per share.





vehicles that are set up in the future. Alba is the majority shareholder in this new management company, while Mercapital will contribute its experience to boost Artá Capital's development. The final authorisation to create this management company is expected to be obtained in the coming weeks.

- Also during this period, given the significant discount on the net asset value of at which its shares have traded, Alba acquired 2.08% treasury stock for 64.2 M€, at an average price of € 49.02 per share. As at 31 December, this purchase increased its treasury stock to 3.10% of the share capital.

## IslaLink

During 2007, Alba made total investments of 696.6 M€; highlights include increases in its stakes in ACS (149.8 M€), Acerinox (110.1 M€) and

Prosegur (83.9 M€), investments in Clínica Baviera (57.7 M€), IslaLink (15.1 M€) and Isofotón (150.0 M€), the latter through Deyá Capital SCR, and the purchase of treasury stock (126.8 M€). Disinvestments during the period totalled 139.4 M€, including the sale of real estate assets for 73.9 M€ and the sale of its 35% holding in March Unipsa Correduría de Seguros, March Gestión de Fondos and March Gestión de Pensiones for 48.4 M€.

## ALBA ON THE INTERNET



### The Alba's Internet website

([www.corporacionalba.es](http://www.corporacionalba.es)) contains complete, updated information about the growth of the company, and a reference to the most relevant news about the companies making up its portfolio, and offers the possibility of direct access to its respective web pages.



## RESULTS

Alba's consolidated **Net Profit** for 2007 was 525.2 M€ compared with 918.3 M€ for the same period the previous year, a 42.8% decrease. This drop was due to the important earnings registered in 2006 obtained in the sale of our stake in Carrefour. If results from asset sales are excluded, the consolidated results would have increased by 24.8%. The earnings per share in this period were €8.26.

**Net profits from associates consolidated by the equity method**, which comprises Alba's share on the earnings of participated companies, increased considerably from 365.6 M€ to 423.2 M€, mainly due to the strong performance of investee companies, Alba's larger stakes in ACS and Acerinox and the addition to the scope of consolidation of Clínica Baviera, Isofotón and Prosegur. This item contains the main source of recurrent income for Alba in the long term, apart from any one-off disinvestments that may be carried out.

**Rental Income** includes the IslaLink submarine cable exploitation of 4.2 M€.

**Results from asset sales**, an item which comprises capital gains generated from disinvestments during the financial year, stood at 72.1 M€, compared with 555.3 M€ the previous year (which largely consisted of capital gains obtained from the sale of the stake in Carrefour). The non-recurrent nature of this item should be highlighted, as it includes capital gains derived from portfolio management.

The variation in **Net Financial Expenses**, which change from 15.7 M€ positive to 2.3 M€ negative is due to the bigger debt because of the investments made in the period.

	Million euros	
	31-12-07	31-12-06
Net profits from associates consolidated by the equity method	423.2	365.6
Rental income	19.6	15.6
Gains from fair value adjustments in Real estate investments	37.2	16.8
Results from asset sales	72.1	555.3
Financial Income	16.5	22.3
	<b>568.6</b>	<b>975.6</b>
Overheads	(22.4)	(34.6)
Provisions for contingencies and expenses	0.0	(15.4)
Financial expenses	(18.8)	(6.6)
Depreciation	(2.6)	(0.9)
Corporate income tax	(0.0)	0.2
Minority shareholders	0.4	0.0
	<b>(43.4)</b>	<b>(57.3)</b>
<b>Beneficio neto</b>	<b>525.2</b>	<b>918.3</b>
<b>Beneficio por acción (€)</b>	<b>8.26</b>	<b>14.15</b>

## CONSOLIDATED BALANCE SHEET

Consolidation of IslaLink by the full consolidation method explains the appearance in 2007 accounts of Income and Expenses to be Distributed and Minority Shareholders as well as the majority of the increase in Fixed Assets.

Asset	Million euros	
	31-12-07	31-12-06
Real estate investments	275.3	276.8
Other fixed assets	34.7	12.5
Tangible fixed assets	310.0	289.3
Investment in Associates	2,782.4	1,947.9
Available for sale securities I.t.	150.0	76.7
Other financial investments	3.8	1.9
Financial investments	2,936.2	2,026.5
Expenses to be distributed	16.9	-
Available for sale securities I.t.	1.1	16.7
Financial investments	49.2	261.5
Debtors and other assets	10.3	1.9
<b>Total assets</b>	<b>3,323.7</b>	<b>2,595.9</b>

Note: Year 2007 unaudited.

(1) The share capital at 31-12-07 is composed of 64,100,000 shares with nominal value of 1€ each

Liabilities	Million euros	
	31-12-07	31-12-06
Share capital (1)	64.1	65.1
Reserves	2,230.9	1,398.2
Profits for the year	525.2	918.3
Minority Interests	4.8	-
Shareholders equity	2,825.0	2,381.6
Income to be distributed	23.8	-
Provisions	24.3	41.0
Long-term creditors	2.0	2.1
Financial debt	410.3	147.9
Current liabilities	38.3	23.3
<b>Total liabilities and shareholders equity</b>	<b>3,323.7</b>	<b>2,595.9</b>