



SECOND HALF 2003

During the 2003 financial year, Alba has made a double offer to its shareholders; on the one hand Alba launched a tender offer to acquire 7% of its share capital, at a premium over market price and, on the other, Alba sold Vodafone shares to its shareholders at a discount to market price. Furthermore, investments have been made for an amount of 238 M€, extending Alba's interest in top tier groups wherein it is already present, such as ACS, Acerinox or Carrefour. In 2003, Alba's share increased 32% in value, compared to the 28% percent increase obtained by the Ibex 35 index.

PORTFOLIO AT 31-12-2003

Listed holdings	%	Book
		value
	Stake	Million €
Acerinox (*)	6.56	110.8
ACS (*)	13.32	252.9
Carrefour (*)	3.35	258.2
Havas (*)	4.26	32.2
Prosegur (*)	5.24	12.2
Spirent	0.67	5.2
Vodafone	0.13	23.7
Total book value		695.2
Goodwill		180.6
Total market value (31-12-03)		2,089.2
Unrealised capital gains		1,213.4

Unlisted holdings	%	Book
		value
	Stake	Million €
Banco Urquijo	10.0	23.7
Celtel (formerly MSI)	2.4	16.4
Palio	17.0	2.8
Princes Gate	n.a.	6.4
Quavitae (*)	20.0	3.0
Unipsa (*)	82.6	3.5
Xfera	11.0	0.0
Otros	n.a.	3.9
Total book value		59.7
Real estate under lease		148.8

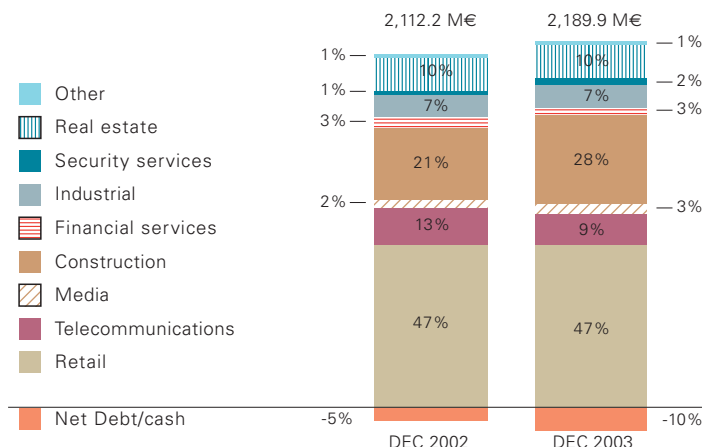
(*) Investments consolidated by the Equity method.

NET ASSET VALUE

The most representative figure for a company such as Alba is its net asset value. At December 31, 2003, Alba's net asset value, calculated according to internal criteria similar to those usually used by analysts, was estimated at 2,189.9 M€, equivalent to 32.90€ per share, after deduction of own shares.

	Million €
Listed holdings	2,089.2
Unlisted holdings and real estate	326.4
Other assets and debt	(225.7)
Net asset value	2,189.9
Million shares (minus Treasury Stock)	66.56
Net asset value/share	32.90 €

DISTRIBUTION OF NET ASSET VALUE BY SECTOR





MOST SIGNIFICANT TRANSACTIONS



Among the transactions performed by Alba during the financial year, we can highlight the tender offer for 7% of Alba's share capital and the sale to Alba's shareholders of Vodafone shares, both under favourable conditions. In these two transactions Alba offered its shareholders an additional remuneration to the ordinary dividend.

The tender offer for 7% of Alba's share capital allowed shareholders to sell their shares at 24.47 € per share, a 15% higher than the listed price. The bid was accepted by shareholders holding 63.8 million Alba shares, and gave rise to the acquisition of 5.08 million shares, which were subsequently cancelled.

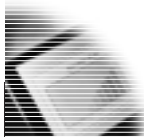
Alba also offered its shareholders the possibility to buy a Vodafone share for every Alba share held thereby, at a price 15% below the listed price. As a result of this offer, Alba sold 72.048 million Vodafone shares at £ 1.0 per share.

The sale of Vodafone shares responds to Alba's tradition of offering its shareholders the possibility of acquiring, under favourable conditions, shares in companies where it holds an interest, as was previously done with shares in other

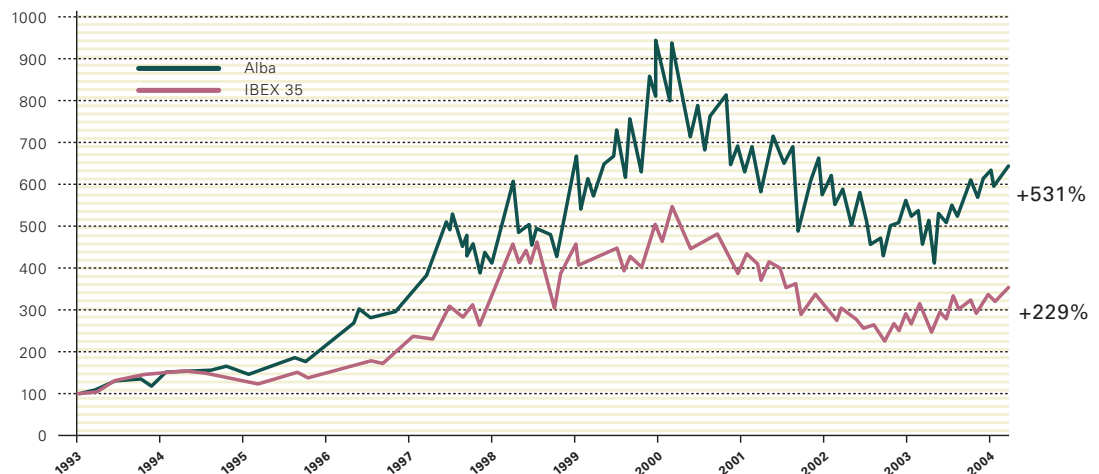
companies included in Alba's portfolio. Shareholders who accepted the sale offer and have kept the shares have achieved at year end a capital gain of 37% in respect of the price at which they were able to purchase them.

Investments have been made for a total amount of 238.5 M€ during the financial year, whereof 142.4 M€ were allocated to the acquisition of own shares. Alba invested 124.3 M€ in the purchase of 7% of its own shares within the context of the tender offer, and € 18.1 M in the purchase of 910,788 own shares in the market, taking advantage of the discount at which they were trading. Furthermore, at the General Meeting held on May 22 2,100,000 own shares, representing 2.81% of Alba's share capital, were cancelled and, subsequently, after the acquisition of the shares corresponding to the tender offer, a further 7% was cancelled.

Corporación Financiera Alba understands that the purchase and amortization of own shares favours its shareholders, since it increases net asset value per share and the market price thereof. At the end of the financial year, own sha-



STOCK MARKET EVOLUTION



• Corporación Financiera Alba is listed in the Continuous Market in the Spanish stock exchange with an average daily trading volume of € 1,5 M during the year 2003.

Carrefour



res stand at 1.42% of the company's share capital.

As well as investments in own shares, Alba has increased its interest in companies where it is already present. In particular, 52.5 M€ have been allocated to the purchase of shares in ACS; 24.8 M€ to Carrefour securities; 5,8 M€ to Acerinox and 5.3 M€ to Vodafone shares. All of the foregoing are leading companies in attractive sectors with high growth potential.

Disinvestments during the period amounted to 111.6 M€, the disinvestment corresponding to the sale of 72 million Vodafone shares to Alba's shareholders for an amount of 102.4 M€ being the most significant thereof.

In the real-estate sector, Alba has sold, within the normal course of portfolio turnover, a hotel in Majorca for an amount of 6.3 M€ with a 2.6 M€ capital gain. At December 31, 2003, Alba's real-estate portfolio consists of 104,000 square metres, mainly in office buildings located at strategic points in Madrid and Barcelona, with an internally estimated market value of around 230 M€.

Regarding transactions performed by affiliated

companies, the most significant is the merger between ACS and Dragados completed at the beginning of December. This transaction has created a leading company in the construction and services sectors in Spain. The new ACS, a company whereof Alba is the main shareholder, is capitalised at more than 4,800 M€ with a turnover of 10,800 M€, giving it sufficient size to undertake projects of the greatest magnitude. Alba's General Shareholders' Meeting held last May 22 approved an amendment to the company By-laws, introducing a regulation of the Audit Committee and the approval of Regulations for the General Meeting. Simultaneously, the Board has updated its Regulations, creating a Commission for Appointments and Remunerations, and its Internal Conduct Regulations, in order to adapt them to the Financial Law and to the recommendations of the Aldama Report, which have been incorporated satisfactorily. All information regarding Corporate Governance and the General Shareholders' Meeting, adapted to the requirements or Order ECO/3722/2003 are available at the www.cf-alba.com website.

ALBA ON INTERNET

A NEW ELECTRONIC 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

(Provisional data)

Alba's net profit per share for the year amounted to 2.75 €, compared to 2.44€ for the previous financial year, representing an increase of 12,7%. In its turn, consolidated net profit amounted to 182.8 M€, compared to 177.0 M€ for the same period on the previous year. The better results of net profits per share are a consequence of our own shares' acquisition and redemption policy. Results of the securities' portfolio, an irregular item, amounted to 83.4 M€, representing a slight increase in respect of 2002. In its turn, Net profit from affiliates consolidated by the equity method amounted to 87.7 M€, compared to 103.8 M€ for the previous financial year. The evolution of this item is mainly due to the impact in results of the cost of restructuring Havas, the costs of the ACS-Dragados merger and to Acerinox's downside cycle situation, all of which are extraordinary occurrences which have not been compensated by the good evolution of Carrefour, Prosegur and the remaining companies in the portfolio. The 49.5 M€ in revenues accounted for in 2003 in the Extraordinary Income and Provisions account, correspond to the cancellation of provisions allocated in the course of 2001 to cover potential risks derived from market instability and other contingent liabilities. The incipient economic recovery in the USA and the positive performance of the Spanish economy, together with the evolution of the IBEX 35 index, allow the assumption that the risks provided for in 2001 shall not materialise.

It is also necessary to underline the increase in expenses corresponding to Corporate Income Tax, which in 2003 amounted to 25.1 M€. Taxes accounted for in 2003 basically correspond to capital gains realised by Alba in the sale of Vodafone shares to its shareholders.

	Million euros	
	31-12-02	31-12-03
Net profits from affiliates consolidated by the equity method	103.8	87.7
Rental income	12.0	11.4
Income from Real Estate disposals	1.2	2.5
Results from the securities portfolio	81.5	83.4
Extraordinary income and provisions	29.1	49.5
	227.6	234.5
Overheads	(11.1)	(11.2)
Net financial expenses	2.0	(0.3)
Depreciation	(5.0)	(4.9)
Goodwill Amortisation	(10.0)	(10.2)
Extraordinary Goodwill write-down	(24.0)	0.0
Corporate income tax	(2.6)	(25.1)
	(50.7)	(51.7)
Minority interests	0.1	0.0
Net profit	177.0	182.8

CONSOLIDATED BALANCE SHEETS

(Provisional data) (1)

Assets	Million euros	
	31-12-02	31-12-03
<i>Real estate</i>	155.2	148.8
<i>Other fixed assets</i>	6.5	5.9
Net tangible fixed assets	161.7	154.7
<i>Listed securities</i>	634.9	695.2
<i>Unlisted securities</i>	94.2	59.7
<i>Portfolio provisions and other financial investments</i>	(24.1)	1.8
Financial investments	705.0	756.7
Goodwill	126.9	180.6
Debtors	77.7	48.2
Treasury stock	44.1	21.1
Cash and equivalents	2.4	3.3
Total assets	1,117.8	1,164.6

Liabilities	Million euros	
	31-12-02	31-12-03
<i>Share capital (2)</i>	74.7	67.5
<i>Reserves</i>	660.0	667.0
<i>Profits for the year</i>	177.0	182.8
Shareholders equity	911.7	917.3
Minority interests	0.7	0.7
Provisions	74.6	23.7
Long-term creditors	2.0	2.1
Net debt	103.1	218.1
Current liabilities	25.7	2.7
Total liabilities and shareholders equity	1,117.8	1,164.6

(1) Year 2002 audited and before profit distribution. (2) The share capital is composed of 67519,781 shares with a nominal of 1 € each.