



ALBA: PORTFOLIO AND RESULTS
THE THIRD QUARTER 2004

I. THIRD QUARTER TRANSACTIONS

During the third quarter of 2004, Corporación Financiera Alba completed the sale of its 21.5% participation in Quavita, a company devoted to the provision of care services for the aged. The stake was acquired by Mapfre, another shareholder in Quavita, for a total consideration of 8.2 M€, which generated a 3.3 M€ capital gain for Alba.

In the quarter Alba also sold a 1.4% stake in Havas for 18.6 M€, with a capital gain of 10.5 M€. As a result of the transaction, Alba's stake in Havas has been reduced to 2.31%.

In the coming days, Alba is going to increase its investment in Celtel by a further 2M\$. This Dutch company which owns and manages several GSM mobile operators in African countries with a total of four million clients, has presented a very good set of results for the first half of the year. Turnover increased by 47% to 297 M\$ and operating cash flow by 57% to 96 M\$.

II. PORTFOLIO

Alba's portfolio on the 30th of September, 2004 was as follows:

<u>Listed holdings</u>	<u>% Stake</u>	<u>Book value Million €</u>
Acerinox (*)	10.49%	189.5
ACS (*)	15.56%	316.5
Carrefour (*)	3.30%	264.3
Havas (*)	2.31%	14.4
Prosegur (*)	5.28%	12.9
Spirent	0.68%	5.7
Vodafone	0.12%	21.8
Total book value		825.1
Goodwill		258.0
Total market value (30-9-04)		2,245.2
Unrealised capital gains		1,162.1

<u>Unlisted holdings</u>	<u>% Stake</u>	<u>Book value Million €</u>
Celtel (formerly MSI)	3.1%	24.9
Palio	17.0%	1.8
Princes Gate	n.a.	1.6
Unipsa (*)	82.6%	3.2
Xfera	11.3%	0.0
Other	n.a.	2.6
Total book value		34.1
Real estate under lease		147.5

* Investments consolidated by the Equity method.

III. NET ASSET VALUE

The key figure for gauging the value of a holding company such as Alba is its net asset value. Calculated according to internal methods consistent with those normally used by equity analysts, on the 30th of September 2004 Alba's net asset value was estimated at 2,210.4 M€ or 33,47 € per share, after deducting own shares held as Treasury Stock.

	<i>Million euros</i>
Listed holdings	2,245.2
Unlisted holdings and real estate	291.9
Other assets and debt	(326.7)
Net asset value	2,210.4
Million shares (minus Treasury Stock)	66.03
Net asset value / share	33.47 €

As a result of the increase in the investment in ACS and Acerinox during the first half of the year, and of the favourable stock market evolution of both companies since the beginning of the year, the aggregate value of Alba's investments in the construction and industrial sectors increased to 51% of the net asset value on September 30, 2004, compared to 35% on the 31st of December 2003.

The breakdown of net asset value by sector is as follows:

	December 2003	September 2004
Retail	47%	40%
Construction	28%	37%
Industrial	7%	14%
Real Estate	10%	11%
Telecommunications	9%	9%
Media	3%	1%
Financial Services	3%	1%
Security services	2%	2%
Other	1%	0%
Net debt	-10%	-15%
	100%	100%

IV. RESULTS

The following table highlights the main figures of Alba's Profit and Loss account to September 30th:

	<u>30-9-04</u>	<u>30-9-03</u>
Net profits from affiliates consolidated by the equity method	120.2	77.7
Income from securities portfolio	32.7	84.4
Rental income	8.6	8.6
Profits from disposals of Real Estate Assets	0.0	2.5
Net profit	135.5	131.5
Earnings per share (€) (after deducting own shares)	2.05	1.97

Alba's Net profit for the first nine months of the year has reached 135.5 M€, which represents a 3% increase over the 131.5 M€ achieved during the same period of last year. Earnings per share for the period increased by 4.2%, from 1.97 € in 2003 to 2.05€ in 2004.

Net profits from affiliates consolidated by the equity method, a recurring caption which reflects the evolution of profits of the companies in Alba's portfolio, has increased by 54.7% to 120.2 M€. This growth is due both to the good evolution of profits in ACS and Acerinox and to the increase in our participation in both companies in the first half of the year.

Results from the securities portfolio, which account for the capital gains or losses obtained by Alba in the sale of assets and has a non recurring nature, have decreased from 84.4 M€ in 2003 to 32.7 M€ in 2004. The profits included in 2004 come from the sale of Alba's stake in Banco Urquijo and Quavitae, and from the sale Havas shares explained earlier.

V. DIVIDEND

On the 11th of November Alba will pay an interim dividend of 0.06€ per share, representing a 6% of the nominal value of the shares.

(18th of October, 2004)