



ALBA: PORTFOLIO AND FIRST QUARTER 2013 RESULTS

- The consolidated net profit after taxes reached 104.2 M€ in the first quarter of 2013, 79.7% higher than the same period of the previous year. This increase was mainly due to the 89.7 M€ result recorded this quarter on the sale of a 1.96% stake of Prosegur during the period and marking to market the remaining stake in this Company.
- The Net Asset Value (NAV) stood at 2,679.1 M€ at 31 March 2013, equivalent to 46.01 € per share. Alba shares closed at 34.14 € the same date, which implies a 25.8% discount to the NAV per share. NAV and NAV per share decreased 3.1% in the quarter, in line with the 3.3% drop in the share price.

I. MOST SIGNIFICANT TRANSACTIONS IN THE QUARTER

- During the quarter Alba sold a 1.96% stake in Prosegur for 54.4 M€ recording a pre-tax capital gain of 17.9 M€. With this sale Alba has obtained an annual IRR of 11.5% during 11 years.

II. PERFORMANCE OF OUR MAIN EQUITY INVESTMENTS

- In the first quarter of 2013, **ACS** obtained consolidated revenues of 8,817 M€, a 2.4% decline if compared with the same period of the previous year due to the decreasing demand in Spain (-23.1% in sales). International businesses already represented 83.1% of ACS' consolidated sales in the period. EBITDA and EBIT respectively grew by 12.0% and 31.4%, up to 744 M€ and 416 M€ thanks to the higher profitability in Hochtief and to the good evolution of the Industrial Services business. Net Income declined by 18.8% to 168 M€ due to the lower extraordinary results obtained in the period versus the first quarter of 2012. Nevertheless, the Ordinary Net Income, which excludes all extraordinaries, reached 193 M€, a 39.8% increase over the same period of 2012. Consolidated Net Debt grew by 20.9% in the quarter to 5,989 M€ as of March 31st, mainly due to seasonal effects on the working capital. The General Shareholders' Meeting approved on May 10th the distribution of gross dividend of 1.15 € per share under the "scrip dividend" scheme.
- **Acerinox** sales decreased 15.8% in the first quarter of 2013, to 1,035 M€ reflecting both the smaller tonnage sold and the lower selling prices for stainless steel. This drop in prices reflect the downtrend in nickel prices which required the company to write down its inventories by 17 M€ at the end of the quarter. EBITDA and Net Profit declined 29.3% and 47.9% respectively, to 68 M€ and 15 M€. International sales accounted for 92.0% of the total for the quarter. After being brought down sharply at the end of 2012, net debt expanded to 789 M€ at the end of March due to the increase in working capital, partially caused by larger stocks at the Bahru Stainless plant (Malaysia) as a result of increased output at the facility, which requires larger supplies of semi-products from the Group's other plants. The Acerinox Board of Directors has proposed a dividend payout of 0.45 € per share, allowing the shareholders to receive the dividend either in cash or in new shares (scrip dividend).
- At **Indra**, consolidated sales rose 1.9% in the first quarter, reaching 728 M€ driven by a 15.7% increase in international sales (57.0% of the total) that offset the weakness in Spain (-12.0%). By business line, Services recorded a 7.5% increase in sales, while Solutions dipped 1.1%, in both cases reflecting drops in Spain that were nearly completely offset by

strong growth in Latin America. Revenue was up in all sectors during the period except in Security & Defence and in Transport & Traffic. Recurrent EBITDA declined 2.1% to 69 M€ while larger financial costs explain the 17.8% drop in net profit to 33 M€. New orders decreased 13.7% as a result of the effect of the major contract obtained in the first quarter of last year (new orders would have grown 4% if this effect is stripped out), while the backlog on expanded to 1.7% in the period.

- **Ebro Foods** recorded a 5.4% decrease in sales in the first quarter of 2013 to 502 M€ reflecting the drop in sales of its pasta business (-10.1%) as lower raw material costs drove down prices and sales sagged in France. EBITDA declined 1.2% to 64 M€ in the quarter as narrower margins in the pasta business (-5.3%) offset the small rise in the rice business EBITDA (+0.5%). The increase in profit before tax (+6.4%) and net profit (+2.0%), in contrast to the drop in EBITDA and EBIT, is explained by the decrease in financial expenses achieved due to lower borrowing during the period. During the quarter Ebro Foods made acquisitions in the rice business in Italy and India, new geographical areas for this business line.
- Sales at **Prosegur** rose 9.6% in the first quarter of 2013 to reach 919 M€ thanks to robust organic growth of 7.1% (reflecting a 14.2% gain in Latin America and 2.2% decline in Europe and Asia) and to the acquisitions made, which contributed further growth of 9.4% to the total sales figure, offsetting the 6.9% decrease generated by the variations in foreign exchange rates. International sales accounted for 75.2% of the total, led by Latin America with a contribution of 60.2%. EBITDA rose 9.4%, to 108 M€ while net profits declined 19.1% to 36 M€ in the quarter due to greater depreciation of intangibles and higher financial costs. The narrower operating margins seen in the quarter were due to lower EBIT in Latin American operations as a result of the acquisitions made in the previous quarters and the devaluation of the main currencies against the euro.
- **Clínica Baviera** recorded a 0.2% increase in sales in the first three months of the year to reach 24 M€ reflecting waning consumer spending in Spain, which drove revenue in the domestic businesses down 5.2% (especially in the aesthetics line), offset by 20.1% growth in the international business, which accounted for 25.5% of total sales in the quarter. EBITDA climbed 13.4% to M€, while EBIT and net profits grew 28.6% and 34.2%, respectively, to reach 3 M€ and 2 M€. On May 10th, Clínica Baviera sold 100% of its Aesthetics business (Clínica Londres) to Sanitas for 4 M€

III. PORTFOLIO

Alba's portfolio on March 31st, 2013 was as follows:

<u>Listed holdings</u>	<u>% Stake</u>	<u>Book value Million €</u>	<u>Web Site</u>
ACS	18,3	1.020,4	www.grupoacs.com
Acerinox	24,2	679,8	www.acerinox.es
Indra	11,3	276,7	www.indra.es
Prosegur (1)	8,0	213,6	www.prosegur.es
Ebro Foods	8,2	188,9	www.ebrofoods.es
Clínica Baviera	20,0	37,1	www.clinicabaviera.com
Antevenio	20,5	3,5	www.antevenio.com
Total book value		2.420,0	
Total market value		2.130,8	
Unrealised losses		(289,2)	
 <u>Unlisted holdings</u>		 210,8	
 <u>Real Estate</u> (appraisal value as of Dec. 31, 2012)		 220,2	

Note

(1) Since 1 January 2013 the holding in Prosegur is accounted for as Financial asset at fair value through profit or loss; as a result, as from that date its carrying value is the same as its market value.

Main stakes in unlisted holdings are shown below:

<u>Company</u>	<u>Note</u>	<u>% Stake</u>	<u>Web Site</u>
Mecalux	(1)(2)	14.2	www.mecalux.es
Pepe Jeans	(1)	12.1	www.pepejeans.com
Panasa	(1)	26.4	www.berlys.es
Ros Roca	(1)	19.1	www.rosroca.com
Flex	(1)	19.8	www.flexes
Ocibar	(1)	21.7	www.portadriano.com
EnCampus	(1)	35.9	

Notes

(1) Through Deyá Capital S.C.R.

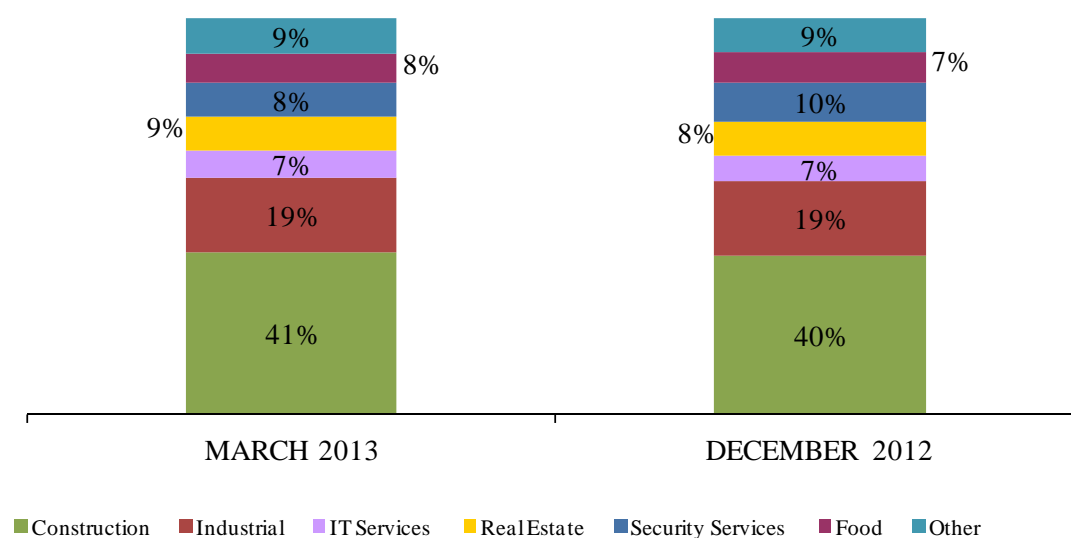
(2) Includes a 5.23% direct stake by Alba.

IV. NET ASSET VALUE

The most representative figure for a company like Alba is its Net Asset Value (NAV). Calculated according to internal methods consistent with those usually applied by equity analysts, at 31st March 2013, Alba's net asset value was estimated at 2,679.1 M€ or 46.01 € per share after deducting treasury shares, 3.1% below the year-end 2012 NAV per share figure.

	<i>Million euros</i>
Listed holdings	2,130.8
Unlisted holdings and Real Estate	431.0
Net financial debt	(37.1)
Other short-term and long-term assets and liabilities	154.4
Net asset value	2,679.1
Million shares (minus Treasury Stock)	58.23
Net asset value / share	46.01 €

V. BREAKDOWN OF NET ASSET VALUE BY SECTOR⁽¹⁾ (GAV)



(1) Listed companies valued at market prices, unlisted companies at book value and real estate assets appraised by an independent third party as of 31st December 2012.

VI. CONSOLIDATED RESULTS

Consolidated net profit after taxes reached 104.2 M€ in the first quarter of 2013, some 79.7% higher than the same period of the preceding year. This gain was mainly due to the 89.7 M€ obtained during the quarter on the sale of shares of Prosegur and marking to market of the rest of the holding in that company.

The earnings per share for the quarter was 1.79 €, compared with 1.00 € in the first quarter of 2012.

Income from *Share of profits of associates* totalled 40.5 M€ for the quarter, against 56.7 M€ in the same period of the preceding year (-28.6%). This drop is explained by the absence share of profit of Prosegur due to the classification as *Financial asset at fair value through profit or loss*, as well as by lower results obtained by these companies.

The heading *Income on assets* recorded revenue of 89.7 M€ in respect of the holding in Prosegur: 17.9 M€ of capital gains before tax obtained on sales of shares carried out during the quarter and 71.8 M€ on marking the rest of the holding in that company to its fair value (given that as from 1 January 2013 this investment is carried as *Financial asset at fair value through profit or loss*, the fair value is equal to its market value of 4.30 € per share at the end of March). Furthermore, this change in the accounting treatment of the holding in Prosegur means that Alba no longer consolidates the proportional part of that company's income, and the dividends received are recorded under *Financial income*.

Operating expenses rose 17.9% to 4.6 M€

Net financial income, calculated as the difference between interest income and interest expenses, showed a positive balance of 1.2 M€ compared with a positive 2.7 M€ in the same period of 2012.

Corporate income tax amounted to 25.0 M€ in the first quarter of 2013, reflecting the tax impact of the *Income on assets* referred to above.

INCOME STATEMENT

	Million euros	
	31/03/2013	31/03/2012
Share of profits of associates	40.5	56.7
Rental income and other	3.2	3.7
Profit / (Loss) on asset sales	89.7	-
Commissions and Financial Income	4.8	7.2
Sum	138.2	67.6
Operating expenses	(4.6)	(3.9)
Financial expenses	(3.6)	(4.5)
Depreciation	(0.2)	(0.3)
Corporate income tax	(25.0)	(0.9)
Minority shareholders	(0.6)	0.0
Sum	(34.0)	(9.6)
Net earnings	104.2	58.0
EPS (€)	1.79	1.00

CONSOLIDATED BALANCE SHEET ⁽¹⁾

<u>Assets</u>	Million euros		<u>Liabilities</u>	Million euros	
	31/03/2013	31/12/2012		31/03/2013	31/12/2012
<i>Real Estate Investments</i>	205,4	205,3	<i>Share capital (2)</i>	58,3	58,3
<i>Fixed assets</i>	9,6	9,9	<i>Reserves and treasury stock</i>	2 787,9	3 005,1
<i>Investments in Associates</i>	2 206,4	2 262,0	<i>Earnings for the year</i>	104,2	(299,4)
<i>Financial assets at fair value through P&L</i>	424,3	208,8	<i>Minority interests</i>	1,2	0,7
<i>Other financial investments and other assets</i>	188,5	188,5	Shareholders equity	2 951,6	2 764,7
Non-current assets	3 034,2	2 874,5	Other non-current liabilities	57,4	38,2
Debtors and other assets	32,7	88,1	Financial debt	37,1	144,2
Total assets	3.066,9	2.962,6	Current liabilities	20,8	15,5
			Total liabilities and shareholders equity	3.066,9	2.962,6

(1) Year 2013 unaudited

(2) The share capital at 31/03/13 is composed of 58,300,000 shares with a nominal value of 1 €each

VII. STOCK MARKET PERFORMANCE



- In the first quarter of 2013, Alba's share price descended a 3.3% from €35.31 to €34.14, favorably improving the performance of the IBEX 35 which, in the same period, fell a 3.0% to 9,920 points.