



## **ALBA: PORTFOLIO AND FINANCIAL RESULTS** **FOR THE FIRST QUARTER 2016**

- Consolidated net profit after taxes reached 65.8 M€ in the first quarter of 2016, 52.2% lower than the same period of the previous year. This decrease is mainly due to the fact that no asset sales were made in 2016, as opposed to the first quarter of 2015 where capital gains were recorded as a result of the sale of 1.47% of ACS and 3.10% of Acerinox.
- The Net Asset Value (NAV) reached 3,673.2 M€ at 31 March 2016, equivalent to 63.07 € per share. Alba's share price of 34.00 € on this same date represents a discount of 46.1% compared to the NAV per share. The NAV has increased by 0.19% in the quarter.
- In the first quarter Alba invested 50.4 M€ to increase its holding in BME and Viscofan.
- At the end of April, Alba acquired 8.00% of Parques Reunidos for 100.1 M€

### **I. MAIN TRANSACTIONS FOR THE QUARTER**

In the first quarter of 2016 Alba carried out the following transactions:

- Purchase of an additional 1.12% of BME for 27.4 M€, reaching a 11.69% stake.
- Purchase of an additional 0.93% of Viscofan for 23.0 M€, reaching a 7.79% holding in their share capital.

### **II. PERFORMANCE OF OUR MAIN EQUITY INVESTMENTS**

- **ACS** sales figures, in the first quarter 2016, amounted to 7,922 M€, a decrease of 7.6% compared to the same period last year. This decrease on sales was mainly due to a fall in CIMIC's activity as a result of the completion of large projects and the delay of awarded projects, as well as a depreciation of the Australian dollar against the euro. From a geographical perspective, North America was the only area reporting growth in sales (+12.2%). Backlog was stable (+0.1%) despite a negative evolution of exchange rates. Without this impact, the backlog would have increased by 6.6% thanks to the positive evolution of Dragados, Turner and Flatiron, and the Industrials Services area in Asia Pacific. EBITDA and EBIT reached 597 M€ and 433 M€, a fall of 9.5% and 4.9% respectively (-5.2% and +1.9% excluding renewables) compared to the same period last year due to the sale of renewables assets as well as those factors mentioned above. Attributable net income was 220 M€, a 6.0% more than last year due to an improvement of the financial structure of the Group. Net debt increased by 0.4% to 3,840 M€ because of the change in working capital, dividend distribution and the purchase of own shares, as well as investments made during the period.
- **Acerinox's** sales decreased by 16.7% to 953 M€ in the first quarter of 2016 due to the fall in final prices, brought about by lower nickel prices and the reduction of base prices in its main markets. EBITDA decreased by 60% to 41 M€ in relation to the first quarter of the previous financial year, after a 9 M€ inventory adjustment caused by the negative performance in the price of nickel. In spite of this drop, EBITDA is in line with that of the last quarter of 2015. Meanwhile, the company recorded a net loss of 8 M€ for the period. The net financial debt at 31 March 2016 was 693 M€, 18.8% lower than the previous year's figure. In spite of the

difficult market conditions, steel production reached 575,000 tonnes, 5.4% higher than the last quarter of 2015, but 4.2% lower than the first quarter of the same year.

- **Bolsas y Mercados Españoles'** revenues in the first quarter of 2016 fell by 11.7% to 82 M€ due to the ongoing global market situation since the middle of 2015. Therefore, only the divisions which are not directly related to market activity experienced an increase of revenues (+17.9% in Information—due in part to the global consolidation of Infobolsa—and +3.6% in IT & Consulting). The Equities segment was affected by lower market activity volume for all of its products (-17.8% reduction in revenue). On the positive side, it should be highlighted that the first quarter shows a positive trend in the level of activity. EBITDA decreased by 16.5% due to the fall in revenue (in spite of lower operating expenses), while net profit was reduced by 8.9% due to a lower tax rate and higher financial income.
- **Ebro Foods'** sales rose to 613 M€ 2.7% higher than the ones recorded in the same period for 2015, due to the strong performance in both the Rice (+2.5%) and Pasta (+3.3%) divisions. This growth is explained by the integration of Rice Select and Grupo Monterrat and a good performance of volumes sold. EBITDA for the period grew by 18.8% thanks to the factors mentioned above and the decrease in the price of raw materials. Net profit for the quarter recorded a strong growth rate (+43.2%) thanks to the profit obtained on the sale of the Puerto Rico rice businesses, as well as the positive operating performance of both divisions. Net financial debt decreased by 7.3% to 414 M€ thanks to the operating cash flow generation and the divestment in Puerto Rico, which offset the effect of the Celnat acquisition.
- With regards to **Viscofan**, sales for the first quarter were reduced to 174 M€ 3.1% lower than those recorded in the same period of the previous year. This fall was caused by a decrease in sales in Latin America, particularly in Brazil, which could not be offset by an increase of revenues in the rest of geographies. In terms of organic growth (not considering the effects of exchange rates and non-recurring items), sales for the period decreased by 0.4%. Furthermore, EBITDA for the period was down by 8.9% compared to the first quarter of the previous year due to the negative performance of the Latin American market, the impact of exchange rates, and non-recurring items of 2 M€ in the United States due to the outsourcing of pension plans. Without taking into account the impact of exchange rates and non-recurring items, EBITDA would have grown by 1.3%. Net profit (not including non-recurring items) fell by 4.4% due to the previously mentioned effects. Viscofan continues to maintain a net cash position (8 M€) thanks to a solid organic performance.
- In the first quarter of 2016, **Indra** sales decreased by 10.5% in relation to the same quarter of the previous year, both in the IT business (-13.9%) and T&D business (Transport & Traffic and Defence & Security; -5.4%). This fall is caused by a number of factors such as the negative effect of exchange rates, a more selective contracting process, the performance of the Latin American business, delays in projects run in oil and raw-material exporting countries, and a lower activity in public tenders in Spain. It should be highlighted that in local currency contracting grew by 2.1%. EBIT for the period amounted to 29 M€ representing a margin over sales of 4.6% against -0.1% for the first quarter of 2015. Among other things, this increase in margin was mainly due to the result of the cost optimisation plans and higher profitability of ongoing projects. Net profit for the first quarter was 12 M€ compared to a loss of 20 M€ in the first quarter of 2015. Net financial debt amounted to 660 M€, which represents a ratio of 4.7 times the EBITDA for the last 12 months, and a reduction of 11.1% in relation to the previous year. This drop was caused by the positive evolution of the cash generation during the first quarter (+47 M€ 1Q2016 vs. -79 M€ 1Q2015) thanks to the improvement in profitability and working capital.
- **Euskaltel'**s results for the first quarter were positively affected by the integration of R Cable. Revenue for the period grew by 78.7% to 142 M€. This growth is due to the global consolidation of R Cable and the growth of the Residential division (+4.7%). In comparable terms, revenue would have grown by 2.3%. EBITDA for the first quarter rose to 69 M€, an 83.3% increase, with a margin over sales of 48.6% (+3.0% in comparable terms) thanks to

cost savings. Net profit, under comparable terms, increased by 4.4%, which was lower than the EBITDA growth rate due to an increase of financial costs. Net financial debt raised to 1,353 M€ due to the acquisition of R Cable at the end of last year.

- **Clínica Baviera** achieved sales of 24 M€ in the first quarter of 2016, 11.6% higher than the same period last year, with a solid growth rate in both the domestic (+12.4%) and the international market (+9.2%). EBITDA increased by 56.8% to 5 M€ thanks to an improvement in margins (21.5% for Q1 of 2016 vs. 15.3% in Q1 of 2015) caused by a growth in the laser business and the positive effect of the operating leverage. Meanwhile, reported EBIT was 4 M€ and net profit 3 M€, an increase of 96.9% and 107.9%, respectively, against the first quarter of the previous financial year. At 31 March 2016, the company had a net cash position of 2 M€ compared to a net debt of 1 M€ in March 2015.

### III. PORTFOLIO

Alba's portfolio at 31 March 2016 is as follows:

<u>Listed holdings</u>	<u>% Stake</u>	<u>Book value Million €</u>	<u>Web Site</u>
Acerinox	19.6	590.1	www.acerinox.es
ACS	11.7	581.1	www.grupoacs.com
BME	11.7	316.5	www.bolsasymercados.es
Ebro Foods	10.0	264.9	www.ebrofoods.es
Indra	11.3	190.1	www.indra.es
Euskaltel	10.0	150.9	www.euskaltel.com
Viscofan	7.8	162.7	www.viscofan.com
Clínica Baviera	20.0	28.5	www.clinicabaviera.com
<b>Total book value</b>		<b>2,284.8</b>	
<b>Total market value</b>		<b>2,614.7</b>	
<b>Unrealised gains</b>		<b>329.9</b>	
 <b>Unlisted holdings</b>		 <b>285.9</b>	
 <b>Real Estate</b> ( <i>appraisal value as of Dec. 31, 2015</i> )		 <b>366.8</b>	

Alba's main shareholdings in unlisted companies are detailed below:

<u>Company</u>	<u>Note</u>	<u>% Stake</u>	<u>Web Site</u>
Mecalux	(1)(2)	24.4	www.mecalux.es
Panasa	(1)	26.5	www.berlys.es
Flex	(1)	19.8	www.flex.es
Siresa Campus	(1)	17.4	www.resa.es
EnCampus	(1)	32.8	www.resa.es
in-Store Media	(1)	18.9	www.in-storemedia.com
Ros Roca	(1)	17.4	www.rosroca.com

*Notes*

(1) Through Deyá Capital SCR

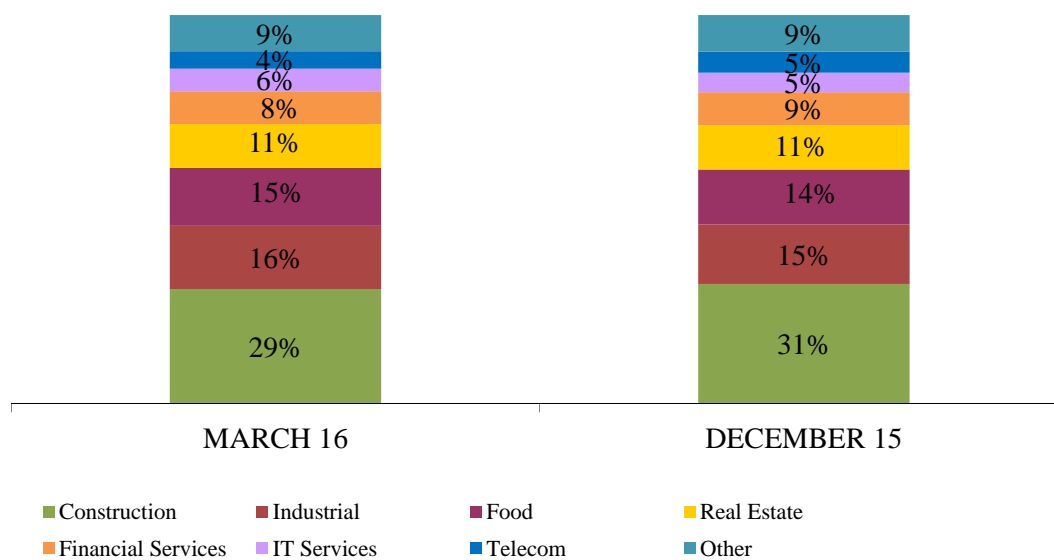
(2) Includes an 8.78% direct shareholding belonging to Alba.

#### IV. NET ASSET VALUE (NAV)

The most representative way of scaling a company like Alba is through the net value of its assets (NAV). Calculated in accordance with criteria generally used by analysts, Alba's pre-tax NAV is estimated at 3,673.2 M€ at 31 March 2016. On this same date, the NAV per share, after deducting treasury shares, rose to 63.07 € a 0.19% higher than at the end of 2015.

	<i>Million euros</i>
Listed holdings	2,614.7
Unlisted holdings	285.9
Real Estate	366.8
Net cash position	185.2
Other financial investments and other assets	149.6
Receivables and other assets	78.6
Other noncurrent and current liabilities	(6.7)
<b>Net asset value</b>	<b>3,674.1</b>
Other short-term and long-term assets and liabilities	(0.9)
<b>Group net asset value</b>	<b>3,673.2</b>
Million shares (minus Treasury Stock)	58.24
<b>Net asset value / share</b>	<b>63.07 €</b>

#### V. SECTORAL DISTRIBUTION OF GROSS ASSET VALUE<sup>(1)</sup> (GAV)



(1) Listed companies valued at market prices, unlisted companies at book value, and real estate assets appraised by an independent third party (31 December 2015).

## VI. CONSOLIDATED RESULTS

Consolidated net profit after taxes reached 65.8 M€ in the first quarter of 2016, 52.2% lower than the same period of the previous year. This decrease is mainly explained by the epigraph *Profit/loss on asset sales*, which shows a profit of 98.9 M€ for the same quarter of the previous year (due to the aforementioned sales of ACS and Acerinox shares), while in the first quarter of this year it included €27.1 M, related to the recovery in value of the Indra holding.

Net profit per share for the quarter was 1.13 € compared to 2.36 € in the first quarter of the previous financial year.

Income from *Share of profits of associates* was 38.9 M€ for this quarter, compared to 38.6 M€ in the same period of the previous year (+0.8%).

*Operating expenses* decreased by 7.0% to 5.3 M€

The *financial result*, calculated as the difference between income and financial expenses, stands at a positive balance of 0.9 M€ compared to 4.1 M€ in the same period for 2015, due to a lower net cash position as a result of investments made during the period, as well as a reduction of interest rates.

## INCOME STATEMENT

	Million euros	
	31/03/2016	31/03/2015
Share of profits of associates	38.9	38.6
Rental income and other	4.8	3.1
Profit / (Loss) on asset sales	27.1	98.9
Commissions and Financial Income	1.6	4.4
<b>Sum</b>	<b>72.3</b>	<b>145.0</b>
Operating expenses	(5.3)	(5.7)
Financial expenses	(0.7)	(0.3)
Depreciation	(0.2)	(0.2)
Corporate income tax	0.0	(0.8)
Minority shareholders	(0.3)	(0.4)
<b>Sum</b>	<b>(6.5)</b>	<b>(7.4)</b>
<b>Net earnings</b>	<b>65.8</b>	<b>137.6</b>
<b>EPS (€)</b>	<b>1.13</b>	<b>2.36</b>

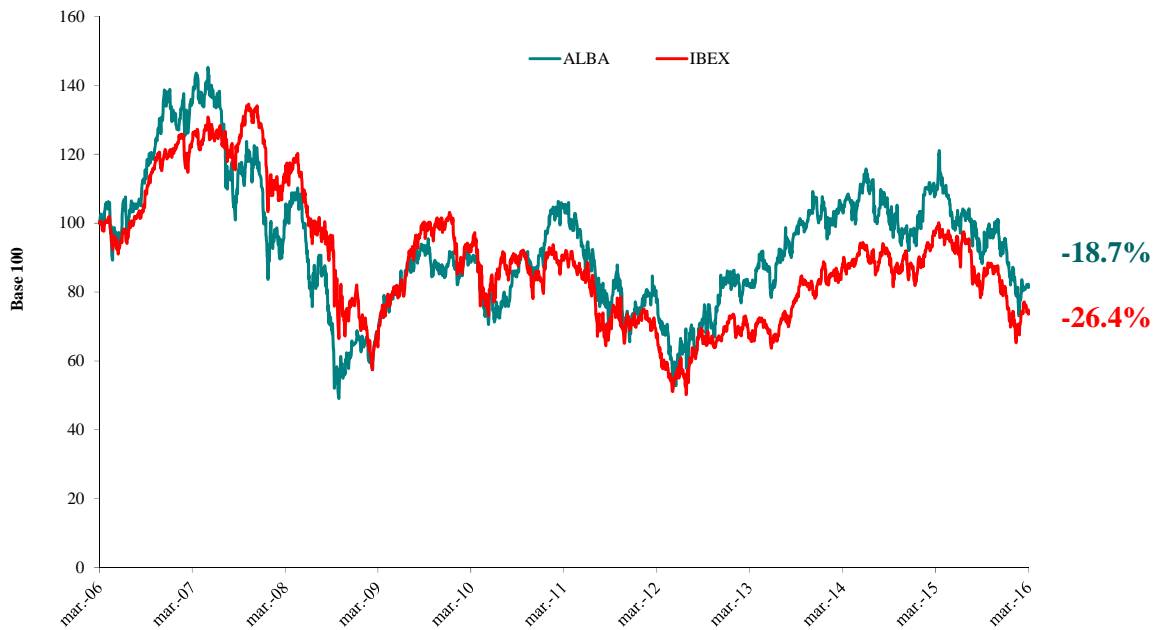
## CONSOLIDATED BALANCE SHEETS <sup>(1)</sup>

<u>Assets</u>	Million euros		<u>Liabilities</u>	Million euros	
	31/03/2016	31/12/2015		31/03/2016	31/12/2015
Real Estate Investments	352.8	352.2	Share capital (2)	58.3	58.3
Fixed assets	7.5	7.7	Reserves and treasury stock	3,186.6	2,984.5
Investments in Associates	2,284.8	2,236.0	Earnings for the year	65.8	269.6
Financial assets at fair value through P&L	285.9	285.9	Minority interests	0.9	0.6
Other financial investments and other assets	149.6	149.0	Shareholders equity	3,311.6	3,313.0
Non-current assets	3,080.5	3,030.8	Other non-current liabilities	3.0	3.0
Cash and cash equivalents	330.7	298.8	Net deferred tax	26.0	26.0
Debtors and other assets	78.6	162	Long-term loans	136.6	136.6
<b>Total assets</b>	<b>3,489.8</b>	<b>3,491.6</b>	Short-term loans	8.9	8.9
			Current liabilities	3.7	4.1
			<b>Total liabilities and shareholders equity</b>	<b>3,489.8</b>	<b>3,491.6</b>

(1) Year 2015 audited

(2) The share capital at 31/03/16 is composed of 58,300,000 shares with a nominal value of 1 € each.

## VII. STOCK MARKET PERFORMANCE



- In the first quarter of 2016, Alba's share price decreased by 14.7%, from 39.85 € to 34.00 €, while in the same period the IBEX 35 fell by 8.3% to 8,723 points.

## VIII. POST-CLOSING EVENTS

- At the end of April, within the initial public offering of Parques Reunidos Servicios Centrales S.A. ("Parques Reunidos"), Alba acquired shares representing 8.00% of the company's share capital, at a price of 15.50 € per share, which represents a total investment of 100.1 M€