ALBA: PORTFOLIO AND FIRST HALF 2013 RESULTS

- The consolidated net profit after taxes reached 147.0 M€ in the first half of 2013, compared to the 166.7 M€ losses recorded in the same period of the previous year caused by a writedown of ACS's holding in Iberdrola. This profit includes the 99.1 M€ result recorded from the sale of a 4.93% stake of Prosegur, the marking to market of the remaining investment in this Company and the sale of a 1% stake of ACS.
- The Net Asset Value (NAV) at 30 June 2013 stood at 2,733.7 M€, equivalent to 46.94 € per share. Alba shares closed at 34.00 € the same date, which implies a discount of 27.6% to the NAV per share.

I. MOST SIGNIFICANT TRANSACTIONS IN THE HALF-YEAR

In the first half Alba sold:

- 4.93% of Prosegur for 132.8 M€, obtaining a pre-tax capital gain of 43.5 M€. With this sale, Alba has achieved an IRR of 11.2% per year during 11 years.
- 1% of ACS, through a financial product, for 69.2 M€, achieving a pre-tax capital gain of 13.5 M€ and an IRR of 13.8% during 13 years.

II. PERFORMANCE OF OUR MAIN EQUITY INVESTMENTS

- In the first half of 2013, **ACS** reached 19,121 M€ in sales, 1.5% higher than the same period the year before, mainly due to the positive evolution of the international businesses of Construction and Environment. The domestic sales fell 16.4% during the semester and the international activities represent already 84.6% of the total. EBITDA declined 2.1% to 1,545 M€ as a result of narrower margins in the Construction business, negatively affected by the depreciation of the Australian dollar. Contrarily, EBIT grew 2.3% to 850 M€ because of the lower amortization in Hochtief. Net profit totaled 357 M€ compared to the 1,233 M€ losses in the first half of 2012 as a consequence of the marking to market of the investment of the Company in Iberdrola. However, ordinary net profit, excluding extraordinary items and the contribution of Abertis and Iberdrola, declined 7.5% to 310 M€ given the lower contribution of Construction in Spain and a higher effective tax rate. The net debt stood at 5,965 M€, remaining virtually unchanged during the second quarter.
- The sales of **Acerinox** fell 14.4% in the first half of 2013, to 2,072 M€, due to a decline in the price of stainless steel in all the markets. This drop was caused by the weak demand associated to the downtrend of the nickel price and the consequent decline in alloy extras, which required the Company to write down its inventories by 15 M€ in the half-year. Although the improvement plans implemented by the company allowed it to reduce operating expenses by 27 M€ in the first half, EBITDA and net profit fell 28.2% and 59,9%, respectively, to 119 M€ and 16 M€. Net debt at the end of the half-year was 794 M€, very similar to the figure recorded at the end of the first quarter, thanks to the active management of the working capital, which also remained virtually unchanged during the second quarter.
- The sales of **Indra** grew 1.5% in the first half, to 1,490 M€, driven once again by an increase of 13.9% in revenue from international activities (57.5% of the total), which offset the weakness of the domestic market (-11.6%). Looking at sales growth by business, there were increases both in Services (1.5%) and in Solutions (1.4%), with the international

business in both cases offsetting falls in Spain, being these declines especially pronounced in Solutions. Growth was experienced across all sectors, except Telecom and Media and Transport and Traffic. Recurring EBITDA was reduced 1.6% to 143 M€, while net profit narrowed 22.4% to 48 M€ as a consequence of the restructuring charges incurred in the first half, along with increased borrowing costs and higher depreciation and amortisation expenses. New orders fell 13.8%, mainly because of the large contract for high-speed train systems in Saudi Arabia obtained in the first quarter of 2012 (without which the new orders would have been down 4%). Meanwhile, the backlog shrank 2.9% in the period. Net debt increased slightly in the half-year, by 2.4%, reaching 649 M€ at the end of June.

- **Ebro Foods** saw its sales decline 1.1% to 1,002 M€ as a result of the 2.6% fall in revenues from the Pasta business, due to a drop in durum wheat prices, the adverse impact of the exchange rate and a deterioration of the product mix, especially in branded products in Europe. Consolidated EBITDA decreased by 2.1% in the first half, to 132 M€, under the impact of the currency effect mentioned previously, the increase in advertising costs and the sale of the businesses of SOS in Spain, which accounted for approximately 2 M€ of the EBITDA reported for the first half of 2012. Looking at individual businesses, EBITDA was up 7.1% in Pasta and down 10.9% in Rice. Consolidated EBIT declined 2.7% to 103 M€, but net profit was up 5.5% to reach 71 M€ due to lower borrowing costs. Net debt at 30 June 2013 was 324 M€, down 10.0% year on year.

- The sales of **Clínica Baviera** grew 6.5% in the first half of 2013, to 42 M€, driven by the international business, which posted a growth of 18.9%, compared to the 2.3% in the Spanish market. International activities accounted for 28.7% of total revenues. EBITDA was 7 M€, up 17.2% compared to the first half of 2012, while EBIT was 5 M€, up 29.8%. Lastly, net profit grew 94.3% to 4 M€. Excluding the effect of the sale of the Aesthetics business at the beginning of May this year, profit growth would be 57.4%. As a result of the abovementioned divestment, as of 30 June 2013 Clínica Baviera had a positive net cash position.

III. INVESTMENT PORTFOLIO

Alba's portfolio as of 30 June 2013 was as follows:

Listed holdings	% Stake	Book value Million €	Web Site
ACS	17.3	918.7	www.grupoacs.com
Acerinox	23.7	649.0	www.acerinox.es
Indra	11.3	270.7	www.indra.es
Prosegur (1)	5.1	131.6	www.prosegur.es
Ebro Foods	8.2	186.0	www.ebrofoods.es
Clínica Baviera	20.0	36.9	www.clinicabaviera.com
Antevenio	20.5	3.4	www.antevenio.com
Total book value		**2,196.3**	
Total market value		**2,079.4**	
Unrealised losses		**(116.9)**	
Unlisted holdings		**211.9**	
Real Estate *(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:

Company	Note	% Stake	Web Site
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 flex.es
Ocibar	(1)	21.7	www.portadriano.com
EnCampus	(1)	35.9	

Notes

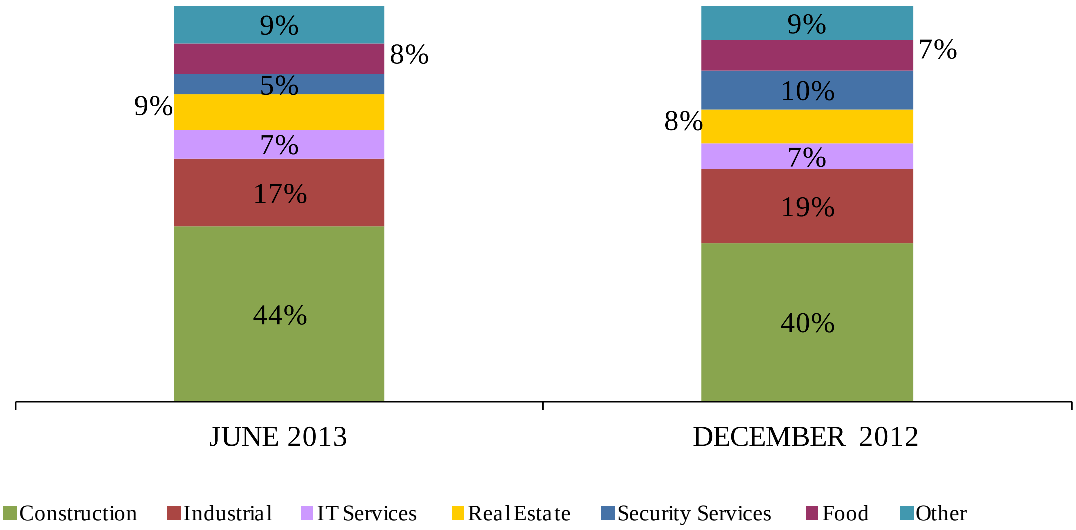
(2) Through Deyá Capital S.C.R.
(3) Includes a 5.23% direct interest held by Alba.

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 30 June 2013, Alba's net asset value was estimated at 2,733.7 M€, or 46.94 € per share after deducting treasury shares, 1.1% below the year-end 2012 NAV per share figure.

	Million euros
Listed holdings	2,079.4
Unlisted holdings and Real Estate	432.1
Cash	75.5
Other short-term and long-term assets and liabilities	146.7
Net asset value	**2,733.7**
Million shares (minus Treasury Stock)	58.23
Net asset value / share	**46.94 €**

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

The consolidated net profit after taxes reached 147.0 M€ in the first half of 2013, a significant improvement compared to the 166.7 M€ losses recorded in the same period of the previous year. Earnings per share in the half-year were 2.52 €, compared with a loss of 2.86 € in the first half of 2012.

Income from *Share of profit of associates* totalled 79.3 M€ in the half-year, compared to -196.0 M€ in the same period of the previous year. This increase is due mainly to the improvement in the results of ACS in the semester compared to the same period of the previous year, when the result included significant extraordinary losses related to ACS's stake in Iberdrola. On the other hand, the improvement in this item is reduced by the non-consolidation in the first half-year of the share of the net profit of Prosegur in the results of Alba, due to the reclassification of the Prosegur investment as a *Financial asset at fair value through profit or loss* since the 1st of January of the this year.

Profit/(loss) on assets sales includes 99.1 M€ related, on the one hand, to the investment in Prosegur: 43.5 M€ of pre-tax capital gains on the sales of shares completed during the semester and 42.2 M€ from the marking to market of the remaining stake in Prosegur, which, because of the abovementioned reclassification, coincides with its market value of 4.20 € per share at the end of June. On the other hand, it also includes the pre-tax capital gains of 13.5 M€ realised on the sale of 1% of ACS at the end of May.

Operating expenses increased 8.3% to 9.1 M€.

Net finance income/(expense), calculated as the difference between finance income and costs, shows an expense of 1.1 M€, compared to also an expense of €1.3m in the same period of 2012. In this respect, it should be pointed out that given the accounting change for the investment in Prosegur, any dividends received from this company are recognised now in *Finance income*.

Corporate income tax for the first half of 2013 was 25.9 M€, reflecting the tax impact of the abovementioned *Profit/(loss)on assets*.

INCOME STATEMENT

	Million euros	
	30/06/2013	30/06/2012
Share of profits of associates	79.3	(196.0)
Rental income and other	6.4	7.0
Profit / (Loss) on asset sales	99.1	-
Assets impairments	(0.7)	43.7
Commissions and Financial Income	9.6	8.3
Sum	**193.7**	**(137.0)**
Operating expenses	(9.1)	(8.4)
Financial expenses	(10.7)	(9.6)
Depreciation	(0.5)	(0.5)
Provisions for contingencies and expenses	0.0	2.1
Corporate income tax	(25.9)	(12.8)
Minority shareholders	(0.5)	(0.5)
Sum	**(46.7)**	**(29.7)**
Net earnings	**147.0**	**(166.7)**
EPS (€)	**2.52**	**-2.86**

CONSOLIDATED BALANCE SHEET (1)

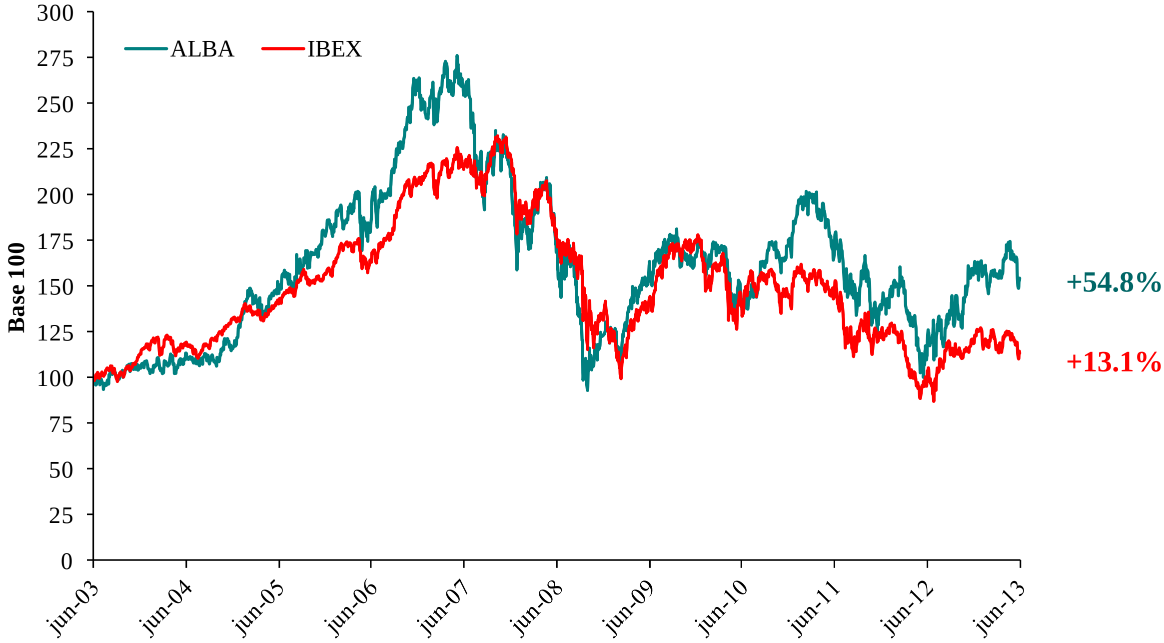
Assets	Million euros	
	30/06/2013	31/12/2012
Real Estate Investments	205.5	205.3
Fixed assets	9.4	9.9
Investments in Associates	2,064.7	2,262.0
Financial assets at fair value through P&L	343.4	208.8
Other financial investments and other assets	186.4	188.5
Non-current assets	2,809.4	2,874.5
Cash and cash equivalents	75.5	-
Debtors and other assets	139.1	88 1
Total assets	**3,024.0**	**2,962.6**

Liabilities	Million euros	
	30/06/2013	31/12/2012
Share capital (2)	58.3	58.3
Reserves and treasury stock	2,730.3	3,005.1
Earnings for the year	147.0	(299.4)
Minority interests	0.7	0.7
Shareholders equity	2,936.3	2,764.7
Other non-current liabilities	49.3	38.2
Financial debt	-	144.2
Current liabilities	38.4	15.5
Total liabilities and shareholders equity	**3,024.0**	**2,962.6**

(1) Year 2013 unaudited

(2) The share capital at 30/06/13 is composed of 58,300,000 shares with a nominal value of 1 € each.

VII. STOCK MARKET PERFORMANCE



- In the first half of 2013, Alba's share price decreased a 3.7% from 35.31 € to 34.00 €, showing a better performance than the IBEX 35 which, in the same period, fell a 5.0% to 7,763 points.

VIII. POST-CLOSING EVENTS

- In the first weeks of July, Alba sold a further 0.37% of Prosegur for 10.0 M€, thus reducing its investment to the current 4.70%. The decrease of the holding below the 5.00% threshold was reported to the CNMV on 18 July.
- On 29 July, Alba acquired an additional 10.14% of Mecalux for 15.0 M€, of which 3.55% is held directly and 6.59% indirectly through Deyá Capital SCR. Following this acquisition, Alba's total interest in Mecalux amounts to 24.38%.
- On 30 July, Deyá Capital SCR, wholly owned by Alba, acquired 18.25% of Lazora Alojamientos for 14.9 M€, within the framework of the EnCampus investment project, focused on the acquisition and development of student residences in Spain.
- At the end of July, the capital structure of both OCIBAR and Ros Roca was strengthened through Deyá Capital SCR via the investment of 2.3 M€ and 1.9 M€, respectively.