



ALBA: PORTFOLIO AND RESULTS OF THE FIRST QUARTER OF 2015

- Consolidated net profit for the first quarter of 2015 reached 137.6 M€ an increase of 78.2% versus the first quarter of 2014. This growth was attributable mainly to higher *Profit on assets sales* as a result of the capital gains obtained during the quarter on the sale of 1.47% of ACS and 3.10% of Acerinox.
- At 31 March 2015, the Net Asset Value (NAV) of Alba was 4,255.2 M€ equivalent to 73.06 € per share, while Alba share price was trading at 45.28 € representing a discount of 38.0% to the NAV per share. The NAV has increased by 16.0% over the quarter.

I. MOST SIGNIFICANT TRANSACTIONS IN THE QUARTER

Alba carried out the following relevant transactions during the first quarter of 2015:

- Sale of a 1.47% stake in ACS for 146.5 M€ generating a net capital gain of 71.7 M€ and an IRR of 12.1% per annum over a period of 17 and a half years.
- Sale, through an Accelerated Book Build, of a 3.10% stake in Acerinox for 118.3 M€ generating a net capital gain of 26.4 M€ and an IRR of 4.8% per annum over a period of 13 and a half years.
- Sale of a 0.61% stake in Indra, acquired in the fourth quarter of 2014, for 11.0 M€ at a price 28.5% higher than the acquisition price.

In addition, in early February Alba reached an agreement to sell, through Deyá Capital, its 12.0% stake in Pepe Jeans along with other company's shareholders. The sale is subject to clearance from the pertinent competition authorities and is expected to be completed in the coming weeks. It will be the first divestment carried out by the investment vehicles managed by Artá Capital SGEGR.

II. PERFORMANCE OF OUR MAIN EQUITY INVESTMENTS

- During the first quarter of 2015 ACS posted total sales of 8,570 M€ an increase of 6.0% compared to the same period last year, partly explained by the impact of exchange rates and the consolidation of Clece. By geographic areas, sales increased 7.8% in Spain (due to Clece) and 5.6% in international markets (due to exchange rates). Those impacts also explain the increase of 10.5% in the backlog to 66,460 M€ at the end of March. EBITDA and EBIT grew 9.4% and 15.3% to 643 M€ and 438 M€ respectively. In comparable terms, EBITDA would have seen a flat increase (+0.3%) while EBIT would have grown 6.0%. Quarterly net profit accounted to 207 M€ a 2.5% growth versus first quarter last year. Worth highlighting the +11.8% net profit growth of the Construction division versus the first quarter last year. The Group's net debt has decreased by 16.4%, compared to same period last year, to 3,827 M€ at 31 March 2015. This figure, included as a lower indebtedness 867 M€ in "Accounts Receivables", related to proceeds pending to be collected from the sale of John Holland, a 24.4% of Saeta Yield and different ROFO renewable assets in Spain.
- **Acerinox** increased its sales by 11.8% in the first quarter to 1,144 M€ thanks to higher stainless steel average selling prices compared to the same period last year, and the positive

impact of the euro-dollar exchange rate. EBITDA totalled 103 M€ for the quarter, up 15.6% versus the first quarter of 2014. Net profit grew 23.7% to 31 M€. Net debt at 31 March 2015 was 853 M€, 12.2% higher than the first quarter of last year. Despite an increase of steel production of 16.5% from the fourth quarter of 2014, the production decreased by 2.7% if compared with the first quarter of 2014. The fall in the price of nickel has slowed apparent consumption in the stainless steel market in the quarter.

- During the first three months of 2015, **Indra's** consolidated sales drop 3.6% to 702 M€ mainly due to the seasonality of electoral processes registered in the first quarter of the previous year. Stripping out this impact – which is expected to be mitigated over the year – sales in local currency would be up by 5.0%. By geographical area, the domestic business enjoyed a 5.5% increase (for the third quarter in a row), while international sales were down 9.3% due to the aforementioned effect. By business line, Services revenues increased 3.1%, while Solutions decreased a 7.3% for the quarter. By sector, the most noteworthy changes in sales were the increase in Transport and Traffic (+15.7%), the decrease in Telecom and Media (-13.2%), and, above all, the drop in Public Administration and Healthcare (-27.3%). Recurring EBITDA fell by 51.6% to 34 M€. The quarterly net result was -20 M€ compared to 32 M€ in the same quarter of 2014. In addition to the seasonal factors, operating margins were impacted by the overrun in two projects in the Solutions business in Brazil and Lithuania, together with pressure on prices in a number of vertical markets and countries in the Services business. At the end of March 2015, net debt stood at 741 M€, down 11.9% versus December 2014 due to worse operating performance of the business and higher working capital needs over the period.
- **Ebro Foods** generated total sales of 597 M€ in the first quarter of the year, representing an increase of 19.4% versus the same period of last year. This increase was fuelled by the Rice division (+15.8% growth), Garofalo's contribution to the Pasta division (+23.6%), and the favorable movement of the euro relative to the dollar. Quarterly EBITDA rose by 2.1% to 70 M€ thanks to the good performance of the Rice division (+23.5%), which offset the weak performance of the Pasta division (-20.5%), whose profitability was impacted by high raw material prices. Consolidated net profit dropped by 22.2% to 30 M€ since the first-quarter result last year included capital gains from the sale of the stake in Deoleo. At 31 March, net debt stood at 446 M€, 10.0% higher than at December 2014, primarily due to exchange rate differences, as an important part of the Company debt is dollar denominated.
- With regards to **Bolsas y Mercados Españoles**, first quarter 2015 revenues were up 8.2% at 93 M€ compared to the same period last year driven by higher equity trading volumes, partly explained by a significant amount of new admissions. EBITDA rose 8.9% to 66 M€, supported by higher revenues and improvement in the efficiency ratio (cost to income operating ratio) from 29.2% to 28.8% in the same period last year. Net profit for the quarter was 47 M€, up 11.5% from the same quarter of the previous year.
- **Viscofan's** quarterly sales grew 11.1% compared to the first three months of 2014 to 180 M€ due to the growth in revenues in Europe, Latin America and Asia and the strength of its main trading currencies (especially the US dollar and Chinese renminbi) versus the euro. These factors offset the fall in sales in North America. EBITDA increased 29.7% to 54 M€ with a significant improvement in margins. Net profit, meanwhile, reached 30 M€ for the quarter, up 35.8% from the first three months of 2014. At 31 March 2015, net debt was down 79.2%, compared to 16 M€ in December 2014 thanks to cash flow generation and the sale of the entire stake in the IAN Group for 56 M€.
- **Clínica Baviera's** total sales of 22 M€ (+0.1%) in the first quarter of 2015 were in line with the first quarter last year. The 0.3% growth posted in Spain offset the 0.4% drop in sales of the international business. EBITDA and EBIT went down 19.2% and 30.1% to 3 M€ and 2 M€ respectively. This decrease in margins was due to the product mix change in Spain and higher overheads. Meanwhile, net profit for the quarter reached €1m, 29.3% below than the first quarter of the previous year. Net debt at 31 March 2015 was 2 M€, 34.8% lower than at December 2014.

III. PORTFOLIO

Alba's portfolio as of 31 March 2015 was as follows:

<u>Listed holdings</u>	<u>% Stake</u>	<u>Book value Million €</u>	<u>Web Site</u>
ACS	12.4	703.9	www.grupoacs.com
Acerinox	20.0	633.2	www.acerinox.es
Ebro Foods	10.0	252.5	www.ebrofoods.es
BME	8.3	218.8	www.bolsasymercados.es
Indra	11.9	198.6	www.indra.es
Viscofan	6.8	135.8	www.viscofan.com
Clínica Baviera	20.0	28.0	www.clinicabaviera.com
Total book value		2,170.8	
Total market value		3,081.6	
Unrealised gains		910.8	
 <u>Unlisted holdings</u>		 343.9	
 <u>Real Estate</u> (<i>appraisal value as of Dec. 31, 2014</i>)		 219.2	

The main stakes in unlisted holdings are shown below:

<u>Company</u>	<u>Note</u>	<u>% Stake</u>	<u>Web Site</u>
Mecalux	(1)(2)	24.4	www.mecalux.es
Pepe Jeans	(1)	12.0	www.pepejeans.com
Panasa	(1)	26.5	www.berlys.es
Ros Roca	(1)	17.4	www.rosroca.com
Flex	(1)	19.8	www.flex.es
Ocibar	(1)	21.7	www.portadriano.com
Siresa Campus	(1)	17.4	www.resa.es
EnCampus	(1)	32.8	www.resa.es

Notes

(1) Through Deyá Capital S.C.R.

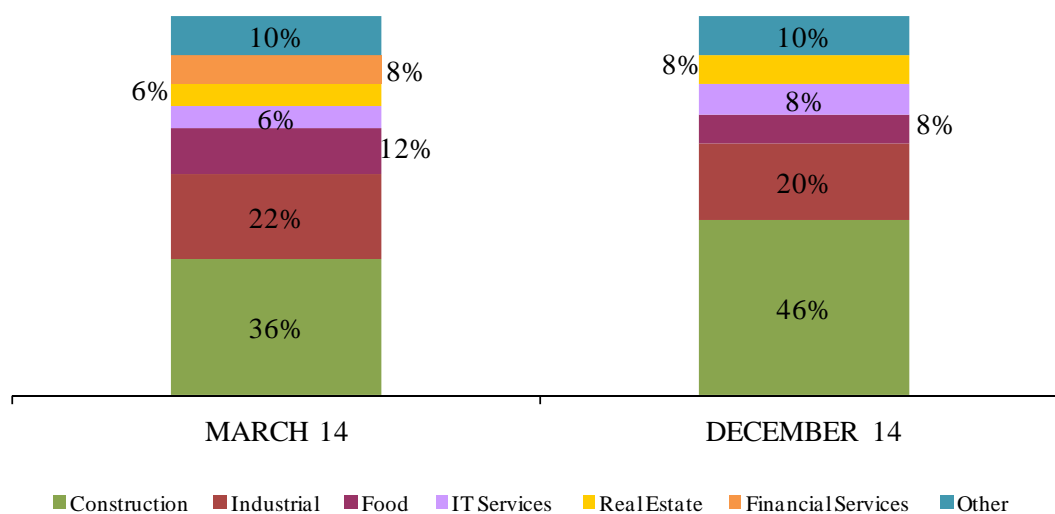
(2) Includes a 8.78% direct stake held by Alba.

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 31 March 2015 Alba's net asset value was estimated at 4,255.2 M€ or 73.06 € per share after deducting treasury shares. This figure is 16.0% higher than the value registered in December 2014.

	<i>Million euros</i>
Listed holdings	3,081.6
Unlisted holdings and Real Estate	563.1
Net cash position	399.2
Other short-term and long-term assets and liabilities	211.3
Net asset value	4,255.2
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Million shares (minus Treasury Stock)	58.24
Net asset value / share	73.06 €

V. BREAKDOWN OF THE GROSS 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 2014.

VI. CONSOLIDATED RESULTS

Consolidated net profit for the first quarter of 2015 was 137.6 M€ up 78.2% versus the same quarter last year. This growth was attributable mainly to higher *Profit on asset sales* (98.9 M€), following the sale of equity stakes in ACS and Acerinox, compared to the 46.2 M€ obtained in the same period last year from the sale of a 1.31% stake in ACS.

Net earnings per share for the quarter were 2.36 € compared to 1.33 € in the first quarter of 2014.

Income from *Share of profit of associates* totalled 38.6 M€ in the quarter compared to 44.0 M€ in the same period of the previous year (-12.3%). This reduction is due to Indra's results and the sale of a stake in ACS and in Acerinox, partially offset by the consolidation of the ownership interests in BME and Viscofan, not included in the scope of consolidation in the first quarter of the prior year.

Operating expenses grew 7.5% to 5.7 M€

Net finance income, calculated as the difference between finance income and expense, showed a net income of 4.1 M€ compared to 3.4 M€ in the same period of 2014, due to a higher position of net cash.

INCOME STATEMENT

	Million euros	
	31/03/2015	31/03/2014
Share of profits of associates	38.6	44.0
Rental income and other	3.1	3.5
Profit / (Loss) on asset sales	98.9	46.2
Commissions and Financial Income	4.4	5.1
Sum	145.0	98.8
Operating expenses	(5.7)	(5.3)
Financial expenses	(0.3)	(1.6)
Depreciation	(0.2)	(0.2)
Corporate income tax	(0.8)	(14.2)
Minority shareholders	(0.4)	(0.3)
Sum	(7.4)	(21.6)
Net earnings	137.6	77.2
EPS (€)	2.36	1.33

CONSOLIDATED BALANCE SHEET ⁽¹⁾

<u>Assets</u>	Million euros		<u>Liabilities</u>	Million euros	
	31/03/2015	31/12/2014		31/03/2015	31/12/2014
Real Estate Investments	205.3	204.9	Share capital (2)	58.3	58.3
Fixed assets	8.1	8.3	Reserves and treasury stock	3,114.8	2,776.7
Investments in Associates	2,170.8	2,214.7	Earnings for the year	137.6	241.3
Financial assets at fair value through P&L	262.9	276.7	Minority interests	0.9	0.6
Other financial investments and other assets	149.7	149.8	Shareholders equity	3,311.6	3,076.9
Non-current assets	2,796.8	2,854.3	Other non-current liabilities	30.8	31.2
Non-current assets held for sale	81.0	81.0	Current liabilities	4.8	4.4
Cash and cash equivalents	399.2	56.7	Total liabilities and shareholders equity	3,347.2	3,112.5
Debtors and other assets	70.2	120.5			
Total assets	3,347.2	3,112.5			

(1) Year 2015 unaudited

(2) The share capital at 31/03/15 is composed of 58,300,000 shares with a nominal value of 1 € each.

VII. STOCK MARKET PERFORMANCE



- In the first quarter of 2015, Alba's share price rose 11.5% from 40.60 € to 45.28 € while in the same period the IBEX 35 rose 12.1% to 11,521 points.

VIII. POST-CLOSING EVENTS

- On 8 May, Alba announced an agreement to acquire the Paseo de la Castellana 89 office building in Madrid for 147 M€. It is expected that the transaction will be completed in June.