



ALBA: PORTFOLIO AND RESULTS **FOR THE FIRST SIX MONTHS OF 2018**

- Consolidated net profit reached €68.2 million in the first six months of 2018, compared with €426.4 million in the same period of the previous year. This reduction is owing to the fact that the results for the first six months of 2017 included the capital gains obtained from the disinvestment in ACS.
- Net Asset Value stood at €4,243.8 million on 30 June 2018, equivalent to €72.87 per share. Alba's share price on that same date, €49.80, represents a discount of 31.7% to its NAV per share. NAV, both in absolute terms and per share, has increased by 4.8% in the first six months of the year.
- In the first six months of the year, Alba invested €544.2 million in various equity stakes and carried out various sales of assets for a total amount of €103.9 million, reducing its net cash position to €357.3 million on 30 June 2018.
- In the month of June, Alba distributed a gross supplementary dividend to its shareholders, charged to profits of 2017, of €0.50 per share, which represented a disbursement of €28.1 million.

I. MOST SIGNIFICANT OPERATIONS

The investments carried out by Alba in the first six months of 2018 were as follows:

- Purchase of an indirect equity stake of 5.17% in Naturgy (Gas Natural Fenosa) via an investment of €500 million in Rioja Bidco Shareholdings. In the middle of May, this company bought Repsol's stake of 20.07% in Naturgy's capital stock. A direct stake of 0.10% in Naturgy was also acquired for €21.3 million.
- Purchase of 0.54% of Viscofan for €13.6 million, increasing its stake in that Company to 11.87%.
- Purchase, via Deyá Capital, of a 3.7% stake in MonBake for €9.4 million. MonBake is the new group resulting from the acquisition, by funds managed by Ardian, of Panasa and Bellsolá, two of the main Spanish companies in the bread and frozen pastries sector. This reinvestment is part of the agreements reached with Ardian in the sale of Panasa.

On the other hand, in the first six months of the year, Alba sold its stake of 26.5% in Panasa (via Deyá Capital) for €88.4 million and a property in Madrid for €15.5 million.

II. PERFORMANCE OF THE MAIN INVESTEE COMPANIES

- The sales of **Acerinox** in the first six months of 2018 grew by 5.9% compared with the same period in the previous year, to €2,588 million, owing to the increase in the sales in physical units (+8.8%). In terms of production, steel-making increased by 2.7%, to 1.3 million tonnes, while cold rolling grew by 6.6%, to 0.9 million tonnes. EBITDA was €268 million in the first six months, 15.4% lower than in the same period in the previous financial year, but 55.9% higher than in the second half of 2017. Likewise, net profit reached €138 million and was 8.4% lower than in the first six months of 2017, but 65.5% higher than in the second half of the same financial year. Net financial debt as of 30 June 2018 was €537 million, €126 million less than that recorded on the same date in 2017, because of the solid operational development of the business and the management of working capital.
- **Ebro Foods** obtained sales of €1,277 million in the first six months of 2018, 2.3% more than in the same period of the previous year. This growth, the result of an increase in volumes sold, was similar in the Rice and Pasta divisions. EBITDA in the period reached €151 million, 16.6% lower than in the first six months of 2017, mainly affected by a substantial increase in the price of the raw material in Rice and logistical problems in the United States. Likewise, net profit fell by 17.1% to €76 million. Net financial debt increased by €277 million compared with the end of June 2017, to €732 million, owing to the acquisition of Bertagni and to an increase in stocks of raw materials.
- The turnover of **CIE Automotive**¹ reached €1,567 million in the first six months of 2018, 6.5% higher than in the same period of the previous year, thanks to the good organic performance of sales in all regions. EBITDA grew by 11.8% to €278 million, supported by the expansion of margins (17.7% in the six-month period compared with 16.9% in the same period of 2017), and net profit increased by 20.0% to €132 million. Net financial debt as of 30 June 2018 was €954 million, which represents a ratio of 1.9 times the EBITDA of the last twelve months.
- The sales of **Viscofan** fell by 1.2% in the six-month period, to €386 million, because of the deterioration in their main commercial currencies compared with the euro. Excluding the impact of the exchange rate (-6.8%) and of the scope of consolidation (+2.1%), sales appear to have increased by 3.5% compared with the first six months of 2017, helped by an increase in volumes in all casings technologies and an improvement in co-generation prices. Recurring EBITDA fell by 14.3% because of the above-mentioned exchange rate impact. In comparable terms, EBITDA fell by 1.5%, to €95 million, because of the rise in the prices of raw materials and the higher fixed and personnel costs owing to the new Cáseda factory. Net profit was €66 million, 0.7% less than in the same period of the previous year. As of 30 June 2018, Viscofan's net debt was €70 million, €51 million higher than on the same date in 2017 because of the acquisitions made and the larger dividend distributed.
- The net consolidated revenues of **Bolsas y Mercados Españoles** in the first six months of 2018 fell by 6.3% compared with the same period in the previous year, to €154 million. The reduction in the revenues of the Equities, Settlement and Registration and Fixed Income divisions could not be compensated for by the rise in Clearing, Derivatives and Market Data and VAS. In the Equities division, there was a fall in revenues coming both from the activity of trading (-12.0%) and listing (-7.0%). The reduction in revenues and an increase in non-recurring expenditures on personnel explain the falls in EBITDA and the net result of the period, to €96 million and €71 million respectively, 12.5% and 11.2% less than those of the

¹The General Shareholder's Meeting of CIE Automotive, held on 24 April 2018, approved the distribution of an extraordinary dividend in kind as a result of which, on 3 July, CIE's shareholders were given all the shares it owns in Global Dominion Access. These shares represented 50.01% of the capital stock of Global Dominion Access. For reasons of comparison, the results of CIE Automotive mentioned here refer solely to the Automotive business.

first six months of 2017. The Company maintained a net cash position of €316 million as of 30 June 2018, 1.7% lower than at the close of the first six months of 2017.

- The results of **Parques Reunidos** mentioned below refer to the period between 30 September 2017 and 30 June 2018, a period of the year that has seasonally low activity. In that period, revenues remained stable at €253 million, because the fall in revenues per capita (-1.7%) was compensated for by the increase in visitors (+1.6%). EBITDA fell from €8 million to €5 million, despite the growth in the sale of seasonal passes and the good general performance of the Rest of Europe region, because of the adverse weather conditions that occurred in spring in Spain and the United States. The net result was also stable, with losses of €58 million in the nine-month period. Net debt as of 30 June 2018 amounted to €656 million, €22 million more than a year before, because of the larger investments. It must be stressed that the months from June from September represent most of the Company's results.
- In the first six months of 2018, the sales of **Indra** amounted to €1,463 million, 6.1% higher than in the same period of the previous year, mainly because of the integration of Tecnocon and because of the good performance of the Energy & Industry and Air Traffic verticals which made up for the fall in revenues from Transport and Defence. By regions, sales increased in Spain because of inorganic growth (+15.9%), they increased slightly in Europe (+1.2%) and fell in Asia, the Middle East and Africa (-2.1%) and America (-6.6%), because of the negative impact of the exchange rates. EBIT stood at €73 million, 6.2% less than that recorded in the first six months of 2017, weighed down by the restructuring costs of Tecnocon. The net result was €37 million, 3.0% less than in the same period in 2017. Net financial debt fell by 12.0% in the last twelve months, reaching €656 million on 30 June 2018.
- A comparison of the six-monthly results of **Euskaltel** with those of the previous financial year is affected by the acquisition of 100% of Telecable de Asturias in July 2017. Revenues reached €349 million in the first six months of 2018, 25.0% higher than in the first six months of 2017 (-0.8% in comparable terms if Telecable is included in both six-monthly periods because of the lower revenues from the Residential segment). In comparable terms, the net acquisition of residential customers in the fixed network has been positive in the six-month period. Six-month reported EBITDA increased by 22.4% compared with the same period in 2017, reaching €169 million (-0.3% comparable). Net profit reached €29 million (+36.6%), because of lower extraordinary costs. The acquisition of Telecable explains the increase in net financial debt to €1,571 million as of 30 June 2018, 32.6% more than on the same date in the previous year.

III. INVESTMENT PORTFOLIO

The composition of Alba's portfolio as of 30 June 2018 is as follows:

<u>Listed holdings</u>	<u>% Stake</u>	<u>Book value Million €</u>
Acerinox	18.96	584.8
BME	12.06	305.4
CIE Automotive	10.00	267.1
Ebro Foods	12.00	334.4
Euskaltel	11.00	166.3
Indra	10.52	208.8
Naturgy (1)	5.27	515.9
Parques Reunidos	20.01	232.8
Viscofan	11.87	262.6
Total book value		2,878.2
Total market value		3,156.3
Unrealised gains		278.1
<u>Unlisted holdings (2)</u>		200.3
<u>Accounted at fair value</u>		
Alvinesa	16.83	
in-Store Media	18.89	
Mecalux(3)	24.38	
Monbake	3.70	
TRRG Holding Limited	7.50	
<u>Consolidated by global integration</u>		
Gascan (Grupo Energyco)	40.30	
Satlink	28.07	
<u>Real Estate</u>		342.7

(1) Includes an indirect stake of 5.17% via Rioja Bidco and a direct stake of 0.10%.

(2) Via Deyá Capital.

(3) Includes Alba's direct stake of 8.78%.

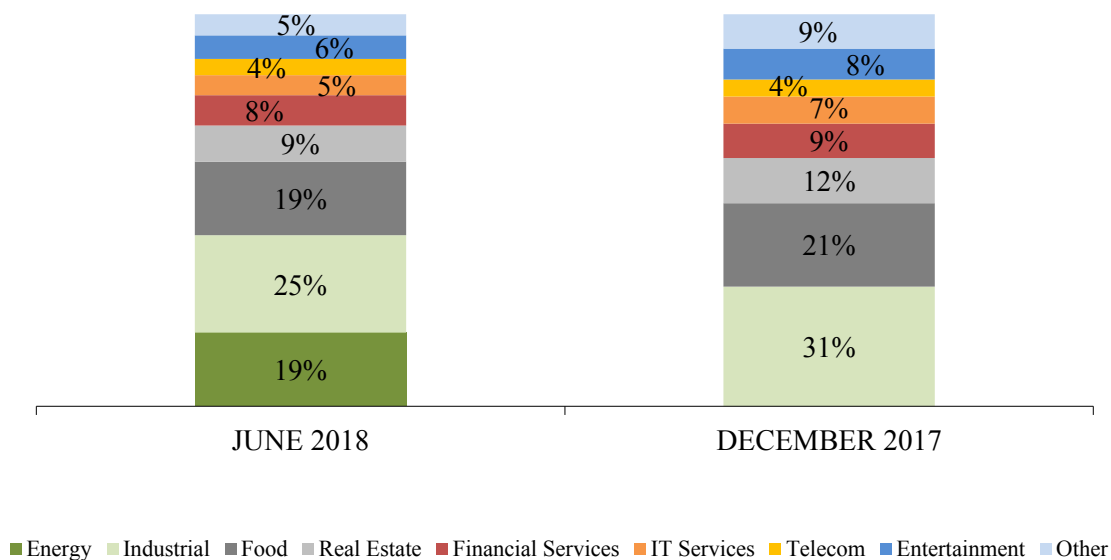
IV. NET ASSET VALUE (NAV)

The most representative magnitude of a company like Alba is its Net Asset Value (NAV). Calculated according to the criteria normally used in the market, as of 30 June 2018, Alba's NAV before tax amounted to €4,243.8 million or €72.87 per share once treasury shares have been deducted, which represents an increase of 4.8% in the financial year.

	<i>Million euros</i>	
	30/06/2018	31/12/2017
Listed holdings	3,156.3	2,440.0
Unlisted holdings	200.3	268.4
Real Estate	342.7	353.0
Other assets and liabilities (not including those of Gascan and Satlink)	544.5	988.3
Net asset value	4,243.8	4,049.5
Million shares (minus Treasury Stock)	58.24	58.24
Net asset value / share	72.87 €	69.53 €

Alba's net cash position amounted to €357.3 million as of 30 June 2018.

V. SECTORAL DISTRIBUTION OF THE GROSS ASSET VALUE ⁽¹⁾ (GAV)



(1) Market prices in listed companies (prices at the close of business on 30 June 2018) and book value in non-listed companies and real estate properties (according to valuation made in both cases also on 30 June 2018).

VI. CONSOLIDATED FINANCIAL RESULTS

Consolidated net profit before tax reached €68.2 million in the first six months of 2018, compared with €426.4 million in the same period of the previous year. This reduction is principally owing to the fact that the results of the first six months of 2017 included the capital gains obtained from the sales of the equity stakes in ACS.

Revenues from *Share of net profits of associates* were €63.4 million in the six-month period, compared with €56.6 million in the same period of the previous year (+12.0%). This increase is owing essentially to the inclusion, for the first time, of CIE Automotive in the scope of consolidation.

The net profit per share for the period has been €1.17, compared with €7.32 in the first six months of the previous financial year.

CONSOLIDATED FINANCIAL STATEMENTS⁽¹⁾

	Million euros	
	30/06/2018	30/06/2017
Share of profits of associates	63.4	56.6
Rental income and other	48.0	8.3
<i>Of leases and others</i>	8.4	8.3
<i>From other companies by global integration</i>	39.6	-
Gains from fair value adjustments in Real Estate investments	0.1	2.8
Profit / (Loss) on asset sales and net financial result	7.0	372.1
Sum	118.5	439.8
Operating expenses	(39.2)	(14.4)
<i>From Alba</i>	(13.5)	(14.4)
<i>From other companies by global integration</i>	(25.7)	-
Depreciation	(6.0)	(0.5)
<i>From Alba</i>	(0.5)	(0.5)
<i>From other companies by global integration</i>	(5.5)	-
Corporate income tax	(1.5)	2.2
Minority shareholders	(3.6)	(0.7)
Sum	(50.3)	(13.4)
Net earnings	68.2	426.4
EPS (€)	1.17	7.32

(1) Gascan and Satlink are consolidated under the full consolidation method.

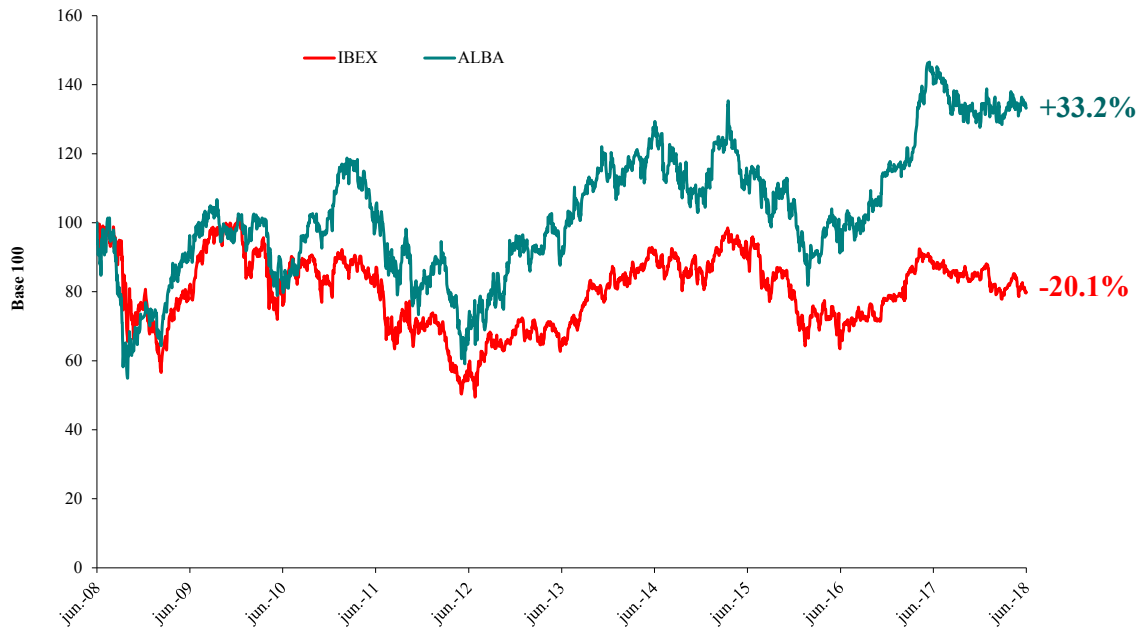
CONSOLIDATED BALANCE ⁽¹⁾

<u>ASSETS</u>	Million euros	
	30/06/2018	31/12/2017
Intangible asstes	75.6	77.2
<i>Goodwill</i>	10.2	10.2
<i>Other intangible assets</i>	65.4	67.0
Real Estate Investments	326.1	336.5
Fixed assets	44.1	47.0
Investments in Associates	2,878.2	2,383.1
Financial assets at fair value through P & L	166.1	154.5
Other financial investments and other assets	61.6	66.9
Non-current assets	3,551.7	3,065.2
Non-current assets held for sale	-	88.4
Stock	5.9	7.3
Outstanding tax refunds	132.3	168.3
Other financial assets	378.5	602.5
Treasury and temporary financial investments	124.1	310.0
Debtors and other assets	98.7	32.9
Current assets	739.5	1,209.4
Total assets	4,291.2	4,274.6

<u>EQUITY AND LIABILITIES</u>	Million euros	
	30/06/2018	31/12/2017
Share capital	58.3	58.3
Reserves and treasury stock	3,865.5	3,429.6
Earnings for the year	68.2	474.1
Minority interests	37.1	34.1
Shareholders' equity	4,029.1	3,996.1
Other non-current liabilities	7.6	7.5
Net deferred tax	47.5	51.1
Long-term debts with credit institutions	159.8	180.8
Non-current liabilities	214.9	239.4
Short-term debts with credit institutions	22.1	14.5
Current liabilities	25.1	24.6
Current liabilities	47.2	39.1
Total shareholders' equity and liabilities	4,291.2	4,274.6

(1) Gascan and Satlink are consolidated under the full consolidation method.

VII. STOCK MARKET PERFORMANCE



- In the first six months of 2018, Alba's share price increased by 4.4%, rising from €47.72 to €49.80, while in the same period the IBEX 35 fell by 4.2% to 9.623 points.

VIII. EVENTS AFTER THE CLOSE

- In July, a stake of 5.00% in the listed company Global Dominion Access was received as a dividend in kind from CIE Automotive.