AUDITORS' REPORT

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ANDERSEN

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AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders of
CORPORACIÓN FINANCIERA ALBA, S.A.:

1. We have audited the consolidated financial statements of the ALBA GROUP (consisting of Corporación Financiera Alba, S.A. and dependent companies), comprising the balance sheet as of December 31, 2001, the profit and loss account and the notes thereto for the year then ended, the preparation and contents of which are the responsibility of the Directors of the parent company. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with generally accepted auditing standards, which require examination, by means of selective tests, of the documentation supporting the consolidated financial statements and evaluation of their presentation, of the accounting principles applied and of the estimates made.

2. As required by Spanish corporate law, for comparison purposes the Directors present, in addition to the 2001 figures for each item in the balance sheet and profit and loss account, the figures for the previous year. Our opinion refers only to the 2001 consolidated financial statements. On April 3, 2001 we issued our audit report on the 2000 consolidated financial statements, in which we expressed a favorable opinion.

3. In our opinion, the accompanying consolidated financial statements present, in all material respects, a true and fair view of the net worth and financial position of the Alba Group as of December 31, 2001 and of the results from its operations for the year then ended and contain the required information sufficient for their proper interpretation and comprehension, in conformity with generally accepted accounting principles and standards applied on a consistent basis with those of the preceding year.

4. The accompanying consolidated directors' report for 2001 contains the explanations which the Directors consider appropriate about the situation of the Group, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information contained in the directors' report is consistent with that contained in the consolidated financial statements for 2001. Our work as auditors was confined to checking the directors' report with the aforementioned scope and did not include a review of any information other than that drawn from the audited accounting records of the consolidated companies.

ARTHUR ANDERSEN

Genaro Sarmiento

April 8, 2002

2001 CONSOLIDATED ANNUAL ACCOUNTS

CONSOLIDATED BALANCE SHEETS
AT DECEMBER 31, 2000 AND 2001

ASSETS (000s of €)	2000		2001	
FIXED ASSETS		**882,953**		**810,320**
Formation expenses	**1,767**		**—**	
Intangible fixed assets	**—**		**27**	
Tangible fixed assets (Note 9)	**123,051**		**139,062**	
Land and properties	145,589		165,244	
Machinery and installations	2,404		2,620	
Other tangible fixed assets	1,641		1,880	
Depreciation	(26,583)		(30,682)	
Investments	**758,135**		**671,231**	
Holdings in companies consolidated (Note 8)	664,785		533,999	
Long-term securities (Note 10b)	98,416		177,312	
Other investments	962		1,224	
Provisions (Note 10b)	(6,028)		(40,704)	
GOODWILL (Note 7)		**107,582**		**57,850**
CURRENT ASSETS		**108,182**		**294,299**
Stocks (Note 11)	**956**		**113**	
Debtors	**5,163**		**11,475**	
Clients from sales of goods and services	421		625	
Government	3,288		9,090	
Other debtors	1,454		1,760	
Short-term investments (Note 14)	**76,262**		**248,280**	
Parent company shares (Note 12c)	**24,299**		**32,960**	
Liquid assets	**1,502**		**1,471**	
TOTAL ASSETS		**1,098,717**		**1,162,469**

Notes 1 to 22 of the Report form an integral part of the consolidated Balance Sheet at December 31, 2001.

CONSOLIDATED BALANCE SHEETS
AT DECEMBER 31, 2000 AND 2001

SHAREHOLDERS' EQUITY AND LIABILITIES

(000s of €)	2000		2001	
SHAREHOLDERS' EQUITY (Note 12)		**791,404**		**879,339**
Share capital	**79,640**		**77,000**	
Premium	**92,327**		**16,245**	
Other reserves of the parent company	**124,463**		**130,931**	
Unrestricted reserves	33,921		33,948	
Restricted reserves	72,500		82,868	
Profit and loss brought forward	18,042		14,115	
Consolidation reserves	**406,205**		**440,888**	
Reserves in companies consolidated by global integration	431,917		532,269	
Reserves in companies consolidated by equity method	(32,996)		(98,665)	
Conversion differences in companies consolidated by equity method	7,284		7,284	
Profit (loss) attributable to parent company (Note 5)	**93,517**		**218,832**	
Consolidated profit and loss	93,403		218,638	
Profit and loss attributable to minority interests	114		194	
Interim dividend distributed during the financial year (Note 5)	**(4,748)**		**(4,557)**	
MINORITY INTERESTS		**980**		**789**
PROVISIONS FOR RISKS AND EXPENSES (Note 13)		**44,475**		**105,092**
OTHER LONG-TERM CREDITORS		**2,272**		**5,167**
CURRENT LIABILITIES		**259,586**		**172,082**
Debts with credit institutions (Note 14)	**256,356**		**166,196**	
Trade accounts payable	**1,818**		**3,714**	
Other non-trade accounts payable	**1,412**		**2,172**	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,098,717**		**1,162,469**

Notes 1 to 22 of the Report form an integral part of the consolidated Balance Sheet at December 31, 2001.

CONSOLIDATED PROFIT AND LOSS ACCOUNTS FOR THE YEARS ENDED ON DECEMBER 31, 2000 AND 2001

EXPENSES (000s of €)	2000	2001
Changes in stocks (cost of sales) (Note 11)	1,298	1,094
Personnel expenses (Note 17)	6,737	6,853
Wages, salaries and similar items	4,892	5,291
Welfare charges	1,845	1,562
Allocations to deprec. and amort. of fixed (Notes 9 and 18d)	4,177	10,645
Other operating costs	3,421	4,295
OPERATING INCOME	—	—
Financial expenses (Note 18c)	11,347	9,356
Changes in provisions for financial investments (Note 10b)	(2,116)	38,560
Exchange losses	—	192
NET FINANCIAL INCOME	—	—
Consolidation goodwill write-offs (Note 7)	5,872	21,198
PROFIT FROM ORDINARY ACTIVITIES	97,676	322,032
Extraordinary expenses and losses (Notes 6g and 13)	4,496	100,537
CONSOLIDATED PRE-TAX PROFIT	96,973	221,930
Corporate income tax (Note 15)	3,570	3,292
CONSOLIDATED PROFIT FOR THE YEAR	93,403	218,638
Profit/(Loss) attributed to minority interests	114	194
CONSOLIDATED PROFIT FOR THE YEAR ATTRIBUTABLE TO PARENT COMPANY	93,517	218,832

Notes 1 to 22 of the Report form an integral part of the consolidated Profit and Loss Account for 2001.

CONSOLIDATED PROFIT AND LOSS ACCOUNTS FOR THE YEARS ENDED ON DECEMBER 31, 2000 AND 2001

INCOME (000s of €)	2000	2001
Net turnover (Note 18a)	8,787	11,507
Net rentable	7,489	9,846
Net real estate sales	1,298	1,661
OPERATING LOSS	6,846	11,380
Income from equity holdings (Note 10d)	246	2,136
Other interest income (Note 10d)	3,534	9,057
Profits on financial investments (Note 10b)	1,725	8,030
NET FINANCIAL LOSS	3,726	28,885
Profits from companies consolidated by equity method (Note 8)	79,694	77,378
Profits on disposal of holdings consolidated by equity method (Note 8)	34,426	306,117
Profit on tangible fixed asset disposals	3,342	—
Extraordinary income and profits	427	435
Profits on parent company shares	24	—
NET EXTRAORDINARY LOSS	703	100,102

Notes 1 to 22 of the Report form an integral part of the consolidated Profit and Loss Account for 2001.

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2001

1. Activities

Corporación Financiera Alba, S.A. (Alba) is a holding company with controlling and influencing interests in a number of companies active in various industries, which are detailed below. Also included among its primary activities are the development and acquisition of real estate for lease or sale, and the development of and participation in start-up businesses.

2. Subsidiaries

Shown below is the information for 2001 for the subsidiaries, all of which, with the exception of Unipsa Correduría de Seguros, S.A., are consolidated by the global integration method. All these companies meet the requirements under Royal Decree 1815/1991, Section 2, sub-section 1, for consideration as subsidiaries. In all cases, the related investments are permanent and projected to continue.

Subsidiary	Activity	Percent interest		Net book value before consolidation (000s of €)
		Direct	Indirect	
Alba Inmobiliaria, S.A. ... ... Castelló, 77, 5.ª planta 28006 Madrid	Securities investment	100.00	—	58,195
Inversiones Artá, S.A. ... ... Castelló, 77, 5.ª planta 28006 Madrid	Securities investment	100.00	—	89,325
Inversiones Finalba, S.A. ... ... Castelló, 77, 5.ª planta 28006 Madrid	Securities investment	100.00	—	28,280
Unipsa Correduría de Seguros ... Núñez de Balboa, 70 bis 28006 Madrid	Insurance brokerage	82.57	—	10,922
Alaró, S.A.... ... ... 19-21. Bd. du Prince Henri L-1724-Luxembourg	Securities investment	—	100.00	26,525
Fondarte, S.A. ... ... Castelló, 77, 5.ª planta 28006 Madrid	Securities investment	—	100.00	634,998
Inversiones Aramayona, S.A. ... Vicente Goicoetxea, 6, 7.º 01008 Vitoria-Gasteiz	Securities investment	—	100.00	74,384
Fianteira, S.A. ... ... Castelló, 77, 5.ª planta 28006 Madrid	Real estate investment	—	77.92	3,754

Inversiones Finalba, S.A., formerly Deyá, S.A., has relocated its registered office and tax address to C/ Castelló, 77, Madrid, effective January 1, 2002.

Grupo Alba has a majority interest in Unipsa Correduría de Seguros, S.A. This holding has been recorded by the equity method given the differentiated nature of the company's business.

3. Affiliated companies

Shown below is the information for 2001 for the affiliated companies recorded by the equity method. All these companies meet the requirements for consideration as affiliates as provided for in Section 5 of Royal Decree 1815/1991: considerable influence in the management, holdings in share capital, and permanent nature of the holdings, contributing to their business.

Affiliated company	Registered office	Activity	Total percentage interest
Actividades de Construcción y Servicios, S.A.	Avda. de Pío XII, 102 (Madrid)	Construction and services	22.93
Carrefour, S.A. … … … … … … … … … …	6, Av. Raymond Poincaré 75016 Paris (Francia)	Retail trade	3.29
Havas Advertising, S.A. … … … … … … …	84, Rue de Villiers Levallois-Perret Cedex (Francia)	Advertising and Communications	3.97
March Gestión de Fondos, S.G.I.I.C., S.A. …	Castelló, 74 (Madrid)	Management of collective investment institutions	35.00
March Gestión de Pensiones, S.G.F.P., S.A. …	Castelló, 74 (Madrid)	Pension fund management	35.00
Quavitae, S.A. … … … … … … … … … …	Fuencarral, 123 (Madrid)	Senior citizen care	20.00
Rablin, S.A. … … … … … … … … … … …	Gaztambide, 49 (Madrid)	Securities investment	40.00
Sogecable, S.A. … … … … … … … … … …	Gran Vía, 32 (Madrid)	Pay television	5.01

4. Bases of Presentation of the Annual Accounts

The consolidated annual accounts have been prepared in accordance with the provisions of the Spanish Commercial Code, the Spanish Public Limited Companies Act, and Royal Decree 1815/1991, and provide a true and fair view of the net worth, financial position and results of Grupo Alba.

The consolidated Profit and Loss Accounts present some differences with respect to the standard forms established by Royal Decree 1815/1991 for the presentation of consolidated annual accounts, given the absence of an adapted version of these standard forms that takes into account that Income from the Sale of Securities, while not regular, constitutes ordinary income for a holding company such as Alba.

The annual accounts have been prepared by the Board of Directors for their submission to audit and subsequent approval by the General Meeting of Shareholders, and are based on the accounting records of Alba and its subsidiaries, as well as the audited annual accounts of the affiliated companies.

The scope of consolidation for 2001 has been changed as compared with 2000 as shown below:

— Net changes in holdings in affiliated companies have been as follows:

Actividades de Construcción y Servicios, S.A.	–0.92%
Sogecable, S.A.	–6.32%
Carrefour, S.A.	–0.45%

— In addition, 19.40% of Media Planning, S.A. was swapped for 3.50% of Havas Advertising, S.A., which taken together with the purchases made in the year brings the holding to 3.97%. Some 12.76% of Banco Urquijo, S.A. was sold, bringing the interest in this holding to 9.98% at the end of the year. Given that the requirements of Royal Decree 1815/1991 are no longer met, the bank is no longer considered an affiliated company. Similarly, the investment in I-Network, S.A. is not considered a permanent investment and has therefore been removed from the scope of consolidation.

5. Distribution of Profits

The distribution of consolidated profits for 2001, as proposed by the Board of Directors, is as follows (000s of €):

Distribution Bases	
Profit (Loss)	218,832
Distribution	
To Reserves	209,745
To Dividends:	
Interim dividend	4,557
Final dividend	4,530
Total	218,832

The interim dividend amounted to 6 percent of the nominal value of each share and has been recorded in the accompanying consolidated balance sheet as a decrease in shareholders' equity.

In order to comply with the requirements of Section 216 of the Public Limited Companies Act with regard to the distribution of interim dividends, the Board of Directors of the parent company, in its meeting of September 27, 2001, adopted the resolution which appears in Note 21-c.

6. Valuation standards

The principal valuation criteria used in preparing the consolidated Annual Accounts, in accordance with the provisions of the Spanish General Chart of Accounts and Royal Decree 1815/1991, have been as follows:

a) Consolidation goodwill and negative differences on consolidation (Note 7)

The procedure followed for establishing the amount of goodwill and the negative difference on consolidation consisted of comparing acquisition value with the underlying book value of the holding at the date of inclusion within the scope of consolidation.

Alba writes off goodwill based on the income from its investees, and in all cases within the legally established maximum period of 20 years.

The Carrefour, S.A. and Sogecable, S.A. goodwill is carried as a higher cost of the shares sold as it is associated with those shares.

b) Transactions between companies included within the scope of consolidation

Transactions between the companies included within the scope of consolidation have been eliminated in the consolidation process.

c) Tangible fixed assets (Note 9)

Tangible fixed assets are stated at their acquisition cost, which includes additional expenses arising until the particular asset is operational; neither interest nor exchange differences are included. Expansion, modernisation or improvement costs which cause an increase in productivity, capacity or efficiency, or an extension of the useful life of an asset, are capitalised as an increased cost of the particular asset. Maintenance and upkeep expenses incurred during the year are charged to the Profit and Loss account.

The straight-line depreciation method is used, distributing the cost of the asset over its estimated useful life as indicated below:

	Yearly % depreciation rates
Buildings and other structures	2 to 6
Machinery and installations	8 to 24
Transport equipment	16
Furniture and fixtures	10
Data processing equipment	25

With regard to assets which are purchased second-hand, depreciation rates equal to twice the percentages indicated above are applied.

d) Short and long-term securities (Note 10)
Investments securities are stated at the lower of cost or market value. In the latter case, the necessary allocations to depreciation provisions are made. For listed securities, market value is considered to be the lower of the average official market price for the last quarter of the year and the year-end market price. For unlisted securities, market value is considered to be equal to the year-end underlying book value adjusted for the amount of unrealised capital gains existing at the moment of acquisition and currently subsisting.

e) Stocks (Note 11)
Stocks are stated either at cost or for their realisable value, whichever is lower, and in the latter case the necessary allocations are made to provisions.

f) Parent company shares (Note 12-c)
Shares held in the parent company are recorded on the assets side of the balance sheet, stated at their acquisition price.

g) Provisions for risks and expenses (Note 13)
This represents the estimated amount necessary to meet sundry risks and litigation in progress.

h) Corporate income tax (Note 15)

Expenses arising from the corporate income tax for the year are calculated pursuant to the provisions of the Spanish General Chart of Accounts and applicable tax laws, i.e., taking into account the permanent and temporary differences between earnings as per the books and taxable income, less available deductions against tax payable.

The Group's share in the earnings of affiliated companies is recorded net of corporate income tax. Some of these companies have recognised deferred tax assets and tax credits in respect of tax loss carryforwards whose recovery is regarded as certain.

i) Foreign currency transactions

The purchase price of assets denominated in foreign currencies is accounted for in € after conversion at the exchange rate applicable on the date of acquisition of the assets. This valuation is maintained as long as it does not exceed the amount resulting from application of the year-end exchange rate to the market value of the assets. Otherwise, an allocation for the difference is made to the appropriate provision.

At December 31, 2001 there were no accounts receivable or payable of material amounts denominated in foreign currency.

j) Income and expenses

Income and expenses are recorded on an accrual basis, i.e., when the related real flow of goods and services occurs, irrespective of the time the monetary or financial flow related thereto takes place.

In keeping with the prudence principle, only the profits actually obtained at year-end are recorded. Foreseeable risks or losses are recorded as soon as they are known.

7. Goodwill on consolidation

Changes during 2001 in goodwill on consolidation are shown in the following table (000s of €):

	Carrefour	ACS	Sogecable	Total
Balance at January 1, 2001 … … … … … …	24,125	63,497	19,960	107,582
Differences on consolidation (Note 8) … …	—	17,982	—	17,982
Amortisation for the year … … … … … … …	—	(3,216)	—	(3,216)
Amortisation of consolidation differences …	—	(17,982)	—	(17,982)
Decrease on sale of shares (Note 6a) … … …	(24,125)	(2,431)	(19,960)	(46,516)
Balance at December 31, 2001 … … … … …	—	57,850	—	57,850

8. Holdings in companies consolidated by the equity method

The changes in this heading during 2001 are reflected in the following table (000s of €):

Company	Consolidated values at 01/01/01	Group share in earnings	Dividends received	Net acquisitions disposals and transfers	Consolidation differences: Taken to P&L Account	Consolidation differences: Taken to Reserves	Consolidated values at 12/31/01
Actividades de Construcción y Servicios, S.A.	213,185	34,231	(7,525)	(8,114)	(17,982)	(4,888)	208,907
Banco Urquijo, S.A.	57,715	—	(1,629)	(56,086)	—	—	0
Carrefour, S.A.	298,469	43,206	(13,967)	(35,339)	—	(49,649)	242,720
I-Network, S.A.	811	—	—	(811)	—	—	0
March Gestión de Fondos, S.G.I.I.C., S.A.	1,262	10	—	—	—	—	1,272
March Gestión de Pensiones, S.G.F.P., S.A.	944	2	—	—	—	—	946
Media Planning Group, S.A.	46,074	—	(3,245)	(42,829)	—	—	0
Havas Advertising, S.A.	—	(2,291)	(228)	56,020	865	507	54,873
Quavitae, S.A.	3,203	192	—	—	—	—	3,395
Rablin, S.A.	661	42	—	—	—	42	745
Sogecable, S.A.	39,751	153	—	(22,171)	—	(217)	17,516
Unipsa Correduría de Seguros, S.A.	2,711	1,833	(1,563)	—	—	44	3,025
TOTALS	664,786	77,378	(28,157)	(109,330)	(17,117)	(54,161)	533,399

The consolidation differences included in Reserves are due to the movements recorded in Shareholders' Equity in our corporate holdings. The main reasons for those movements are exchange differences and the change in the scope of consolidation of those companies.

Sales made during 2001 of equity-recorded holdings generated a profit of € 306.117 million, which has been recorded in the heading "Profits on disposals of holdings consolidated by the equity method". Those disposals are itemised below (000s of €):

	% sold	Profit
Carrefour, S.A.	0.45	145,896
Sogecable, S.A.	6.32	105,344
Banco Urquijo, S.A.	12.76	29,792
Media Planning Group, S.A.	2.16	13,715
Actividades de Construcción y Servicios, S.A.	0.92	7,591
Liquidation of assets associated with sale of de Banco Urquijo, S.A.	—	3,779
Total		306,117

Banco Urquijo, S.A.

On February 19, 1998 Grupo March sold 70% of the shares of Banco Urquijo, S.A. to the Luxembourg company Kredietbank S.A. Luxembourgeoise (hereinafter KBL). Consequently, Grupo Alba sold 54.55% of the shares of Banco Urquijo, S.A., that is, 70% of Grupo Alba's 77.29% stake in the said Bank. In 2001 Alba exercised part of the put option signed in 1998 over a holding of 12.76% for a sale price of €63.217 million, generating a profit of €29.792 million that has been recorded in the heading "Profits on disposals of holdings consolidated by the equity method" of the 2001 Profit and Loss Account.

The parties to the transaction simultaneously granted another call and put option. The put option may be exercised between January 1, 2004 and December 31, 2006. The transfer price for the shares will be fixed according to the profit attributed to Banco Urquijo and certain stock market indices at a price that cannot be lower than 80% of the price of 2001 sale.

9. Tangible fixed assets

At December 31, 2001 Alba had 107,168 m^2 of floor area available for rent, with an occupancy rate of 100%.

Changes in the tangible fixed asset accounts and their related accumulated depreciation for the year 2001 were as follows (000s of €):

	Land and Properties	Machinery and installations	Other tangible fixed assets	Total tangible fixed assets
COST:				
Balance at 1/1/2001 … … … … …	145,589	2,404	1,641	149,634
Purchases … … … … … … … …	19,655	216	239	20,110
Balance at 12/31/2001 … … … …	165,244	2,620	1,880	169,744
ACCUMULATED DEPRECIATION:				
Balance at 1/1/2001 … … … … …	(23,753)	(1,941)	(889)	(26,583)
Additions … … … … … … … …	(3,706)	(161)	(232)	(4,099)
Balance at 12/31/2001 … … … …	(27,459)	(2,102)	(1,121)	(30,682)

The most significant acquisition was the purchase of an office building in Madrid for €18.030 million. The building has a floor area of 11,626 square metres and over 400 parking spots.

Insurance policies in sufficient amounts are taken out to cover potential risks to tangible fixed assets.

10. Securities portfolio

a) Acquisitions of equity holdings

Notice has been given when changes in equity holdings have meant that the resulting percentage stake exceeded a multiple of 5 percent in listed companies. In relation to unlisted companies, such notice is issued when the total holding initially exceeds 10 percent and 5 percent tranches thereafter.

Notices of acquisitions:

Notice given by	Recipient
Inversiones Aramayona, S.A.	Optimus Zero, S.A.

Notice of disinvestments:

Notice given by	Recipient
Alba Inmobiliaria, S.A.	Porto Pi, S.A.
Fondarte, S.A.	Sogecable, S.A.

b) Long-term securities

Given below is information relative to companies not included within the scope of consolidation because they are not considered as meeting the requirements set down in Royal Decree 1815/1991 (Standards for the preparation of Consolidated Annual Accounts), excluding those of scarce significance (000s of €):

Company	Registered Office	Percentage of capital held	Capital and Reserves	Profit/ (Loss) for the year	Net Book Cost
Acerinox, S.A. … …	C/ Santiago de Compostela, 100 (Madrid)	1.89	1,164,094	86,389	42,383
Xfera Móviles, S.A.	C/ Ribera del Sena, s/n (Madrid)	7.11	374,959	(7,485)	40,510
Vodafone, PLC … …	The Courtyard, 2-4 London Road Newbury Berkshire RG 14 (United Kingdom)	0.23	248,448	(9,640)	28,183
Banco Urquijo … …	C/ Príncipe de Vergara, 131 (Madrid)	9.98	216,672	17,042	23,719
MSI, S.A. … … … …	Scorpius 112, 2132 LR Hoofddorp (Holland)	2.67	178,938	(12,744)	16,425
Palio, Ltd. … … …	Löwenstrasse, 1 Zürich (Switzerland)	16.98	N.D.	N.D.	10,000
Princes Gate … … …	1585 Broadway New York (United States)	3.17	N.D.	N.D.	5,038

The movements in long-term securities during 2001 are summarised below (000s of €):

	Equity Investment	Provision
Balance at 1-1-01 … … … … … … … … … … … … … …	98,416	(6,028)
– Additions … … … … … … … … … … … … … … … …	64,346	(38,560)
– Transfers … … … … … … … … … … … … … … … …	24,527	—
– Sales … … … … … … … … … … … … … … … … … …	(9,977)	3,884
Balance at 12-31-01… … … … … … … … … … … … …	177,312	40,704

The most significant purchases were the acquisition of the stake in Acerinox, S.A. and the capital increases in Xfera, S.A., M.S.I., S.A., Broadnet, S.A. and Princes Gate.

The transfers reflect the reclassification of the investments in Banco Urquijo, S.A. and I-Network, S.A. (Note 4).

The sales are broken down below (000s of €):

	% sold	Profit
Caribou Coffee	1.81	493
Porto Pi, S.A.	26.32	6,629
Princes Gate	—	908
Total		8,030

The allocations to the provision are in respect of Alba's share in the losses of companies included in this section and the provision to cover a possible eventual negative evolution of the economic situation.

c) Foreign currency investments
Shown below is the par value of investments in securities and other similar financial investments made in foreign currencies:

	US$	Swiss Francs	Pound Sterling
Non-consolidated companies	24,756,392	16,000,000	6,642,418

d) Financial income
Nearly all of the €2.136 million in income from equity holdings was in respect of the dividend received from our holding in Vodafone, PLC.

The heading "Other financial revenues" of the 2001 Profit and Loss Account, which totalled €9.057 million, records the income on short-term financial investments.

11. Stocks

The changes occurring during 2001 are shown below (000s of €):

	Investment	Provision
Balance at 1/1/01	2,236	(1,280)
Additions	269	(18)
Retirements	(1,724)	630
Balance at 12/31/01	781	(668)

12. Shareholders' Equity

At December 31, 2001 share capital was represented by 77,000,000 bearer shares with a par value of €1 each, totally subscribed and paid up, all of which are listed on the continuous market of the Spanish Stock Exchanges (Sociedad de Interconexión Bursátil Española).

The shareholders of Corporación Financiera Alba, S.A. in their General Meeting of May 26, 1999 agreed to grant to the Board of Directors the power to increase share capital one or more times, up to a maximum total of 50% of share capital, against cash contributions within a maximum period of five years.

The following shareholder company has declared control (direct plus indirect) of 5 percent or more of subscribed capital:

Banca March, S.A.	25.86%

a) Changes in shareholders' equity (000s of €):

	Share capital	Premium	Unrestricted reserves	Restricted reserves	Profit and loss brought forward	Consolidation reserves and conversion differences	Profit/(loss)	Interim dividend	Total
BALANCE AT JANUARY 1, 2001	79,640	92,327	33,921	72,500	18,042	406,205	93,517	(4,748)	791,404
Distribution of 2000 results	—	—	—		(3,927)	88,084	(93,517)	4,748	(4,612)
Profit for 2001	—	—	—	—	—	—	218,832	—	218,832
Interim dividend for 2001 (Note 5)	—	—	—	—	—	—	—	(4,557)	(4,557)
Retirement of capital	(2,640)			(65,714)		992			(67,362)
Equity method accounting process (Note 8)	—	—	—	—	—	(54,161)	—	—	(54,161)
Other	—	—	27	—	—	(232)	—	—	(205)
Transfer to reserves for parent company shares	—	(76,082)	—	76,082	—	—	—	—	—
BALANCE AT DECEMBER 31, 2001	77,000	16,245	33,948	82,868	14,115	440,888	218,832	(4,557)	879,339

The restricted reserves at December 31, 2001 included €32.800 million in respect of shares in the parent company, €33.486 million in respect of retired capital and €16.448 million in respect of the legal reserve of the parent company. The legal reserves of the subsidiary companies amounted to €13.069 million.

b) Breakdown of consolidation reserves and conversion differences

At December 31, 2001 the balances were as shown below (000s of €):

	Reserves	Conversion differences	Total
Companies consolidated by global integration	532,269	—	532,269
Companies consolidated by equity method			
Actividades de Construcción y Servicios, S.A.	19,819	—	19,819
Carrefour, S.A.	(128,950)	7,284	(121,666)
Havas Advertising, S.A.	23,369	—	23,369
Quavitae, S.A.	(1,999)	—	(1,999)
Rablin	(29)	—	(29)
Sogecable, S.A.	(2,707)	—	(2,707)
Unipsa Correduría de Seguros, S.A.	(8,168)	—	(8,168)
TOTAL	(98,665)	7,284	(91,381)

c) Parent company shares

Movements in own shares are summarised as follows:

	Number of shares	Percentage of share capital	Average acquisition price €/share
At January 1, 2001	876,004	1.10%	27.74
Acquisitions	3,267,770		
Retirements	(2,638,000)		
At December 31, 2001	1,505,774	1.96%	21.89

Transfers have been made to the reserve for parent company shares for the legally required amount (Note 12-a). The acquisitions made during the year reflect the considerable discount of Alba's trading price with respect to the liquidation value of the shares. In any evaluation of the company's net worth, the balance shown under this heading should be deducted from the amount of shareholders' equity shown in the consolidated balance sheets at December 31, 2001.

On May 31, 2000 the General Meeting of Shareholders and the Board of Directors of Corporación Financiera Alba, S.A. resolved to set up a stock option plan for executive directors and board members, covering a total of 20 persons. The total number of options represents 0.72% of the share capital of Corporación Financiera Alba, S.A. The exercise price was set at €28.26 per share. These rights may be exercised within the six-month period following May 31, 2003.

13. Provisions for Risks and Expenses

Shown below are the changes occurred during 2001 in the provisions for risks and expenses accounts (000s of €):

Balance at 1/1/01	44,475
Applications	(39,504)
Allocations	100,121
Balance at 12/31/01	105,092

The allocation to the provision for risks and expenses mainly records an allocation to cover uncertain eventual risks stemming from a downturn in the economy, as well as those others which could arise from other contingent liabilities, pursuant to the accounting principle of prudence. The applications made during the year record the payment in a lawsuit that arose in previous years and which was duly provisioned for.

14. Debts with credit institutions

The composition of this heading at December 31, 2001 is given below, distributed according to maturity (000s of €):

Short-term financing	Limit	Drawn down	Maturity
Banco Urquijo, S.A.	18,030	—	12/30/2002
Caja Madrid	15,025	—	02/15/2002
BSCH	60,101	—	04/02/2002
Société Européenne de Banque	165,831	165,829	01/28/2002
Banca March, S.A.	60,101	367	01/14/2002
	319,088	166,196	

The financing from Banca March, S.A. and Caja Madrid, S.A. has been renewed for one year and the loan from Société Européenne de Banque has been paid off at maturity.

The heading "Short-term financial investments", which amounts to €248.280 million, records the investments made to optimise the return on cash surpluses.

15. Tax matters

Corporación Financiera Alba, S.A., Inversiones Artá, S.A. and Alba Inmobiliaria, S.A. are subject to the corporate group taxation system. The new tax laws governing taxation of corporate groups provide, amongst other measures, a reduction from 90% to 75% in the minimum holding necessary for a company's inclusion in the group. For 2002 this measure will mean that the companies Fianteira, S.A., Unipsa Correduría de Seguros, S.A., Inversiones Finalba, S.A. and Fondarte, S.A. will form part of the corporate group for tax purposes. In 2001 Inversiones Artá, S.A. filed under the rules for holding companies of foreign securities, which entails a corporate income tax exemption for dividends and capital gains arising from equity holdings of more than 5% of foreign companies or which involve an investment of more than €6 million.

The reconciliation of the said group's taxable income with book income is given below (000s of €):

Accounting result under consolidated tax regime	57,321
Permanent and timing differences	(1,149)
Eliminations for intra-group transactions	(8,683)
Initial taxable income	47,489
Setoff of tax-loss carryforwards	(20,477)
Taxable income	27,012
Corporate income tax payable	9,454
Deductions against tax payable	(9,454)
Net tax payable	—

Tax losses exist in the amount of €50.588 million, which may be carried forward until the year 2011.

Pursuant to the prudence concept, no deferred tax asset is recognised either for the effect of temporary differences or for tax losses pending setoff. In 2001 the only significant timing differences related to the contributions to the "Retirement Plans" insurance policy, which amounted to €3.228 million.

The corporate income tax expense for the year records the withholdings applied at source on the dividends distributed by foreign companies.

Financial years 1999 and following of Corporación Financiera Alba, S.A. are subject to audit by the tax authorities. It is estimated that any additional taxes that might arise as a result of said tax audits would not be material. The tax audit assessment issued in respect of corporate income tax for 1991 has been appealed to the Spanish Supreme Court and is fully secured by a provision of €7.759 million.

16. Guarantees provided to third parties and other contingent liabilities

Shown below is a breakdown of guarantees and contingent liabilities at December 31, 2001 (000s of €):

Counterguarantee for bank bonds on behalf of Xfera, S.A.	213,760
Bonds posted in respect of tax audits (Note 15)	10,950
Guarantees given to KBL in connection with the sale of the holding in Banco Urquijo, S.A. (Note 8)	15,140
Other guarantees	2,300
Total	242,150

17. Average number of employees

The average number of persons employed during 2001, according to category, was as follows:

Degree holders	20
Administrative assistants	19
Others	3
Total	42

18. Income and Expenses

a) Net turnover:

The business that generates the parent company's net turnover involves renting out buildings it owns, as per the following breakdown (000s of €):

Madrid	7,190
Barcelona	1,941
Rest	715
Total	9,846

b) Transactions with companies consolidated by the equity method:
All transactions with companies included within the scope of consolidation are carried out at market prices.

The volume of such transactions during the year is shown below (000s of €):

Lease income	154

c) Contribution by companies to consolidated earnings (000s of €):

	Contribution to consolidated income	Minority interests
Corporación Financiera Alba, S.A.	5,553	—
Companies consolidated by global integration	135,901	194
Actividades de Construcción y Servicios, S.A.	34,231	—
Carrefour, S.A.	43,206	—
Havas Advertising, S.A.	(2,291)	—
March Gestión de Fondos, S.G.I.I.C., S.A.	10	—
March Gestión de Pensiones, S.G.F.P., S.A.	2	—
Quavitae, S.A.	192	—
Rablin, S.A.	42	—
Sogecable, S.A.	153	—
Unipsa Correduría de Seguros, S.A.	1,833	—
Consolidated by equity method	77,378	—
TOTAL	218,832	—

d) Formation expenses
In the 2001 Profit and Loss Account the heading Allocations to depreciation and amortisation of fixed assets includes €6.546 million for amortisation of formation expenses, which has been made during the maximum permissible period of five years.

19. Remuneration of the Board of Directors

For 2001 the following amounts have been recorded as remuneration earned by the members of the Board of Directors of the parent company (000s of €):

Salaries	1,155
Board of Directors remuneration	264
TOTAL	1,419

In addition, pension and insurance contributions of €1.300 million were made in respect of Directors who also hold executive positions.

The Board of Directors remuneration amounted to €24,000 for each board member.

At December 31, 2001 no advances or loans had been made to members of the Board of Directors.

20. Post-balance sheet events

After the close of the year and prior to the preparation of these accounts, the following events have occurred:

- **Purchase of office building**
  In January 2002 Alba acquired from the Vallehermoso group six floors of office space with a floor area of 6,800 square metres in the Master's 1 building located in the AZCA real estate complex in Madrid. The acquisition involved an outlay of €28.4 million.

- **Hedging - £**
  As a hedge to cover part of the currency (£) risk in the Vodafone, PLC holding, in January 2002 a one-year hedge contract was made for £50 million at an average exchange rate of 1.61212 £ / €.

- **Purchase of holding in Acerinox, S.A.**
  At the date these annual accounts are prepared a 4.27% interest has been purchased (including the acquisition made in 2001). This investment involved an outlay of €102.865 million. The acquisition is considered a permanent strategic investment.

- **New tax measures**
  The recent changes in tax law which entered into effect on January 1, 2002 will have a significant favourable effect for Alba, particularly the 18% deduction from the corporate income tax charge on capital gains made on the sale of tangible fixed assets and on holdings of more than 5%, provided the amount obtained is reinvested, subject to certain requirements and timing conditions, in assets of similar characteristics.

21. Information on the parent company (Corporación Financiera Alba, S.A.)

Included below is additional information on the parent company drawn from its 2001 annual accounts, which do not include the effects of consolidation. These annual accounts are subject to approval by the Shareholders in General Meeting and to filing with the Companies Registry:

a) Balance sheets.

b) Profit and loss accounts.

c) Proposed distribution of profits.

22. Explanation added for translation to English

These consolidated financial statements are presented on the basis of accounting principles generally accepted in Spain. Certain accounting practices applied by the Group that conform with generally accepted accounting principles in Spain may not conform with generally accepted accounting principles in other countries.

a) CORPORACION FINANCIERA ALBA, S.A. BALANCE SHEETS AT DECEMBER 31, 2000 AND 2001

ASSETS (000s of €)	2000		2001	
FIXED ASSETS		**309,959**		**328,814**
Intangible fixed assets	**—**		**29**	
Tangible fixed assets	**122,741**		**138,637**	
Land and properties	145,398		165,052	
Other installations, furniture and fittings	2,404		2,620	
Other fixed assets	1,493		1,562	
Depreciation	(26,554)		(30,597)	
Investments	**187,218**		**190,148**	
Holdings in Group companies	190,186		190,186	
Holdings in Affiliated companies	2,205		2,205	
Long-term guarantee deposits given	960		1,222	
Provisions	(6,133)		(3,465)	
CURRENT ASSETS		**32,485**		**35,946**
Debtors	**7,048**		**2,166**	
Clients from sales of goods and services	60		289	
Accounts receivable from Group companies	6,963		—	
Government	—		1,864	
Sundry debtors	25		13	
Short-term investments	**16**		**16**	
Own shares	**25,074**		**32,800**	
Liquid assets	**347**		**962**	
Prepayments and accrued income	**—**		**2**	
TOTAL ASSETS		**342,444**		**364,760**

CORPORACION FINANCIERA ALBA, S.A. BALANCE SHEETS AT DECEMBER 31, 2000 AND 2001

SHAREHOLDERS' EQUITY AND LIABILITIES

(000s of €)	2000		2001	
SHAREHOLDERS' EQUITY		**297,123**		**229,269**
Share capital	**79,638**		**77,000**	
Premium	**92,325**		**16,245**	
Reserves	**106,425**		**116,816**	
Legal reserve	16,448		16,448	
Reserves for own shares	25,074		32,800	
Other reserves	64,903		67,568	
Profit and loss brought forward	**18,047**		**14,115**	
Unallocated income	18,047		14,115	
Profit (loss) for the year	**5,434**		**9,650**	
Interim dividend distributed during the financial year	**(4,746)**		**(4,557)**	
PROVISIONS FOR RISKS AND EXPENSES		**40,731**		**9,700**
LONG-TERM CREDITORS		**1,224**		**1,571**
Long-term guarantee deposits received	**1,224**		**1,571**	
CURRENT LIABILITIES		**3,366**		**124,220**
Debts with credit institutions	**1,406**		**36,965**	
Loans and other debts	1,129		36,965	
Interest debt	277		—	
Trade accounts payable	**1,105**		**3,474**	
Payable to group companies	—		**82,716**	
Other non-trade accounts payable	**855**		**1,065**	
Government	403		646	
Other debts	115		87	
Pending remuneration	337		332	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**342,444**		**364,760**

b) CORPORACION FINANCIERA ALBA, S.A.
PROFIT AND LOSS ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 2001

DEBIT (000s of €)	2000	2001
EXPENSES		
Personnel expenses … … … … … … … … … … … …	**2,039**	**2,320**
Wages and salaries … … … … … … … … … … … …	1,696	1,935
Welfare charges … … … … … … … … … … … … …	343	385
Allocations to depreciation and amortisation of fixed	**3,489**	**4,043**
Oter operating costs … … … … … … … … … … … …	**2,041**	**2,356**
External services… … … … … … … … … … … … …	1,896	2,546
Taxes other than corporate income tax … … … … …	145	(190)
OPERATING PROFIT … … … … … … … … … …	**90**	**1,280**
Financial and similar expenses … … … … … … … …	**791**	**2,824**
For debts with Group companies … … … … … … …	773	2,230
For debts with affiliated companies … … … … … …	(91)	—
For debts with third parties … … … … … … … … …	109	594
FINANCIAL INCOME… … … … … … … … … …	**1,428**	**4,782**
Changes to provisions for tangible fixed assets and controlling interest portfolio … … … … … … …	**(3,881)**	**(2,668)**
PROFIT FROM ORDINARY ACTIVITIES …	**6,201**	**9,590**
Extraordinary expenses … … … … … … … … … …	**5,478**	**9,057**
EXTRAORDINARY PROFIT … … … … … … …	**—**	**—**
PRE-TAX PROFITS … … … … … … … … … … …	**4,480**	**726**
Corporate income tax … … … … … … … … … … …	**(954)**	**(8,924)**
PROFIT FOR THE YEAR … … … … … … … … …	**5,434**	**9,650**

CORPORACION FINANCIERA ALBA, S.A.
PROFIT AND LOSS ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 2001

CREDIT (en miles de €)	2000	2001
INCOME		
Net turnover	**7,659**	**9,999**
Rental income	7,659	9,999
OPERATING LOSS	**—**	**—**
Income from equity holdings	**1,155**	**7,570**
In Group companies	1,155	7,570
Other interest and similar income	**1,064**	**36**
Other interest income	1,064	36
Profits on disposal of controlling interests	**802**	**860**
LOSS FROM ORDINARY ACTIVITIES	**—**	**—**
Profits on disposal of tangible fixed assets	**3,340**	**—**
Excess provisions for risks and expenses	**391**	**—**
Profits on transactions with own shares	**26**	**—**
Income and profits brought forward	**—**	**193**
EXTRAORDINARY LOSS	**1,721**	**8,864**

c) PROPOSED DISTRIBUTION OF 2001 PROFITS (000s of €)

	2001
Basis of Distribution	
Net profit	9,650
Unallocated income	14,115
Total	23,765
Distribution	
– To unallocated income	14,678
– To dividends	9,087
Total	23,765

An interim dividend of 6 percent of the par value of each share was distributed against earnings for 2001, causing a decrease to shareholders' equity recorded in the balance sheet at December 31, 2001.

In order to comply with the requirements of Section 216 of the Public Limited Companies Act with regard to the distribution of interim dividends, the Board of Directors of the parent company, in its meeting of September 27, 2001, adopted the following resolution:

"In view of the results at August 31 and pursuant to the same dividend policy, the distribution this coming November of an interim dividend is proposed, and to such end and in compliance with the provisions of Section 216 of the Public Limited Companies Act the following financial statement is presented, referring, as required, to the individual, not consolidated, financial situation of Corporación Financiera Alba

		Millions of Pesetas
1. Amount to be distributed:		*767*
2. Available profit calculation:		
2.1. Profits carried forward at Aug. 31, 2001		*1,211*
With the following breakdown:		
Ordinary profit	*1,342*	
Extraordinary loss	*(131)*	
TOTAL	*1,211*	
2.2. Deductions:		*0*
– Losses brought forward	*0*	
– Allocation to the legal reserve (stands at 20% of share capital)	*0*	
– Corporate income tax	*0*	
Total available profit		*1,211*

3. Liquid Assets:
According to the balance sheet at August 31, 2001, the Company's available liquid assets amounted to Ptas 18,943 million.

The above shows that the proposed interim dividend is less than available profits and that the Company's liquid assets exceed the amount of such dividend.

Consequently, the board unanimously resolves to pay an interim dividend against 2001 earnings of €0.06 per share, not including the amount that would correspond to the own shares held by the company as treasury stock on the day the said interim dividend is paid.

Toward such end, Vice Chairman of the Board Mr. Pablo Vallbona Vadell, Managing Director Mr. Isidro Fernández Barreiro and Director-Secretary Mr. Enrique Piñel López are hereby given joint and several powers to determine the total sum to be distributed, subject to the agreed maximum, the specific amount of which shall be determined according to the number of shares entitled to the dividend payment.

The interim dividend is maintained at €0.06 per share with the right to receive dividends. This figure is equal to 6% of the par value and will be subject, where applicable, to the 18% withholding in respect of personal income tax or corporate income tax, depending on the legal personality of the recipient.

Vice Chairman of the Board Mr. Pablo Vallbona Vadell, Managing Director Mr. Isidro Fernández Barreiro and Director-Secretary Mr. Enrique Piñel López are likewise authorised so that any one of them can fix the specific day of the month of November on which the dividend shall be distributed, publish the relevant notices and, in short, take all such actions as may be necessary for said purpose.

REPORT OF THE DIRECTORS
2001

1. Company business and financial position

The consolidated Annual Accounts at December 31, 2001 provide a true and fair view of the net worth, financial position, earnings and business performance of the Company, and have been prepared, on this date, by the Company Board of Directors.

During the 2001 financial year Grupo Alba business consisted of:

- Lease or sale of real estate.
- Management of controlling and influencing interests in a series of companies carrying on business in different sectors of the economy.
- Development of and participation in start-up businesses.

2. Significant post-balance sheet events

After the close of the year and prior to the preparation of these accounts, the following events have occurred:

- **Purchase of office building**
  In January 2002 Alba acquired from the Vallehermoso group six floors of office space with a floor area of 6,800 square metres in the Master's 1 building located in the AZCA real estate complex in Madrid. The acquisition involved an outlay of €28.4 million.

- **Hedging - £**
  As a hedge to cover part of the currency (£) risk in the Vodafone, PLC holding, in January 2002 a one-year hedge contract was made for £50 million at an average exchange rate of 1.61212 £ / €.

- **Purchase of holding in Acerinox, S.A.**
  At the date these annual accounts are prepared a 4.27% interest has been purchased (including the acquisition made in 2001). This investment involved an outlay of €102.865 million. The acquisition is considered a permanent strategic investment.

- **New tax measures**
  The recent changes in tax law which entered into effect on January 1, 2002 will have a significant favourable effect for Alba, particularly the 18% deduction from the corporate income tax charge on capital gains made on the sale of tangible fixed assets and on holdings of more than 5%, provided the amount obtained is reinvested, subject to certain requirements and timing conditions, in assets of similar characteristics.

3. Projected evolution of the Company

Alba's priority objective is to assure that the companies in which it has holdings obtain maximum returns, enhance their competitiveness and strengthen their human, financial and technological potential. In addition, the company's financial structure, its size and flexibility will allow us to pursue future business opportunities as they arise.

4. Research and development activities

The nature of the Company's specific businesses and the absence of manufacturing activity make direct R&D investment unnecessary.

5. Acquisitions and disposals of treasury stock

Shown below are the changes in the number of shares of treasury stock recorded under assets in the accompanying balance sheets:

	Number of shares	Percentage of share capital	Average acquisition price €/share
Balance at January 1, 2001	876,004	1.10%	27.74
Acquisitions	3,267,770		
Retirements	(2,638,000)		
Balance at December 31, 2001	1,505,774	1.96%	21.89

Transfers have been made to the Reserve for shares in the controlling company, as well as to the Capital reduction reserve, for the legally required amount.

CORPORATE GOVERNANCE REPORT

There have been no significant changes in the company's governance: the board of directors has the same composition and is currently made up of eleven directors, of whom three are executive directors, four are independent and the rest are shareholders. The board has been discharging the general supervisory duty for the company's activities that was delegated to it according to its approved internal regulations. The board regulations were reported to the CNMV (Spanish Securities Markets Commission) and are available to the company's shareholders.

The board held four meetings during the year. This frequency is considered sufficient, given that Alba's concrete activity as a holding company means its ordinary operations do not require a larger number of meetings.

Three meetings were held by the Audit and Compliance Committee to perform its functions of accounting verification, internal control and relations with the outside auditors, and no deficiency whatsoever was detected in the company's operation. This is the only committee in existence, given that the company's small management structure makes a Remuneration and Nominations Committee unnecessary.

The remuneration paid to the directors is described in the notes to the annual accounts, and the Internal Code of Conduct previously reported to the CNMV remains in force. The code establishes restrictions on directors and management staff in relation to trading in shares not just of the company, but of its corporate holdings as well.

The company has complied with its periodic financial reporting obligations and obligations to report significant events and acquisitions of treasury stock in accordance with the applicable legal rules. The company has engaged in treasury stock transactions within the limits stipulated by the general meeting and in strict compliance with the CNMV's recommendations in this regard for avoiding any undue influence on the share price.

Except for the emoluments and other company benefits paid to executive directors, which are specified in the notes to the annual accounts, there have been no material transactions with directors or with significant shareholders apart from the banking relations maintained with the principal shareholder, Banca March, on an arm's length basis and as one more of the various financial institutions with which the company works.

Lastly, the remuneration paid to the group's outside auditor, Arthur Andersen, S.A., totalled 103,561 euros, including 24,594 euros in respect of special consulting assignments.

The report issued by those auditors on the annual accounts contains no reservation or qualification whatsoever.

For all of the above reasons, and except for the non-existence of a Remuneration and Nominations Committee as explained above, the company fully complies with the recommendations of the Code of Good Corporate Governance for publicly traded companies.

PROPOSED RESOLUTIONS

The Board of Directors submits the following proposed resolutions for approval by the shareholders in general meeting:

1. To approve the individual and consolidated annual accounts for the financial year ended December 31, 2001.
2. To approve the management performance of the Board of Directors during the same period.
3. To approve the proposed distribution of profits and dividend declaration.
4. To re-elect to the Board Mr. Alfonso Álvarez Tolcheff, Mr. Isidro Fernández Barreiro, Mr. Miguel Fluxá Roselló, Mr. Juan March Delgado, Mr. Enrique Piñel López. Mr. Pablo Vallbona Vadell and Mr. Francisco Verdú Pons.
5. To authorize the acquisition of the company's own shares within the limits and pursuant to the requirements established in the Public Limited Companies Act, and application of the shares acquired under this authorisation and similar previous authorizations to execution of the remuneration plans for company executives, including the executive directors, based on grant of shares or stock options.
6. To renew, or in default thereof to appoint, the outside auditor of the company and of its consolidated group.
7. To reduce the share capital by 2,300,000 euros, on retirement of own shares held as treasury stock, and to amend article 5 of the company Articles of Association accordingly.
8. To transfer 33,485,804.07 euros from the restricted reserve in respect of the retirement of treasury stock to voluntary reserves.

9. To authorize implementation of a system of remuneration for the company's officers, including executive directors, based on grant of options to acquire company shares in an amount equivalent to 0.72% of the share capital.
10. To authorize the Board of Directors to implement the resolutions adopted at the general meeting.
11. To approve the minutes of the general meeting.

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