



**ALBA: PORTFOLIO AND RESULTS**  
**OF THE FIRST QUARTER 2003**

**I. TRANSACTIONS FOR THE QUARTER**

During the first quarter of the financial year Corporación Financiera Alba has continued with its policy of active portfolio management, which has resulted in the increase of its stake in some of the quoted companies in which it is already has a presence. Along these lines, it has purchased an additional 0.56% in Havas, with an investment of €4.5m and 0.09% in ACS, with an investment of €2.2m, increasing its holding in both companies to 4.86% and 22.44% respectively.

Given the high discount at which the company shares have been trading, Alba has acquired own shares which represent 0.51% of the capital, with a total investment of €7.0m. At the next Shareholders Meeting on May 22 a share capital reduction will be proposed through the amortisation of own shares representing 2.81% of the capital, which are currently held as Treasury Stock .

As far as the real estate portfolio is concerned, and with the intention of concentrating investments on office buildings in Madrid and Barcelona, Alba has sold a hotel in Mallorca for €6.3m with a capital gain of €2.6m.

Finally, at its next General Meeting, on the 22nd of May, Corporación Financiera Alba will recommend the approval of a double offer to its shareholders. On one hand, Alba will launch a Public Sale Offer granting its shareholders the right to purchase one Vodafone share for each Alba share they hold, at a 15% discount over market price, and, on the other hand, Alba will launch a Public Tender Offer to acquire its own shares, also at a 15% premium over market price. Shareholders may elect to participate in both transactions, only in one, or in none of them.

The schedule for this double offer will allow those shareholders who decide to participate in both transactions to obtain the necessary cash for the Vodafone share acquisition from the sale of Alba shares. With these transactions Alba intends to reward the shareholder with an additional return.

## II. PORTFOLIO

The composition of Alba's portfolio as at March 31, 2003 is as follows:

	%	Book value
	<u>Stake</u>	<u>Million €</u>
<b><u>Listed holdings</u></b>		
Acerinox (*)	6.33%	103.0
ACS (*)	22.44%	232.7
Carrefour (*)	3.27%	229.5
Havas (*)	4.86%	57.4
Prosegur (*)	5.23%	11.2
Spirent	0.68%	1.4
Vodafone	0.23%	36.1
<b>Total book value</b>		<b>671.3</b>
<b>Goodwill</b>		<b>123.9</b>
<b>Total market value (31-3-03)</b>		<b>1,737.9</b>
<b>Unrealised capital gains</b>		<b>942.7</b>

	%	Book value
	<u>Stake</u>	<u>Million €</u>
<b><u>Unlisted holdings</u></b>		
Banco Urquijo	10.0%	23.7
MSI (Mobile Systems International)	2.7%	15.8
Palio	17.0%	3.7
Princes Gate	n.a.	6.4
Quavitae (*)	20.0%	3.4
Unipsa (*)	82.6%	3.5
Xfera	7.1%	33.3
Other	n.a.	4.5
<b>Total book value</b>		<b>94.3</b>
<b>Real estate under lease</b>		<b>150.6</b>

\* Investments consolidated by the Equity method.

### III. NET ASSET VALUE

The most representative measure of the performance of a holding company such as Alba is its net asset value. Calculated in accordance with internal criteria coinciding with those normally used by analysts, on March 31, 2003, the net asset value of Alba is estimated at €1,919.8m, which equates to €26.6 per share, after deducting treasury stock.

	<i>Million euros</i>
Listed holdings	1,737.9
Unlisted holdings and real estate	302.5
Other assets and debt	(120.6)
<b>Net asset value</b>	<b>1,919.8</b>
Million shares (minus Treasury Stock)	72.17
<b>Net asset value / share</b>	<b>26.60 €</b>

The change in the sector distribution of the net asset value has been as follows:

	<u>Dec. 02</u>	<u>Mar. 03</u>
- Retail .....	47%	42%
- Construction and Services .....	21%	24%
- Telecommunication .....	13%	14%
- Real Estate .....	10%	11%
- Industrial .....	7%	7%
- Media .....	2%	2%
- Financial Services .....	3%	3%
- Security .....	1%	2%
- Other .....	1%	1%
- Net Debt .....	-5%	-6%
	<u>100%</u>	<u>100%</u>

#### IV. RESULTS OF THE PERIOD

The main items from the Alba Profit and Loss Account as at March 31 are the following:

	31-3-02	31-3-03
Net profits from affiliates consolidated by the equity method	24.0	30.3
Income from securities portfolio	3.3	(0.8)
Rental income	3.2	3.0
Profits from disposals of Real Estate	0.0	2.6
<b>Net profit</b>	<b>25.6</b>	<b>29.8</b>
Earnings per share (€) (after deducting own shares)	0.34	0.41

The consolidated net profit of Alba for the first quarter of the financial year was €29.8m, compared to €25.6m for the same period in the previous year.

This increase in Net Profit is basically due to the increase in the recurring caption *net profits from affiliates consolidated by the equity method*, which in the first three months of 2003 was €30.3m, compared to €24.0m for the first quarter of 2002. This increase is due to the growth in profits of the consolidated companies, to the increase of the holding in Acerinox and to the incorporation of Prosegur into the consolidation perimeter.

The *Profit from disposals of real estate*, corresponding to the sale of the hotel in Mallorca, has also contributed to the growth in profits. As a consequence of this sale, and other smaller scale divestments, the *Rental Income* has declined from 3.2 M€ to 3.0 M€ in the quarter.

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