



ALBA: PORTFOLIO AND RESULTS
THIRD QUARTER 2002

Following the €141m invested during the first half of the year in Acerinox and Prosegur, and given the intense instability seen in the financial markets, Alba maintained its investment portfolio practically unchanged during the third quarter of 2002. The most significant development was the acquisition of an additional 0.95% in Acerinox for €23.4m, bringing Alba's overall stake in the steelmaker to 6.3%.

Also, in view of the discount at which Alba shares were trading, the company bought back own shares representing 0.75% of share capital for €10.7m. As of 30 September, own shares held as treasury stock in the investment portfolio amounted to 1.9% of Alba's capital.

At its meeting of September 25, the Board of Directors appointed Mr. Luis Angel Rojo Duque, university professor and ex-Governor of the Bank of Spain, as an independent director. After this appointment, the Board of Alba is composed of a total of eleven members, including five independents.

I. PORTFOLIO

The composition of Alba's portfolio as of 30 September 2002 is shown below:

	%	Book value
	<u>Stake</u>	<u>Million €</u>
<u>Listed holdings</u>		
Acerinox (*)	6.33%	104.6
ACS (*)	22.34%	220.5
Carrefour (*)	3.29%	219.7
Havas (*)	4.31%	51.7
Prosegur (*)	5.23%	9.9
Spirent	0.68%	3.6
Vodafone	0.23%	36.1
Total book value		646.1
Goodwill		150.5
Total market value (30-9-02)		1,761.4
Unrealised capital gains		964.8
	%	Book value
	<u>stake</u>	<u>Million €</u>
<u>Unlisted holdings</u>		
Banco Urquijo	10.0%	23.7
MSI (Mobile Systems International)	2.7%	16.3
Palio	17.0%	5.3
Princes Gate	n.a.	7.5
Quavitae (*)	20.0%	3.4
Unipsa (*)	82.6%	2.3
Xfera	7.1%	42.6
Other	n.a.	5.4
Total book value		106.5
Real estate		164.8

* Investments consolidated by the Equity method.

II. NET ASSET VALUE

The key figure for gauging the performance of a holding company such as Alba is its net asset value (NAV). Calculated according to internal methods consistent with those normally used by equity analysts, at 30 September 2002 Alba had an estimated NAV of €1.958bn, or €26.73 per share after deducting own shares held as treasury stock.

<i>Million euros</i>	
Listed holdings	1,761.4
Unlisted holdings and real estate	314.6
Other assets and debt	(117.6)
Net asset value	1,958.4
Million shares (minus Treasury Stock)	73.25
Net asset value / share	26.73 €

The change in the sector distribution of the net asset value during the quarter was as follows:

	<u>June 02</u>	<u>Sept 02</u>
- Retail	51%	48%
- Construction	18%	20%
- Telecommunications	11%	11%
- Real estate	9%	11%
- Industrial	6%	7%
- Media	3%	3%
- Financial services	3%	3%
- Security	2%	2%
- Sundry	1%	1%
- Net debt	-4%	-6%
	<u>100%</u>	<u>100%</u>

III. THIRD QUARTER EARNINGS

Alba made a net consolidated profit in the first nine months of the year of €163.5m, compared with €182.1m during the same period last year. This gives an earnings per share figure of €2.23, versus €2.39 in September 2001, a decline of 6.7%.

The decrease in net profit is largely due to the decline in the non-recurring caption of the P&L account, *Income from securities portfolio*, which at the end of the third quarter of 2002 totalled €92.8m, against €248.4m for the same period in 2001.

There was a noteworthy gain in the P&L caption *Net profits from affiliates recorded by equity method* to €78.7m from €58.8m one year earlier. This 34% advance reflects the healthy earnings performance of Alba's corporate holdings and the addition of new investments such as Acerinox and Prosegur.

Lastly, *Rental income* from the real estate portfolio climbed to €9.1m, a 21% increase over the year earlier figure, reflecting the addition of six floors of office space acquired in the Master's I building in Madrid at the beginning of the year and the upward revision of rents in certain leases.

IV. INTERIM DIVIDEND

This coming November 11, Alba will pay out an interim dividend against this year's earnings in the amount of €0.06 per share, or 6% of the nominal share value.

(30 October 2002)

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