



ALBA: PORTFOLIO AND THIRD QUARTER 2010 RESULTS

- The consolidated profit after tax was 323.9 M€, 18.2% lower than the result for the same period the previous year. This decrease is mainly due to the lower extraordinary income obtained by ACS during the period. Excluding extraordinary results, Alba's net profit in the first nine months of 2010 would have been 54.1% higher than the same period the previous year.
- Earnings per share or EPS stood at €5.45, 16.7% lower than the previous year.
- In the first nine months of 2010, Alba undertook several significant investments, such as the purchase of 5.70% of Ebro Foods for 124.6 M€, 14.23% of Mecalux for 79.0 M€ and 12.28% of Pepe Jeans for 37.9 M€

I. THIRD QUARTER TRANSACTIONS

In the third quarter of 2010, Alba carried out investments totalling 249.9 M€

- The largest investment was the purchase of a 5.70% interest in the capital of Ebro Foods for 124.6 M€, at an average price per share of €4.19. The current market value of this stake represents 2.8% of the value of Alba's assets, making it the fifth largest investment in listed companies and increasing the diversification of Alba's portfolio. Ebro Foods is the leading group in the Spanish food sector in terms of turnover, profit, market capitalisation and international presence.
- In July, Alba acquired a 14.23% stake in the capital of Mecalux, 5.23% directly and 9.00% through Deyá Capital SCR, with a total investment of 79.0 M€. Mecalux is a world leader in the storage systems market, with a broad international presence.
- Alba also purchased a 12.28% interest in Pepe Jeans for 37.9 M€. The Pepe Jeans Group, which also includes the Hackett brand, is a leader in the fashion industry with a strong presence in Europe and high geographical diversification.
- In Q3 2010, Alba acquired 0.43% own shares for 8.4 M€ at an average price per share of €3.25. As at 30 September 2010, the treasury stock balance stood at 375,648 shares, representing 0.63% of the registered capital.
- In this period, Alba also sold 0.17% of its interest in ACS for 18.3 M€, at an average price per share of €3.41, bringing its holding down from 23.48% to 23.31%.

In addition, as announced on 22 September, Alba has signed a securities lending agreement with ACS, which affects 40.3 million shares representing 12.81% of ACS's capital stock. This agreement, together with other similar agreements entered into with other significant shareholders, will be used, if necessary, to cover part of the sum offered by ACS in the Public Exchange Offer that the company announced it will be making in Germany for all the shares of Hochtief A.G.

II. EVOLUTION OF OUR MAIN EQUITY INVESTMENTS

- **ACS** achieved some good results in the period, despite the difficult economic environment, recording an 8.1% increase in EBITDA and net profits from ongoing operations (excluding exceptional activity) and a 12.4% rise in ordinary earnings per share. If extraordinary results are included, the overall income was down 36.5% compared with the previous year, due to the capital gains generated in 2009 from the sale of its stake in Unión Fenosa. The ordinary results have been boosted by the vitality of Industrial Services, the international Construction business and, to a lesser extent, the Environment Division and the contribution to the results of the listed investee companies, offsetting the fall in construction activity in Spain.
- **Acerinox** has continued the recovery that began in mid-2009, recording its fifth consecutive quarter of profits thanks to increases in demand and stainless steel prices in its main markets, which have translated into strong growth in production (+14.6% for steel) and sales (+51.5%). The cumulative net result in the first nine months of 2010 stood at 98 M€ compared with a 236 M€ loss in the same period the previous year. A slowing of demand has been felt since the middle of the year due to uncertainty about the reactivation of the economy and changes in the nickel price.
- **Prosegur's** results increased considerably during the period (sales up 17.6% and EBIT up 17.3%), thanks to the good performance of its activities in Latin America, the positive effect of exchange rate differences and acquisitions carried out in previous periods. The lower growth in net profit (+9.0%) was due to extraordinary financial expenses linked to disputes. It is worth highlighting the growth in the Corporate Security Services business in Latin America (sales up 40.4%), led by Brazil, which offsets the low growth in Spain.
- **Ebro Foods** obtained good results in the first nine months of 2010, recording a 15.6% increase in EBITDA and a 36.4% rise in recurring profit before tax. The capital gains achieved from the sale of Puleva increased the net consolidated profit by 156.9%. At the end of October, Ebro announced an exclusivity agreement with the Australian company Ricegrowers Ltd (SunRice) to negotiate the purchase of 100% of the company for 600 M AU\$. SunRice markets high added value rice products in approximately 60 countries, focusing its operations in Australia, USA, the Middle East, Papua New Guinea and the Solomon Islands.

III. PORTFOLIO

Alba's portfolio on the 30th of September, 2010 was as follows:

| <u>Listed holdings</u> | % Stake | Book value Million € | Web Site |
|--------------------------------------|------------|-------------------------|------------------------|
| ACS | 23.3 | 1,545.5 | www.grupoacs.com |
| Acerinox | 24.2 | 729.1 | www.acerinox.es |
| Indra | 10.0 | 254.0 | www.indra.es |
| Prosegur | 10.0 | 164.6 | www.prosegur.es |
| Ebro Foods | 5.7 | 117.5 | www.ebrofoods.es |
| Clínica Baviera | 20.0 | 36.9 | www.clinicabaviera.com |
| Antevenio | 20.5 | 3.2 | www.antevenio.com |
| Total book value | | 2,850.8 | |
| Total market value (30-09-10) | | 4,134.7 | |
| Unrealised capital gains | | 1,283.9 | |

| <u>Venture Capital</u> | % Stake | Book value Million € | Web Site |
|-------------------------|------------|-------------------------|---------------------|
| Mecalux (1) (2) | 14.2 | 79.0 | www.mecalux.es |
| Pepe Jeans (1) | 12.3 | 37.9 | www.pepejeans.com |
| Ros Roca (1) | 16.8 | 31.0 | www.rosroca.com |
| Ocibar (1) | 21.7 | 7.4 | www.portadriano.com |
| Otras | | 0.4 | |
| Total book value | | 155.7 | |

| <u>Real Estate</u> | |
|--|--------------|
| Appraisal value as of Dec. 31, 2009 | 247.3 |

Note (1): Through Deyá Capital S.C.R.

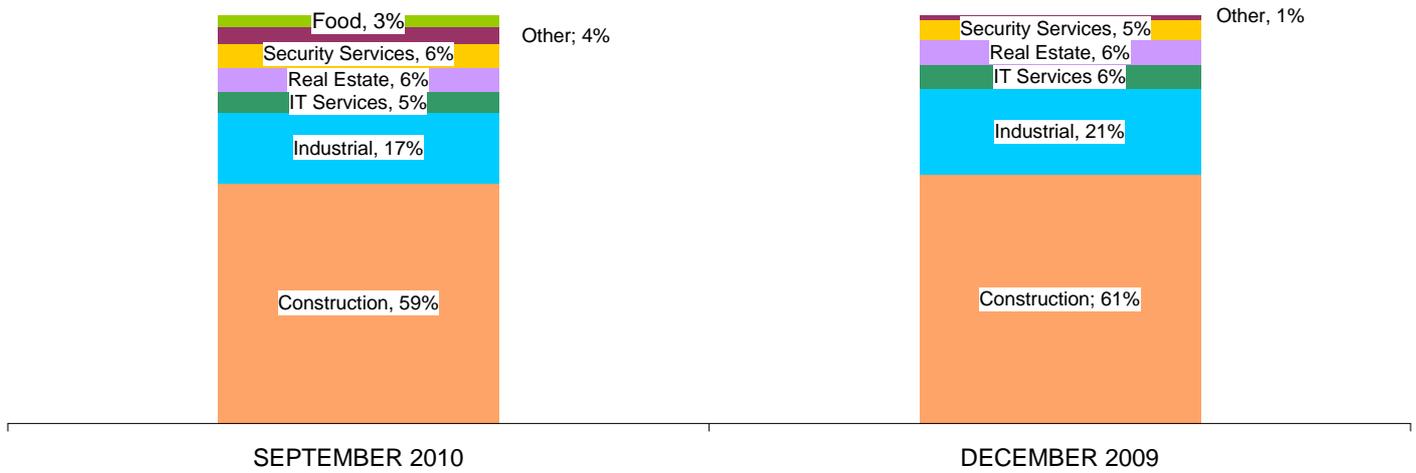
Note (2): A direct stake of 5.23% included.

IV. NET ASSET VALUE

The key figure for gauging the value of a company such as Alba is its Net Asset Value. Calculated according to internal methods consistent with those normally used by equity analysts, on the 30th of September 2010 Alba's Net Asset Value was estimated at 4,136.2 M€ or 70.16 € per share, after deducting own shares held as Treasury Stock.

| | <u>Million euros</u> |
|---------------------------------------|----------------------|
| Listed holdings | 4,134.7 |
| Unlisted holdings and Real Estate | 403.0 |
| Other assets and debt | (401.5) |
| Net asset value | 4,136.2 |
| | |
| Million shares (minus Treasury Stock) | 58.95 |
| Net asset value / share | 70.16 € |

V. BREAKDOWN OF NET ASSET VALUE BY SECTOR (GAV)¹



The stake in ACS is included in the Construction sector, which represents a 59% of the total. Given ACS's broad diversification, in order to provide a clearer picture of the distribution of Alba's portfolio by sector, this percentage has been broken down between the following sectors²:

| | |
|---------------------|-----|
| Industrial Services | 25% |
| Construction | 17% |
| Urban Services | 10% |
| Concessions | 6% |
| Energy | 1% |
| | 59% |

¹ Assets' value at market prices

² Breakdown reflects each sector's contribution to the estimated net profit 2010 of ACS.

VI. CONSOLIDATED RESULTS

Alba's net consolidated profit for the first nine months of the year was 323.9 M€ compared with 396.0 M€ in the same period the previous year, which translates as a drop of 18.2%. This decrease is due to the lower extraordinary income obtained by ACS this year. Whereas in the first nine months of 2009 the sale of ACS's stake in Unión Fenosa generated a profit of 248.4 M€ for Alba, in the same period this year Alba's results from ACS's extraordinary income fell to 96.5 M€, obtained mainly from the sale of part of its interest in Abertis.

Excluding the extraordinary results from both last year and this year, the net profit would have risen by 54.1% in the first nine months of the year compared with the same period last year, thanks to the improvement in the ordinary results of investee companies, especially Acerinox, and the inclusion of Indra in the scope of consolidation in July 2009.

Earnings per share stood at €5.45, 16.7% lower than the previous year.

Operating expenses remained in line with those for the same period the previous year.

The net financial result, calculated as the difference between *Financial income* and *Financial expenses*, rose from 3.8 M€ in the first nine months of 2009 to 7.5 M€ in the same period in 2010.

RESULTS

| | Million euros | |
|---|---------------|---------------|
| | 30/09/2010 | 30/09/2009 |
| Net profits from associates consolidated by the equity method | 314.5 | 393.5 |
| Rental income | 11.8 | 12.3 |
| Gains from fair value adjustments in Real Estate investments | - | 0.2 |
| Results from current assets | 5.9 | 3.5 |
| Commissions and Financial Income | 25.4 | 18.9 |
| Sum | 357.6 | 428.4 |
| Overheads | (12.3) | (12.7) |
| Financial expenses | (17.9) | (15.1) |
| Depreciation | (0.8) | (0.7) |
| Corporate income tax | (1.0) | (2.1) |
| Minority shareholders | (1.7) | (1.8) |
| Sum | (33.7) | (32.4) |
| Net profit | 323.9 | 396.0 |
| EPS (€) | 5.45 | 6.54 |

CONSOLIDATED BALANCE SHEETS (1)

| <u>Assets</u> | Million euros | | <u>Liabilities</u> | Million euros | |
|---|----------------|----------------|--|----------------|----------------|
| | 30/09/2010 | 31/12/2009 | | 30/09/2010 | 31/12/2009 |
| <i>Real Estate Investments</i> | 229.4 | 229.2 | <i>Share capital (2)</i> | 59.3 | 60.8 |
| <i>Fixed assets</i> | 12.3 | 12.9 | <i>Reserves and treasury stock</i> | 2,463.5 | 2,335.5 |
| <i>Investments in Associates</i> | 2,850.8 | 2,723.7 | <i>Profits for the year</i> | 323.9 | 390.6 |
| <i>Available for sale securities lt.</i> | 155.7 | 38.9 | <i>Minority interests</i> | 1.6 | 0.7 |
| <i>Other financial investments and other assets</i> | 80.7 | 81.8 | <i>Shareholders equity</i> | 2,848.3 | 2,787.6 |
| Non-current assets | 3,328.9 | 3,086.5 | <i>Provisions</i> | 4.7 | 6.8 |
| Financial investments | 22.7 | 22.5 | <i>Other non-current liabilities</i> | 32.7 | 32.7 |
| Debtors and other assets | 25.4 | 80.6 | <i>Financial debt</i> | 450.1 | 356.7 |
| | | | <i>Current liabilities</i> | 41.2 | 5.8 |
| Total assets | 3,377.0 | 3,189.6 | Total liabilities and shareholders equity | 3,377.0 | 3,189.6 |

(1) Year 2010 unaudited

(2) The share capital at 30/09/10 is composed of 59,330,000 shares with a nominal value of 1 €each

VII. STOCK MARKET PERFORMANCE



- In the first nine months of the year, the Alba stock quote descended by 1.37%, from €36.55 to €36.05, comparing very favourably with changes in the IBEX 35 index which, in the same period, descended by 11.94% to 10,515 points.

VIII. DIVIDEND

- On 29 October, Alba paid a dividend of €0.50 per share for the current year, equivalent to 50% of the nominal value per share, in line with the amount distributed at the end of last year.

(4 of November 2010)