



ALBA: PORTFOLIO AND THIRD QUARTER 2011 RESULTS

- The consolidated profit net of taxes was 315.4 M€ in the first nine months of 2011, a 2.6% decline over the same period of the previous year, due to the lower extraordinary results obtained by ACS.
- The profit per share, or BPA, was 5.40 € per share for the period, a 0.9% lower than in 2010.
- The total NAV stood at 2,983.4 M€ as at 30 September 2011, equivalent to 51.24 € per share. Alba shares closed at 31.72 € at that date, which implies they were trading at a 38.1% discount to the NAV per share.

I. THIRD QUARTER TRANSACTIONS

The most remarkable transaction in the third quarter of 2011 was the acquisition of a 0.46% stake in the share capital of Indra Sistemas for 9.0 M€, increasing Alba's shareholding to 10.48% at the end of the quarter.

II. DIVIDENDS

On October 28th, Alba distributed a gross interim dividend of 0.50 € per share, in line with the interim dividend paid in October last year.

This interim will be added to the 0.50 € per share final dividend on 2010 results paid in June, and the extraordinary dividend of 3.00 € per share paid in April.

If the three aforementioned gross dividends are considered, Alba has distributed to shareholders a total of 4 € per share this year, amounting to 233.8 M€

III. EVOLUTION OF OUR MAIN EQUITY INVESTMENTS

- The results of **ACS** for the first nine months of 2011 are distorted by the full consolidation of its stake in Hochtief since June 1st. Thus, consolidated sales and EBITDA grew by 62.1% and 39.1% respectively. The net income from continuing operations increased by 6.6% while the attributable net income fell 34.7% to 739 M€ due to the lower capital gains obtained in the period compared with 2010. By businesses, and at EBITDA level, it is worth highlighting the contributions of Industrial Services (+10.8%) and Environment (+6.7%); in the Construction business, the international activities and the integration of Hochtief compensated the continuing weakness in the Spanish operations. In recent months, ACS has reached agreements to sell several renewable assets and concessions.
- **Acerinox** achieved a positive net result in the third quarter of the year, despite the sharp fall in the price of raw materials and the slowdown in stainless steel demand caused by economic and financial uncertainties worldwide. In this difficult market environment, Acerinox increased sales by 8.2% in the first nine months of the fiscal year, to 3,622 M€ EBITDA and Net Income up to September amounted to 316 M€ and 103 M€ respectively, being 10.1% and 5.4% above the results from the same period in 2010. It is appropriate to point out that the first phase of Bahru Stainless (Malaysia) is initiating test operations in November.
- **Prosegur** sales rose by 8.2% up to September, reaching 2,030 M€ driven by the mostly organic growth of its activities in Latin America (+17.5%), which compensated for weakness in Europe and particularly in Spain (-1.6%). EBIT and net result increased by 1.4% and 3.8% respectively, up to 255 M€ and 116 M€ Consolidated results were affected by deterioration in the operating margin of operations in Europe.
- **Indra** has been able to keep the growth pace of previous quarters. Thus, in the first nine months of 2011, consolidated revenues increased by 2.7%, boosted by a 9.7% growth in international markets (representing 41.0% of total sales), which more than compensated the 1.7% decrease in sales in Spain. By sectors, Telecom and Media and Energy and Industry obtained the highest growth rates, being Security and Defence the only area with declining sales. EBIT and Net Income grew by 6.1% and 1.0% respectively compared with the same period of 2010. The increases in new orders (+2.7%) and backlog (+11.5%) support the sustainability of medium-term growth.
- Despite an increase in sales of some 5.2% in the first nine months of the year, **Ebro Foods** achieved operating results lower than those of the previous fiscal year (EBITDA down by -4.5% and EBIT by -4.3%), due principally to the sharp increase in the price of wheat in its pasta business. Net profit from ongoing operations increased by 16.0% while net profit fell by 73.2% due to the extraordinary results obtained in 2010 from the sale of Puleva. In the third quarter, Ebro Foods completed the acquisition of the rice business of Deoleo (formerly SOS), strengthening the presence in the United States and Spain, and accessing significant new markets such as the Netherlands and the Middle East.
- In the first nine months of 2011, **Clínica Baviera** increased sales and net profit by 4.3% and 18.1%, reaching 69 M€ and 4 M€ respectively. All business lines increased sales in the period, being worth noting the growth in international ophthalmology (+8.5%) and the strengthening of the businesses in Spain (+3.7% in ophthalmology and +2.5% in aesthetics), despite a complex consumption environment.

IV. PORTFOLIO AS OF 30TH SEPTEMBER 2011

<u>Listed holdings</u>	<u>% Stake</u>	<u>Book value Million €</u>	<u>Web Site</u>
ACS	18.3	1,084.9	www.grupoacs.com
Acerinox	24.2	701.7	www.acerinox.es
Indra	10.5	267.4	www.indracompany.com
Ebro Foods	8.1	172.4	www.ebrofoods.es
Prosegur	10.0	164.7	www.prosegur.es
Clínica Baviera	20.0	37.2	www.clinicabaviera.com
Antevenio	20.5	3.3	www.antevenio.com
Total book value		2,431.6	
Total market value (30-sep-11)		2,613.8	
Unrealised capital gains		182.2	
 Unlisted holdings		 206.9	
 Real Estate (<i>appraisal value as of Dec. 31, 2010</i>)		 239.3	

Main stakes in unlisted holdings are shown below:

<u>Company</u>	<u>Note</u>	<u>% Stake</u>	<u>Web Site</u>
Mecalux	(1)(2)	14.2	www.mecalux.es
Pepe Jeans	(1)	12.3	www.pepejeans.com
Panasa	(1)	26.8	www.berlys.es
Ros Roca	(1)	19.0	www.rosroca.com
Flex	(1)	19.8	www.flex.es
Ocibar	(1)	21.7	www.portadriano.com

Notes

(1) Through Deyá Capital S.C.R.

(2) Includes a 5.23% direct stake by Alba.

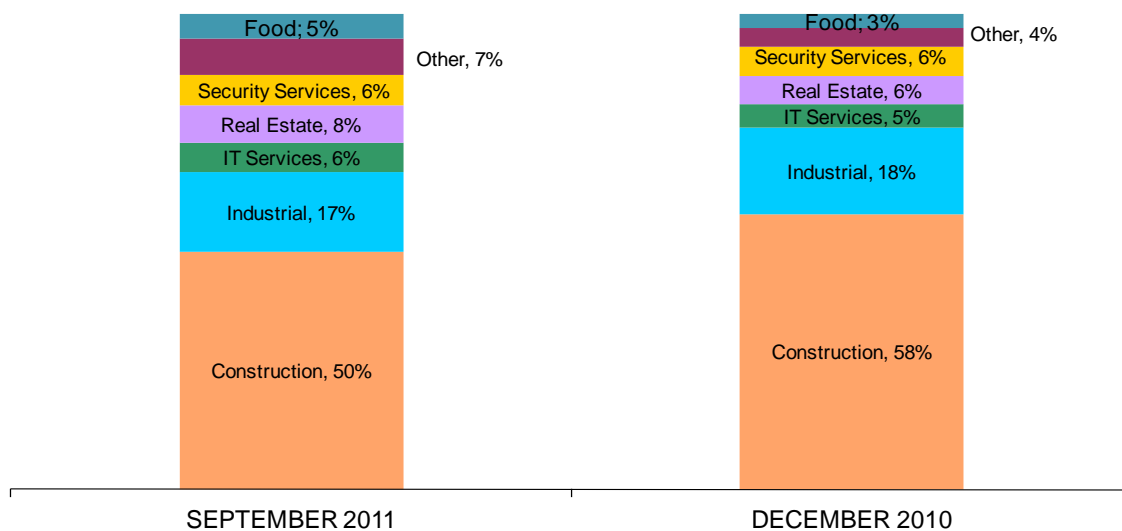
V. NET ASSET VALUE

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 2011 Alba's net asset value was estimated at 2,983.4 M€ or 51.24 € per share, after deducting own shares held as Treasury Stock.

	<u>Million euros</u>
Listed holdings	2,613.8
Unlisted holdings and Real Estate	446.2
Other assets and debt	(76.6)
Net asset value	2,983.4
 Million shares (minus Treasury Stock)	 58.22
Net asset value / share	51.24 €

The NAV per share descended by 26.4% in the first nine months of the year, due to the fall of the market value of some of our affiliates and to the distribution of an extraordinary dividend of €3.00 per share in April.

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



The Construction sector (50% of total GAV) comprises Alba's stake in ACS. Given the broad diversification of this company, and in order to provide a clearer picture of the distribution of Alba's portfolio by sector, this percentage has been broken down as follows⁽²⁾:

Industrial Services	19%
Construction	12%
Environment	6%
Iberdrola	5%
Concessions	3%
Abertis	2%
Others	2%
	50%

⁽¹⁾ Assets' value at market prices

⁽²⁾ Breakdown reflects each sector's contribution to the estimated net profit 2011 of ACS.

VII. CONSOLIDATED RESULTS

Consolidated net profit of Alba in the first nine months of 2011 amounted to 315.4 M€ with a reduction of a 2.6% in relation to the net result of 323.9 M€ obtained in the same period in the last fiscal year. This decrease is mainly due to the lower contribution to results from affiliated companies, which has been partly compensated by the capital gains net of taxes obtained from the sale of 5% of ACS at the beginning of February.

The profit per share amounted to 5.40 € in the period, 0.9% down on the previous fiscal year.

Income from *participation in profits of affiliates* amounted to 193.6 M€, 38.4% down on the previous year. This decline is mostly explained by the lower results contributed by ACS, due to the reduction in our stake referred to earlier and by the significantly lower extraordinary results obtained by this company in the period.

Operating costs remained in line with those from the same period in the previous fiscal year.

The net financial result, calculated as the difference between income and financial expenditure, showed a negative balance of 2.6 M€, as against the positive balance of 7.5 M€ from the same period in 2010, due to the lower commissions and financial earnings obtained in this fiscal year.

The 57.3 M€ *Corporate Income Tax* captures the tax impact on the capital gains obtained in this period from the sale of non-current assets.

RESULTS

	Million euros	
	30/09/2011	30/09/2010
Net profits from associates consolidated by the equity method	193.6	314.5
Rental income	11.6	11.8
Results from current assets	185.1	5.9
Commissions and Financial Income	14.9	25.4
Sum	405.2	357.6
Overheads	(12.5)	(12.3)
Financial expenses	(17.5)	(17.9)
Depreciation	(0.8)	(0.8)
Corporate income tax	(57.3)	(1.0)
Minority shareholders	(1.7)	(1.7)
Sum	(89.8)	(33.7)
Net profit	315.4	323.9
EPS (€)	5.40	5.45

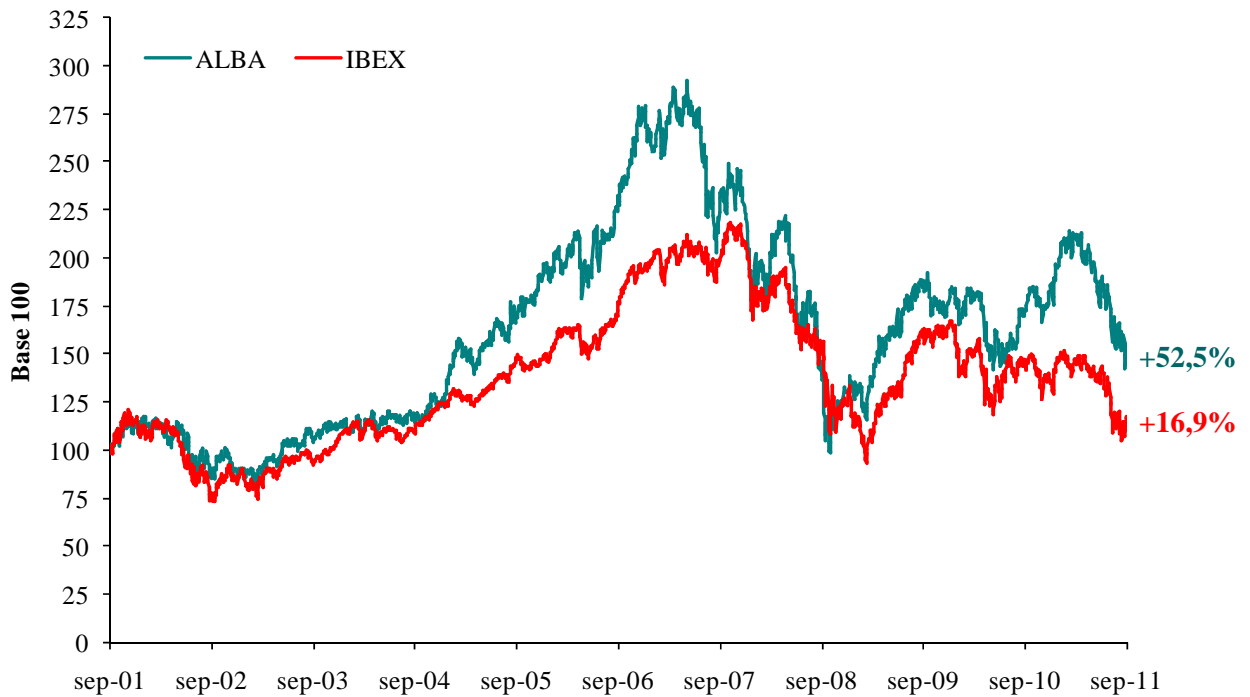
CONSOLIDATED BALANCE SHEETS ⁽¹⁾

Assets	Million euros		Liabilities	Million euros	
	30/09/2011	31/12/2010		30/09/2011	31/12/2010
<i>Real Estate Investments</i>	222.2	221.9	<i>Share capital (2)</i>	58.3	59.3
<i>Fixed assets</i>	11.3	12.0	<i>Reserves and treasury stock</i>	2,421.7	2,469.9
<i>Investments in Associates</i>	2,431.6	2,867.7	<i>Profits for the year</i>	315.4	419.4
<i>Available for sale securities l.t.</i>	206.9	155.8	<i>Minority interests</i>	0.8	0.7
<i>Other financial investments and other assets</i>	95.0	136.1	<i>Shareholders equity</i>	2,796.2	2,949.3
Non-current assets	2,967.0	3,393.5	Provisions	2.7	4.4
Financial investments	9.9	25.4	Other non-current liabilities	43.2	47.6
Debtors and other assets	41.3	75.6	Financial debt	165.5	484.0
			Current liabilities	10.6	9.2
Total assets	3,018.2	3,494.5	Total liabilities and shareholders equity	3,018.2	3,494.5

(1) Year 2011 unaudited

(2) The share capital at 30/09/11 is composed of 58,300,000 shares with a nominal value of 1 €each

VIII. STOCK MARKET PERFORMANCE



- In the first nine months of 2011, Alba's share price declined by 17.5%, from €38.46 to €31.72, while in the same period the IBEX 35 index fell 13.3%, to 8,547 points.
- If the dividends distributed until the end of September (€3.50 per share) are considered, the total return for Alba's shareholders would be -8.4% in the period.

(November 14th, 2011)