



FIRST HALF 2005

- In the first half of the financial year, Alba increased its investment in ACS and Acerinox and sold 0.07% in Vodafone, 0.63% in Havas and 2.5% in Celtel. With these disinvestments, Alba achieved a capital gain of 141.0 M€ and concluded its disinvestment in Vodafone and Havas.
- The company achieved a Net Profit of 208.1 M€, some 125% more than in the same period of the previous financial year, thanks to the favourable evolution of the companies in which it participates and the disinvestments carried out during the period.
- During the first half of the financial year the Alba share price was revalued by 27.9%, as compared with 8.2% for the Ibex.

PORTFOLIO AT 30-6-05

Listed holdings	% Stake	Book Value
		Million €
Acerinox (*)	11.17	308.0
ACS (*)	16.26	559.8
Carrefour (*)	3.41	282.3
Prosegur	5.67	61.1
Spirent	0.58	3.9
Total book value		1,215.1
Total market value (30-6-05)		2,682.3
Unrealised capital gains		1,467.2

Unlisted holdings	% Stake	Book Value
		Million €
Celtel	0.45	12.4
Palio	16.98	4.7
Princes Gate	n.a.	0.5
Unipsa	82.57	1.6
Xfera	11.35	0.0
Other	n.a.	3.1
Total book value		22.3
Real estate		255.4

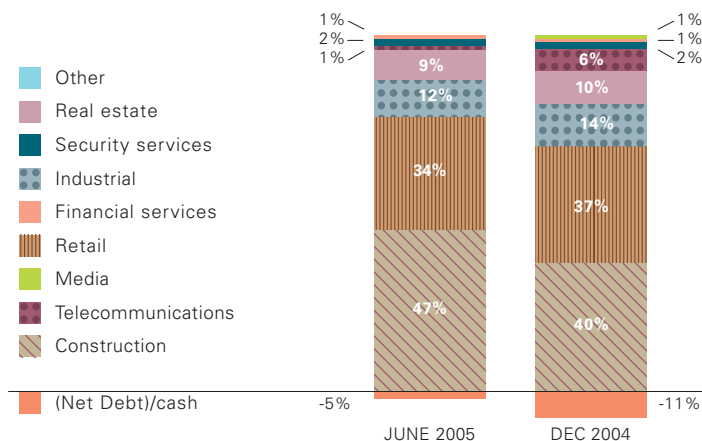
(*) Investments consolidated by the Equity method.

NET ASSET VALUE

The most representative figure of a company such as Alba is its net asset value. Calculated according to internal criteria coinciding with those normally used by analysts, the net asset value of Alba at 30 June 2005 was estimated at 2,841.6 M€, which amounts to 43.21 € per share after deduction of treasury stock.

	Million €
Listed holdings	2,682.3
Unlisted holdings and real estate	295.8
Other assets and debt	(136.5)
Net asset value	2,841.6
Million shares (minus Treasury Stock)	65.76
Net asset value/share	43.21 €

SECTORIAL DISTRIBUTION OF THE NET ASSET VALUE





MOST SIGNIFICANT TRANSACTIONS



During the early months of the year, Alba increased its participation in ACS, Acerinox and Prosegur. It acquired an additional 0.72% in ACS, with a total investment of 51.2 M€. This investment increased its participation in the leading construction and services Group in Spain, to 16.26%.



It also increased its participation in Acerinox to 11.17% of the share capital, with the purchase of 0.63% for 19.9 M€. Its international diversification policy, with investments in the United States and South Africa, is enabling Acerinox to increase its production capacity and at the same time improve its global positioning.



Furthermore, Alba has acquired 0.44% in Prosegur for 4.5 M€, which increases its participation to 5.67%.

In view of the high discount at which its shares were trading, during the first half of the financial year the company acquired

249,365 own shares for an amount of 7.7 M€. These purchases increase the balance of the treasury stock, as at 30 June, to 1.06% of the share capital.

In the disinvestments area, Alba sold its remaining participation in Vodafone, 0.07%, for 100.1 M€, achieving a capital gain of 89.2 M€. This sale process commenced in 2003, with an offer to the Alba shareholders of the possibility of purchasing 0.11% of Vodafone at a price 15% below the quoted price, and continued during 2004.

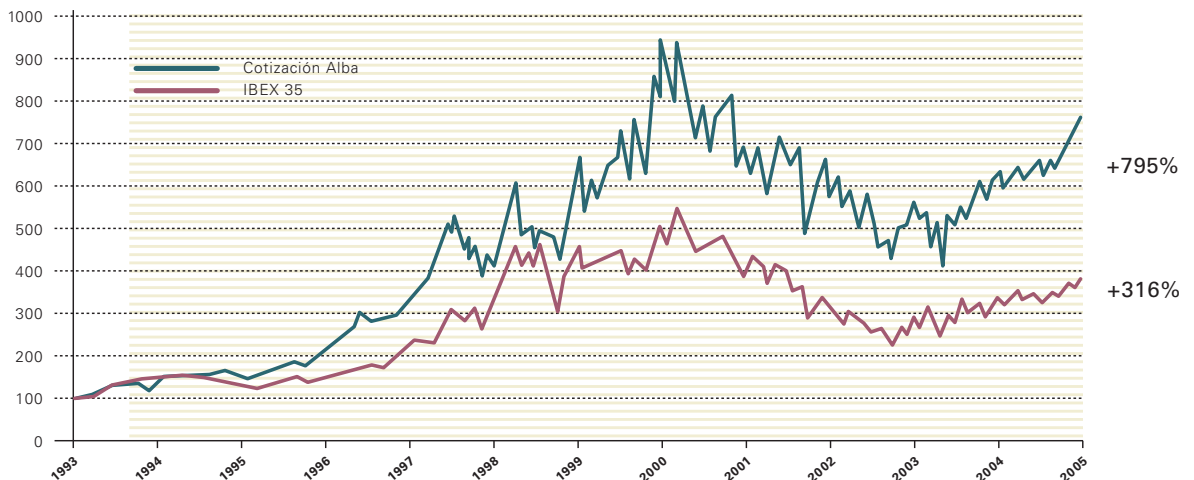
During May, Alba sold 85% of its participation in Celtel, a Dutch company operating mobile telephone and GSM licences in Africa, to the Kuwaiti Mobile Telecommunications Company (MTC), for 84.6 M€, net of transaction costs. The remaining 15% will be sold within a period of 2 years under a purchase and sale option agreement for a further 15 million dollars, at the same valuation as the initial 85%.



STOCK MARKET EVOLUTION

- Corporación Financiera Alba is being quoted on the Continuous Market of the Spanish Stock Exchange with an average daily trading volume of 2.10 M€ during 2005.

- Last June, Spanish Stock Exchanges and Markets created a new index, Ibex Medium Cap, of which Corporación Financiera Alba forms a part together with another 19 securities with a weighting of 6.80%.





Alba had invested 27 million dollars in acquiring a 3% participation in Celtel by successive increases in capital carried out by the company; the total disinvestment process will therefore produce a capital gain of 72.6 million dollars.

In the first quarter of the year Alba had already concluded the sale, commenced in 2004, of its participation in Havas (0.63%), from which it achieved a profit of 6.6 M€.

Net Financial Debt of Corporación Financiera Alba amounts to 102.5 M€, which represents 3.6% of its net asset value.

The General Meeting of Shareholders, held on 25 May last, decided on the amortisation of 340,000 treasury stock shares, thereby reducing the capital stock to 66.5 million shares. The payment of a complementary dividend equivalent to 6% of the nominal value of the shares, 6 cents per share, was also approved, having become effective on 9 June last.

All the information relating to the Company Management and the General Meeting of Shareholders can be found at web page www.corporacionalba.es

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

The consolidated financial information was prepared in accordance with the International Financial reporting Standards (IFRS). The transition from Spanish generally accepted accounting principles to IFRS was included in the opening balance sheet for the financial year that commenced in 2004, so that the information for 2004 and 2005 is entirely comparable.

In the case of Alba, the main variations introduced by the adoption of IFRS are as follows:

- **Real-estate properties**, mainly investment assets used for letting, are recorded at their fair value, they are not amortised and the difference between the initial fair value and

the final fair value within a period will be recorded as Results.

- **Unipsa, Correduría de Seguros, S.A.**, in which Alba holds an 82.6% participation, was consolidated by the equity method due to its different activity, and will now be consolidated as an affiliate.

- **Goodwill** will be subject to impairment analysis and will not be amortised.

- **Acerinox, ACS and Carrefour** will be consolidated by the equity method. The rest of our investments will be accounted for at fair value, and fair value variations will be recorded as changes in Equity.



CONSOLIDATED RESULTS

(2005 Preliminary figures)

The net consolidated profit of Alba in the first half of the financial year amounted to 208.1 M€, more than twice the result obtained in the previous half-year of 2004, 92.5 M€. This growth is due fundamentally to capital gains achieved in the divestment operations mentioned above. Earnings per share amounted to 3.16 € as compared with 1.40 € for the previous financial year.

The **Results from the securities portfolio**, an item which includes capital gains and capital losses occurring in portfolio divestments, amounted to 141.5 M€, thanks to the capital gains achieved from the sale of 0.07% of Vodafone, 85% of the participation in Celtel and 0.63% of the participation in Havas. The evolution of this item is irregular, due to the fact that it depends on the divestment opportunities in each period.

Net profits from affiliates consolidated by the equity method amounted to 95.2 M€, some 25.4% more than in the same period of the previous year. The growth of this item is due to the good evolution of the portfolio companies as compared with the previous financial year, in addition to the said increased participation in ACS and Acerinox.

Financial Income amounted to 5.4 M€, some 100% more than the income obtained in the same six months of the previous year, for premiums charged in respect of options contracts.

The item **Income for the provision of services**, originating from the consolidation of the income of UNIPSA SA, amounts to 4.2 M€, 35% more than in the previous financial year.

General Expenses increased from 10.5 M€ in the first half of the previous financial year, to 14.1 M€ in the same period of the current financial year. This increase is due to the cost of the options plan approved by the General Meeting of Shareholders on 22 May 2002, whose rights could be exercised from 23 May 2005 and which have already been exercised in their entirety.

	Million euros	
	30-6-05	30-6-04
Net profits from affiliates consolidated by the equity method	95.2	75.9
Rental income	7.4	7.1
Income from services	4.2	3.1
Income from Real Estate disposals	1.6	0.0
Financial income	5.4	2.7
Results from the securities portfolio	141.5	21.8
	255.3	110.6
Overheads	(14.1)	(10.5)
Financial expenses	(4.1)	(4.2)
Depreciation	(0.1)	(0.2)
Corporate income tax	(28.6)	(3.0)
Minority shareholders	(0.3)	(0.2)
	(47.2)	(18.1)
Net profit	208.1	92.5
EPS (€)	3.16	1.40

CONSOLIDATED BALANCE SHEETS

(2005 Preliminary figures)

Assets	Million euros	
	30-6-05	31-12-04
Real estate under lease	255.4	255.2
Other fixed assets	0.3	0.3
Net tangible fixed assets	255.7	255.5
Listed securities	1,215.1	1,149.9
Unlisted securities	22.3	36.1
Other financial investments	2.3	2.2
Financial Investments	1,239.7	1,188.2
Debtors	11.4	32.9
Total assets	1,506.8	1,476.6

Liabilities	Million euros	
	30-6-05	31-12-04
Share capital (1)	66.5	66.8
Reserves	1,082.6	897.1
Profits for the year	208.1	245.4
Shareholders equity	1,357.2	1,209.3
Minority interests	1.7	1.8
Provisions	20.2	21.9
Long-term creditors	2.6	2.1
Net debt	102.5	221.4
Current liabilities	22.6	20.1
Total liabilities and shareholders equity	1,506.8	1,476.6

(1) The share capital is composed of 66,460,000 shares with a nominal of 1 € each.