ALBA: PORTFOLIO AND RESULTS FOR THE FIRST HALF OF 2019

- The consolidated net profit after taxes reached €67 million in the first half of 2019, compared to €68 million in the same period of the previous year (-2.0%).
- Net Asset Value (NAV) increased by 8.3% in the first half of the year, to €4,237 million as at 30 June 2019, equivalent to €72.74 per share. Alba's share price on this same date was €46.10, representing a discount of 36.6% compared with NAV per share.
- In this period, Alba invested €588 million and sold assets totalling €129 million, significantly reducing its net cash position[1] as of 30 June 2019.
- In June, Alba distributed a final dividend of €0.50 gross per share to its shareholders representing a disbursement of €29 million.

I. MOST SIGNIFICANT TRANSACTIONS

The investments made by Alba in the first half of 2019 were as follows:

- The acquisition of an 8.54% stake in Shield Luxco 1.5 using an investment of €557.2 million. Through this company, Alba obtained a 7.48% indirect stake in the economic rights of Verisure, which also operates under the brand "Securitas Direct".
- The acquisition in the first quarter of 1.59% of Parques Reunidos for €13.4 million, increasing the stake in this Company to 23.02%.
- Purchase of 0.03% of CIE Automotive for €0.8 million, increasing the stake in this Company to 10.13%.
- Purchase, through Deyá Capital, of an indirect share of 3.27% of Telepizza for €16.0 million as a consequence of the participation in a takeover bid led by KKR on the Company. Telepizza shares were excluded from listing in July.

On the other hand, amongst the divestitures made, the sale of 24.38% of Mecalux for €121.8 million is noteworthy. Alba's shareholdings comprised 8.78% direct and 15.60% indirect, through Deyá Capital. With this sale, and from the origin of investment in July 2010, Alba earned a total of €27 million in capital gains and collected dividends for €16 million.

II. PERFORMANCE OF THE MAIN INVESTEE COMPANIES

- Sales of **Acerinox** in the first half of 2019 decreased 5.7% year-on-year to €2,442 million, in line with the volume in tonnes sold. Meting shop output decreased by 8.3% to 1,198 thousand tonnes and cold rolling was 7.4% lower than the first half of 2018, to 863 thousand tonnes. EBITDA was €186 million in the first half, which is 30.6% lower than the same period of the

[1] As of 30 June 2019, Satlink is consolidated by global integration. All comments made in this document concerning Alba's cash position refer exclusively to that of Alba, excluding the consolidated net debt of Satlink.

previous year, mainly due to low prices in Europe and Asia and inventory adjustments at net realisable value that had a negative impact of €13 million. Net profit was €69 million (-49.8% compared to the first half of 2018). Net financial debt at 30 June 2019 amounted to €642 million, up by €105 million on the figure recorded in for the same period in the previous year.

- In the first half of 2019, the net revenues of **Bolsas y Mercados Españoles** fell by 7.9% compared to the same period of the previous year, to €143 million. The decrease in the revenues of the Equities, Derivatives, Settlement and Registration, Clearing and Market Data & VAS divisions could not be offset by the increase in the Fixed Income division. Despite the reduction in operating costs, EBITDA and net income fell to €86 million and €63 million respectively, which is 10.8% and 11.8% lower than the first half of 2018. The Company maintained a net cash position of €276 million as at 30 June 2019, 12.6% lower than the first quarter of 2018, primarily due to the application of IFRS 16, having considered certain leasing contracts as debt.

- **CIE Automotive's** turnover rose to €1,702 million in the first half of 2019, up 9.7% from the same period in 2018, showing higher market growth across all geographic areas. Excluding the impact of exchange rates and inorganic growth, comparable sales would have increased by 1.7%. EBITDA grew 10.8% compared to the first half of 2018 to €308 million, supported by margin expansion and acquisitions carried out. Net profit increased by 13.7% to €150 million. As at30 June 2019, adjusted net financial debt was €1,551 million, which indicates a ratio of 2.4 times the adjusted EBITDA of the last twelve months.

- **Ebro Foods** reported sales of €1,357 million in the first half of 2019, 7.6% higher than the same period in the previous year. This growth was supported by good performance of both the Pasta (+4.5%) and Rice (+10.2%) divisions. EBITDA in the period amounted to €159 million, up 6.0% from the first half of 2018. In contrast, net profit decreased by 2.5% to €74 million due to the lesser positive extraordinary income in the 6-month period. Net financial debt increased by €100 million since the end of June 2018, to €832 million, mainly due to the application of IFRS 16 and investments made.

- Turnover for **Euskaltel** rose to €343 million in the first half of 2019, down 1.9% year-on-year. The slight improvement in revenue in the Companies segment was not enough to offset the fall in the Wholesale and Mass Market segment. Net uptake of Mass Market customers over the 6-month period was positive due to expansion projects in other regions. EBITDA for the first half of the year fell to €166 million, down 1.9% year-on-year. Net profit in the period was €23 million, down 20.5% compared to the first half of 2018. As at 30 June 2019, net financial debt fell to €1,526 million, 2.9% less than on the same date of the previous year.

- **Indra**'s sales amounted to €1,546 million in the first half of 2019, 5.7% higher than in the same period of the previous year (6.3% in local currency), due to the good performance most notably of the Transport & Traffic and Energy & Industry divisions and to a lesser extent of the Financial Services and Telecom & Media divisions. Sales increased across all geographies. EBIT was at €79 million, up 8.5% compared to the first half of 2018, supported by improved profitability in the Minsait business area. The net result was €34 million, 7.8% lower than in the same period of 2018 due to higher tax expenditure and the higher results attributable to external partners. As at 30 June 2019, net financial debt increased to €716 million (9.2% higher than at the same date in 2018), which indicates a ratio of 2.4 times the EBITDA of the last twelve months.

- **Naturgy** reported sales of €11,639 million for the first half of 2019, which is 4.4% lower than for the same period in the previous year, due to lower energy prices and lower volumes sold in the liberalised business. EBITDA in the period amounted to €2,150 million, up 7.3% compared to the first half of 2018, supported by the good performance of the infrastructure business, the new commercial strategy in marketing activity and the implementation of the efficiency plan. In addition, the net profit for the period was €592 million, compared with the loss of €3,281 million in the first half of 2018, mainly caused by significant impairment of assets. Excluding non-recurring effects, the net profit would have grown by 30.1%. Net financial debt at 30 June 2019, rose to €14,826 million, up 19.9% on the same date of the previous year, due to the application of IFRS 16.

- In **Parques Reunidos** the results refer to a period of the year that is seasonally low in activity. Parque Reunidos' revenue in the period increased by 31.5%, up to €243 million, mainly due to the integration of the acquisitions of Tropical Islands, and to a lesser extent Belantis and Walsrode, as well as the successful progress of the business in Spain. Reported EBIDTA increased by 22.5% up to €22.5 million. Excluding the impact of the exchange rate and the acquisitions, the EBITDA would have decreased by 32.3% due to the increase in operating costs. Net results were €-178 million vs. €-28 million in the same period of the previous year, as a consequence of goodwill writedowns and the cancellation costs of various "Indoor Entertainment Centres". Net debt rose to €905 million from €582 million at the end of June 2018, mainly due to IFRS 16, the acquisitions and the operating investments made.

- **Verisure,** company that also operates under the brand "Securitas Direct", reported revenue of €926 million in the first half of 2019, which is 19.2% higher than the same period in the previous year. This improvement was driven by growth in the customer portfolio, which increased to 3.1 million customers (+13.7%), and the increase in ARPU (+2.6%). The portfolio's adjusted EBITDA amounted to €518 million in the period, up 20.1% compared to the first half of 2018, due to the factors already mentioned. Total adjusted EBITDA reached €374 million, up 29.5% year-on-year. Net profit was -€15 million, higher than the figure report for the first half of 2018 (-€29 million). Net financial debt amounted to €4,858 million at the end of June 2019.

- **Viscofan** sales in the first half of 2019 increased by 6.3% compared to the same period of the previous year, to €410 million, driven by an improvement in the mix of prices, favourable exchange rate and the addition of Globus to the consolidation perimeter. In comparable terms, sales would have increased by 3.8% compared to the same six-month period of the previous year. EBITDA decreased by 15.0% to €93 million, due to higher prices of raw materials and energy and higher fixed costs and labour costs but remained stable at €95 million in recurring terms. Net profit was €46 million, 30.5% lower than for the same period of the previous year. At 30 June 2019, Viscofan's net debt was €73 million, up from €70 million at the same date in 2018.

III. INVESTMENT PORTFOLIO

The composition of Alba's Portfolio on 30 June 2019 is as follows:

	Stake %	Million €
Listed holdings		**3,134**
Acerinox	19.35	462
BME	12.06	217
CIE Automotive	10.13	333
Ebro Foods	14.00	406
Euskaltel	11.00	160
Global Dominion	5.00	38
Indra	10.52	165
Naturgy (1)	5.27	815
Parques Reunidos	23.02	259
Viscofan	13.03	279
Total market value		**3,134**
Total book value		**2,994**
Unrealised gains		**140**
Unlisted holdings (2)		**666**
Verisure (2)	7.48	
Through Deyá Capital		
Alvinesa	16.83	
in-Store Media	18.89	
Monbake	3.70	
Telepizza (3)	3.27	
TRRG Holding Limited	7.50	
Satlink (4)	28.07	
Real Estate		**342**

(1) Includes an indirect stake of 5.16% through Rioja Bidco and a direct stake of 0.11%.
(2) Indirect stake in economic rights through Shield Luxco 1.5.
(3) Indirect stake through Tasty Topco.
(4) Fully consolidated.

IV. NET ASSET VALUE (NAV)

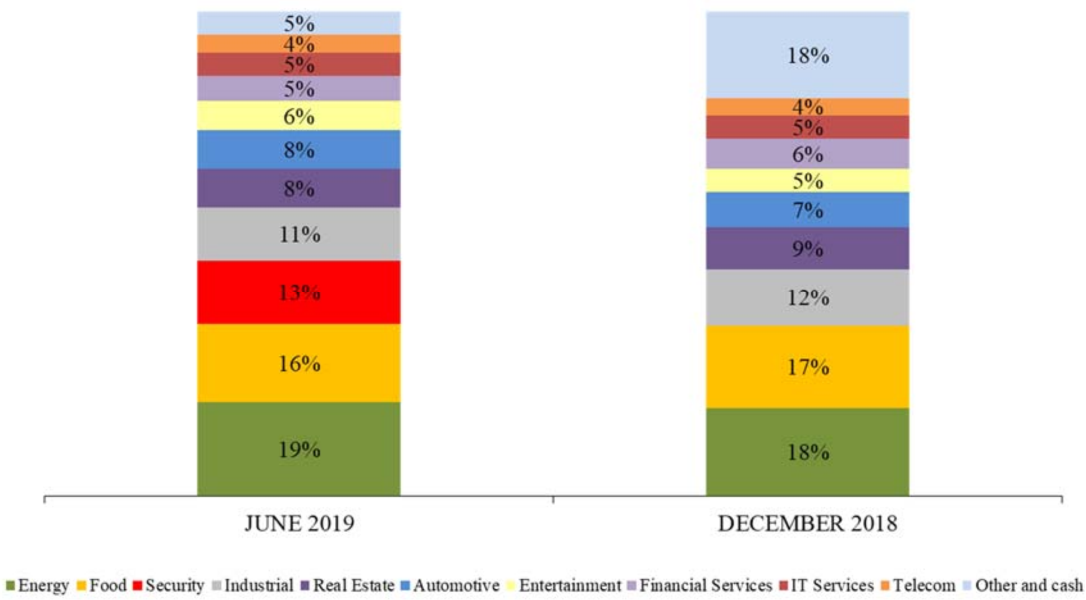
The most representative measure of a company like Alba is its Net Asset Value (NAV). Calculated according to the criteria normally used in the market, as at 30 June 2019, Alba's NAV before taxes amounted to €4,237 million or €72.74 per share, representing an increase of 8.3% in the first half of 2019.

Million euros

	30/06/2019	31/12/2018
Listed holdings	3,134	2,865
Unlisted holdings	666	182
Real Estate	342	344
Other assets and liabilities	94	251
Net cash	1	269
Net asset value	**4,237**	**3,912**
Million shares	58.24	58.24
Net asset value / share	**72.74 €**	**67.17 €**

Satlink are included at fair value and, consequently, their assets and liabilities are eliminated.
The relationship with the Consolidated Balance Sheet is included in the footnotes of section dedicated to the balanca sheet (page 8).

V. SECTORAL DISTRIBUTION OF THE GROSS ASSET VALUE[1] (GAV)



(1) Market prices in listed companies, internal/external valuation of unlisted companies and valuation of real estate.

VI. CONSOLIDATED RESULTS

The *consolidated net profit after taxes* reached €67 million in the first half of 2019, compared to €68 million in the same period of the previous year (-2.0%).

Revenue from *share in of profits in associates* was €31 million during the year, versus €63 million in 2018 (-50.8%). This decrease is mainly originated by Parques Reunidos that contributes a result of €-41 million in the first half of 2019, versus €-3 million in the same period of the previous year.

Gascan was consolidated by global integration until 31 December 2018. For this reason, accounts in the first half of 2019 have significant differences in various paragraphs.

The main difference in the section *Profit / (Loss) on asset sales and net financial result* is derived from the sale of Mecalux in 2019.

The *earnings per share* for the first half of 2019 was €1.15, compared to €1.17 in the same period of the previous financial year.

CONSOLIDATED INCOME STATEMENT[1]

	Million euros	
	30/06/2019	30/06/2018
Share of profits of associates	31	63
Rental income and other	37	48
Of leases and others	*9*	*8*
From other companies by global integration	*28*	*40*
Gains from fair value adjustments in Real Estate investments	1	0
Profit / (Loss) on asset sales and net financial result	42	7
Sum	**111**	**119**
Operating expenses	(35)	(39)
From Alba	*(15)*	*(14)*
From other companies by global integration	*(20)*	*(26)*
Depreciation	(3)	(6)
From other companies by global integration	*(3)*	*(6)*
Corporate income tax	(3)	(2)
Minority shareholders	(3)	(4)
Sum	**(44)**	**(50)**
Net earnings	**67**	**68**
EPS (€)	**1.15**	**1.17**

(1) Satlink is fully consolidated. Gascan was excluded from the scope of consolidation on December 31, 2018.

CONSOLIDATED BALANCE SHEET[(1)]

	ASSETS	Million euros	
		30/06/2019	31/12/2018
	Intangible asstes	40	43
	Goodwill	*5*	*5*
	Other intangible assets	*35*	*38*
(a)	Real Estate Investments	325	327
(a)	Fixed assets	9	8
(b)	Investments in Associates	3,510	2,994
(b)	Financial assets at fair value through P & L	124	201
	Other financial investments and other assets	59	64
	Non-current assets	**4,068**	**3,638**
	Stock	8	7
	Outstanding tax refunds	47	164
(c)	Other financial assets	41	249
(c)	Treasury and temporary financial investments	77	142
	Debtors and other assets	59	68
	Current assets	**232**	**629**
	Total assets	**4,300**	**4,267**

	EQUITY AND LIABILITIES	Million euros	
		30/06/2019	31/12/2018
	Share capital	58	58
	Reserves and treasury stock	3,947	3,829
	Earnings for the year	67	154
	Minority interests	20	17
	Shareholders' equity	**4,092**	**4,059**
	Other non-current liabilities	10	10
	Net deferred tax	37	38
(c)	Long-term debts with credit institutions	124	129
	Non-current liabilities	**172**	**176**
(c)	Short-term debts with credit institutions	11	13
	Current liabilities	25	19
	Current liabilities	**36**	**31**
	Total shareholders' equity and liabilities	**4,300**	**4,267**

(1) Satlink is fully consolidated. Gascan was excluded from the scope of consolidation on December 31, 2018.

(a) This relates to the “Properties” heading in NAV.

(b) This relates to the “Listed securities” and “Unlisted securities” headings in NAV. Satlink is included in the NAV at fair value by discounting it from “Other Assets and Liabilities”.

(c) This relates to the “Net cash” heading in NAV, once the impact of Satlink included in the “Unlisted securities” of NAV is discounted.

STOCK PRICE PERFORMANCE

- In the first half of 2019, the price of Alba's shares increased by 8.5%, going from €42.50 to €46.10, while in the same period the IBEX 35 climbed by 7.7% to 9,199 points.

VII. EVENTS AFTER CLOSING

- Since 30 June 2019, Alba has announced the following operations:
  - In July, Alba, reached an agreement through Deyá Capital IV to acquire a stake in the Alvic Group, a leading Spanish company in the manufacture of kitchen furniture and components that generates about 70% of its revenues outside of Spain. The acquisition is conditional upon obtaining appropriate approval from relevant competition authorities and a confirmatory review of the financial magnitudes of the Alvic Group.
  - In July, Alba sold to a group of investors a 17.9% share of a newly created company to which it had previously contributed all of its indirect stake in Verisure. This sale has been recorded as a cash entry €100 million for Alba and has not generated any capital gain or loss. The indirect share in Alba's economic rights in Verisure, net of minority shareholders, is currently at 6.14% of its share capital.
- In the first part of September, the voluntary takeover bid launched by a vehicle controlled by EQT on Parques Reunidos was successfully concluded. Upon completion of the takeover bid and roll-over of the Parques Reunidos shares owned by Alba and GBL to the acquiring company, the latter now has an 86.40% stake in the share capital of Parques Reunidos. In the coming weeks, the measures necessary to exclude the listing of shares of the Company will be taken. Alba remains an important shareholder of Parques Reunidos in the long term, with an indirect share of 29.33%.

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