ALBA: PORTFOLIO AND RESULTS FOR THE THIRD QUARTER OF 2019

- The consolidated net profit after taxes reached €129 million in the first nine months of 2019, compared to €135 million in the same period of the previous year (-4.5%).
- Net Asset Value (NAV) increased by 6.2% in the first nine months to €4,156 million as at 30 September 2019, equivalent to €71.36 per share. Alba's share price on this same date was €44.70, representing a discount of 37.4% compared with NAV per share.
- In this period, Alba invested €588 million and sold assets totalling €234 million, reducing its net cash position(1) to €138 million as at 30 September 2019.
- In October, Alba distributed a gross dividend of €0.50 per share to its shareholders, drawn from the 2019 profits, representing a disbursement of €29 million.

I. MOST SIGNIFICANT TRANSACTIONS

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

- The purchase of an 8.54% stake of Shield Luxco 1.5 for €557.2 million at the beginning of April. Through this company, Alba obtained a 7.48% indirect stake in Verisure, which also operates under the brand "Securitas Direct". In addition, in July Alba sold a 17.95% stake of a newly created company that had previously contributed to its indirect participation in Verisure, to a group of investors for €100 million, without the sale generating any capital gain or loss for Alba. Currently, Alba's indirect economic stake in Verisure, net of minority shareholders, is at 6.14% of its share capital.
- The acquisition of 1.59% of Parques Reunidos for €13.4 million in the first quarter, increasing the stake in this Company to 23.02%. While in the first part of September, the voluntary takeover bid for Parques Reunidos launched by a company controlled by EQT 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. Alba remains an important shareholder of Parques Reunidos in the long term, with an indirect stake of 25.35%.
- Purchase of 0.05% of CIE Automotive for €1.4 million, increasing the stake in this Company to 10.15%.
- Investment, through Deyá Capital, of €16.0 million in an indirect stake of 3.27% of Telepizza as a consequence of participation in the takeover bid led by KKR for this Company (Telepizza shares were delisted 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.

---

(1) As of 30 September 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.

II. P ERFORMANCE OF THE MAIN INVESTEE COMPANIES(1)

- **Acerinox** sales in the first nine months of 2019 decreased 5% year on year to €3,661 million, in line with the volume in tonnes sold. Melting shop output decreased by 10% to 1.7 million tonnes and cold rolling by 9% compared to the first nine months of 2018, to 1.3 million tonnes. EBITDA was €290 million in the first nine months, 31% lower year-on-year, mainly due to price weakness in Europe and Asia. Net profit was €113 million (-49% compared to the same period in 2018). As of 30 September 2019, net financial debt fell to €582 million, which is €84 less than the figure recorded for the same date of the previous year.

- In the first nine months of 2019, net income of **Bolsas y Mercados Españoles** was down by 6.1% year-on-year to €213 million, with declines in almost all of its business units, marking the fall in Equities (-14.0%). Despite the reduction in operating costs, EBITDA and net income fell to €128 million and €93 million respectively, which is 7.6% and 8.9% lower than that recorded in the same period of the previous year. The Company maintained a net cash position of €269 million as of 30 September 2019, which 13.7% lower than at the close of the third quarter of 2018, primarily due to the application of IFRS 16, having included the leasing liabilities as debt.

- **CIE Automotive´s** turnover rose to €2,609 million in the first nine months of 2019, up 13.8% 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 remained stable (+0.1%). EBITDA grew 13.2% from the first nine months of 2018 to €458 million, supported by acquisitions. Net profit increased by 18.2% to €224 million. As of 30 September 2019, the adjusted net financial debt was €1,585 million, which indicates a ratio of 2.4 times the adjusted EBITDA of the last twelve months.

- **Ebro Foods** reported sales of €2,035 million in the first nine months of 2019, 7.2% higher than the same period in the previous year. This growth was supported by good performance of both the Pasta (+4.8%) and Rice (+9.2%) divisions. EBITDA in the period amounted to €237 million, up 13.0% from the same period in 2018. Net profit increased by 15.1% to €115 million. Net financial debt increased by €321 million since the end of September 2018, to €1,041 million, mainly due to investments made - including the acquisition of Tilda - and the application of IFRS 16.

- The sales figure for **Euskaltel** rose to €514 million in the first nine months of 2019, down 1.4% year on year. The slight improvement in revenue in the B2B segment was not enough to offset the fall in the Wholesale and Mass Market segments. Net uptake of customers of fixed services in the mass Market over the period was slightly positive due to the expansion projects in other regions. EBITDA in the period was practically stable at €252 million, down 0.2% year-on-year. Net profit in the period was €42 million, down 9.9% compared to the first nine months of 2018. As of 30 September 2019, net financial debt fell to €1,523 million, 3.1% less than on the same date of the previous year.

- **Indra**'s sales amounted to €2,288 million in the first nine months of 2019, 5.2% higher than in the same period of the previous year (5.6% 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 in virtually all geographic areas with the exception of Asia, Middle East & Africa, which experienced a slight decline in the Elections business. EBIT was at €127 million, up 10.2% compared to the same period of 2018, supported by improved profitability in the Minsait business area. Net income was €65 million, 18.5% higher than the first nine months of 2018 due to improved operational profitability and lower tax costs. As of 30 September 2019, net financial debt

(1) Verisure is not included, as this Company will not publish its results until the end of November.

increased to €730 million (6.5% higher than at the same date in 2018), which indicates a ratio of 2.4 times the EBITDA of the last twelve months.

- **Naturgy** sales of €17,106 million in the first nine months of 2019, down 3.2% year-on-year, due to lower energy prices and lower volumes sold in the liberalised business, which were not offset by growth in the infrastructure activity. EBITDA in the period amounted to €3,290 million, up 10.6% compared to the first nine months of 2018, supported by the good performance of the infrastructure business, the new commercial strategy in marketing activity and the implementation of the efficiencies plan. In addition, the net profit for the first nine months of 2019 was €901 million, compared with the loss of €3,040 million reported for the same period of 2018, mainly caused by significant impairment of assets. Excluding non-recurring effects, the net profit would have grown by 13.0%. Net financial debt at 30 September 2019, rose to €15,133 million, up 11.5% on the same date of the previous year, due to the application of IFRS 16.

- Revenue from **Parque Reunidos** rose 15.9% in the period to €596 million for integration of acquisitions, mainly Tropical Islands, and for the satisfactory evolution of the business during the summer season. Reported EBITDA increased by 12.8% to €201 million. The net result was -€73 million, versus €43 million in the same period of the previous year, due to assets and goodwill impairments and the cancellation costs of several Indoor Entertainment Centres. Net debt increased to €1,083 million as at 30 September 2019, from €567 million at the same date in 2018, mainly due to the application of IFRS 16 and acquisitions and operating investments.

- Sales of **Viscofan** in the first nine months of 2019 rose by 8.3% compared to the same period last year, up to €626 million, driven by the improvement in average selling prices and in the volumes of casings, the favourable exchange rate and the addition of Globus to the consolidation perimeter, which compensate for the slight drop in cogeneration revenue. In comparable terms, sales would have increased by 5.8% compared to the same period of the previous year. EBITDA decreased by 6.9% to €143 million, due to higher prices of raw materials and energy and higher fixed costs and labour costs, but increased by 4.4% in terms of recurring EBITDA. It is worth highlighting the good evolution in both sales and EBITDA in the third quarter of 2019. Net profit was €73 million, 18.1% lower than the same period of the previous year. At September 30, 2019, Viscofan’s net debt was practically stable at €57 million, up from €51 million on the same date last year.

III. INVESTMENT PORTFOLIO

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

	Stake %	Value (1) in € million
Listed holdings		**3,023**
Acerinox	19.35	411
BME	12.06	234
CIE Automotive	10.15	301
Ebro Foods	14.00	395
Euskaltel	11.00	160
Global Dominion	5.00	31
Indra	10.52	148
Naturgy (2)	5.36	827
Parques Reunidos (3)	25.35	256
Viscofan	13.03	261
Total market value		**3,023**
Total book value		**3,053**
Unrealised gains		**(30)**
Unlisted holdings		**566**
Verisire (excluding minorities) (4)	6.14	
Through Deyá Capital		
Alvinesa	16.83	
in-Store Media	18.89	
Monbake	3.70	
Satlink (5)	28.07	
Telepizza (6)	3.27	
TRRG Holding Limited	7.50	
Real Estate		**338**

(1) Market prices in listed companies, internal/external valuation of unlisted companies and external valuation of real estate.
(2) Includes an indirect stake of 5.25% through Rioja Bidco and a direct stake of 0.11%.
(3) Indirect stake through Piolin II.
(4) Indirect stake in economic rights through Shield Luxco 1.5.
(5) Fully consolidated.
(6) Indirect stake through Tasty Topco.

IV. NET ASSET VALUE (NAV)

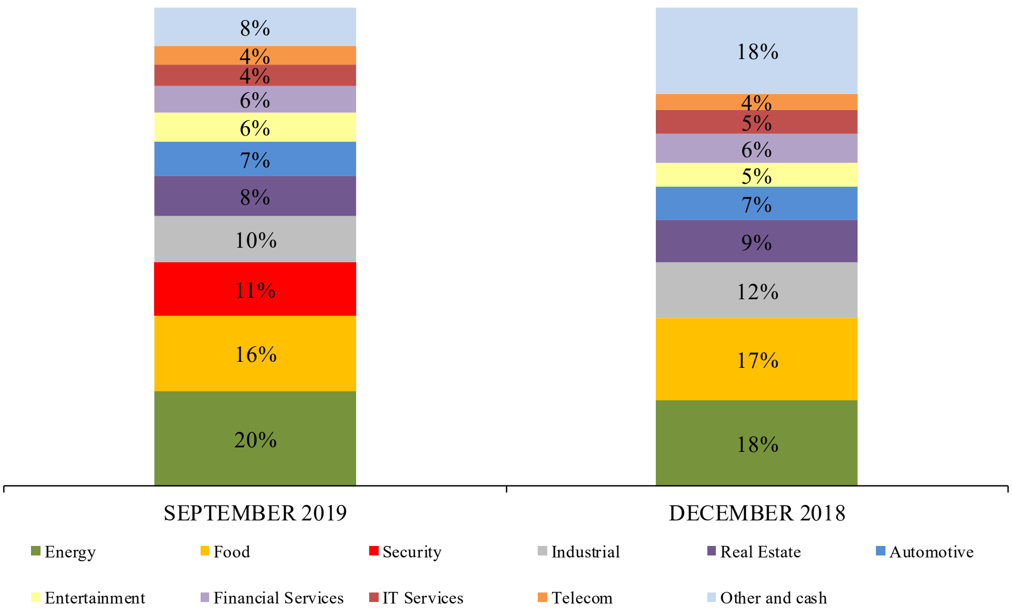
The most representative measure of a company like Alba is its Net Asset Value (NAV). Calculated according to the criteria normally used in the market[(1)], as of 30 September 2019, Alba's NAV before taxes amounted to €4,156 million or €71.36 per share, representing an increase of 6.2% in the 9-month period.

Million euros

	30/09/2019	31/12/2018
Listed holdings	3,023	2,865
Unlisted holdings	566	182
Real Estate	338	344
Other assets and liabilities	91	251
Net cash	138	269
Net asset value	**4,156**	**3,912**
Million shares	58.24	58.24
Net asset value / share	**71.36 €**	**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 external valuation of real estate.

VI. CONSOLIDATED RESULTS

The consolidated net profit after taxes reached €129 million in the first nine months of 2019, compared to €135 million in the same period of the previous year (-4.5%).

Revenues from *Share in net profits of associated companies* were €98 million for the period, compared to €133 million in 2018 (-26.5%). This decrease is mainly originated by Parques Reunidos that contributes a result of -17 million in the first nine months of 2019, versus €9 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 nine months of 2019 have significant differences in various paragraphs.

The main difference in the section *Assets Results and Net Financial Outcome* is due to the sale of Mecalux in 2019.

The net profit per share for the first nine months of 2019 was €2.21, compared to €2.32 in the same period of the previous financial year.

CONSOLIDATED INCOME STATEMENT[1]

	Million euros	
	30/09/2019	30/09/2018
Share of profits of associates	98	133
Rental income and other	53	69
Of leases and others	*13*	*13*
From other companies by global integration	*40*	*56*
Gains from fair value adjustments in Real Estate investments	1	0
Profit / (Loss) on asset sales and net financial result	37	11
Sum	**189**	**213**
Operating expenses	(51)	(60)
From Alba	*(22)*	*(23)*
From other companies by global integration	*(29)*	*(37)*
Depreciation	(5)	(8)
From other companies by global integration	*(5)*	*(8)*
Corporate income tax	(0)	(3)
Minority shareholders	(4)	(7)
Sum	**(60)**	**(78)**
Net earnings	**129**	**135**
EPS (€)	**2.21**	**2.32**

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

CONSOLIDATED BALANCE SHEET[1]

	ASSETS	Million euros	
		30/09/2019	31/12/2018
	Intangible asstes	41	43
	Goodwill	*7*	*5*
	Other intangible assets	*34*	*38*
(a)	Real Estate Investments	322	327
(a)	Fixed assets	9	8
(b)	Investments in Associates	3,578	2,994
(b)	Financial assets at fair value through P & L	117	201
	Other financial investments and other assets	59	64
	Non-current assets	**4,126**	**3,638**
	Stock	8	7
	Outstanding tax refunds	47	164
(c)	Other financial assets	152	249
(c)	Treasury and temporary financial investments	108	142
	Debtors and other assets	28	68
	Current assets	**342**	**629**
	Total assets	**4,468**	**4,267**

	EQUITY AND LIABILITIES	Million euros	
		30/09/2019	31/12/2018
	Share capital	58	58
	Reserves and treasury stock	3,958	3,829
	Earnings for the year	129	154
	Minority interests	121	17
	Shareholders' equity	**4,266**	**4,059**
	Other non-current liabilities	10	10
	Net deferred tax	36	38
(c)	Long-term debts with credit institutions	126	129
	Non-current liabilities	**172**	**176**
(c)	Short-term debts with credit institutions	13	13
	Current liabilities	18	19
	Current liabilities	**31**	**31**
	Total shareholders' equity and liabilities	**4,468**	**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.

VII. STOCK PRICE PERFORMANCE

- In the first nine months of 2019, the price of Alba's shares increased by 8.3%, going from €42.50 to €44.70, while in the same period the IBEX 35 rose by 5.2% to 9,245 points.

VIII. EVENTS AFTER CLOSING

- In October, Alba, through Deyá Capital IV, invested €57.3 million in the purchase of a 24.8% stake in Preving (prevention of occupational risks), a 9.5% stake in Arizona Bidco - a company holding a stake in Alvic Group (a leading Spanish company for kitchen furniture panels and components that generates nearly 70% of its revenue outside Spain) - and a 37.4% stake in Nucap Europe (being renamed Nuadi; it is the largest independent manufacturer in Europe of braking systems components for both first equipment and spare parts).
- On the other hand, on October 29, the General Shareholders' Meeting of Parques Reunidos agreed to the delisting of the Company from the stock exchange, which will be effective in early December 2019.

·INTERNATIONAL·

INVESTOR

AWARD WINNER 2019

CORPORACIÓN FINANCIERA ALBA

CORPORATE GOVERNANCE
COMPANY OF THE YEAR // SPAIN 2019