



ALBA: PORTFOLIO AND RESULTS OF THE FIRST QUARTER 2018

- The consolidated profit net of taxes reached 30.4 M€ in the first quarter of 2018, compared to 380.0 M€ in the same period of the previous year. This decrease is mainly due (338.6 M€) to the results of the first quarter of 2017 that included the capital gains obtained on the ACS sales made in that period, and also the revaluation at market prices of the rest of the shareholding in ACS as it was accounted as *Non-current assets held for sale*.
- The Net Asset Value (NAV) stood at 4,086.8 M€ on 31 March 2018, equivalent to 70.17 € per share. The share price of Alba on the same date, 49.10 €, represents a discount of 30.0% compared to NAV per share. The NAV, both in absolute terms and per share, has increased by 0.9% in the first quarter.
- In the first three months of the year, Alba invested 21.9 M€ in different stakes and made various asset sales for a total amount of 103.6 M€, raising its net cash position to 887.0 M€ on 31 March 2018.

I. MAIN TRANSACTIONS

The investments made by Alba in the first quarter of 2018 were the following:

- Purchase of 0.50% of Viscofan for 12.5 M€, increasing the stake in this company to 11.82%.
- Purchase, through Deyá Capital, of a 3.7% stake in MonBake for 9.4 M€. MonBake is the new group resulting from the acquisition, by funds managed by Ardian, of Panasa and Bellsolá, two of the main Spanish companies in the bread and deep-frozen bakery segment. This reinvestment is part of the agreements reached with Ardian in the sale of Panasa.

On the other hand, Alba made two divestments in the first quarter of the year:

- Sale, through Deyá Capital, of 26.5% in Panasa for 88.4 M€. As a result of this sale, which was announced on November 2017, Alba has obtained, since the initial investment made in February 2011, a cash-on-cash return of 3.3 times the investment and an IRR of 20% per year.
- Sale of a property in Madrid for 15.2 M€.

Additionally, it should be noted that, on 22 February, Alba announced the agreement to indirectly invest 500 M€ in Rioja Bidco Shareholdings, a company that will acquire to Repsol, subject to certain conditions, its 20.07% stake in Gas Natural and that will represent for Alba an indirect participation of 5,17% of said Company. Alba expects this transaction to be closed in May.

II. PERFORMANCE OF THE MAIN INVESTEE COMPANIES ⁽¹⁾

- **Acerinox sales** remained stable in the first quarter of 2018 at 1,254 M€ (+ 0.1%), affected by the drop in the alloy surcharge and the depreciation of the dollar against the euro. Crude steel production increased by 0.1% compared to the same period in 2017, to 668 thousand tons, while cold rolling grew by 5.3%. The EBITDA was 118 M€ in the quarter, 38.6% lower than the previous year but similar to the last quarter of 2017. The net result reached 58 M€, compared to 98 M€ in the same quarter of the previous year. Net financial debt as of 31 March 2018 increased by 11.0% with respect to the same date in 2017, to 667 M€, due to the increase in working capital and the depreciation of the dollar against the euro.
- **Ebro Foods** obtained sales of 629 M€ in the first quarter of 2018, 0.9% lower than those reported in the same period of the previous year. This decrease is due to the negative performance of the exchange rate and the decrease of selling prices in Pasta. Thus, sales in the Rice division registered a 1.9% growth while the Pasta division registered a reduction of 3.6%. The EBITDA for the period amounted to 79 M€, 15.9% lower than that recorded in the first quarter of 2017, mainly affected by the substantial increase in the price of raw material in rice and logistical problems in the United States. Likewise, net profit was reduced by 15.8% to 43 M€. Net financial debt increased by 214 M€ compared to the end of March 2017, to 610 M€, mainly due to the payment of the purchase of Bertagni and the increase in working capital.
- The net consolidated revenues of **Bolsas y Mercados Españoles** in the first quarter of 2018 fell by 3.0% compared to the same period of the previous year to 79 M€. The decrease in revenues of the Variable Income, Settlement and Registration and Fixed Income divisions could not be offset by the increase in revenues in the Clearing, Derivatives and Market Data & VAS divisions. In the Variable Income division, revenues from trading activity fell by 7.7% compared to a 4.2% increase in the listing activity. EBITDA and net income for the period amounted to 51 M€ and 38 M€, respectively, 5.8% and 3.6% lower than the first quarter of 2017. The company maintained a net cash position of 328 M€ as of 31 March 2018, 16% higher than the first quarter closing of 2017.
- Sales of **Viscofan** decreased by 3.5% in the quarter, to 188 M€, due to the deterioration of its main commercial currencies against the euro. Excluding the impact of variations in the exchange rate and the scope of consolidation, sales would have increased by 2.5% compared to the first quarter of 2017, thanks to the growth in volumes sold in all casing technologies and despite lower sales of cellulose casings in the United States. Consolidated EBITDA decreased by only 0.2%, to 54 M€, due to the collection of a litigation fine at the beginning of 2018. Excluding this effect, recurring EBITDA was reduced by 15.3% due to the impact of exchange rates. The net profit amounted to 32 M€ in the quarter, 0.2% more than that of the same period of the previous year. On March 31, Viscofan's net debt was 28 M€, 23 M€ higher than the same date in 2017 due to acquisitions made last year but 13 M€ lower than at the beginning of the quarter due to the generation of operating cash.
- **Indra's** sales amounted to 714 M€ in the first quarter of 2018, 11.8% higher than on the same period of the previous year, mainly due to the integration of TecnoCom and the good performance of the Solutions business. By segments, it highlights the 23% growth in IT revenues, where all verticals have double-digit growth rates, supported by the aforementioned acquisition of TecnoCom. Meanwhile, Transportation and Defence revenues decreased by 4% as a result of the drop in Transportation and Traffic (-13%). By geography, Spain increased 22% favoured by inorganic activity, Europe 9% by double digit growth in IT and the good

(1) Comments on the results of the investees accounted for as Associated Companies are included, except for Parques Reunidos which will not publish the results corresponding to its first semester, ending on 31 March, until the end of May.

evolution of T & D, the Asia, Middle East and Africa division by 6% supported by the business solutions services and only sales in the Americas declined (-4%) due to the negative impact of the exchange rate. EBIT stood at € 26 million, 22.2% lower than that recorded in the first quarter of 2017 due to the restructuring costs of TecnoCom, the Easter seasonality and the impact of IFRS 15. Excluding these adjustments, EBIT would have amounted to 46 M€ (vs. 33 M€ in 1T2017). The net profit was 11 M€ (vs. 21 M€ in 1T2017). Net financial debt increased to 602 M€ on 31 March 2018 compared to 532 M€ on the same date of the previous year.

- The comparability of the quarterly results of **Euskaltel** with those of the previous year is affected by the acquisition of 100% of Telecable de Asturias in the month of July 2017. The Group's revenue amounted to 177 M€ in the first quarter of 2018, 26.6% more than in the same period last year (+0.4% in comparable terms if Telecable were included in both quarters). The comparable revenues of the Companies and Wholesale segments offset the decline in the Residential segment due to the loss of customers in the previous quarters. In the quarter, the net uptake of residential fixed network customers was positive. EBITDA for the first quarter increased to 84 M€, 23.8% higher than on the same period of the previous year (+0.3% comparable). The net profit increased by 10.9% compared to the first quarter of 2017, up to 15 M€, due to EBIT growth and a proportionally lesser increase in financial expenses and corporate tax expense. The acquisition of Telecable explains the increase in net financial debt to 1,605 M€ as of 31 March 2018, 31.8% more than on the same date of the previous year.
- Sales of **CIE Automotive** in the first quarter of 2018 amounted to 1,046 M€, 21% higher than in the previous period. By segment, Automotive sales grew by 9.7% (12.1% organic, 4.6% inorganic and -7.0% by exchange rate) to 772 M€ due to the good organic performance of sales in all the geographical locations. On the other hand, the adjusted sales in Dominion grew by 20.0% (10.8% organic, 12.7% inorganic and -3.5% by exchange rate) to 192 M€. EBITDA and net profit for the period also showed solid growth and improvement in margins reaching 151 M€ and 66 M€, respectively, representing 16% and 21% more than the figure reported in the first quarter of 2017. Finally, the net debt as of 31 March 2018 increased to 937 M€ for payment of multi-year incentives, earn-outs and dividend payments. At the end of the first quarter, the ratio of financial debt to EBITDA represented 1.7 times the EBITDA of the last twelve months.

III. INVESTMENT PORTFOLIO

The composition of the Alba's Portfolio on 31 March 2018 is as follows:

<u>Listed holdings</u>	<u>% Stake</u>	<u>Book value Million €</u>
Acerinox	18.96	585.3
BME	12.06	309.4
CIE Automotive	10.00	306.1
Ebro Foods	12.00	339.6
Euskaltel	11.00	167.7
Indra	10.52	214.9
Parques Reunidos	20.01	240.0
Viscofan	11.82	263.8
Total book value		2,426.8
Total market value		2,484.9
Unrealised gains		58.1
 <u>Unlisted holdings (1)</u>		 190.9
<u>Accounted at fair value</u>		
Alvinesa	16.83	
in-Store Media	18.89	
Mecalux(2)	24.38	
Monbake	3.70	
TRRG Holding Limited	7.50	
<u>Consolidated by global integration</u>		
Gascan (Grupo Energyco)	40.30	
Satlink	28.07	
 <u>Real Estate</u>		 341.7

(1) Through Deyá Capital.

(2) Includes a direct participation of 8.78% from Alba.

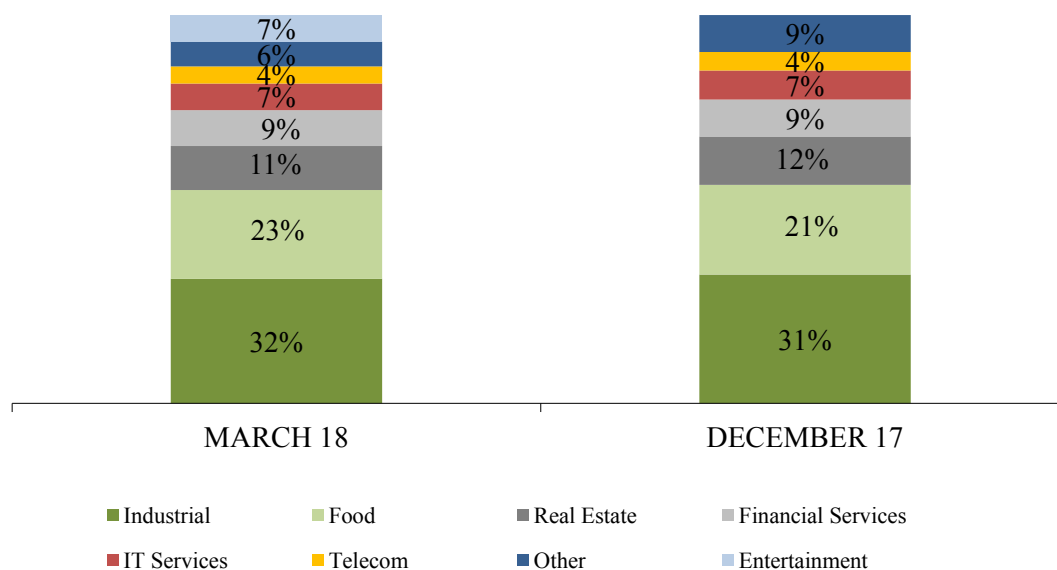
IV. NET ASSET VALUE (NAV)

The most representative variable of a company such as Alba is its Net Asset Value (NAV). Calculated according to criteria commonly used in the market, on 31 March 2018, Alba's NAV before tax was 4,086.8 million euros or 70.17 euros per share, after deducting the treasury shares, which represents an increase of 0.9% compared with figures at the end of 2017.

	<i>Million euros</i>	
	31/03/2018	31/12/2017
Listed holdings	2,484.9	2,440.0
Unlisted holdings	190.9	268.4
Real Estate	341.7	353.0
Other assets and liabilities (not including those of Gascan and Satlink)	1,069.3	988.3
Net asset value	4,086.8	4,049.5
Million shares (minus Treasury Stock)	58.24	58.24
Net asset value / share	70.17 €	69.53 €

The net cash position of Alba amounted to 887.0 M€ as of 31 March 2018.

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



(1) Market prices in listed companies (closing prices as of 30 March 2018) and consolidated book value in unlisted and real estate companies (according to valuations made in both cases on 31 December 2017).

VI. CONSOLIDATED FINANCIAL RESULTS

The consolidated profit net of taxes has reached 30.4 M€ in the first quarter of 2018, compared to 380.0 M€ in the same period of the previous year. This decrease is mainly due (338.6 M€) to the results of the first quarter of 2017 that included the capital gains obtained on the ACS sales made in that period, as well as the revaluation at market prices of the rest of the shareholding in ACS as it was accounted as *Non-current assets held for sale* in this quarter.

Income from *Share of net profits of associates* was 32.0 M€ in the quarter, compared to 29.5 M€ in the same period of the previous year (+8.5%). This increase is due to the incorporation to the scope of consolidation of CIE Automotive for the first time.

The earnings per share for the quarter was 0.52 €, compared to 6.52 € in the first quarter of the previous year.

CONSOLIDATED INCOME STATEMENT⁽¹⁾

	Million euros	
	31/03/2018	31/03/2017
Share of profits of associates	32.0	29.5
Rental income and other	24.7	4.4
<i>Of leases and others</i>	4.2	4.4
<i>From other companies by global integration</i>	20.5	-
Profit / (Loss) on asset sales and net financial result	(0.5)	353.8
Sum	56.2	387.7
Operating expenses	(19.4)	(7.9)
<i>From Alba</i>	(6.5)	(7.9)
<i>From other companies by global integration</i>	(12.9)	-
Depreciation	(3.0)	(0.2)
<i>From Alba</i>	(0.2)	(0.2)
<i>From other companies by global integration</i>	(2.8)	-
Corporate income tax	(0.6)	1.1
Minority shareholders	(2.8)	(0.7)
Sum	(25.8)	(7.7)
Net earnings	30.4	380.0
EPS (€)	0.52	6.52

(1) Gascan and Satlink are consolidated by global integration.

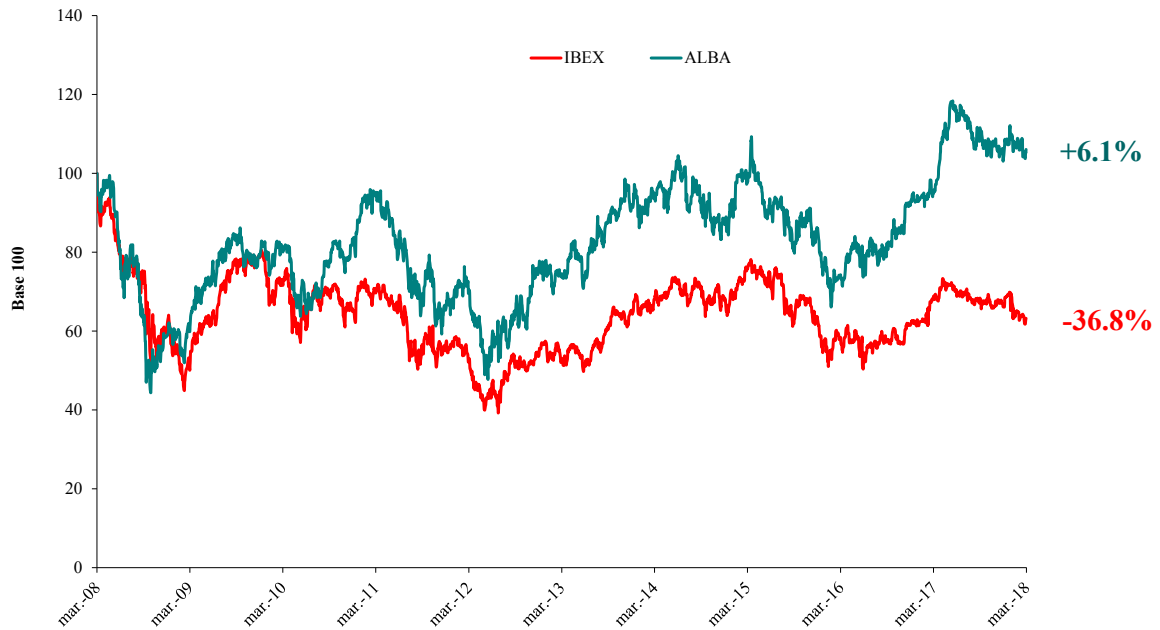
CONSOLIDATED BALANCE SHEET⁽¹⁾

<u>ASSETS</u>	Million euros	
	31/03/2018	31/12/2017
Intangible asstes	76.4	77.2
<i>Goodwill</i>	11.8	10.2
<i>Other intangible assets</i>	64.6	67.0
Real Estate Investments	325.7	336.5
Fixed assets	45.7	47.0
Investments in Associates	2,426.8	2,383.1
Financial assets at fair value through P & L	163.9	154.5
Other financial investments and other assets	78.7	66.9
Non-current assets	3,117.2	3,065.2
Non-current assets held for sale	-	88.4
Stock	5.4	7.3
Outstanding tax refunds	117.7	168.3
Other financial assets	549.0	602.5
Treasury and temporary financial investments	483.5	310.0
Debtors and other assets	26.8	32.9
Current assets	1,182.4	1,209.4
Total assets	4,299.6	4,274.6

<u>EQUITY AND LIABILITIES</u>	Million euros	
	31/03/2018	31/12/2017
Share capital	58.3	58.3
Reserves and treasury stock	3,905.8	3,429.6
Earnings for the year	30.4	474.1
Minority interests	34.4	34.1
Shareholders' equity	4,028.9	3,996.1
Other non-current liabilities	14.0	7.5
Net deferred tax	47.2	51.1
Long-term debts with credit institutions	166.0	180.8
Non-current liabilities	227.2	239.4
Short-term debts with credit institutions	22.6	14.5
Current liabilities	20.9	24.6
Current liabilities	43.5	39.1
Total shareholders' equity and liabilities	4,299.6	4,274.6

(1) Gascan and Satlink are consolidated by global integration.

VII. STOCK PRICE PERFORMANCE



- In the first quarter of 2018 the share price of Alba increased by 2.9% from € 47.72 to € 49.10, while in the same period the IBEX 35 fell by 4.4% to 9,600 points.

VIII. FACTS AFTER THE CLOSING

- On May 11, the Board of Directors agreed on the announcement of the ordinary Annual General Meeting, which will be held on June 18 at the first notice and in which, among other points, the distribution of a complementary dividend of 0.50 euros gross per share charged to the net profit of 2017 will be submitted to the shareholders for the approval.