ALBA: PORTFOLIO AND RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

- Consolidated net profit reached EUR 462.3 million in the first nine months of 2017, more than double that of the same period for the previous year. This increase was due mainly to the gains obtained on the sale of the holding of ACS made during the period.
- Net Asset Value (NAV) amounted to EUR 4,100.0 million at 30 September 2017, equivalent to EUR 70.40 per share. Alba's share price of EUR 51.65 on this same date represents a discount of 26.6% with respect to NAV per share. NAV, both in absolute terms and per share, increased 2.8% in the first nine months and 6.1% with respect to the same date the previous year.
- In the first nine months of the year, Alba invested EUR 204.2 million and made asset sales totalling EUR 876.1 million, raising its net cash position to EUR 1,063.8 million at 30 September 2017.
- In October, Alba distributed a gross interim dividend of EUR 0.50 per share to its shareholders, which was charged to the 2017 profit and loss account and amounted to a total disbursement of EUR 29.1 million.

I. MAIN TRANSACTIONS

During the first nine months of 2017, Alba invested EUR 204.2 million in the following transactions, among others:

- Acquisition of 7.67% of Parques Reunidos for EUR 92.8 million, increasing its stake in this Company to 18.19%.
- Acquisition of 1.49% of Ebro Foods for EUR 46.4 million, increasing its stake in this Company to 11.50%.
- Investment, through Deyá Capital, of EUR 40.7 million in the acquisition of an ownership interest of 44.81% in Gascan (distribution of piped propane gas in Portugal), 17.99% in Alvinesa (wine by-products management and their transformation into alcohol and other value-added products) and 30.00% in Satlink (technological solutions for the fishing sector). These are the first investments made by the second fund managed by Artá Capital.
- Acquisition of 1.59% of Euskaltel for EUR 24.1 million, increasing its stake in this Company to 10.94%.

On the other hand, divestments made in period were marked by the sale of shares of ACS carried out in the first half of the period:

- Sale of 7.52% of ACS for EUR 743.4 million, resulting in a capital gain of EUR 352.7 million and an annual IRR of 11.4% over more than 19 years.
- Sale, by Deyá Capital, of its ownership interest of 19.75% in Flex for EUR 59.2 million, obtaining total gains from the beginning of EUR 40.7 million.
- At the beginning of August, Alba sold its entire 20.0% holding in Clínica Baviera for a net amount of EUR 32.9 million, in the context of the take-over launched by Aier Eye.
- Three buildings were also sold in Madrid for a total amount of EUR 40.6 million, with an IRR for each asset of between 4% and 9% per year over approximately 26 years.

In addition, on 18 September, Alba, through Deyá Capital SCR, reached an agreement to sell its holding of 32.75% in EnCampus Residencias de Estudiantes, 17.44% in Siresa Campus and 17.44% in Siresa Campus Noroeste. The effectiveness of the sale is subject to the obtaining of the corresponding authorization from the relevant competition authorities and the final price will be adjusted according to the final closing date.

II. PERFORMANCE OF THE MAIN INVESTEE COMPANIES (1)

- **Acerinox's** sales increased by 20.5% to EUR 3,511 million in the first nine months of 2017, due to the increase in the price of stainless steel in all markets. Crude steel production increased to 1.9 million tonnes, up 1.2% with respect to the same period the previous year. EBITDA was EUR 370 million, up 65.9% with respect to the first three quarters of 2016. Net profit reached EUR 157 million, over three times higher than the numbers posted throughout the previous year. Net financial debt at 30 September 2017 increased to EUR 697 million, 2.7% higher than on the same date in 2016, due to the investments made and the dividends paid.

- **Ebro Foods** obtained sales of EUR 1,831 million in the first nine months of 2017, in line with those recorded for the same period in the previous year (+0.6%). These sales were supported by the good performance of the Rice division (+1.7%), which offset the drop in revenues in the Pasta division (-1.3%). EBITDA increased to EUR 261 million in the period, up 4.3% on the first nine months of 2016, thanks to favourable raw materials prices, lower advertising investment and the consolidation of Vegetalia. Net profit increased 0.5% to EUR 128 million. For its part, at the close of the period net debt stood at EUR 455 million, up 8.2% on that recorded at the end of September 2016, due to the investments and acquisitions made.

- In the first nine months of 2017, the consolidated net revenues of **Bolsas y Mercados** continued to be in line with that recorded for the same period in the previous year (-0.1% to EUR 241 million). The decrease in revenue from the Fixed Income, Derivatives and Clearing and Registration segments was slightly greater than the increase in the Equities, Clearing and Market Data & VAS segments (the latter favoured by the global consolidation of Infobolsa). It is important to note the recovery in trading activity in the third quarter and the significant growth in the amount of trading cash flow in the Equities segment throughout the year. EBITDA and net profit fell by 1.6% and 3.9%, respectively, to EUR 159 million and EUR 116 million. Excluding the effect of the integration of Infobolsa, net profit would have fallen by 2.7% with respect to the same period of the previous year.

- **Viscofan's** sales increased by 8.1% to EUR 581 million in the first nine months of the financial year. This growth can be explained by the greater volumes sold in the casing business, the contribution from Vector (acquired in 2016) and the strengthening of foreign currencies against the euro. In turn, EBITDA increased 10.8% to EUR 165 million with respect to the same period in 2016. In comparable terms, sales and EBITDA for the period would have grown by 3.2% and 4.0% respectively. Net profit reached EUR 92 million up to September, up 4.6%, compared to the same period in the previous year, thanks to the increase in EBITDA and a lower tax burden, which offset the impact of negative exchange rate differences in the financial results and the increase in amortizations due to investments made during the financial year. Net banking debt increased to EUR 17 million at 30 September 2017, compared to net cash of EUR 7 million on the same date of the previous year.

- In the first nine months of 2017, **Indra's** sales rose to EUR 2,116 million, up 8.4% compared to the same period in the previous year, due to the integration of Tecnocom in the second quarter of this year. Excluding the contribution from Tecnocom, sales would have remained

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(1) Parques Reunidos has not been included because this Company closes its accounting year on 30 September and does not publish results until the end of November.

stable for the period (-0.1%). By segments, IT showed a noteworthy growth of 18.1% (+3.0% excluding Tecnocom), thanks to the increase in all of its verticals, while sales from Transportation and Defence fell 4.3% in the period. By geography, Spain increased its sales by 14.1% (-2.0% excluding Tecnocom), the Asian, Middle East and African division rose 20.0% due to the election services business and Europe showed a growth of 2.0%, while sales only declined in America, by 2.9% (-11% excluding Tecnocom). EBIT and net profits amounted to EUR 124 million and EUR 85 million, respectively, representing an increase of 18.6% and 75.7% compared to the previous year. Net financial debt increased to EUR 680 million at 30 September 2017, 2.0% higher than on the same date in 2016.

- **Euskaltel** completed the acquisition of Telecable de Asturias in July, therefore the third quarter results include two months of full consolidation of this company. Group revenue reached EUR 444 million in the first nine months of 2017, up 3.2% with respect to same period for the previous year (-2.3% on a like-for-like basis). Revenue from the Residential segment increased by 6.2% (+0.2% excluding Telecable), offsetting the drop in revenue in the Business segment (-4.1% reported and -8.7% on a comparable basis). EBITDA in the first nine months of 2017 increased to EUR 219 million, up 4.7% compared to the same period for the previous year (-0.3% excluding Telecable). Net profit fell by 26.5% with respect to the same period in 2016, to EUR 33 million, mainly due to the increase in amortizations resulting from the acquisition of Telecable and by provisions and non-recurring extraordinary expenses. The purchase of Telecable also explains the increase in net financial debt to EUR 1,626 million at 30 September 2017, an increase of 27.9% compared to the same date in 2016.

III. PORTFOLIO

The composition of Alba's portfolio at 30 September 2017 was as follows:

Listed holdings	% Stake	Book value Million €
Acerinox	18.96	565.0
BME	12.06	320.3
Ebro Foods	11.50	313.9
Euskaltel	10.94	190.4
Indra	10.52	208.5
Parques Reunidos	18.19	222.2
Viscofan	11.03	242.2
Total book value		**2,062.6**
Total market value		**2,139.4**
Unrealised gains		**76.8**
Unlisted holdings (1)		**326.6**
Alvinesa	17.99	
Gascan	44.81	
in-Store Media	18.89	
Mecalux (2)	24.38	
Panasa	26.50	
Satlink	30.00	
EnCampus	32.75	
Siresa Campus Noroeste	17.44	
Siresa Campus SII	17.44	
TRRG Holding Limited	7.50	
Real Estate		**357.1**

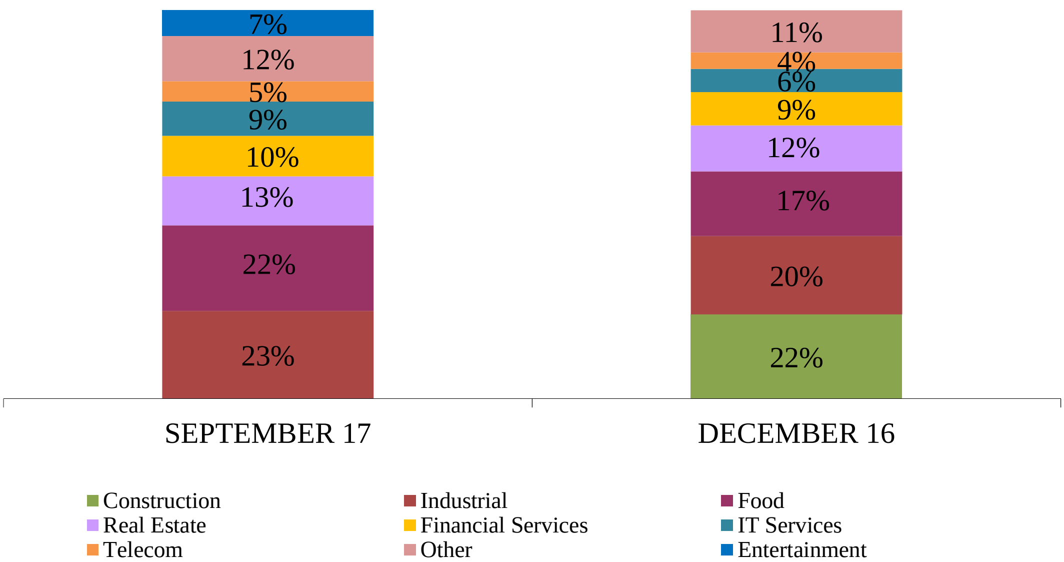
(1) Through Deyá Capital.
(2) Includes a direct ownership interest of 8.78% held by Alba.

IV. NET ASSET VALUE (NAV)

The most representative figure of a company such as Alba is its Net Asset Value (NAV). Calculated according to criteria commonly used in the market, at 30 September 2017 Alba's NAV before tax amounted to EUR 4,100.0 million or EUR 70.40 per share, after deducting treasury shares, which represents an increase of 2.8% on 2016 year-end values and 6.1% with respect to the same date the previous year.

	Million euros
Listed holdings	2,139.4
Unlisted holdings	326.6
Real Estate	357.1
Net cash position	1,063.8
Other financial investments and other assets	110.0
Receivables and other assets (1)	116.9
Other noncurrent and current liabilities	(12.1)
Net asset value	**4,101.5**
Other short-term and long-term assets and liabilities	(1.5)
Group net asset value	**4,100.0**
Million shares (minus Treasury Stock)	58.24
Net asset value / share	**70.40 €**

V. SECTORAL DISTRIBUTION OF GROSS ASSET VALUE(2) (GAV)



(1) Excludes dividends announced by investee companies pending collection and not yet discounted from the corresponding share price (EUR 3.0 million).

(2) Market prices in listed companies (closing prices at 30 September 2017) and consolidated carrying amount in unlisted companies and properties (according to valuations made in both cases at 30 June 2017).

VI. CONSOLIDATED PROFIT

Consolidated net profit amounted to EUR 462.3 million in the first nine months of 2017, more than double that of the same period for the previous year. This growth was due mainly to the gains obtained on the sale of the remaining ownership interest in ACS made during the period. *Profit & (Loss) on asset sales and net financial result* amounted to EUR 382.4 million, compared to EUR 91.6 million the previous period.

Income from *Share of net profits of associates* was EUR 83.4 million for the first nine months, compared to EUR 128.6 million for the same period in the previous year (-35.1%). It is important to bear in mind that in 2017 this item no longer includes the consolidation of ACS's results.

Operating expenses increased 26.7% to EUR 20.4 million, due mainly to provisions linked to variable remuneration systems tied to the Net Asset Value (NAV).

The price per share was EUR 7.94, compared to EUR 3.88 in the previous financial year.

CONSOLIDATED PROFIT AND LOSS STATEMENT

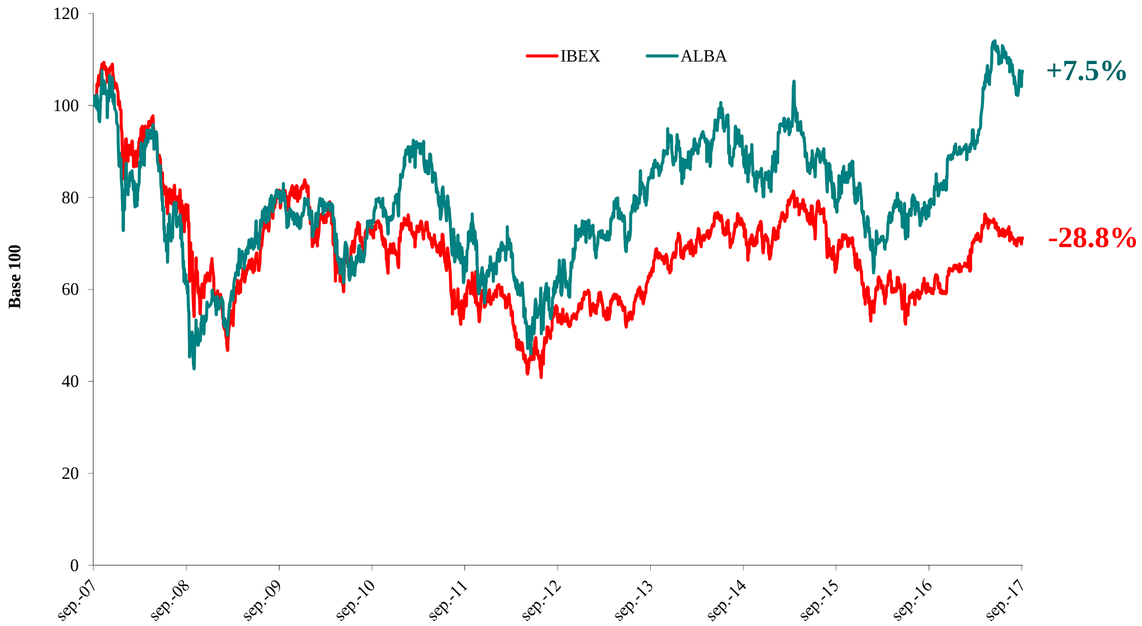
	Million euros	
	30/09/2017	30/09/2016
Share of profits of associates	83.4	128.6
Rental income and other	12.3	14.0
Gains from fair value adjustments in Real Estate investments	2.8	13.0
Profit / (Loss) on asset sales and net financial result	382.4	91.6
Sum	**480.9**	**247.1**
Operating expenses	(20.4)	(16.1)
Depreciation	(0.7)	(0.7)
Corporate income tax	3.8	(3.2)
Minority shareholders	(1.4)	(1.0)
Sum	**(18.7)**	**(21.1)**
Net earnings	**462.3**	**226.0**
EPS (€)	**7.94**	**3.88**

CONSOLIDATED BALANCE SHEET

Assets	Million euros	
	30/09/2017	31/12/2016
Real Estate Investments	341 9	349 1
Fixed assets	6 8	7 0
Investments in Associates	2,062 6	2,321 4
Financial assets at fair value through P&L	263 6	325 2
Other financial investments and other assets	110 0	132 9
Non-current assets	2,784 9	3,135 6
Non-current assets held for sale	63 0	53 5
Cash and cash equivalents	1,195 9	469 9
Debtors and other assets	119 9	139 7
Total assets	**4,163.7**	**3,798.7**

Liabilities	Million euros	
	30/09/2017	31/12/2016
Share capital (2)	58 3	58 3
Reserves and treasury stock	3,468 5	3,154 2
Earnings for the year	462 3	407 8
Minority interests	1 5	0 7
Shareholders equity	3,990 5	3,621 0
Other non-current liabilities	3 3	3 4
Net deferred tax	29 0	31 5
Long-term loans	122 9	127 5
Short-term loans	9 2	9 1
Current liabilities	8 8	6 2
Total liabilities and shareholders equity	**4,163.7**	**3,798.7**

VII. STOCK MARKET PERFORMANCE



- In the first nine months of 2017, Alba's share price increased 20.5%, from EUR 42.85 to EUR 51.65, while the IBEX 35 rose 11.0% to 10,382 points in the same period.

VIII. POST CLOSING EVENTS

- Alba has announced today an agreement to sell its 26.5% stake in Panasa (through Deyá Capital SCR) for a total consideration of EUR 87 million. As of result of this transaction and since its initial investment in the Company in February 2011, Alba has posted a total return on investment of 3.3 times, an IRR of 20% and total capital gains of EUR 54.6 million. The closing of the transaction is subject to customary approvals from competition authorities.

www.corporacionalba.es (13 November 2017)