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SPAIN FUND INC
Form N-CSRS
August 05, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT
INVESTMENT COMPANIES

Investment Company Act file number: 811-05189

THE SPAIN FUND, INC.
(Exact name of registrant as specified in charter)

1345 Avenue of the Americas, New York, New York 10105
(Address of principal executive offices) (Zip code)

Mark R. Manley
Alliance Capital Management, L.P.
1345 Avenue of the Americas
New York, New York 10105
(Name and address of agent for service)

Registrant's telephone number, including area code: (800) 221-5672

Date of fiscal year end: November 30, 2004

Date of reporting period: May 31, 2004

ITEM 1. REPORTS TO STOCKHOLDERS.

Closed End

AllianceBernstein [LOGO] (SM)
Investment Research and Management

The Spain Fund

Semi-Annual Report -- May 31, 2004

Investment Products Offered

- Are Not FDIC Insured
- May Lose Value

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o Are Not Bank Guaranteed

You may obtain a description of the Fund's proxy voting policies and procedures, without charge, upon request by visiting Alliance Capital's web site at www.alliancebernstein.com (click on Investors, then the "proxy voting policies and procedures" link on the left side of the page), or by going to the Securities and Exchange Commission's web site at www.sec.gov, or by calling Alliance Capital at (800) 227-4618.

AllianceBernstein Investment Research and Management, Inc., is an affiliate of Alliance Capital Management L.P., the manager of the funds, and is a member of the NASD.

July 12, 2004

Semi-Annual Report

This report provides management's discussion of fund performance for The Spain Fund (the "Fund") for the semi-annual reporting period ended May 31, 2004.

Investment Objective and Policies

This closed-end fund seeks long-term capital appreciation through investment primarily in the equity securities of Spanish companies.

Investment Results

The following table provides performance for the Fund and its benchmarks for the three-, six- and 12-month periods ended May 31, 2004. The Madrid General Index measures the performance of a selected number of continuous market stocks while the IBEX 35 Index is comprised of the 35 most liquid stocks traded on the Spanish Continuous Market.

INVESTMENT RESULTS*
Periods Ended May 31, 2004

	Returns		
	3 Months	6 Months	12 Months
The Spain Fund (NAV)	-6.28%	11.17%	30.20%
Madrid General Index	-4.79%	12.02%	30.74%
IBEX 35 Index	-5.02%	13.23%	30.26%

The Fund's market value per share on May 31, 2004 was \$9.70. For additional Financial Highlights, please see pages 17-18.

* The Fund's investment results are for the periods shown and are based on the net asset value (NAV) as of May 31, 2004. All fees and expenses related to the operation of the Fund have been deducted. Performance assumes reinvestment of distributions and does not account for taxes. Past performance is no guarantee

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of future results.

Neither the unmanaged Madrid General Index nor the unmanaged IBEX 35 Index reflects fees and expenses associated with the active management of a mutual fund portfolio. The Madrid General Index measures the performance of a selected number of continuous market stocks. The IBEX 35 Index is the official index of the Spanish Continuous Market and is comprised of the 35 most liquid stocks traded on the Continuous Market. The indices' returns are expressed in U.S. dollars. An investor cannot invest directly in an index, and its results are not indicative of the performance for any specific investment, including The Spain Fund.

During the three-, six- and 12-month periods ended May 31, 2004, the Fund underperformed both of its benchmarks, the Madrid General Index and the IBEX 35 Index. The Fund's underperformance during the six- and 12-month periods was driven primarily by underweighted positions in the investment goods and energy sectors. The Fund's overweighted positions in the TMT (technology, media and telecommunications) sectors contributed positively to its performance over the 12-month period but detracted from its performance over the six-month reporting period.

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During the more recent three-month period ended May 31, 2004, the Fund's underperformance was due to overweighted positions in telecommunication, media and airline stocks, and an underweighted position in the energy sector. The Fund was also penalized by the price adjustment applied to the shares of one of its holdings, the non-quoted stock Unidad Editorial. This followed the recommendation of the Valuation Committee for Illiquid Shares which took into account the indicative price offer from the company's management. The Fund's performance benefited from selective investments in the investment goods and consumer sectors.

Market Review and Investment Strategy

The Spanish market performed weakly during the three-month period ended May 31, 2004. Despite an initial recovery from the Madrid train bombings on March 11, 2004 and the unexpected outcome of the general elections held shortly thereafter, worldwide fears about potential U.S. Federal Reserve interest rate increases and continued increases in oil prices negatively impacted global stock markets. During this period, the telecommunications and media sectors, in addition to select financial stocks, underperformed the Spanish market, which was led by investment goods and energy stocks. The Fund maintained an overweighted position in the media sector as we continued to believe in a strong economic cycle. We further increased the Fund's exposure to the consumer sector as earnings visibility improved. At the same time, we reduced exposure to tobacco, gas and insurance stocks given specific stock issues regarding valuation and dilution risk.

The Spanish market performed strongly during the six- and 12-month periods ended May 31, 2004, driven by the confirmation of a global economic recovery led by the United States. All stocks linked to the economic cycle outperformed the market during these periods, with the investment goods, telecommunications and media sectors leading the Spanish market. During these periods, the Fund maintained overweighted positions in the telecommunications, media and market services sectors, and underweighted positions in the consumer and utilities

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sectors.

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Portfolio Summary

PORTFOLIO SUMMARY

May 31, 2004 (unaudited)

INCEPTION DATE

6/28/88

PORTFOLIO STATISTICS

Net Assets (\$mil): \$77.9

SECTOR BREAKDOWN*

30.0% Financial Services
25.5% Consumer Services
25.0% Utilities
8.4% Energy
4.7% Capital Goods
2.4% Basic Industry
2.2% Technology
1.8% Multi-Industry

[PIE CHART OMITTED]

* The Fund's sector breakdown is expressed as a percentage of total investments and may vary over time.

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Ten Largest Holdings

TEN LARGEST HOLDINGS

May 31, 2004 (unaudited)

Company	U.S. \$ Value	Percent of Net Assets
Telefonica, SA	\$ 10,991,936	14.1%
Banco Bilbao Vizcaya Argentaria, SA	8,764,864	11.3
Banco Santander Central Hispano, SA	8,584,777	11.0

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Industria de Diseno Textil, SA (Inditex)	4,849,467	6.2
Repsol-YPF, SA	4,666,255	6.0
Endesa, SA	3,222,176	4.1
Banco Popular Espanol, SA	3,189,456	4.1
Sogecable, SA	2,666,879	3.4
Unidad Editorial, SA Series A	2,660,104	3.4
Red Electrica de Espana	2,471,342	3.2
	\$ 52,067,256	66.8%

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Portfolio of Investments

PORTFOLIO OF INVESTMENTS
May 31, 2004 (unaudited)

Company	Shares	U.S. \$ Value
COMMON STOCKS-97.7%		
Financial Services-29.3%		
Banking-Money Center-23.4%		
Banco Bilbao Vizcaya Argentaria, SA(a)	662,000	\$ 8,764,864
Banco Espanol de Credito(b)	75,000	898,645
Banco Santander Central Hispano, SA	808,819	8,584,777
		18,248,286
Banking-Regional-4.1%		
Banco Popular Espanol, SA	56,706	3,189,456
Insurance-1.8%		
Corporacion Mapfre, SA	120,508	1,373,268
		22,811,010
Consumer Services-24.9%		
Airlines-2.4%		
Iberia Lineas Aereas de Espana, SA	642,242	1,843,421
Apparel-6.2%		
Industria de Diseno Textil, SA (Inditex)	210,744	4,849,467
Broadcasting & Cable-5.9%		
Promotora de Informaciones (Prisa), SA	110,000	1,899,766

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Sogecable, SA(b)	64,504	2,666,879

		4,566,645

Cellular Communications-1.7%		
Telefonica Moviles, SA(b)	126,028	1,306,871

Printing & Publishing-4.6%		
Telefonica Publicidad e Informacion, SA	140,000	966,127
Unidad Editorial, SA Series A(b)(c)	687,039	2,660,104

		3,626,231

Retail-General Merchandise-2.3%		
Aldeasa, SA	62,980	1,765,401

Miscellaneous-1.8%		
Amadeus Global Travel Distribution, SA	238,363	1,435,303

		19,393,339

Utilities-24.4%		
Electric & Gas-10.3%		
Enagas	205,000	2,301,057
Endesa, SA	174,593	3,222,176
Red Electrica de Espana	149,106	2,471,342

		7,994,575

Telephone-14.1%		
Telefonica, SA	757,530	10,991,936

		18,986,511

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Portfolio of Investments

Company	Shares	U.S. \$ Value
Energy-8.2%		
International-6.0%		
Repsol-YPF, SA	220,070	\$ 4,666,255

Miscellaneous-2.2%		
Gamesa Corporacion Tecnologica (Gamesa), SA	39,000	1,749,142

		6,415,397

Capital Goods-4.6%		
Engineering & Construction-4.6%		
Acciona, SA	33,000	2,087,861
ACS, Actividades de Construccion y		

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Servicios, SA	30,893	1,508,931

		3,596,792

Basic Industry-2.4%		
Mining & Metals-2.4%		
Acerinox, SA	34,000	1,864,174

Technology-2.1%		
Computer Services-2.1%		
Indra Sistemas, SA	128,035	1,637,319

Multi-Industry-1.8%		
Miscellaneous-1.8%		
Abengoa, SA	170,000	1,389,098

Total Investments-97.7%		
(cost \$44,601,032)		76,093,640
Other assets less liabilities-2.3%		1,797,874

Net Assets-100%		\$ 77,891,514
		=====

(a) Security represents investment in an affiliate.

(b) Non-income producing security.

(c) Restricted and illiquid security, valued at fair value (See Notes A & E).

See notes to financial statements.

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Statement of Assets & Liabilities

STATEMENT OF ASSETS & LIABILITIES
May 31, 2004 (unaudited)

ASSETS	
Investments in securities, at value (cost \$44,601,032)	\$ 76,093,640
Cash	59,205
Foreign cash, at value (cost \$1,582,914)	1,647,462
Receivable for investment securities sold	417,408

Total assets	78,217,715

LIABILITIES	
Management fee payable	62,177
Accrued expenses	264,024

Total liabilities	326,201

Net Assets	\$ 77,891,514

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COMPOSITION OF NET ASSETS		=====
Capital stock, at par		\$ 86,810
Additional paid-in capital		63,238,422
Accumulated net investment loss		(3,568,678)
Accumulated net realized loss on investment and foreign currency transactions		(13,422,196)
Net unrealized appreciation of investments and foreign currency denominated assets and liabilities		31,557,156

		\$ 77,891,514
		=====
NET ASSET VALUE PER SHARE		
(based on 8,680,966 shares outstanding)		\$8.97
		=====

See notes to financial statements.

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Statement of Operations

STATEMENT OF OPERATIONS

Six Months Ended May 31, 2004 (unaudited)

INVESTMENT INCOME

Dividends--unaffiliated issuers (net of foreign taxes withheld of \$119,420)	\$ 676,714	
Dividends--affiliated issuer (net of foreign taxes withheld of \$25,123)	142,365	
Interest	2,955	\$ 822,034

EXPENSES

Management fee	419,440	
Custodian	108,746	
Directors' fees and expenses	62,150	
Printing	57,701	
Legal	53,793	
Audit	40,945	
Transfer agency	23,813	
Registration	11,700	
Miscellaneous	6,748	

Total expenses		785,036

Net investment income		36,998

REALIZED AND UNREALIZED GAIN
ON INVESTMENT AND FOREIGN CURRENCY
TRANSACTIONS

Net realized gain on:		
Investment transactions		4,074,259
Foreign currency transactions		4,157

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Net change in unrealized appreciation/ depreciation of:	
Investments	4,353,145
Foreign currency denominated assets and liabilities	32,735

Net gain on investment and foreign currency transactions	8,464,296

NET INCREASE IN NET ASSETS FROM OPERATIONS	\$ 8,501,294
	=====

See notes to financial statements.

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Statement of Changes in Net Assets

STATEMENT OF CHANGES IN NET ASSETS

	Six Months Ended May 31, 2004 (unaudited) =====	Year Ended November 30, 2003 =====
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Net investment income	\$ 36,998	\$ 70,384
Net realized gain (loss) on investment and foreign currency transactions	4,078,416	(429,440)
Net change in unrealized appreciation/ depreciation of investments and foreign currency denominated assets and liabilities	4,385,880	19,585,606
	-----	-----
Net increase in net assets from operations	8,501,294	19,226,550
DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS FROM		
Net investment income	(3,605,676)	(438,342)
Tax return of capital	-0-	(5,032,175)
CAPITAL STOCK TRANSACTIONS		
Net increase	178,574	261,141
	-----	-----
Total increase	5,074,192	14,017,174
NET ASSETS		
Beginning of period	72,817,322	58,800,148
	-----	-----
End of period (including accumulated net investment loss of (\$3,568,678))		

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and \$0, respectively)	\$ 77,891,514	\$ 72,817,322
	=====	=====

See notes to financial statements.

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Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS
May 31, 2004 (unaudited)

NOTE A

Significant Accounting Policies

The Spain Fund, Inc. (the "Fund") was incorporated in the state of Maryland on June 30, 1987 as a non-diversified, closed-end management investment company. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States, which require management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and amounts of income and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund.

1. Security Valuation

In accordance with Pricing Policies adopted by the Board of Directors of the Fund (the "Pricing Policies") and applicable law, portfolio securities are valued at current market value or at fair value. The Board of Directors has delegated to Alliance Capital Management L.P. (the "Investment Manager"), subject to the Board's continuing oversight, certain responsibilities with respect to the implementation of the Pricing Policies. Pursuant to the Pricing Policies, securities for which market quotations are readily available are valued at their current market value. In general, the market value of these securities is determined as follows:

Securities listed on a national securities exchange or on a foreign securities exchange are valued at the last sale price at the close of the exchange or foreign securities exchange. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices on such day. If no bid or asked prices are quoted on such day, then the security is valued in good faith at fair value in accordance with the Pricing Policies. Securities listed on more than one exchange are valued by reference to the principal exchange on which the securities are traded; securities not listed on an exchange but traded on The Nasdaq Stock Market, Inc. ("NASDAQ") are valued in accordance with the NASDAQ Official Closing Price; listed put or call options are valued at the last sale price. If there has been no sale on that day, such securities will be valued at the closing bid prices on that day; open futures contracts and options thereon are valued using the closing settlement price or, in the absence of such a price, the most recent quoted bid price. If there are no quotations available for the day of valuations, the last available

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closing settlement price is used; securities traded in the over-the-counter market, (but excluding securities traded on NASDAQ) are valued at the mean of the current bid and asked prices as reported by the National Quotation Bureau or other comparable sources; U.S. Government securities and other debt instruments having 60 days or less remaining until maturity are valued at amortized cost if their original maturity was 60 days or less, or by amortizing their fair value as of the 61st day prior to maturity if their original term to maturity exceeded 60 days; fixed-income securities, including mortgage backed and asset backed securities, may be valued on the basis of prices

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Notes to Financial Statements

provided by a pricing service or at a price obtained from one or more of the major broker/dealers. In cases where broker/dealer quotes are obtained, the Pricing Policies provide that the Investment Manager may establish procedures whereby changes in market yields or spreads are used to adjust, on a daily basis, a recently obtained quoted price on a security; and OTC and other derivatives are valued on the basis of a quoted bid price or spread from a major broker/dealer in such security.

Securities for which market quotations are not readily available are valued at fair value in accordance with the Pricing Policies. The Fund fair values a security that it holds when a significant event (e.g., an earthquake or a major terrorist attack) occurs after the time that the latest market quotation was established, and, as a result, such market quotation cannot be said to represent the current market value of the security as of the time the Fund prices its shares. Fair valuing securities is imprecise, and there is no assurance that the Fund could dispose of the security at the price used for determining the Fund's net asset value.

2. Currency Translation

Assets and liabilities denominated in foreign currencies and commitments under forward exchange currency contracts are translated into U.S. dollars at the mean of the quoted bid and asked prices of such currencies against the U.S. dollar. Purchases and sales of portfolio securities are translated into U.S. dollars at the rates of exchange prevailing when such securities were acquired or sold. Income and expenses are translated into U.S. dollars at rates of exchange prevailing when accrued.

Net realized gain or loss on foreign currency transactions represents foreign exchange gains and losses from sales and maturities of foreign fixed income investments, foreign currency exchange contracts, holding of foreign currencies, currency gains or losses realized between the trade and settlement dates on foreign investment transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains and losses from valuing foreign currency denominated assets and liabilities at period end exchange rates are reflected as a component of unrealized appreciation and depreciation of investments and foreign currency denominated assets and liabilities.

The exchange rate for the Euro at May 31, 2004 was .82 EUR to U.S. \$1.00.

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3. Taxes

It is the Fund's policy to meet the requirements of the U.S. Internal Revenue Code applicable to regulated investment companies and to distribute all of its investment company taxable income and net realized gains, if any, to shareholders. Therefore, no provisions for federal income or excise taxes are required.

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Notes to Financial Statements

Withholding taxes on foreign interest and dividends have been provided for in accordance with the Spanish tax rates.

4. Investment Income and Investment Transactions

Dividend income is recorded on the ex-dividend date or as soon as the Fund is informed of the dividend. Interest income is accrued daily. Investment transactions are accounted for on the date securities are purchased or sold. Realized gains and losses from security and currency transactions are calculated on the identified cost basis.

5. Dividends and Distributions

Dividends and distributions to shareholders, if any, are recorded on the ex-dividend date. Income dividends and capital gain distributions are determined in accordance with federal tax regulations, which may differ from those determined in accordance with accounting principles generally accepted in the United States. To the extent these differences are permanent, such amounts are reclassified within the capital accounts based on their federal tax treatment; temporary differences, do not require such reclassification.

NOTE B

Management Fee and Other Transactions with Affiliates

Under the terms of an Investment Management and Administration Agreement, the Fund pays the Investment Manager a fee, calculated weekly and paid monthly, at an annualized rate of 1.10% of the average weekly net assets up to \$50 million, 1.00% of the Fund's average weekly net assets on the next \$50 million, and .90% of the Fund's average weekly net assets over \$100 million.

The Fund and the Investment Manager have entered into a Sub-Advisory Agreement with BBVA Privanza Gestora, S.G.I.I.C., S.A. (the "Sub-Adviser"). Under this agreement the Sub-Adviser receives a fee at the annual rate of .25 of 1% of the Fund's average weekly net assets. All amounts paid to the Sub-Adviser are payable by the Investment Manager from its fee. A director of the Fund is a director of Banco Bilbao Vizcaya Argentaria, the parent of the Sub-Adviser.

Under the terms of a Shareholder Inquiry Agency Agreement with Alliance Global Investor Services, Inc. (AGIS), an affiliate of the Investment Manager, the Fund reimburses AGIS for costs relating to servicing phone inquiries for the Fund. The Fund reimbursed AGIS \$135 during the six months ended May 31, 2004.

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Brokerage commissions paid on investment transactions for the six months ended May 31, 2004, amounted to \$47,581, of which \$17,625 was paid to Banco Bilbao Vizcaya Argentaria.

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Notes to Financial Statements

Banco Bilbao Vizcaya Argentaria, an affiliate of the Sub-Adviser, serves as subcustodian of the Fund. Fees paid to the subcustodian are payable by the custodian from its fee. For the six months ended May 31, 2004, the Fund earned \$3,056 of interest income on cash balances maintained at the subcustodian.

NOTE C

Investment Transactions

Purchases and sales of investment securities (excluding short-term investments) for the six months ended May 31, 2004, were as follows:

	Purchases =====	Sales =====
Investment securities (excluding U.S. government securities)	\$ 8,718,664	\$ 13,518,052
U.S. government securities	-0-	-0-

The cost of investments for federal income tax purposes was substantially the same as the cost for financial reporting purposes. Accordingly, gross unrealized appreciation and unrealized depreciation (excluding foreign currency transactions) are as follows:

Gross unrealized appreciation	\$ 31,492,608
Gross unrealized depreciation	-0-

Net unrealized appreciation	\$ 31,492,608
	=====

Forward Exchange Currency Contracts

The Fund may enter into forward exchange currency contracts in order to hedge its exposure to changes in foreign currency exchange rates on its foreign portfolio holdings, to hedge certain firm purchase and sales commitments denominated in foreign currencies and for investment purposes. A forward exchange currency contract is a commitment to purchase or sell a foreign currency on a future date at a negotiated forward rate. The gain or loss arising from the difference between the original contract and the closing of such contract would be included in net realized gain or loss on foreign currency transactions.

Fluctuations in the value of open forward exchange currency contracts are recorded for financial reporting purposes as net unrealized appreciation or depreciation by the Fund.

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The Fund's custodian will place and maintain cash not available for investment or other liquid assets in a separate account of the Fund having a value at least equal to the aggregate amount of the Fund's commitments under forward exchange currency contracts entered into with respect to position hedges.

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Notes to Financial Statements

Risks may arise from the potential inability of the counterparty to meet the terms of a contract and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The face or contract amount, in U.S. dollars reflects the total exposure the Fund has in that particular currency contract.

NOTE D

Capital Stock

There are 100,000,000 shares of \$.01 par value common stock authorized. At May 31, 2004, 8,680,966 shares were outstanding. During the six months ended May 31, 2004, the Fund issued 17,980 shares, in connection with the Fund's dividend reinvestment plan.

NOTE E

Restricted Security

	Date Acquired =====	Cost =====
Unidad Editorial, SA Series A	9/30/92	\$ 871,944

The security shown above is restricted as to sale and has been valued at fair value in accordance with the policy described in Note A.

The value of this security at May 31, 2004 was \$2,660,104 representing 3.4% of net assets.

NOTE F

Risks Involved in Investing in the Fund

Concentration of Risk--Investing in securities of foreign companies involves special risks which include the possibility of future political and economic developments which could adversely affect the value of such securities. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than those of comparable United States companies.

Investment in the Fund's shares requires consideration of certain factors that are not typically associated with investments in U.S. equity securities such as currency fluctuations, potential price volatility, lower liquidity and concentration of the Spanish equities market and limitations on the

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concentration of investment in the equity of securities of companies in certain industry sectors. The possibility of political and economic instability of government supervision and regulation of the market may further affect the Fund's investments.

In the ordinary course of business, the Fund enters into contracts that contain a variety of indemnifications. The Fund's maximum exposure under these arrangements is unknown. However, the Fund has not had prior claims or losses pursuant to these indemnification provisions and expects the risk of loss thereunder to be remote.

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Notes to Financial Statements

NOTE G

Distributions to Shareholders

The tax character of distributions to be paid for the year ending November 30, 2004 will be determined at the end of the current fiscal year. Based on the operations of the Fund as of the semi-annual date, and its distribution policy, the Fund may have a non-taxable distribution at year end. At this time, the amount of this non-taxable distribution is not estimable. The tax character of distributions paid during the fiscal years ended November 30, 2003 and November 30, 2002 were as follows:

	2003 =====	2002 =====
Distributions paid from:		
Ordinary income	\$ 438,342	\$ -0-
	-----	-----
Total taxable distributions	438,342	-0-
Tax return of capital	5,032,175	6,535,545
	-----	-----
Total distributions paid	\$ 5,470,517	\$ 6,535,545
	=====	=====

As of November 30, 2003, the components of accumulated earnings/(deficit) on a tax basis were as follows:

Accumulated capital and other losses	\$ (16,260,105) (a)
Unrealized appreciation/(depreciation)	25,930,769

Total accumulated earnings/(deficit)	\$ 9,670,664 (b)
	=====

(a) On November 30, 2003, the Fund had a net capital loss carryforward of \$16,260,105, of which \$1,429,119 expires in the year 2009, \$14,007,595 expires in the year 2010 and \$823,391 expires in the year 2011. Future realized gains offset by the loss carryforwards are not required to be distributed to shareholders. However, under the Fund's distribution policy, such gains may be distributed to shareholders in the year the gains are realized. Any such gains

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distributed may be taxable to shareholders.

(b) The difference between book-basis and tax-basis unrealized appreciation/(depreciation) is attributable primarily to the tax deferral of losses on wash sales.

NOTE H

Legal Proceedings

As has been previously reported in the press, the Staff of the U.S. Securities and Exchange Commission ("SEC") and the Office of the New York Attorney General ("NYAG") have been investigating practices in the mutual fund industry identified as "market timing" and "late trading" of mutual fund shares. Certain other regulatory authorities have also been conducting investigations into these practices within the industry and have requested that the Investment Manager provide information to them. The Investment Manager has been cooperating and will continue to cooperate with all of these authorities. The shares of the Fund are not redeemable by the Fund, but are traded on an exchange at prices established by the market. Accordingly, the Fund and its shareholders are not subject to the market timing and late trading practices that are the subject of the investigations mentioned above or the lawsuits described below. Please see below

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Notes to Financial Statements

for a description of the agreements reached by the Investment Manager and the SEC and NYAG in connection with the investigations mentioned above.

In addition, numerous lawsuits have been filed against the Investment Manager and certain other defendants in which plaintiffs make claims purportedly based on or related to the same practices that are the subject of the SEC and NYAG investigations referred to above. Some of these lawsuits name the Fund as a party. Management of the Investment Manager believes that these private lawsuits are not likely to have a material adverse effect on the results of operations or financial condition of the Fund.

On December 18, 2003, the Investment Manager confirmed that it had reached terms with the SEC and the NYAG for the resolution of regulatory claims relating to the practice of "market timing" mutual fund shares in some of the AllianceBernstein Mutual Funds. The agreement with the SEC is reflected in an Order of the Commission ("SEC Order"). The agreement with the NYAG is subject to final, definitive documentation. Among the key provisions of these agreements are the following:

(i) The Investment Manager agreed to establish a \$250 million fund (the "Reimbursement Fund") to compensate mutual fund shareholders for the adverse effects of market timing attributable to market timing relationships described in the SEC Order. According to the SEC Order, the Reimbursement Fund is to be paid, in order of priority, to fund investors based on (i) their aliquot share of losses suffered by the fund due to market timing, and (ii) a proportionate share of advisory fees paid by such fund during the period of such market timing;

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(ii) The Investment Manager agreed to reduce the advisory fees it receives from some of the AllianceBernstein long-term, open-end retail funds, commencing January 1, 2004, for a period of at least five years; and

(iii) The Investment Manager agreed to implement changes to its governance and compliance procedures. Additionally, the SEC Order contemplates that the Investment Manager's registered investment company clients, including the Fund, will introduce governance and compliance changes.

The shares of the Fund are not redeemable by the Fund, but are traded on an exchange at prices established by the market. Accordingly, the Fund and its shareholders are not subject to the market timing practices described in the SEC Order and are not expected to participate in the Reimbursement Fund. Since the Fund is a closed-end fund, it will not have its advisory fee reduced pursuant to the terms of the agreements mentioned above.

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Financial Highlights

FINANCIAL HIGHLIGHTS

Selected Data For A Share Of Capital Stock Outstanding Throughout Each Period

	Six Months Ended May 31, 2004 (unaudited)	2003	2002	2001	2000
Net asset value, beginning of period	\$8.41	\$6.81	\$8.39	\$10.30	\$16.40
INCOME FROM INVESTMENT OPERATIONS					
Net investment income (loss)	.00 (a) (b)	.01 (a)	(.03) (a)	(.03) (a)	(.03) (a)
Net realized and unrealized gain (loss) on investment and foreign currency transactions	.98	2.22	(.79)	(.75)	(1.00)
Net increase (decrease) in net asset value from operations	.98	2.23	(.82)	(.78)	(1.03)
Realized gain due to repurchase program	-0-	-0-	-0-	-0-	-0-
LESS: DIVIDENDS AND DISTRIBUTIONS					
Dividends from net investment income	(.42)	(.05)	-0-	(.02)	(.02)

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Distributions from net realized gain on investment and foreign currency transactions	-0-	-0-	-0-	(.48)	(4)
Tax return of capital	-0-	(.58)	(.76)	(.63)	
Total dividends and distributions	(.42)	(.63)	(.76)	(1.13)	(4)
Net asset value, end of period	\$8.97	\$8.41	\$6.81	\$8.39	\$10
Market value, end of period	\$9.70	\$9.57	\$6.97	\$8.55	\$9.
Premium/(Discount)	8.14%	13.79%	2.35%	1.91%	(6)
TOTAL RETURN					
Total investment return based on (c):					
Market value	5.65%	49.25%	(9.74)%	0.49%	(12)
Net asset value	11.17%	34.24%	(10.13)%	(7.85)%	(17)
RATIOS/SUPPLEMENTAL DATA					
Net assets, end of period (000's omitted)	\$77,892	\$72,817	\$58,800	\$72,001	\$88,
Ratio of expenses to average net assets	1.99% (d)	2.19%	2.13%	1.91%	1
Ratio of net investment income (loss) to average net assets	.09% (d)	.11%	(.48)%	(.35)%	(
Portfolio turnover rate	12%	26%	39%	34%	

See footnote summary on page 18.

THE SPAIN FUND o 17

Financial Highlights

(a) Based on average shares outstanding.

(b) Amount is less than \$.005.

(c) Total investment return is calculated assuming a purchase of common stock on the opening of the first day and a sale on the closing of the last business day of each period reported. Dividends and distributions, if any, are assumed for purposes of this calculation, to be reinvested at prices obtained under the Fund's Dividend Reinvestment and Cash Purchase Plan. Generally, total investment return based on net asset value will be higher than total investment return based on market value in periods where there is an increase in the discount or a decrease in the premium of the market value to the net asset value from the beginning to the end of such years. Conversely, total investment return based on net asset value will be lower than total investment return based on market value in periods where there is a decrease in the discount or an increase in the premium of the market value to the net asset value from the beginning to the end of such years. Total investment return calculated for a

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period of less than one year is not annualized.

(d) Annualized.

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Board of Directors

BOARD OF DIRECTORS

William H. Foulk, Jr.(1), Chairman
Norman S. Bergel(1)
Daniel de Fernando Garcia
Inmaculada de Habsburgo-Lorena(1)
Antonio Eraso(1)
Ignacio Gomez-Acebo
Francisco Gomez Roldan(1)
Juan Manuel Sainz de Vicuna(1)

OFFICERS

Marc O. Mayer, President
Edward D. Baker III(2), Senior Vice President
Russell Brody, Vice President
Cristina Fernandez-Alepuz, Vice President
Mark R. Manley, Secretary
Mark D. Gersten, Treasurer & Chief Financial Officer
Vincent S. Noto, Controller

Custodian

Brown Brothers Harriman & Co.
40 Water Street
Boston, MA 02109

Legal Counsel

Seward & Kissel LLP
One Battery Park Plaza
New York, NY10004

Independent Auditors

PricewaterhouseCoopers LLP
1177 Avenue of the Americas
New York, NY10036

Dividend Paying Agent, Transfer Agent and Registrar

Equiserve Trust Company
P.O. Box 43011
Providence, RI 02840-3011

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(1) Member of the Audit Committee

(2) Mr. Baker is the person primarily responsible for the day-to-day management of the Fund's investment portfolio.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase at market prices from time to time shares of its common stock on the open market.

This report, including the financial statements therein is transmitted to the shareholders of The Spain Fund for their information. This is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in this report.

THE SPAIN FUND o 19

Management of the Fund

MANAGEMENT OF THE FUND

Board of Directors Information

The business and affairs of the Fund are managed under the direction of the Board of Directors. Certain information concerning the Fund's Directors is set forth below.

NAME, ADDRESS, AGE OF DIRECTOR (YEARS OF SERVICE)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR
---	--	---

INTERESTED DIRECTORS

Daniel de Fernando Garcia, *, 38 BBVA, Padilla, 17 28006 Madrid, Spain (11 months)	Director, Private Banking and Asset Management--BBVA Privanza Gestora, S.G.I.I.C., S.A. ("BBVA") since October 2002. Since prior to 1999 he was associated with J.P. Morgan in the following capacities: Director, Asset Management JP Morgan Private Banking; Head of Asset Management & Private Banking (Europe, Africa and The Orient); Co-Head of AMS, Head of Investments and Chairman &	1
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CEO of Morgan Gestion, S.A. (JPM Madrid); Member of AMS European Mgmt. Group, Member of PCG Europe Management Team, Member of JPM Madrid Management Committee, Member of AMS European Mgmt Group, Equity Portfolio Manager in the International Investment Group (JPMIM London), Fixed Income Portfolio Manager, Equity Portfolio Manager and Director of Morgan Gestion, S.A. (Mutual Fund Management Company).

Ignacio Gomez-Acebo, *, 72
 Gomez-Acebo & Pombo
 Paseo de la Castellana
 246-12th Floor,
 28046 Madrid,
 Spain
 (9 years)

He is Senior Partner of Gomez-Acebo & Pombo (law firm); Chairman of the Board of Clarke, Modet & Co. and NOKIA Spain.

1

* "Interested person," as defined in the 1940 Act, of the Fund because of an affiliation with either the Fund's investment adviser, Alliance Capital Management L.P., or BBVA Privanza Gestora, S.G.I.I.C., S.A., the Fund's sub-adviser.

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Management of the Fund

NAME, ADDRESS, AGE OF DIRECTOR (YEARS OF SERVICE)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR
---	--	---

DISINTERESTED DIRECTORS

William H. Foulk, Jr., #+, 71
 2 Sound View Drive
 Suite 100
 Greenwich, CT 06830
 Chairman of the Board
 (7 months)

Investment adviser and an independent consultant. He was formerly Senior Manager of Barrett Associates, Inc., a registered investment adviser, with which he had been associated since prior

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to 1999. He was formerly Deputy Comptroller and Chief Investment Officer of the State of New York and, prior thereto, Chief Investment Officer of the New York Bank for Savings.

Norman Bergel, #+, 54
S. Corrado 15
Lido di Noto
Noto,
Prov. of Syracuse
Italy
(3 years)

He is an international consultant. He was formerly Director of BBV-Privanza, Deputy Chairman of Alliance Capital Management (Pty.) Ltd., Deputy Chairman of Alliance MBCA, Senior Vice President of ACMC, Director of Alliance Capital Ltd. ("ACL"), Managing Director of Alliance Capital Management International and Managing Director of White Williams Private Equity Partners GmbH.

1

Antonio Eraso, #+, 63
Latinver, S.A.,
Paseo de la Castellana,
28046 Madrid,
Spain
(2 years)

He is Non-executive Director of Mapfre, Heron, Santander Central Hispano Activos Inmobiliarios, Advisor CEO Iberdrola. President of Heron Espana; Advisor of CB Richard Ellis (Spain & Portugal); Advisor of Bansa Leasing; Advisor of Transolver (Finance); Advisor of Grupo TecnoBit S.A. (Defense); Advisor of Equifax Iberica; President's Assessor of Iberdrola; President's Assessor of Grupo Berge; Assessor of Tishman & Speyer Espana S.A.; Board's Assessor of Young & Rubican Espana; Board's Assessor of Gleeds Iberica (project management); Member of the National Assembly and Permanent Commission of ASNEF (National Association of Financial Entities); Spanish Representative of EURO-FINAS (European Association of Finance); formerly Advisor of Sedgwick Group Espana.

1

Member of the Audit Committee.

+ Member of the Nominating Committee.

THE SPAIN FUND o 21

Management of the Fund

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NAME, ADDRESS, AGE OF DIRECTOR (YEARS OF SERVICE)	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS	PORTFOLIOS IN FUND COMPLEX OVERSEEN BY DIRECTOR
<p>Inmaculada de Habsburgo-Lorena, #+, 58 Queen Sofia Spanish Institute 684 Park Avenue New York, NY 10021 (16 years)</p>	<p>She is President and Chief Executive Officer of Queen Sofia Spanish Institute; Trustee of Samuel H. Kress Foundation; Founder and Trustee of the King Juan Carlos International Center of New York University Foundation; and member of the Board of World Monuments Fund Espana. She has earned Master of Arts and Master of Philosophy degrees from Columbia University and a Bachelor of Arts degree from George Washington University.</p>	<p>1</p>
<p>Francisco Gomez Roldan, #+, 50 Santander Central Hispano, Sevilla 3, 2A pl. 28014 Madrid, Spain (16 years)</p>	<p>He is Chief Financial Officer of Santander Central Hispano. He was formerly Chief Executive Officer of Banesto S.A.; Chief Executive Officer of Argenteria, Caja Postal y Banco Hipotecario; Deputy General Manager of Banco Bilbao-Vizcaya, S.A., the parent of Privanza; General Manager of BBV Interactivos, S.A.; and General Manager of Banca Catalana, S.A.</p>	<p>1</p>
<p>Juan Manuel Sainz de Vicuna, #+, 78 Coca Cola International, Josefa Valcarcel 36 28027 Madrid, Spain (16 years)</p>	<p>He is Honorary Chairman of Coca-Cola Espana; President of the Fundacion Coca-Cola Espana, Director of Rendelsur (Coca-Cola franchise, Southern Spain); member of the Fundacion de Amigos de Museo del Prado, the Board of World Monuments Fund Espana, Notre Dame University--Joan B. Kroc Institute for International Peace Studies and the Patronato of Universidad Pontificia de Salamanca.</p>	<p>1</p>

Member of the Audit Committee.

+ Member of the Nominating Committee.

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Management of the Fund

Officer Information

Certain information concerning the Fund's Officers is listed below.

NAME, ADDRESS* AND AGE	PRINCIPAL POSITION(S) HELD WITH FUND	PRINCIPAL OCCUPATION DURING PAST 5 YEARS
Marc O. Mayer, 46	President	Executive Vice President of A Capital Management Corporatio ("ACMC")** since 2001; prior Chief Executive Officer of Sa Bernstein & Co., LLC and its predecessor since prior to 1999.
Edward D. Baker III, 53	Senior Vice President	Senior Vice President and Chi Investment Officer--Emerging of ACMC**, with which he has associated since prior to 1999.
Russell Brody, 37	Vice President	Vice President of ACMC**, wit he has been associated since 1999.
Cristina Fernandez-Alepuz, 34	Vice President	Consultant to ACMC** and the with which she has been assoc since prior to 1999.
Mark D. Gersten, 53	Treasurer and Chief Financial Officer	Senior Vice President of Alli Investor Services, Inc. ("AGI a Vice President of AllianceB Investment Research and Managemt, Inc. ("ABIRM")**, with has been associated since pri 1999.
Vincent S. Noto, 39	Controllor and Chief Financial Officer	Vice President of AGIS** with he has been associated since 1999.
Mark R. Manley, 41	Secretary	Senior Vice President and Act General Counsel of ACMC**, wi which he has been associated prior to 1999.

* The address for each of the Fund's Officers is 1345 Avenue of the Americas,

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New York, NY 10105.

** ACMC, ABIRM and AGIS are affiliates of the Fund.

THE SPAIN FUND o 23

AllianceBernstein Family of Funds

ALLIANCEBERNSTEIN FAMILY OF FUNDS

Wealth Strategies Funds

Balanced Wealth Strategy
Wealth Appreciation Strategy
Wealth Preservation Strategy
Tax-Managed Balanced Wealth Strategy*
Tax-Managed Wealth Appreciation Strategy
Tax-Managed Wealth Preservation Strategy**

Blended Style Funds

U.S. Large Cap Portfolio
International Portfolio
Tax-Managed International Portfolio

Growth Funds

Domestic

Growth Fund
Health Care Fund
Mid-Cap Growth Fund
Premier Growth Fund
Small Cap Growth Fund
Technology Fund

Global & International

All-Asia Investment Fund
Global Research Growth Fund
Global Small Cap Fund
Greater China '97 Fund
International Premier Growth Fund
New Europe Fund
Worldwide Privatization Fund

Select Investor Series

Biotechnology Portfolio
Premier Portfolio
Technology Portfolio

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Value Funds

Domestic

Balanced Shares
Disciplined Value Fund
Growth & Income Fund
Real Estate Investment Fund
Small Cap Value Fund
Utility Income Fund
Value Fund

Global & International

Global Value Fund
International Value Fund

Taxable Bond Funds

Americas Government Income Trust
Corporate Bond Portfolio
Emerging Market Debt Fund
Global Strategic Income Trust
High Yield Fund
Multi-Market Strategy Trust
Quality Bond Portfolio
Short Duration Portfolio
U.S. Government Portfolio

Municipal Bond Funds

National
Insured National
Arizona
California
Insured California
Florida
Massachusetts
Michigan
Minnesota
New Jersey
New York
Ohio
Pennsylvania
Virginia

Intermediate Municipal Bond Funds

Intermediate California
Intermediate Diversified
Intermediate New York

Closed-End Funds

All-Market Advantage Fund
ACM Income Fund
ACM Government Opportunity Fund

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ACM Managed Dollar Income Fund
ACM Managed Income Fund
ACM Municipal Securities Income Fund
California Municipal Income Fund
National Municipal Income Fund
New York Municipal Income Fund
The Spain Fund
World Dollar Government Fund
World Dollar Government Fund II

We also offer Exchange Reserves,+ which serves as the money market fund exchange vehicle for the AllianceBernstein mutual funds.

For more complete information on any AllianceBernstein mutual fund, including investment objectives and policies, sales charges, expenses, risks and other matters of importance to prospective investors, visit our web site at www.alliancebernstein.com or call us at (800) 227-4618 for a current prospectus. Please read the prospectus carefully before you invest or send money.

* Formerly Growth Investors Fund.

** Formerly Conservative Investors Fund.

+ An investment in the Fund is not a deposit in a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

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Summary of General Information

SUMMARY OF GENERAL INFORMATION

Shareholder Information

Daily market prices for the Fund's shares are published in the New York Stock Exchange Composite Transaction section of newspapers under the designation SpainFd. The daily net asset value of the Fund's shares are available from the Fund's Transfer Agent by calling (800) 219-4218. The Fund also distributes its daily net asset value to various financial publications or independent organizations such as Lipper Analytical Services and Morningstar, Inc. The Fund's NYSE trading symbol is "SNF". Weekly comparative net asset value (NAV) and market price information about the Fund is published each Monday in The Wall Street Journal, each Sunday in The New York Times and each Saturday in Barron's and other newspapers in a table called "Closed End Funds".

Dividend Reinvestment and Cash Purchase Plan

A Dividend Reinvestment Plan is available to shareholders in the Fund, which provides automatic reinvestment of dividends and capital gain distributions in additional Fund shares. The Plan also allows you to make optional cash

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investments in Fund shares through the Plan Agent. If you wish to participate in the Plan and your shares are held in your name, simply complete and mail the enrollment form in the brochure. If your shares are held in the name of your brokerage firm, bank or other nominee, you should ask them whether or how you can participate in the Plan.

For questions concerning shareholder account information, or if you would like a brochure describing the Dividend Reinvestment Plan, please call Equiserve Trust Company at (800) 219-4218.

THE SPAIN FUND o 25

THE SPAIN FUND
1345 Avenue of the Americas
New York, NY 10105

AllianceBernstein [LOGO] (SM)
Investment Research and Management

(SM) This service mark used under license from
the owner, Alliance Capital Management L.P.

SPNSR0504

ITEM 2. CODE OF ETHICS.

Not applicable when filing a Semi-Annual report to shareholders.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not applicable when filing a Semi-Annual report to shareholders.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable when filing a Semi-Annual report to shareholders.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable when filing a Semi-Annual report to shareholders.

ITEM 6. SCHEDULE OF INVESTMENTS.

Form N-CSR disclosure requirement not yet effective with respect to the registrant.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable when filing a Semi-Annual report to shareholders.

ITEM 8. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

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Form N-CSR disclosure requirement not yet effective with respect to the registrant

ITEM 9. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the Fund's Board of Directors since the Fund last provided disclosure in response to the requirements of Item 7(d)(2)(ii)(G) of Schedule 14A in its proxy statement filed with the Commission on February 23, 2004.

ITEM 10. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-2(c) under the Investment Company Act of 1940, as amended) are effective at the reasonable assurance level based on their evaluation of these controls and procedures as of a date within 90 days of the filing date of this document.

(b) There were no significant changes in the registrant's internal controls that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

ITEM 11. EXHIBITS.

The following exhibits are attached to this Form N-CSR:

EXHIBIT NO.	DESCRIPTION OF EXHIBIT
11 (b) (1)	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
11 (b) (2)	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
11 (c)	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant): The Spain Fund, Inc.

By: /s/ Marc O. Mayer

Marc O. Mayer
President

Date: July 30, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

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By: /s/ Marc O. Mayer

Marc O. Mayer
President

Date: July 30, 2004

By: /s/ Mark D. Gersten

Mark D. Gersten
Treasurer and Chief Financial Officer

Date: July 30, 2004