



**PROPOSALS FOR AGREEMENT
GENERAL SHAREHOLDERS' MEETING
SACYR VALLEHERMOSO, SA
16/17 JUNE, 2009**

Nine.-

EXPLANATORY REPORT ON THE MATTERS STATED IN ARTICLE 116.BIS) OF THE SPANISH SECURITIES MARKET ACT

Report issued by the Sacyr Vallehermoso SA Board of Directors at its meeting held on 30 March 2009, pursuant to article 166 bis) of the Spanish Securities Market Act, and article 14 of Act 67/2007 of 12 April on transparency of issuers of securities listed on a regulated stock market.

a) Structure of capital, including shares not traded on an EU regulated stock market, stating also, where applicable, the various share classes, the rights and obligations of each class, and the percentage of share capital so represented:

Pursuant to article 5 of the bylaws, the Company's share capital amounts to 304,967,371 euros, represented by 304,967,371 ordinary shares with a face value of 1 euro, all of the same class and series. All shares have been fully paid up.

None of the securities issued may be converted into shares.

b) Restrictions on security transfers:

Notwithstanding certain regulations described below, the bylaws do not impose any restrictions on transfers of securities which represent share capital.

As a listed company, the purchase of certain significant shareholdings is subject to notification to the issuer and the Spanish National Securities Commission (CNMV), in compliance with article 53 of the Spanish Securities Market Act 24/1988, Royal Decree 1362/2007 of 19 October, and Circular 2/2007 of 19 December from the Spanish National Securities Commission, which establish the purchase of 3% of the capital or the voting rights as the initial threshold for such notification.

Also, as a listed company, the purchase of a percentage that is equal to, or exceeds, 30% of the capital or voting rights in the company will trigger the obligation to launch a takeover bid under the terms established in article 60 of the Securities Market Act 24/1988.



c) Major direct or indirect shareholdings:

Shareholder	Direct holding		Indirect holding		Total		
	No. of shares	%	No. of shares	%	No. of shares	%	No. of voting rights
Juan Abelló Gallo	-	-	30,961,033(1)	10.152	30,961,033	10.152	30,961,033
José Manuel Loureda Mantiñán	345	0.00	41,171,576 (2)	13.500		13.500	41,171,921
Sofip, Sociedades Gestora de Participacoes Sociais SA	-	-	15,537,874 (3)	5.095	15,537,874	5.095	15,537,874
Luis del Rivero Asensio	173	0.00	41,924,229(4)	13.747	41,924,402	13.747	41,924,402
Manuel Manrique Cecilia	228	0.00	25,087,997(5)	8.227	25,088,225	8.227	25,088,225
Juan Miguel San Juan Jover	214	0.00	10,791,133 (6)	3.538	10,791,347	3.538	10,791,347
Participaciones Agrupadas S.R.L.	24,395,075	7.999	-	-	24,395,075	7.999	24,395,075
Caixanova	12,076,843	3.960	-	-	12,076,843	3.960	12,076,843
Mutua Madrileña Automovilista	15,267,857	5.006	-	-	15,267,857	5.006	15,267,857
Disa Corporación	20,549,237	6.738	-	-	20,549,237	6.738	20,549,237
Corporación Caixa Galicia SA	9,118,524	2.990	-	-	9,118,524	2.990	9,118,524

(1) Juan Abelló has an indirect shareholding through Nueva Compañía de Inversiones SA (5 shares) and TORREAL SA (30,961,028 shares).

(2) José Manuel Loureda Mantiñán has an indirect shareholding through PRILOU SL (25,844,241 shares) and Prilomi SL (15,327,335 shares of which he own 81.8%).

(3) Sofip, Sociedades Gestora de Participacoes Sociais SA has an indirect shareholding through Finavague SL.

(4) Luis del Rivero Asensio has an indirect shareholding through Actividades Inmobiliarias y Agrícolas SA (18,483,842 shares) and Rimefor Milenio Nuevo SL (23,440,387 shares of which he owns 61.890%).

(5) Manuel Manrique Cecilia has an indirect shareholding through Cymofag SL.

(6) Juan Miguel San Juan Jover has an indirect shareholding through Grupo Satocan SA.

d) Restrictions on voting rights:

The bylaws do not impose any specific restrictions on this right.

e) Agreements between shareholders:

There are no agreements between Sacyr Vallehermoso SA shareholders.

f) Regulations which apply to the appointment and replacement of members of the Board of Directors and amendments to bylaws:

- Appointment and dismissal of members of the Board of Directors

1. Appointment and reappointment:

- Directors are appointed by the General Shareholders' Meeting, or the Board of Directors, in compliance with the Public Limited Companies Act.

- Proposals for director appointments are submitted by the Board of Directors to the General Shareholders' Meeting, and decisions regarding appointments made by the Board of Directors using its legally-conferred powers of co-optation must be preceded by the relevant report from the Appointments and Remuneration Committee.



When the Board's actions differ from the recommendations of the Appointments and Remuneration Committee, the Board must explain the reasons for this, and record them in the minutes.

- The Board of Directors and the Appointments and Remuneration Committee must endeavour, within their powers, to ensure that candidates for the post of external director are individuals of known solvency, ability, and experience.
- Board members shall hold their posts for a maximum of five years, which may be extended for one or more further five-year periods.
- Co-opted directors shall hold their posts until the date of the next General Shareholders' Meeting, to which their appointment shall be submitted for ratification, if appropriate.
- Board members whose mandate expires, or who cease to hold their posts for any other reason, may not offer their services to any other organisation whose corporate purpose is similar to that of the Company, for two years, if the Board of Directors reasonably considers that this would jeopardise the Company's interests.

2. Dismissal or removal:

- Board members shall cease to hold their posts upon expiry of the period for which they were appointed, when they submit their resignation to the Company, or when the General Shareholders' Meeting so decides according to the powers granted to it by law or the company bylaws.
- Board members must renounce their posts, and submit their resignation if the Board considers this appropriate, in the following cases:
 - a) on reaching the age of 65 for executive directors. Such executive directors may, if appropriate, remain as non-executive directors;
 - b) on resigning from the executive posts to which they were appointed as directors;
 - c) if affected by any of the legally-established incompatibilities or prohibitions;
 - d) if seriously reprimanded by the Audit Committee for failure to comply with their duties as directors; and
 - e) if remaining on the Board may jeopardise Company interests or adversely affect the Company's credit or reputation, or if the reasons for which they were appointed no longer apply (e.g. if a nominee director sells his/her Company shareholding).

- Amendments to bylaws.-

The bylaw amendment procedure is governed by article 144 of the Public Limited Companies Act. This is common to all public limited companies, and stipulates approval by the General Shareholders' Meeting, with the majorities stated in article 103 of the same Act.

Bylaw amendment is expressly included in the powers of the General Shareholders' Meeting as stated in article 19 of the bylaws, and article 3 of the General Shareholders' Meeting regulations. Bylaw amendment is not subject to any majorities other than those stipulated by law.

g) The powers of the members of the Board of Directors, and in particular those on issuing or buying back shares, are as follows:



All powers of the Board of Directors have been delegated to the Chairman and the Managing Director of SACYR VALLEHERMOSO SA, except for those which law or the bylaws state may not be delegated, and those which the Board retains with no possibility of delegation, pursuant to article 38.3 of the bylaws.

The General Shareholders' Meeting of 18 June 2008 delegated to the Board the power to buy back shares in the capital of Sacyr Vallehermoso SA, as established in article 75 and the first additional regulation of the Public Limited Companies Act. Purchases can be made directly by Sacyr Vallehermoso SA or indirectly through subsidiaries. The purchases can be made by contract of sale, exchange, or any other legally recognised method.

The purchased shares must be fully paid up.

The face value of the shares purchased when added to the value of the shares already owned, directly or indirectly, cannot exceed five per cent of the share capital existing at the time.

The minimum price of each purchased share will be the face value – and the maximum price will be the price quoted on the continuous trading system of the Spanish stock market on the day of purchase. This authorisation to buy back shares is valid for eighteen months.

The General Shareholders' Meeting of 18 June 2008 delegated the power to increase share capital to the Board by a face value of 20,331,158 euros via the issue of 20,331,158 shares with a face value of one (1) euro each, of the same class and series, and with the same rights as those currently in circulation and registered through the accounting records. They will be allocated freely with the ratio of one (1) new share for every fourteen (14) shares in circulation.

The Board of Directors was assigned the following powers: state on which date the capital increase must take place. The capital increase must be declared as carried out and closed within a maximum period of one year since its adoption. Once the said period has finished a prior communication of the issue to the CNMV must be written, subscribed and submitted and any additional information or documentation must also be sent.

On 2 October 2008, the Board of Directors agreed to carry out a share issue charged to reserves. The said increase was recorded in the Commercial Register on 30 October, 2008.

The General Shareholders' Meeting of 18 June 2008 granted the Board of Directors the power to increase share capital, pursuant to article 153.1 b) of the Spanish Public Limited Companies Act, and the power to exclude the right to preferential subscription, pursuant to article 159.2 of the same Act, thereby rendering ineffective, as to the unused parts, the authorisation given by the General Shareholders' Meeting of 25 June 2004.

The share capital may be increased on one or several occasions, at any time, within a maximum period of five years from this meeting and in the maximum amount of 142,318,106 shares.

The General Shareholders' Meeting granted the Board of Directors the power to issue fixed-income securities, both simple and those which can be exchanged for company shares in circulation and/or which can be converted into newly-issued company shares, as well as promissory notes, preferential shareholdings or warrants (options to subscribe new shares or to acquire company shares in circulation).



Shares may be issued on one or several occasions, at any time, within a maximum period of five years from the adoption of this agreement.

- h) Major agreements entered into by the Company which come into force, are altered or expire if control of the Company changes due to a takeover bid and its effects, except when divulging this would seriously damage the Company's interests. This exception shall not apply when the Company is legally obliged to divulge this information:**

There are no major agreements entered into by the Company which come into force, are altered or expire if control of the Company changes due to a takeover bid.

- i) Agreements between the Company and its directors or employees entitling them to compensation if they resign or are wrongfully dismissed, or if the employment relationship ends, due to a takeover bid:**

In the Management Committee there are four senior managers with a contract that includes compensation of between one and two years of salary in the case of dismissal.