

Somague Acquisition

(December 2003)

- I. Description of the operation
- II. Acquisition rationality
- III. Shareholding Structure post acquisition
- IV. Conclusion

I Description of the operation

Sacyr Vallehermoso gains control of Somague capital through a shares swap with others reference shareholders.

Current shareholding structure:

Capital in Somague is broken down as follows:

29.69% Sacyr Vallehermoso

32.64% BPP Group

31.66% Vaz Guedes Group

6.01% “Free-float”

I Phase:

Vaz Guedes Group acquires 32.64% of the capital of Somague in hands of BPP for 83.5 Mn € (9.8€/p.s).

II Phase:

SyV carry out a non-cash right issue (13,850,948 shares), to exchange for the 64.28% stake controlled by Vaz Guedes group.

III Phase:

SyV launches a bid to acquire the remaining 6.01% of the capital floated in the Lisbon bourse.

II Acquisition rationality

(in Mln €)	09/30/2003
Net income	651.06
EBITDA	32
Net Profit	7.1
Construction O. Book	1,084.2

Figures for 100% Somague

SOMAGUE description

- Diversified group of activities fully aligned with those of SyV:
 - Construction, mainly in heavy civil works
 - Toll road concessions (3 in Portugal and 2 in Brazil)
 - Environmental (water and waste), services and real estate
- 1ST construction company in Portugal
- Leading position in the water privatized market (40% share - 0.9 Mn inhabitants) and growing in real estate and waste management and collection.
- ADDED GROWTH POTENTIAL:
 - Wind power (03 installed capacity: 49MW vs. 326MW target in 06).
 - Toll roads : 6 new concessions offers presented in Portugal.

SOMAGUE's acquisition

The operation means the consolidation of a leading position in the Portuguese market

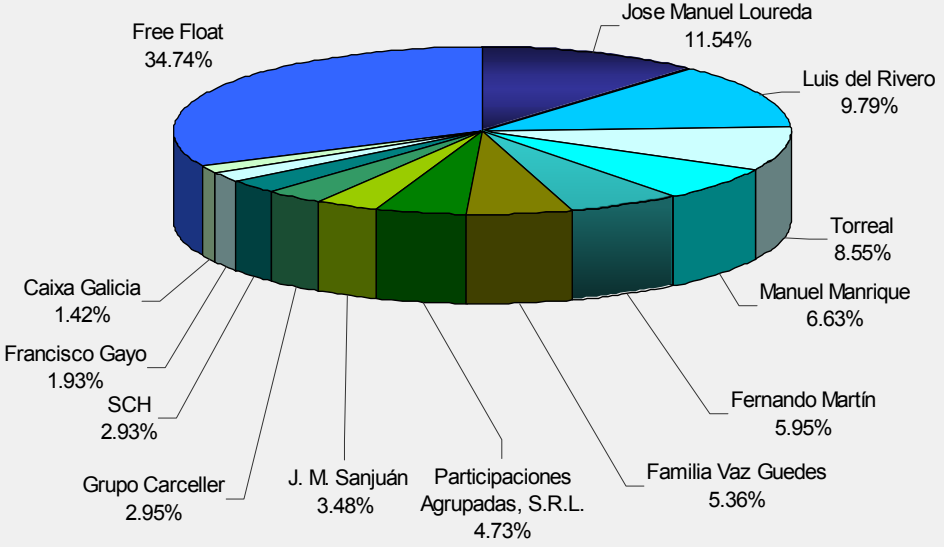
II Acquisition rationality

- After the acquisition SyV will have under management:
 - 2,373 Km in toll road concession
 - 388 MW of electric power
 - 1 million inhabitants covered in water distribution

III Shareholding Composition resulting from the operation

Ownership distribution

Jose Manuel Loureda	11.54%
Luis del Rivero	9.79%
Torreal	8.55%
Manuel Manrique	6.63%
Fernando Martín	5.95%
Vaz Guedes family	5.36%
Participaciones Agrupadas, S.R.L	4.73%
J. M. Sanjuán	3.48%
Carceller Group	2.95%
SCH	2.93%
Francisco Gayo	1.93%
Caixa Galicia	1.42%
Free-Float	34.74%



IV Conclusion

- **Somague´s capital majority acquisition will reinforce SyV growth in activities and geographical areas of marked strategic interest for the group:**
 - Consolidating the position in the Iberian construction field, in a natural expansion market such Portugal, with higher than UE average growth potential.
 - Increasing toll roads concession portfolio with an ample potential to expand in Portugal and others areas (Brazil).
 - Priveleged position ahead of the rising trend of public services privatization in Portugal (water and solid waste).
 - Integration and synergys for housing development and building facilities management of SyV in Portugal.
 - Financial capabilites remains intact due to the non-cash structure of the operation.
 - Almost neutral impact in SyV EPS in 2004.