

Financial Report



→ *Third Quarter 2005*

SyV



## CONTENTS

I.	HIGHLIGHTS	
	• OPERATING DATA	2
	• FINANCIAL AND ECONOMIC DATA	3
II.	BASIS OF PRESENTATION	4
III.	STATEMENT OF INCOME AND CONSOLIDATED BALANCE SHEET	5
IV.	PERFORMANCE OF BUSINESS AREAS	15
V.	BOARD RESOLUTIONS	27
VI.	STOCK PERFORMANCE	29
VII.	SHAREHOLDING STRUCTURE	30

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## I. HIGHLIGHTS

OPERATING DATA (Million €)	September		% Change
	2005	2004	
<b>CONSTRUCTION-SACYR/SOMAGUE</b>			
ORDER BOOK	4,634	2,934	57.9%
Months of activity	27.1	18.0	50.9%
<b>HOUSING DEVELOPMENT- VALLEHERMOSO</b>			
Committed Sales	931	688	35.4%
N° houses	3,093	2,669	15.9%
ORDER BOOK	2,089	1,474	41.7%
LAND RESERVE	4,610	3,996	15.4%
Housing	91.0%	91.0%	
<b>CONCESSIONS - ITINERE</b>			
ORDER BOOK	51,016	49,307	3.5%
<b>PROPERTY- TESTA</b>			
INCOME	157	143	9.6%
NET SURFACE (End of quarter)	1,403	1,384	1.4%
OCCUPANCY	97.2%	94.3%	3.1%
ORDER BOOK	3,699	2,073	78.4%
<b>SERVICES-VALORIZA</b>			
ORDER BOOK	6,394	3,396	88.3%

## I. HIGHLIGHTS

ECONOMIC FINANCIAL DATA (Million €)			September		% Change
			2005	2004	
NET SALES			2,616	2,375	10.1%
EBITDA			587	502	16.9%
By activity:					
	Construction	Sacyr	79	77	2.5%
		Somague	22	32	-29.5%
	Housing development	Vallehermoso	130	106	22.0%
	Concessions	Itinere	220	186	18.1%
	Property	Testa	125	109	14.7%
	Services	Valoriza	21	2	842.1%
	Holding		(9)	(10)	7.6%
NET ATTRIBUTABLE PROFIT			300	176	70.7%
EPS*			€ 1,09	0,64	70.7%
CASH-FLOW			490	321	52.8%
EQUITY (as of end of period)			1.845	1.553	18.9%
CORPORATE DEBT			998	1.032	-3.3%
% Over total financial debt			12,5%	15,5%	-19.3%

\*\* Adjusted in 2004 by the share capital increase of 1x32 last July.

## II. BASIS OF PRESENTATION

The financial information for the third quarter of both 2005 and 2004 is prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations made thereof by the competent official bodies, effective for the fiscal year to end in December 2005. The following considerations must be borne in mind:

- a) This information has been prepared internally by the company and has not been audited.
- b) The standards presently issued and adopted by the EU are subject to the interpretations issued from time to time by IFRIC. In addition, IASB may issue new standards which could be applied voluntarily by the SyV group for fiscal years beginning after January 1, 2005.
- c) Given that it is the first time said standards are applied on an international level, no detailed experience exists to which to recur for the resolution of certain technical matters which may arise during the application of said rules to sets of facts not specifically addressed by the IFRS.
- d) Changes arising out of any of the above matters or of the evolution of sector practice could also affect certain decisions and interpretations adopted today by the SyV Group in preparation of the information reflected in this document.
- e) As a consequence of the above, it is possible that changes to this information may need to be introduced.

### III. STATEMENT OF INCOME

CONSOLIDATED PROFIT AND LOSS (Thousands €)	SEPTEMBER		Change
	2005	2004	05/04
Net Sales	2,615,944	2,375,205	10.1%
Other sales	586,055	504,067	16.3%
<b>Total Sales</b>	<b>3,201,999</b>	<b>2,879,273</b>	<b>11.2%</b>
External and operating expenses	(2,614,780)	(2,377,077)	10.0%
<b>Gross Operating Profit</b>	<b>587,219</b>	<b>502,196</b>	<b>16.9%</b>
Depreciation	(161,714)	(129,634)	24.7%
Trade Provisions	(19,800)	(12,766)	55.1%
<b>Net Operating Profit</b>	<b>405,705</b>	<b>359,795</b>	<b>12.8%</b>
Financial Results	(36,120)	(154,128)	76.6%
Forex Results	(6,288)	(5,899)	-6.6%
Results from equity accounted subsidiaries	(7,907)	3,305	-339.2%
Provisions for Financial Investments	(1,787)	1,829	197.7%
Change in Value of Financial Instruments	(1,765)	(855)	106.5%
Provision for Depreciation of Goodwill	(3,926)	0	
Change in Value of Assets	(855)	(3,429)	75.1%
Results from sales of non current assets	96,769	33,388	189.8%
Other profit and losses	1,369	(3,972)	134.5%
<b>Ordinary Profit</b>	<b>445,195</b>	<b>230,035</b>	<b>93.5%</b>
Corporate Tax	(133,245)	(39,285)	239.2%
<b>TOTAL PROFIT</b>	<b>311,949</b>	<b>190,750</b>	<b>63.5%</b>
Minorities	(11,537)	(14,715)	-21.6%
<b>NET ATTRIBUTABLE PROFIT</b>	<b>300,412</b>	<b>176,035</b>	<b>70.7%</b>

#### RESULTS ANALYSIS

- In the third quarter of 2005 the group's sales rose 10.1% to 2,615.9 million euros.
- EBITDA reached 587.2 million euros, with a sound 16.9% growth, placing the sales margin at 22.4% as opposed to 21.1% in the third quarter of 2004 and confirms its positions as the highest of the sector in Spain and Europe.
- Net operating income grew 12.8% to 405.7 million euros.
- Attributable net profit reached 300.4 million euros, up a meritorious 70.7% on the same period last year.
- Cash-flow was 490.3 million euros, up 52.8% on September 2004.

## TURNOVER

Revenues grew to 2,615.9 million euros, up 10.1% on the same period in 2004. This was supported by growth in all areas of activity, especially services and concessions.

The transport concessions business area grew 12.9% in revenues to 272.7 million euros. This performance was noteworthy, since it responds to an increase in highway tolls together with the favorable evolution of traffic, despite the tensions observed in fuel prices since the start of the fiscal year.

The construction line of business operated by Sacyr-Somague grew 4.6% in turnover to 1,539.1 million euros through September 2005, as compared to 1,470.9 million in 2004. This growth is a combination of the adjustment of the construction business foreseen in Portugal, together with a considerable increase of 26.2% at Sacyr, a reflection of the high level of its high-volume construction portfolio amounting to 3,746.4 million euros at the close of the quarter.

Vallehermoso posted 600.9 million euros in net turnover, posting adjusted growth (+0.9%) with respect to last year. This turnover relates fully to the sales programming established for the period, which is expected to be observed a significant delivery of some large developments in the last quarter of the year. Aggregate booked sales, which reflect the performance of commercial activity in the period, grew 35.4% to 931.1 million euros, with a total of 3,093 units sold at September 30, 2005.

The services business surged 351.4% to 244.6 million euros, as a consequence of the addition to the group of Sufi environmental group, acquired in the second quarter of the year as well as the organic growth in Valoriza's remaining core business activities, especially alternative energies and multi-services.

In rental property, Testa increased its revenues 9.6% to 156.6 million euros. This performance is a fruit of the combination of the 2.4% growth in the average occupancy level and the 5.7% rise in average per unit revenue on the rental property portfolio and a 1.1% increase of rentable surface area in the period.

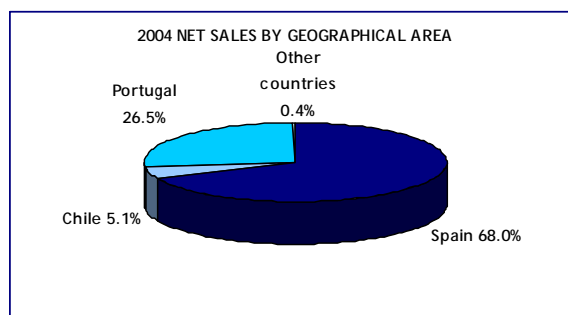
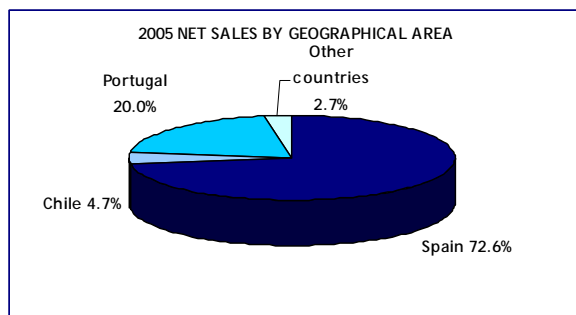
Broken down by geographic area, 72.6% of turnover is generated in Spain. A 20% percent was attributed to Portugal, stemming from Somague's construction business and Valoriza's services business. The remaining 7.4% refers for the most part to business activity in Chile, reflecting revenues from operating concessions together with construction works executed for them.

The breakdown of turnover by business activity was as follows:

TURNOVER by business area (Thousands €)	September		% Change
	2005	2004	05/04
Sacyr/Somague	1,539,096	1,470,920	4.6%
Sacyr	1,062,376	841,526	26.2%
Somague	476,721	629,393	-24.3%
Vallehermoso	600,949	595,733	0.9%
Itinere	272,755	241,546	12.9%
Testa	156,609	142,894	9.6%
Valoriza	244,575	54,185	351.4%
Adjustments and Holding	-198,040	-130,071	
<b>TOTAL</b>	<b>2,615,944</b>	<b>2,375,205</b>	<b>10.1%</b>

TURNOVER by geographical area (Thousands €)	September		% Change
	2005	2004	05/04
Spain	1,900,062	1,614,922	17.7%
Chile	122,207	121,271	0.8%
Portugal	522,172	629,393	-17.0%
Other countries	71,503	9,619	643.4%
<b>TOTAL</b>	<b>2,615,944</b>	<b>2,375,205</b>	<b>10.1%</b>

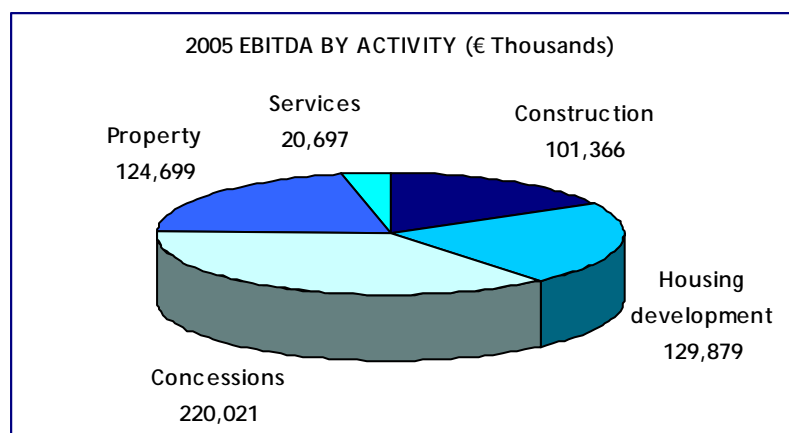


**GROSS OPERATING INCOME (EBITDA)**

The group's gross operating profit grew 16.9% on the same period last year to 587.2 million euros, backed by the increase occurring especially in housing development, concessions and services areas. In the latter, EBITDA reached 20.7 million euros, as opposed to 2.2 million euros in 2004.

As of September 30, the contribution from recurring businesses (infrastructure concessions, rental property and services) reached 365.4 million euros, growing 22.9% in the year, up to a 62.2% of the total. The contribution made by concessions is the group's most significant one and represents 37.5% of total gross operating income, with 220 million euros (up 18.1% on 2004).





Growth businesses (construction, residential development) and holding contributed 221.8 million euros, or 37,8% of consolidated operating income. These businesses grew 8.2% with respect to 2004 due to organic expansion and a reduction of operating expenses on the corporate level.

The residential development business obtained EBITDA of 129.9 million euros, up 22% on 2004.

#### DEPRECIATION

The technical and revertible asset depreciation provision reached 161.7 million euros (up 24.7%) due to the expansion of the concession and services businesses. This line item, having its origin for the most part in Itinere's concession business, which contributed 98.8 million euros, or 61% of the total for the SyV group.

#### FINANCIAL RESULTS

Net financial expenses reached 36.1 million euros, contrasted against the 154.1 million euros in expenses recorded in 2004. This was due fundamentally to the positive impact of 148.6 million euros generated by the sale of derivative instruments and shares of the BBVA group this past February and which contrast against the recording in March 2004 of income from the securities portfolio of 41.2 million euros for the sale of 100% of a company dedicated to operating rent-controlled housing in the rental property business.

Income from companies carried by the equity method posted a loss of 7.9 million euros, as opposed to 3.3 million euros recorded last year. This result was caused entirely by the expenses relating to placement into operation of new concessions at Itinere. (Radial highways of Madrid)

Gains on disposal of non-current assets reached 96.8 million euros due to the sale of wind energy generation assets located in Portugal. In 2004 were made 33.4 million euros, with the gains on the sale of a land plot in Madrid.

**NET PROFIT**

Total pre-tax profit amounted to 445.2 million euros, surging 93.5% with respect to 2004.

Following the normalization in the tax rate accruing in the period, yielding an accrued tax of 133.2 million euros (up 239.2% on the previous year), the attributable net profit was 300.4 million euros, up 70.7% on 2004.

**REVENUE PORTFOLIO**

The portfolio of assured future income in the various business areas as at the close of the third quarter reached 67,831.6 million euros (up 16.1% on the same period in 2004). Worthy of mention are the expansion in services as a consequence of the acquisition of Sufi and rental property due to the inclusion of two hospitals operated under concession. The operating result implicit to the portfolio reached 42,960.8 million euros. This volume of future revenues is supported basically at Itinere (75.2% of the total).

ORDER BOOK (Million €)	September 2005		
	Income	% Ebitda*	Ebitda
Sacyr (Order Book)	3,746	8.4%	0,314
Somague (Order Book)	0,887	4.5%	0,040
Itinere (Concessional Income)	51,016	76.8%	39,163
Testa (Lease contracts to maturity)	3,699	76.1%	2,817
Vallehermoso (Pre-sales Book)	2,089	19.8%	0,413
Valoriza (Income Order)	6,394	3.3%	0,214
<b>TOTAL</b>	<b>67,832</b>	<b>63.3%</b>	<b>42,961</b>

\*Ebitda margin as of end of 04

### III. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET (Thousands €)	SEPTEMBER		Change 05/04
	2005	2004	
<b>ASSETS</b>			
Non current Assets	8,096,651	6,768,651	1,328,000
Intangible Assets	199,242	156,560	42,682
Real Estate Investments	1,938,293	1,823,452	114,841
Investment in Highways	3,889,621	3,208,766	680,854
Fixed Assets	779,536	567,337	212,199
Financial Assets	1,050,774	878,723	172,051
Other non current Assets	26,229	15,298	10,931
Goodwill	212,955	118,514	94,441
Current Assets	5,687,904	4,500,216	1,187,689
Inventories	3,624,393	2,665,389	959,004
Accounts receivables	1,618,959	1,537,744	81,215
Financial Assets	168,740	170,818	(2,078)
Cash	261,984	126,264	135,719
Other Current Assets	13,829	0	13,829
<b>TOTAL ASSETS / LIABILITIES</b>	<b>13,784,555</b>	<b>11,268,866</b>	<b>2,515,689</b>
<b>LIABILITIES</b>			
Equity	1,845,497	1,552,649	292,847
Shareholder's Equity	1,581,432	1,105,998	475,433
Minority Interests	264,065	446,651	(182,586)
Non current Liabilities	7,726,801	6,337,390	1,389,411
Financial Debt	6,561,714	5,744,071	817,643
Financial instruments at fair value	86,234	33,633	52,601
Provisions	47,300	47,763	(463)
Other non current Liabilities	1,031,553	511,923	519,630
Current Liabilities	4,212,257	3,378,828	833,430
Financial Debt	1,850,575	1,213,228	637,347
Trade Accounts payable	1,908,131	1,701,343	206,787
Operating Provisions	77,318	54,748	22,570
Other Current Liabilities	376,233	409,507	(33,275)

#### PERFORMANCE OF BALANCE SHEET

The expansion in the balance sheet, of 2,515.7 million euros (growing 22.3%) was due to the business activity in three of the business areas:

- Investments made in concessions with the acquisition of an additional 30% of the ENA group and in highways in progress, representing 1,224.7 million euros in new assets.
- The increase in land investments for residential development and product in progress, with 817.7 million euros, in order to assure scheduled increased business activity in the future.
- The acquisition of the Sufi Group in environmental services, which together with the contribution of Somague's services line in Portugal, carried out in the first half of 2005, explain the greater part of the 470.6 million euros expansion posted on the balance sheet for this business activity.

At the close of the third quarter of 2005, the group's three recurrent business activities (concessions, rental property and services) added a total of 8,149.7 million euros in assets, equal to 59.4% of the SyV group's total, demonstrating their significant weight and the quality and recurrence occurring in the group's aggregate employed capital.

The following details the composition and movement in the principal headings of the balance sheet.

### NON-CURRENT ASSETS

The balance at September 30, 2005 is broken down as follows:

NON CURRENT ASSETS (Thousands €)	SEPTEMBER		Change
	2005	2004	05/04
Intangible Assets	199,242	156,560	42,682
Real Estate Investments	1,938,293	1,823,452	114,841
Investment in Highways	3,889,621	3,208,766	680,854
Fixed Assets	779,536	567,337	212,199
Financial Assets	1,050,774	878,723	172,051
Other non current Assets	26,229	15,298	10,931
Goodwill	212,955	118,514	94,441
<b>TOTAL</b>	<b>8,096,651</b>	<b>6,768,651</b>	<b>1,328,000</b>

In non-current assets, the most significant line-item related to highways and other toll roads with 3,889.6 million euros. Of the above, the volume of highways and other roads under development amounted to 170.3 million euros.

Real estate assets include land and buildings in operation for 1,938.3 million euros. In addition, intangible assets include assets dedicated to operation under lease

pursuant to a long-term concession scheme, for an additional amount of 122.8 million euros. At the close of the period, investments in progress were maintained in properties for rent in the amount of 253.1 million euros and another 77.6 million euros in land for future development.

Other non-current assets related to machinery, technical installations and other fixed assets. The balance of total cumulative depreciation was 240.9 million euros.

Non-current financial assets include, *inter alia*, stakes in companies carried by the equity method in the amount of 157 million euros, including 111 million euros relating to the investment in concessions. In addition, this chapter reflects 500.8 million euros relating in their majority to subsidies to the exploitation of various Itinere concessions which enjoy those benefits.

## CURRENT ASSETS

The performance of current assets is broken down as follows:

CURRENT ASSETS (Thousands €)	SEPTEMBER		Change
	2005	2004	05/04
Inventories	3,624,393	2,665,389	959,004
Accounts receivables	1,618,959	1,537,744	81,215
Financial Assets	168,740	170,818	(2,078)
Cash	261,984	126,264	135,719
Other Current Assets	13,829	0	13,829
<b>TOTAL</b>	<b>5,687,904</b>	<b>4,500,216</b>	<b>1,187,689</b>

Aggregate current assets reached 5,687.9 million euros, up 26.4% on the same period in 2004. This was fundamentally due to the increase in inventories originating in the expansion of the residential development business, due to purchases of land and construction in progress on the new developments.

## EQUITY

At September 30, 2005, equity reached 1,845.5 million euros, up 18.9%; of this amount, 85.7% of the total (1,581.4 million euros) pertained to SyV's equity and 264 million euros to the group's minority shareholders.

During the month of July 2005, a bonus issue was carried out for shares having a par value of one euro. Thus, as at September 30, 2005, the capital stock was represented by 274.46 million shares.

**FINANCIAL DEBT**

At the close of the quarter, the group's net corporate debt reached 997.7 million euros, down 3.3% on 2004 and equivalent to 12.5% of the total existing in the period.

By type of instruments, the volume of debts owed to banks dominated with 77.7%, and by term, debt maturing in the long-term represented 78% of the total. Financial instruments at fair value reached 86.2 million euros and were applied towards hedging risks of long-term debt assumed for financing the group's property activities, concessions, and rental properties.

At the close of the third quarter of 2005, the amount of debt subject to fixed rates amounted to 38.6% of the aggregate. Activities of greater recurrence and term of the assets posted on-balance-sheet, concessions and rental property, had a 60.5% and 51% of fixed rates levels respectively.

The net debt in capital intensive activities stood at 6,983.9 million euros, 87.5% of the total. Thus, SyV's third party financing was for the most part housed on the balance sheet of the operating subsidiaries with a high indebtedness capacity and creditworthiness. This helps to clearly identify the structure, type of financing, maturities and financial instruments most appropriate to each such subsidiary, in function of the nature of the various businesses, e.g. Testa's rental property business, Itinere and Valoriza's concessions and Vallehermoso's residential housing development projects.

The group's net debt at September 30, 2005 is broken down as follows:

NET FINANCIAL DEBT (Thousands €)	September		% Change 05/04
	2005	2004	
CORPORATE DEBT	997,697	1,031,962	-3.3%
RELATED TO INTENSIVE CAPITAL ACTIVITIES	6,983,868	5,628,254	24.1%
Testa	1,305,778	1,361,543	-4.1%
Itinere	3,178,895	2,627,760	21.0%
Vallehermoso	2,314,971	1,483,389	56.1%
Other	184,224	155,563	18.4%
<b>TOTAL</b>	<b>7,981,565</b>	<b>6,660,216</b>	<b>19.8%</b>

Among the capital intensive activities it is important to emphasize the weight of the debt affecting transportation concession financing, which reached 3,178.9 million euros last September, 39.8% of the group's total and 62.2% of the book value of the gross investment in highways, which amounted to 5,110.9 million euros at the close of the period. This financing is tied to specific public service concession activities, toll highways, affording major stability and visibility to revenues and to the cash-flow generated by their operation. Worthy of mention is the refinancing carried out this past June at an important concession, Avasa, together with its head acquisition company, Avasacyr, for an aggregate attributable amount of 440.7 million euros. This refinancing will entail a savings in debt servicing since it was contracted at a rate of 3.55% in the case of bond issues and with a spread of less than 50 basis point for bank debt.

In the rental property area, the debt is instrumented through mortgage loans and leasing contracts in an amount of 1,305.8 million euros, which finance assets in operation and under development. Thus, according to the latest property appraisal available from the independent expert, at December 2004, debt only represented 42.1% of the said value.

With regard to the residential housing development business, with a net debt of 2,315 million euros, it finances the stocks appearing on Vallehermoso's balance sheet for a book value of 3,408.3 million euros.

Finally, structured debt in other businesses, including the financing of environmental projects and concessions at Valoriza for 121.3 million euros, amounted to a total of 184.2 million euros.

## IV. DEVELOPMENT OF BUSINESS AREAS

CONSOLIDATED PROFIT AND LOSS AS OF 30TH SEPTEMBER 2005									TOTAL
(Thds Euros)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	
Net Sales	1,062,376	272,755	600,949	156,609	244,575	476,721	693	(198,733)	2,615,944
Other Sales	21,542	26,145	468,253	3,101	24,526	11,469	22,139	8,880	586,055
<b>Total Income</b>	<b>1,083,917</b>	<b>298,900</b>	<b>1,069,202</b>	<b>159,710</b>	<b>269,101</b>	<b>488,190</b>	<b>22,831</b>	<b>(189,852)</b>	<b>3,201,999</b>
External and Operating Expenses	(1,004,804)	(78,878)	(939,323)	(35,011)	(248,404)	(465,937)	(32,311)	189,889	(2,614,780)
<b>Gross Operating Profit</b>	<b>79,113</b>	<b>220,021</b>	<b>129,879</b>	<b>124,699</b>	<b>20,697</b>	<b>22,252</b>	<b>(9,480)</b>	<b>37</b>	<b>587,219</b>
Depreciation	(11,290)	(98,816)	(246)	(23,598)	(13,738)	(10,175)	(2,532)	(1,320)	(161,714)
Trade Provisions	(9,285)	(1,607)	(6,068)	(207)	(828)	(1,805)	0	0	(19,800)
<b>Net Operating Profit</b>	<b>58,539</b>	<b>(119,598)</b>	<b>123,564</b>	<b>100,894</b>	<b>6,131</b>	<b>10,273</b>	<b>(12,012)</b>	<b>(1,283)</b>	<b>405,705</b>
Financial Results	14,515	(115,732)	(23,283)	(36,940)	(6,407)	(2,273)	244,261	(109,702)	(36,120)
Forex Results	131	(7,666)	0	1,540	(136)	(157)	(0)	0	(6,288)
Results from equity accounted subsidiaries	22	(9,151)	(344)	83	1,540	(57)	0	0	(7,907)
Provisions for financial investments	0	538	(1,650)	0	(86)	0	(589)	0	(1,787)
Change in value of financial instruments	0	(2,354)	0	0	0	0	589	0	(1,765)
Goodwill Depreciation	0	0	0	0	(391)	0	0	(3,535)	(3,926)
Change in value of assets	(329)	0	0	0	(607)	0	0	81	(855)
Results from sales of non current assets	1,489	154	(207)	140	95,562	21,201	0	(21,571)	96,769
Other profit and losses	(71)	180	2,281	(144)	124	(1,215)	215	0	1,369
<b>PROFIT BEFORE TAXES</b>	<b>74,295</b>	<b>(14,433)</b>	<b>100,363</b>	<b>65,574</b>	<b>95,730</b>	<b>27,212</b>	<b>232,464</b>	<b>(136,010)</b>	<b>445,195</b>
Corporate Tax	(22,023)	2,249	(35,650)	(24,288)	(7,610)	(4,160)	(41,783)	20	(133,245)
<b>TOTAL PROFIT</b>	<b>52,271</b>	<b>(12,185)</b>	<b>64,713</b>	<b>41,286</b>	<b>88,120</b>	<b>23,052</b>	<b>190,681</b>	<b>(135,990)</b>	<b>311,949</b>
Minorities	(482)	(13,623)	98	0	(1,726)	19	0	4,176	(11,537)
<b>NET ATTRIBUTABLE PROFIT</b>	<b>51,790</b>	<b>(25,807)</b>	<b>64,811</b>	<b>41,286</b>	<b>86,394</b>	<b>23,071</b>	<b>190,981</b>	<b>(131,814)</b>	<b>300,412</b>



CONSOLIDATED PROFIT AND LOSS AS OF 30TH SEPTEMBER 2004									
(Thds Euros)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	TOTAL
Net Sales	841,526	241,546	595.733	142.894	54.185	629.393	249	951.669	2.375.205
Other Sales	35,462	8,632	410.544	773	1.130	8.290	22.018	61.269	504.067
<b>Total Income</b>	<b>876,989</b>	<b>250,177</b>	<b>1.006.277</b>	<b>143.666</b>	<b>55.315</b>	<b>637.684</b>	<b>22.267</b>	<b>1.012.937</b>	<b>2.879.273</b>
External and Operating Expenses	(799,783)	(63,909)	(899.844)	(34.910)	(53.118)	(606.127)	(31.994)	(750.220)	(2.377.077)
<b>Gross Operating Profit</b>	<b>77,205</b>	<b>186,268</b>	<b>106.433</b>	<b>108.756</b>	<b>2.197</b>	<b>31.556</b>	<b>(9.727)</b>	<b>262.717</b>	<b>502.196</b>
Depreciation	(11,592)	(77,181)	(127)	(22.638)	(2.217)	(12.351)	(2.366)	(89.847)	(129.634)
Trade Provisions	(10,830)	(723)	1.388	(267)	(46)	(1.104)	(1.185)	(10.819)	(12.766)
<b>Net Operating Profit</b>	<b>54,784</b>	<b>108</b>	<b>107.694</b>	<b>85.850</b>	<b>(65)</b>	<b>18.101</b>	<b>(13.277)</b>	<b>162.051</b>	<b>359.795</b>
Financial Results	9,979	(107,721)	(23.464)	3.627	(814)	(16.616)	46.434	(163.197)	(154.128)
Forex Results	12	(6,018)	0	262	0	(155)	(0)	(6.012)	(5.899)
Results from equity accounted subsidiaries	20	(3,612)	285	295	0	6.318	0	(3.609)	3.305
Provisions for financial investments	0	1,978	0	0	0	(207)	59	1.976	1.829
Change in value of financial instruments	0	(1,978)	0	0	0	0	1.123	(1.976)	(855)
Goodwill Depreciation	0	0	0	0	0	0	0	0	0
Change in value of assets	(975)	(2,315)	0	0	(277)	(2.176)	0	0	(3.429)
Results from sales of non current assets	11	18	281	32.583	174	(451)	773	0	33.388
Other profit and losses	(100)	(2,914)	(160)	(994)	(65)	419	(132)	(2.938)	(3.972)
<b>PROFIT BEFORE TAXES</b>	<b>63,731</b>	<b>(11,913)</b>	<b>84.637</b>	<b>121.623</b>	<b>(1.047)</b>	<b>5.232</b>	<b>34.979</b>	<b>(13.705)</b>	<b>230.035</b>
Corporate Tax	(20,945)	932	(29.549)	(27.185)	632	(911)	37.742	(20.924)	(39.285)
<b>TOTAL PROFIT</b>	<b>42,786</b>	<b>(10,981)</b>	<b>55.088</b>	<b>94.438</b>	<b>(415)</b>	<b>4.321</b>	<b>72.721</b>	<b>(34.629)</b>	<b>190.750</b>
Minorities	191	(13,763)	85	0	(6)	(567)	0	(14.404)	(14.715)
<b>NET ATTRIBUTABLE PROFIT</b>	<b>42,976</b>	<b>(24,744)</b>	<b>55.173</b>	<b>94.438</b>	<b>(421)</b>	<b>3.754</b>	<b>72.721</b>	<b>(49.033)</b>	<b>176.035</b>

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 2005									TOTAL
(Thds €)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	
<b>NON CURRENT ASSETS</b>	<b>488,339</b>	<b>4,841,905</b>	<b>173,809</b>	<b>2,436,321</b>	<b>271,539</b>	<b>188,911</b>	<b>1,869,959</b>	<b>(2,174,133)</b>	<b>8,096,651</b>
Intangible Assets	30,755	36,752	20	113,935	15,348	220	2,213	0	199,242
Real Estate Investments	0	0	0	1,826,773	0	0	0	111,520	1,938,293
Highway Investments	0	3,889,621	0	0	0	0	0	0	3,889,621
Fixed Assets	64,865	35,769	63,331	331,057	186,732	93,719	4,033	30	779,536
Financial Assets	374,475	854,227	105,739	159,854	43,850	67,506	1,861,039	(2,415,916)	1,050,774
Other non Current Assets	18,245	11,838	2,844	4,702	1,934	0	2,675	(16,008)	26,229
Goodwill	0	13,698	1,875	0	23,675	27,467	0	146,240	212,955
<b>CURRENT ASSETS</b>	<b>906,752</b>	<b>257,053</b>	<b>3,697,177</b>	<b>74,858</b>	<b>313,014</b>	<b>596,170</b>	<b>62,610</b>	<b>(219,730)</b>	<b>5,687,904</b>
Inventories	144,325	2,896	3,408,291	59	23,002	46,569	850	(1,598)	3,624,393
Accounts receivable	638,565	100,221	279,082	52,271	198,334	501,482	61,740	(212,735)	1,618,959
Financial Assets	16,652	132,945	5,879	0	8,940	4,269	0	54	168,740
Cash	102,298	19,627	3,926	22,529	81,994	31,578	20	13	261,984
Other Current Assets	4,913	1,364	0	0	743	12,272	0	(5,464)	13,829
<b>ASSETS = LIABILITIES</b>	<b>1,395,091</b>	<b>5,098,959</b>	<b>3,870,986</b>	<b>2,511,179</b>	<b>584,553</b>	<b>785,081</b>	<b>1,932,569</b>	<b>(2,393,863)</b>	<b>13,784,555</b>
<b>Equity</b>	<b>396,377</b>	<b>401,853</b>	<b>233,419</b>	<b>1,051,139</b>	<b>145,932</b>	<b>136,045</b>	<b>984,812</b>	<b>(1,504,081)</b>	<b>1,845,497</b>
Shareholder's Equity	393,711	186,020	230,340	1,051,139	135,054	135,632	984,812	(1,535,276)	1,581,432
Minority Interests	2,667	215,833	3,079	0	10,879	413	0	31,195	264,065
<b>NON CURRENT ASSETS</b>	<b>118,189</b>	<b>4,168,305</b>	<b>1,935,043</b>	<b>1,330,164</b>	<b>205,966</b>	<b>154,806</b>	<b>479,294</b>	<b>(664,966)</b>	<b>7,726,801</b>
Financial Debt	96,436	2,947,002	1,580,180	1,272,323	150,230	116,641	398,903	0	6,561,714
Financial Instruments at fair value	0	73,081	0	9,669	1,514	0	1,970	0	86,234
Provisions	2,060	1,748	12,634	3,356	4,554	21,678	1,270	0	47,300
Other non Current Assets	19,694	1,146,474	342,229	44,816	49,668	16,486	77,152	(664,966)	1,031,553
<b>CURRENT ASSETS</b>	<b>880,525</b>	<b>528,801</b>	<b>1,702,524</b>	<b>129,846</b>	<b>232,655</b>	<b>494,231</b>	<b>468,463</b>	<b>(224,816)</b>	<b>4,212,257</b>
Financial Debt	21,478	384,465	744,597	55,984	54,040	171,818	418,194	0	1,850,575
Trade Accounts payable	726,017	30,664	814,858	13,896	95,475	233,551	3,204	(9,534)	1,908,131
Operating provisions	39,107	1,636	22,493	2,500	1,143	0	10,440	0	77,318
Other Current Assets	93,923	112,036	120,577	57,496	81,996	88,862	36,625	(215,282)	376,233

<b>CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 2004</b>									
(Thds €)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	TOTAL
<b>NON CURRENT ASSETS</b>	<b>445,934</b>	<b>3,645,939</b>	<b>397,102</b>	<b>2,409,146</b>	<b>75,174</b>	<b>278,457</b>	<b>1,687,699</b>	<b>(2,170,801)</b>	<b>6,768,651</b>
Intangible Assets	26,266	665	22	116,676	8,664	483	3,783	0	156,560
Real Estate Investments	0	0	0	1,732,020	0	0	0	91,432	1,823,452
Highway Investments	0	3,208,766	0	0	0	0	0	0	3,208,766
Fixed Assets	73,963	14,403	4,379	317,391	56,573	94,178	3,313	3,137	567,337
Financial Assets	345,705	421,342	380,730	243,059	9,937	120,481	1,677,282	(2,319,814)	878,723
Other non Current Assets	0	20	11,971	0	0	0	3,321	(13)	15,298
Goodwill	0	742	0	0	0	63,314	0	54,457	118,514
<b>CURRENT ASSETS</b>	<b>854,544</b>	<b>228,332</b>	<b>2,656,147</b>	<b>48,303</b>	<b>38,781</b>	<b>632,314</b>	<b>98,327</b>	<b>(56,998)</b>	<b>4,500,216</b>
Inventories	117,134	1,967	2,471,293	78	4,179	51,659	1,219	17,858	2,665,389
Accounts receivable	658,369	73,736	180,872	32,999	29,403	537,291	95,495	(70,420)	1,537,744
Financial Assets	29,135	138,521	620	2,483	(478)	541	1,401	(1,404)	170,818
Cash	48,475	14,109	3,362	12,743	5,589	41,719	211	56	126,264
Other Current Assets	1,431	0	0	0	87	1,570	0	(3,088)	0
<b>ASSETS = LIABILITIES</b>	<b>1,300,478</b>	<b>3,874,271</b>	<b>3,053,249</b>	<b>2,457,449</b>	<b>113,955</b>	<b>911,237</b>	<b>1,786,026</b>	<b>(2,227,799)</b>	<b>11,268,866</b>
<b>Equity</b>	<b>357,699</b>	<b>386,806</b>	<b>259,356</b>	<b>997,615</b>	<b>22,678</b>	<b>136,310</b>	<b>826,963</b>	<b>(1,434,778)</b>	<b>1,552,649</b>
Shareholder's Equity	356,603	(35,253)	256,146	997,615	19,791	126,427	826,963	(1,442,294)	1,105,998
Minority Interests	1,096	422,059	3,210	0	2,886	9,883	0	7,517	446,651
<b>NON CURRENT ASSETS</b>	<b>239,085</b>	<b>3,136,893</b>	<b>1,408,090</b>	<b>1,366,839</b>	<b>46,014</b>	<b>257,031</b>	<b>597,021</b>	<b>(713,583)</b>	<b>6,337,390</b>
Financial Debt	229,737	2,590,443	1,017,440	1,322,503	39,953	207,567	336,426	0	5,744,071
Financial Instruments at fair value	139	24,854	0	6,597	185	0	1,859	0	33,633
Provisions	1,652	138	6,914	3,698	289	33,589	1,482	0	47,763
Other non Current Assets	7,557	521,457	383,736	34,041	5,587	15,874	257,254	(713,583)	511,923
<b>CURRENT ASSETS</b>	<b>703,694</b>	<b>350,572</b>	<b>1,385,802</b>	<b>92,995</b>	<b>45,264</b>	<b>517,896</b>	<b>362,043</b>	<b>(79,437)</b>	<b>3,378,828</b>
Financial Debt	45,140	189,976	469,930	54,266	7,755	154,972	291,220	0	1,213,228
Trade Accounts payable	523,211	21,110	831,822	17,670	32,907	272,134	2,488	2	1,701,343
Operating provisions	30,092	747	1,327	1,861	320	11,134	9,268	0	54,748
Other Current Assets	105,251	138,770	82,723	19,199	4,282	79,656	59,066	(79,439)	409,507



## IV. DEVELOPMENT OF BUSINESS AREAS

### SACYR/SOMAGUE

Revenues of this area reached 1,539.1 million euros, up 4.6% on 2004. The most important component of the business activity, Sacyr, took in 1,062.4 million euros in revenues, with growth surging 26.2% with respect to last year yielding a weight of 69% of the total. The slump facing the Portuguese market, together in the case of Somague with the completion in the first half of last year of the execution of the football stadiums for the 2004 Euro Cup, placed Somague's revenues at 476.7 million euros, contrasted against sales of 629.4 million euros in 2004.

The construction portfolio grew in a manner worthy of emphasis. At the close of September, it amounted to 4,633.6 million euros, the equivalent of 27.1 months of activity. This was a 57.9% increase on 2004.

The breakdown of the works portfolio is as follows:

ORDER BOOK (Million €)	September		% Change 05/04
	2005	2004	
Spain	2,943	1,680	75.2%
Portugal	887	1,027	-13.6%
Italy	596	0	
Other countries	208	227	-8.7%
<b>TOTAL</b>	<b>4.634</b>	<b>2.934</b>	<b>57.9%</b>

Some 95.5% of the portfolio is located in the European Union, with 63.5% pertaining to Spain, 19.1% to Portugal, and 12.9% to Italy. The remainder 4.5% related to other countries, the majority of which coming from infrastructure concession projects in Chile and Costa Rica.

Among the core contracts obtained, the following are worthy of mention:

- Works for burial of connection tranche Avenida Portugal with M-30 service road in the amount of 143.4 million euros.
- Construction of two hospitals for the Community of Madrid in Parla and Coslada for an aggregate amount of 152.1 million euros.
- Various residential developments for the Vallehermoso Group, for a total amount of 292.7 million euros.
- Construction and splitting of new highway in Valencia between the capital and Losa del Obispo for 120.2 million euros
- Works for construction of a highway in Bulgaria (443 kilometers) between Sofia and the Black Sea for 104.4 million euros.
- Construction of Asturias Central Hospital for 75.2 million euros.
- Contract for connection of M-30 highway in Madrid in various tranches for 59.6 million euros.
- Construction of area and eastern docks of the port of Valencia for 44.2 million euros.

- Works for splitting of new highway between Oviedo and Gijon (Viastur) for 80.6 million euros.
- Construction of Abroñigales artificial lake to water flood retention for 43 million euros.

**VALLEHERMOSO**

Vallehermoso's revenues at September 30, 2005 reached 601.0 million euros, up 0.9%. This growth, albeit scant, was fully in line with the annual forecast for this period and should continue with a more marked expansion in the last quarter of the year. Sales of the residential product were 573.9 million euros and the rest, 27.1 million euros, came from the sale of other products and services.

EBITDA reached 129.9 million euros, up 22% yielding a ratio to sales of 21.6%.

Residential sales booked reached 923.8 million euros, up 40.4% with respect to 2004, supported by both the favorable performance of prices as well as an increase in the number of units sold, up 15.9% on the previous year, reaching 3,093 units. As at the close of the third quarter, there were booked sales pending posting for 2,089.0 million euros, up 41.7% on last year.

The performance of booked sales and the operating margin on residential product and land in 2005 are shown below:

<b>CONTRACTED SALES</b> (Thds €)	September 2005		September 2004	
	Sales	Margin (*)	Sales	Margin (*)
Land	7,239	1,841	29,455	3,810
Residential product	923,829	281,854	658,129	174,341
<b>TOTAL GROUP</b>	<b>931,068</b>	<b>283,695</b>	<b>687,584</b>	<b>178,151</b>

(\*)Direct Margin includes only direct operating costs

In the first nine months of the year, 608.0 million euros was invested in the purchase of land, equivalent to 4,635 homes, up 22.3% on the same period in 2004. The breakdown of acquisitions by the various geographical areas is as follows:

<b>LAND ACQUISITION</b>	Number of	% over
Location	Houses	Total
South	78	1.7%
Canary Islands	101	2.2%
Northeast	173	3.7%
Center	1,199	25.9%
Northwest	0	0.0%
East	935	20.2%
North	2,149	46.4%
<b>TOTAL</b>	<b>4,635</b>	<b>100.0%</b>

Land reserves amounted to 4.6 million m<sup>2</sup> at the close of the period, the equivalent of a total of 27,885 homes and an assured period of business of 6.1 years. This land reserve bank will allow long-term business growth to be attained, as a consequence of a broad-based, geographically diversified portfolio with an adequate degree of urban planning and development.

### ITINERE

Itinere's concession business turnover amounted to 272.7 million euros, 12.9% up on 2004. This was supported by the sound performance of traffic in the various concessions, despite the various cold spells, which in an unusual manner, affected at the beginning of the year all of the group's concessions located in the Northern areas of the Iberian Peninsula (Audenasa, Aucalsa, Avasa) as well as the updating of tariffs.

Gross operating income grew 18.1% to 220 million euros, allowing a new high in operating margin to 80.6% to be achieved—thus exceeding the 77.1% recorded in the same period of 2004.

In the Spain-based concessions average traffic growth continued higher than the growth of the economy in general. Growth on the most important routes was particularly notable. Thus, ADT growth at Audasa stood at 4.1%. Aucalsa and Audenasa enjoyed traffic increases of 5.5% and 6.1%, respectively, while Avasa's traffic volume grew by 2.1% in the period. Aunor grew 6.4% with respect to the same period last year. With regard to those located abroad, the Chilean concessions are showing a trend towards ascending traffic, with increases of 7.5% and 4.6% in the two extremes of Route 5, El Elqui and Los Lagos, respectively, while Rutas del Pacífico maintained the soft growth of prior periods with an 0.8% increase with respect to 2004. In Brazil, Triangulo do Sol posted growth of 4.8%.

Average Daily Traffic	September		% Change.
	2005	2004	05/04
<b>Spain</b>			
Avasa	13,604	13,318	2.1%
Aunor	10,953	10,294	6.4%
Aucalsa	9,027	8,558	5.5%
Audasa	21,818	20,962	4.1%
Audenasa	16,532	15,575	6.1%
Autoestradas Galicia I	12,740	12,115	5.2%
Autoestradas Galicia II	7,528	7,320	2.8%
<b>Chile</b>			
R-5 Los Lagos	6,785	6,489	4.6%
R-5 El Elqui	3,325	3,094	7.5%
Rutas del Pacífico	17,093	16,960	0.8%
<b>Brazil</b>			
Triangulo do Sol	37,364	35,636	4.8%

At the close of the third quarter of 2005, the Itinere group was awarded the following concessions:

- Concession for splitting, conservation and exploitation of new shadow toll road between Oviedo and Gijón, with an initial investment of 125 million euros.
- Concession for the improvement, conservation and exploitation of the new shadow toll road CV-35 between Valencia and Losa del Obispo, with an initial investment of 200 million euros.
- Concession for construction and exploitation of the transportation transfer point in Plaza Elíptica, Madrid, for an amount of 38.3 million euros.
- Stake of 15% in an adjudicatee consortium for construction and exploitation of a 443 kilometer highway in Bulgaria (Sofia/Black Sea) with a total forecasted investment of 715 million euros.

With these awards, Itinere reaches a portfolio of 28 transportation infrastructure concessions, distributed between the EU with 18 (Spain: 15, Portugal: 3), America with nine (Chile: 6, Brazil: 2, and Costa Rica: 1) and one in Bulgaria.

Furthermore, worthy of mention is the progress in the process to increase Itinere's stake in the Ena group, with the purchase this past month of June of an additional 10% from two minority shareholders for an amount of 158.4 million euros. This entails reaching a stake of 80% in Ena's capital and increasing Itinere's exposure to the strong growth potential of the four concessions forming it.

The portfolio of recurrent business revenues amounted to 50,741.9 million euros at September, up 2.9% on last year. Some 90.7% of the portfolio was located in Spain.

Gross investment in highways amounted at the close of the period to 5,110.9 million euros. Of this amount, 170.3 million euros were in progress and largely pertained to the implementation of works on the Santiago de Chile urban service highway, Americo Vespucio Sur, and to a lesser extent, the Nororiente highway concession, the latter located in the metropolitan area of the Chilean capital. Furthermore, preliminary work was begun on the concessions awarded in 2004, the Palma-Manacor highway and the Autopista del Valle in Costa Rica, together with the two shadow toll roads in Spain (Viastur and Autopista del Turia).

The breakdown of the concessions portfolio investment is as follows:

HIGWAYS INVESTMENT (Thds €)	September 2005		September 2004		% Change. 05/04
	In Operation	In Progress	In Operation	In Progress	
AVASA	665,124		661,123	1,655	0.4%
AUNOR	96,954		43,629		122.2%
AUCALSA	749,118		684,388		9.5%
AUTOESTRADAS DE GALICIA	158,595		138,281		14.7%
AUDASA	2,083,862		1,711,392		21.8%
AUDENASA	397,873		338,800	3,362	16.3%
AUTOVIA DEL TURIA		1,349			
VIASTUR		3,369			
Spain	4,151,526	4,718	3,577,613	5,017	16.0%
R-5 ELQUI	244,187		205,949		18.6%
R-5 LAGOS	255,637		215,533		18.6%
RUTAS PACIFICO	199,441		167,891		18.8%
LITORAL CENTRAL	39,559		33,781		17.1%
VESPUCIO SUR		134,282		42,122	218.8%
ACCESO NORORIENTE		30,911		8,085	282.3%
AUTOPISTA DEL VALLE		372			
TRIANGULO DO SOL	50,280				
Américas	789,104	165,565	623,154	50,207	41.8%
<b>TOTAL</b>	<b>4,940,630</b>	<b>170,283</b>	<b>4.200.767</b>	<b>55,224</b>	<b>20.1%</b>

## TESTA

The revenues earned by Testa during the period were 156 million euros, up 9.6% on 2004 due to the increase in occupied surface area, especially in offices and the entry into operation of new ones. Operating income rose 14.7% to 124.7 million euros.

The factors explaining the variance in rental income are shown in the next page:



Rental Performance	September		% Change. 05/04
	2005	2004	
Rental Income (Thds €)	153,219	139,974	9.5%
Average Occupied surface (M2)	1,348,920	1,303,011	3.5%
Average income (€/M2/month)	12.87	12.18	5.7%
Average lettable surface (M2)	1,396,976	1,382,212	1.1%
Average occupancy level (%)	96.56	94.27	2.4%

The increase in the lettable surface area includes an office property located in San Cugat del Vallés, Barcelona, with 10,000 square meters of surface area, an increase in selling space in the Porto Pi mall in Palma de Mallorca by 7,210 square meters and a senior citizen home in Barcelona, with 12,260 square meters.

#### Gains on sale of assets:

(Thds €)	SALES		PROFIT ON SALES			
	2005	2004	% Δ	2005	2004	% Δ
Land Sales		36,157	-100.0%		29,390	-100.0%
Others	325	0		140	2,199	-93.6%
<b>TOTAL</b>	<b>325</b>	<b>36,157</b>	<b>-99.1%</b>	<b>140</b>	<b>31.589</b>	<b>-99.6%</b>

In 2004 was recorded the sale of a 100% of a company owning inner-city properties in Madrid, which triggered a gain on the securities portfolio of 41.2 million euros in said period. Besides another 32.5 million euros were posted in 2004 coming from the sale of a building site located in the region of Madrid.

No significant sale of rental properties took place in the first nine months of the year. This explains how pre-tax income reached 65.5 million euros, as compared to 121.6 million euros in 2004. The normalization of the tax rate in the current fiscal year brought net profit to 41.3 million euros.

The adjudication made to Testa, in a consortium with two other SyV subsidiaries (Sacyr and Valoriza) for development and operation of two hospitals in the Madrid region (Parla and Coslada) for an investment amount leading up to entry into operation of 177.9 million euros is worthy of emphasis. These properties, the first in their class to be developed in Spain, will contribute a high volume and security of revenues, thanks to the long-term concession structure, for a 30-year concession period.

At the end of the third quarter, a total of 253.1 million euros existed in works in progress, of which the most significant was the Torre SyV skyscraper, a mixed-use hallmark building located in Madrid's business district, for 159.7 million euros invested. Other investments in various buildings were maintained, of which 41.7 million euros related to an office building located in Madrid and another 31.8

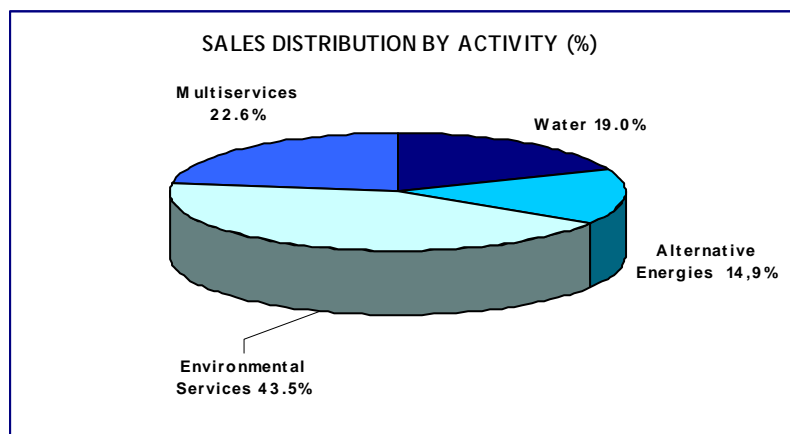
million euros to five pre-leased senior citizen residences, which are currently in various stages of development.

**VALORIZA**

Through September 2005, Valoriza achieved revenues of 244.6 million euros, surging 351.4% with respect to the 54.2 million euros in 2004, due to a combination of three factors:

- Organic growth occurring with the placement into operation of new projects, especially in the multi-services area (integral property maintenance) and energy.
- The acquisition of the Sufi group this past month of April, specializing in environmental activities related to recycling of urban waste, sludge and provision of other public services.
- The inclusion of the services business coming from the former Somague group in Portugal.

The breakdown of revenues among the various business areas was as follows:



In the environmental area, the acquisition of Sufi has allowed revenues of 106.5 million euros to be achieved. This inclusion has permitted consolidating the development of the services business, especially through the concessions it holds in the area of recycling and giving value to wastes (urban, sludge and packaging) and access to other types of services (cleaning, parking meters, etc.).

The alternative energies business headed by Iberese represented 14.9% of turnover, with 36.6 million euros, representing growth of 71.3% with respect to 2004. A new bio-mass co-generation plant entered into operation in the period, with an installed capacity of 4MW, thus entailing having a total of six plants under operation as at September 2005.

In water management, revenues were 46.3 million euros, surging with respect to the 6.3 million euros posted in the same period last year. For its part, Ags, the group's head company in water distribution and treatment in Portugal and Brazil, achieved a total of 15 concessions under operation at the close of September, which together with the one in Toledo, Spain, entails providing service to a total of 1.7 million inhabitants.

In the Multi-services line, revenues grew 107.8% to 55.2 million euros. Valoriza Facilities, specializing in the maintenance and management of all types of real properties, billed 26 million euros during the period, representing a 48.6% growth over the same period last year. For its part, Cafestore, with 15.2 million euros, maintains 24 service areas operative, following the entry into operation of the one located in Almansa, as opposed to 18 services areas existing as at September 2004. Within the development of the strategic plan, worthy of mention in this area is the agreement reached with the Servisair group, one of the worldwide leaders in airport services, for the creation of a joint venture to bid in future tenders for handling services scheduled to be called throughout 2005.

Finally, the following are worthy of mention among adjudications:

- Water: adjudication to Sadyt of the maintenance and operation agreement for the control system of the desalinated water transport grid in Níjar (Almería).
- Multi-services: adjudication to Valoriza Facilities of the maintenance of the hospitals of Coslada, Parla and Majadahonda (Madrid) and of the Villagarcia hospital in Arousa (Pontevedra). Furthermore, Valoriza Facilities has obtained its first senior citizen residence management agreement and has signed a contract with the Ministry of Defense for the maintenance of the air force base in Viator (Almería). For its part, Microtec has started maintenance of the Audasa and Autoestradas highways, both in Galicia, as well as the maintenance of the greenbelts of the city of Soria.

## V. BOARD RESOLUTIONS

### DIVIDEND DISTRIBUTION

- On January 14, 2005, the third interim dividend for fiscal year 2004 in the gross amount of 0.075 euros per share was paid. The dividend distribution had been declared at the Board of Directors meeting held on December 15, 2004.
- At the Board of Directors meeting held on March 29, 2005, the last dividend for fiscal year 2004 in the gross amount of 0.135 euros per share was declared. Payment was made on April 15, 2005.
- The Board of Directors, at its meeting held on July 13, 2005, declared the first fiscal year 2005 interim dividend in the amount of 0.10 euros gross per share. Payment was made on July 29.
- On October 5, 2005, the Board of Directors declared the second fiscal year 2005 interim dividend in the amount of 0.10 euros gross per share. Payment was made on October 14.

### CHANGES IN THE BOARD OF DIRECTORS

- The General Shareholders' Meeting held on May 11, 2005 ratified the appointment of the following as directors of Sacyr Vallehermoso, S.A. for a five year term: Prilomi, S.L. and Actividades Inmobiliarias y Agrícolas, S.A. They will be represented on the Board of Directors by Mr. José Manuel Loureda López and Mr. Víctor Guillamón Melendreras, respectively. Said appointments were resolved at the Board of Directors meeting held that same day.
- At its meeting held on January 8, 2005, the Board of Directors of Sacyr Vallehermoso, S.A. resolved to accept the resignation tendered by Almarfe S.L. from its position as director.
- At its meeting held on July 13, 2005, the Board of Directors of Sacyr Vallehermoso, S.A. resolved to accept the resignation tendered by Mr. Juan Miguel Sanjuán Jover from the position of director. Furthermore, it accepted the appointment as company director of the company Grupo Satocán, S.A. which shall be represented on the Board of Directors by Mr. Juan Miguel Sanjuán Jover.

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**RIGHTS ISSUES**

- The Annual General Shareholders' Meeting held on May 11, 2005 approved a rights issue, thereby increasing the capital stock by 8,317,291 euros, through the issuance of 8,317,291 shares each having a par value of one euro, as a charge against the account of Revaluation Merger Reserve, Law 76/1980, and in the proportion of one new share for every thirty-two shares outstanding. Said shares were admitted to trading on July 25, 2005.

**OTHER RESOLUTIONS**

- At its meeting held on April 21, 2005, the Board of Directors of Sacyr Vallehermoso, S.A. approved the acquisition of 100% of the company Sufi, S.A. for a total amount of 142 million euros.

## VI. STOCK PERFORMANCE

	September		% Change 05/04
	2005	2004	
Closing Stock Price ( euros p.s. )*	23.35	11.05	111.23%
Max. price of the year *	23.49	13.65	72.13%
Min. price of the year	11.89	10.77	10.39%
Market Cap. as of end of period (Thds Euros)	6,408,898	3,034,140	111.23%
Trading Volumen ( Thds Euros )	2,523,171	1,278,693	97.32%
Average daily volume (nº shares)	820,380	565,566	45.05%
Frecuency of trading	%	100	100
Nº of Shares ( Thds )	274,471	266,153	3.13%
Share Nominal Value	1 EURO	1 EURO	

\* Adjusted in 2004 by bonus issue of 1x32 carried out last July



## VII. SHAREHOLDING STRUCTURE

### SHAREHOLDING STRUCTURE

According with the information registered in the Spanish Stock Exchange Commission at September 30st. Sacyr Vallehermoso S.A.'s directors hold and/or represent the following number of shares in the Company:

	Number of Shares	%
Actividades Inmobiliarias y Agrícolas, S.A. (1)	16,635,459	
Mr. Luis del Rivero Asensio (1)	37,731,962	13.75%
Mr. Demetrio Carceller Arce (2)	19,032	0.01%
Corporación Caixa Galicia, S.A.	7,558,684	2.75%
Mr. Matias Cortés Domínguez	0,100	0.00%
Mr. Manuel Manrique Cecilia (3)	23,767,296	8.66%
Nueva Compañía de Inversiones, S.A. (4)	26,986,037	9.83%
Participaciones Agrupadas, S.R.L.	18,939,703	6.90%
Prilomi, S.L.(5)	13,723,533	
Prilou, S.L. (5)	36,890,776	13.44%
Mr. Vicente Benedito Francés	72,802	0.03%
Grupo Satocán, S.A.	9,272,262	3.38%
Torreal, S.A. (4)	26,986,032	
Mr. José Seixas de Queiroz Vaz Guedes (6)		
Mr. Diogo Alves Diniz Vaz Guedes (6)	13,992,222	5.10%
<b>TOTAL BOARD OF DIRECTORS</b>	<b>175,230,876</b>	<b>63.84%</b>

Actividades Inmobiliarias y Agrícolas, S.A. (represented by Mr. Víctor Guillamón) and Rimefor Nuevo Milenio, (1) S.L. are the companies by which Mr. Luis del Rivero Asensio participates in the Company. Actividades Inmobiliarias y Agrícolas, S.A. has a stake of 6.06% and Rimefor Nuevo Milenio, S.L. has a stake of 7.69%

(2) Director representing Disa Corporación Petrolífera, Atlántica Petrogás and Renta Insular Canaria.

(3) Mr. Manuel Manrique Cecilia holds an indirect stake of 8.66% through Cymofag, S.L., in which he holds a stake of 100%.

(4) Directors representing Abelló Group.

(5) Prilou, S.L., represented by Mr. Jose Manuel Loureda Mantiñán, holds a direct stake of 23,167,243 shares and an indirect stake through Prilomi, S.L., represented by D. Jose Manuel Loureda López, of 13,723,533 shares.

(6) Executive directors representing Finavague, S.L. which holds the stake.