

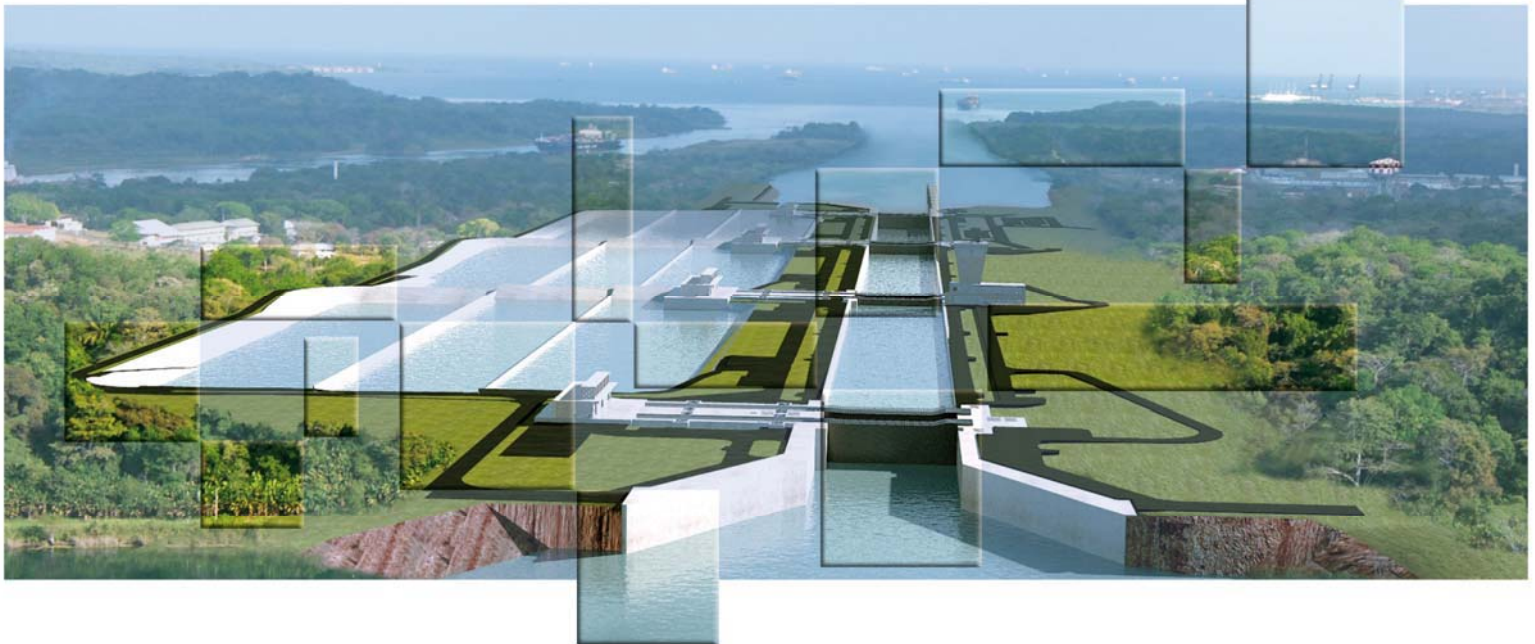


2011



Financial Report

First half



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NOTE: the financial information presented in this document has been prepared in accordance with International Financial Reporting Standards. This information is not audited and may be modified in the future.

I. HIGHLIGHTS

OPERATING DATA (€ million)	At 30 June 2011	At 31 December 2010	% Chg 1H11
CONSTRUCTION - SACYR-SOMAGUE			
CONSTRUCTION BACKLOG	6,963	7,138	- 2.5%
International construction backlog (%)	74.0%	71.6%	3.4%
<i>Months of activity</i>	31.0	30.4	1.8%
SERVICES – VALORIZA			
REVENUE BACKLOG	11,952	12,044	- 0.8%
RESIDENTIAL DEVELOPMENT - VALLEHERMOSO			
HOMES DELIVERED (*)	300	1,138	- 74.6%
PRE-SALES PORTFOLIO	90	167	- 46.0%
CONCESSIONS – SACYR CONSESIONES			
REVENUE BACKLOG	29,378	28,135	4.4%
<i>KM UNDER CONCESSION</i>	1,706	1,425	19.7%
PROPERTY MANAGEMENT– TESTA			
<i>LEASABLE AREA (thousands of m²)</i>	1,532	1,508	1.6%
<i>OCCUPANCY RATE</i>	96%	96%	
RENTAL PORTFOLIO	2,519	2,585	-2.6%

(*) 2011 figure at 30 June

FINANCIAL FIGURES (€ million)	At 30 June 2011	At 30 June 2010	% Chg 11/10
TOTAL REVENUE	2,093	2,345	-10.8%
INTERNATIONAL REVENUE	765	722	6.1%
International revenue (%)	37%	31%	+6.0pp
EBITDA			
Construction (Sacyr – Somague)	77	77	
Services (Valoriza)	82	63	30.6%
Rental Property (Testa)	98	101	-2.4%
Concessions (Sacyr Concesiones)	44	16	176.7%
Residential Development (Vallehermoso)	-6	-72	91.5%
Holding, investees and adjustments	-8	10	n.m.
TOTAL EBITDA	287	194	47,5%
EBITDA margin (%)	13.7%	8.3%	+5.4pp
Construction (Sacyr – Somague)	5.7%	5.2%	+0.5pp
Services (Valoriza)	16.7%	13.0%	+3.7pp
Rental Property (Testa)	79.6%	79.9%	-0.3pp
Concessions (Sacyr Concesiones)	65.8%	53.1%	12.7pp
NET ATTRIBUTABLE PROFIT	104	82	27.3%
MARKET CAPITALISATION	2,755	1,251	120.2%
No. of shares outstanding (Thousands)	422,598	304,967	+38.6%
EQUITY (1)	3,925	3,791	3.5%
NET CORPORATE DEBT (1)	550	414	32.8%

(1) 2010 figures at 31 December

II. HIGHLIGHTS

The first half of 2011 reflects the achievements of Sacyr Vallehermoso in its stated strategy of reducing its financial exposure and its focus on international growth in its business areas as well as on profitability.

REDUCTION OF FINANCIAL EXPOSURE: CAPITAL INCREASES AND ISSUES OF CONVERTIBLE BONDS

- Following the €401 million capital increase in December 2010 at €4.5 per share, a second capital increase took place in February for €96 million, through the issue of 16 million shares at €6.0 each. The proceeds from the capital increase have been earmarked for business activities.
- In April, SyV completed a €200 million placement of bonds convertible into shares that is aimed at European institutional investors. These bonds mature in 2016 and bear interest at a nominal rate of 6.50% per annum. This issue has enabled the Group to open up new financing channels by accessing European capital markets.

ROBUSTNESS OF THE PORTFOLIO AND INTERNATIONAL PRESENCE

Sacyr Vallehermoso remains strongly committed to selective contracting focusing on international expansion, which now represents 61% of its total backlog. In the first half of 2011, it was awarded two major infrastructure concessions in Chile, a market in which the Group has considerable experience and a portfolio exceeding €2,000 million: the Concepción–Cabrero motorway and the link road into the city of Iquique. Construction work totalling approximately €1,000 million was also contracted, including contracts won in Angola and Cape Verde, as well as several railway projects in Spain.

PROFITABILITY

Cost containment and a focus on profitability resulted in a 5.4 point improvement in the EBITDA margin compared with the same period in 2010.

I. INCOME STATEMENT

STATEMENT OF INCOME (Thousands of Euros)	June		% chg 11/10
	2011	2010	
Turnover	2,092,938	2,345,319	-10.8%
Other Sales	152,356	192,673	-20.9%
Total Income	2,245,294	2,537,991	-11.5%
External and Operating Expenses	-1,958,470	-2,343,565	-16.4%
GROSS OPERATING PROFIT	286,824	194,427	47.5%
Depreciation	-90,439	-77,654	16.5%
Trade Provisions	4,630	68,891	-93.3%
NET OPERATING PROFIT	201,015	185,664	8.3%
Changes in fixed assets provisions	-485	21	ns
ORDINARY NET PROFIT	200,530	185,685	8.0%
Financial results	-257,213	-214,856	19.7%
Forex results	-3,325	4,912	ns
Results from equity accounted subsidiaries	157,064	94,959	65.4%
Provisions for financial investments	-338	11,565	ns
Change in value of financial instruments	363	-158	ns
Results from sales of non current assets	-5,137	445	ns
PROFIT BEFORE TAXES	91,944	82,554	11.4%
Corporate Tax	10,463	2,902	260.6%
PROFIT FOR CONTINUING ACTIVITIES	102,407	85,455	19.8%
RESULTS FOR COMPANIES WITH DISCONTINUOUS ACTIVITIES	0	896	ns
CONSOLIDATE RESULTS	102,407	86,351	18.6%
Minorities	1,496	-4,753	ns
NET ATTRIBUTABLE PROFIT	103,903	81,598	27.3%

- Sacyr Vallehermoso reported revenue of €2,093 million in 1H11, and international revenue, which now stands at 37% of total revenue, rose by 6%.
- EBITDA rose by 47% over the same period in 2010, to €287 million. The EBITDA/revenue margin stands at 13.7%, compared with 8.3% in the first half of 2010.
- Profit stood at €104 million at 30 June 2011, 27% higher than in 2010. This year-on-year growth is even more significant considering that €80 million of income from the application of working capital and financial provisions was recognised in the period.

ANALYSIS OF RESULTS

REVENUE

At 30 June 2011, consolidated revenue totalled €2,093 million, driven by the strong performance of the Services, Concessions and Rental Property businesses.

The 10.8% year-on-year decline is due to the downturn in residential development and construction in Spain. However, revenue from recurring activities as a whole grew 6.9% and revenue from international construction by 6.1%.

The breakdown of revenue by business area is as follows:

REVENUE (Thousands of Euros)	June		% chg 11/10
	2011	2010	
Construction (Sacyr-Somague)	1,349,382	1,465,568	-7.9%
Services (Valoriza)	493,325	483,740	2.0%
Housing Development (Vallehermoso)	97,551	299,360	-67.4%
Property (Testa)	123,329	125,904	-2.0%
Concessions (Sacyr Concesiones)	67,062	29,997	123.6%
Holding and adjustments	-37,711	-59,250	
REVENUE	2,092,938	2,345,319	-10.8%

- In 1H11, **Construction** revenue amounted to €1,349 million. International construction revenue rose by 6.1%, although the downturn in domestic activity in Spain resulted in a year-on-year decline of 7.9%. This drop in sales was, however, less pronounced than declines in previous quarters. The construction backlog totalled €6,963 million at 30 June 2011, of which 74% relates to projects abroad, guaranteeing the future development of this area.
- Revenue from **Services** continued the intense pace of growth seen in previous periods, especially in environmental and alternative energy activities, which grew by 10% and 3%, respectively. The growth in revenue, to €493 million, was more modest than that seen in previous periods because of the one-off impact in 1H10 of construction work on the desalination plant in Perth, Australia.

- The total value of property transfer deeds signed in the **Residential Development** business in the year amounted to €98 million, with 300 homes delivered. Although these figures are lower than those for the same period last year, they are positive when the current state of the sector is taken into account and they are in line with the annual plan.

- In the **Concession** business, revenue growth was due to two factors:
 - The healthy performance of the concessions and the opening of some that were under construction in 2010; the M-50, the first section of the Vallenar-Caldera motorway; the Braga hospital; and revenue from the Arlanzón motorway.

 - In 2010, the four concessions in which Eiser holds a 49% stake did not contribute revenue, as they were recognised as assets held for sale.

- Revenue from the **Rental Property** business was €123 million, in line with the figure a year earlier and underlining the stability and recurrent nature of this revenue. Of the total, €121 million related to rental income on investment properties in operation and the remaining €2 million to property management services.

INTERNATIONAL ACTIVITY

Revenue from International Activity increased by 6% to 37% of the SyV Group's total revenue, as it included revenue from projects in Panama, Italy, Chile, Ireland, Australia, Angola, etc. This percentage will continue to increase in the future given the large international component of the backlog.

REVENUE (Thousands of Euros)	June		% chg 11/10
	2011	2010	
Spain	1,327,412	1,623,753	-18.3%
International	765,526	721,566	6.1%
REVENUE	2,092,938	2,345,319	-10.8%
	37%	31%	

By geographical area, 34% of international revenue was generated in Portugal; 15% in Angola (construction work carried out by Somague and services rendered by Valoriza); 17% in Italy; 11% in Panama (expansion work on the Canal); 9% in Chile (construction of the concessions awarded); and 6% in Australia (generated by Valoriza Water). The remaining 8% mainly relates to activity in Ireland, Costa Rica, Cape Verde and Brazil, and the rental of properties run by Testa in Miami and Paris.

REVENUE (Thousands of Euros)	June		% chg 11/10
	2011	2010	
Spain	1,327,412	1,623,753	-18.3%
Portugal	262,010	206,185	27.1%
Angola	111,374	121,313	-8.2%
Italy	127,047	81,075	56.7%
Panama	82,424	65,215	26.4%
Chile	65,362	20,793	214.3%
Australia	44,640	33,682	32.5%
Ireland	19,709	100,499	-80.4%
Cape Verde	18,632	13,923	33.8%
France	15,362	15,245	0.8%
Other Countries	18,966	63,636	-70.2%
REVENUE	2,092,938	2,345,319	-10.8%

EBITDA

The Group's cost-containment efforts led to an improvement in the EBITDA margin, which rose to 13.7% of revenue, and the high margin recorded in the first quarter of the year was thus maintained. This represents a 5.4 percentage point increase over the 8.3% margin attained in 1H10, with consolidated EBITDA rising 47% year-on-year, to €287 million. In particular because:

- EBITDA in the construction business remained stable, despite the downturn in activity, giving rise to an EBITDA margin of 5.7% at 30 June 2011 compared to 5.2% in 2010.
- The significant EBITDA growth in Services outstripped revenue growth: 31% compared with 2%. Valoriza's EBITDA margin reached 16.7% compared with 13.0% in 2010.
- EBITDA growth in the Concession business left an EBITDA margin of 65.8%.
- The EBITDA margin of the Rental Property business stabilised at 80%, an improvement on the 2010 close.

GROSS OPERATING PROFIT (EBITDA) (Thousands of Euros)	June		% chg 11/10
	2011	2010	
Construction (Sacyr - Somague)	76,576	76,610	0.0%
Services (Valoriza)	82,165	62,921	30.6%
Housing development (Vallehermoso)	-6,079	-71,509	91.5%
Property (Testa)	98,166	100,618	-2.4%
Concessions (Sacyr Concesiones)	44,114	15,942	176.7%
Holding and adjustments	-8,118	9,846	ns
GROSS OPERATING PROFIT	286,824	194,427	47.5%
Ebitda Margin (%)	13.7%	8.3%	

PROVISIONS

In 1H10, €69 million from the application of provisions was recognised, most of which related to housing developments. In 2011, no significant amount was recognised for this item.

FINANCIAL RESULTS

Net finance expense was €257 million compared with €215 million in the same period in 2010, a 20% increase, owing to higher interest rates, benchmark margins and fees that are inherent to the refinancing of credit facilities. The average interest rate on Group debt rose from 3.60% in the first half of 2010 to 4.16% in 2011.

SHARE OF PROFIT OF ASSOCIATES

The Group recognised income of €165 million at 30 June 2011 from its interest in Repsol. For accounting purposes, income from the equity consolidation of the interest in Repsol

(20.01% of Repsol's net profit of €1,344 million; i.e., €269 million) was decreased by €104 million to bring the carrying amount of the interest into line with its value in use.

At 30 June 2010, €104 million was recorded for this item.

This income statement item also includes the negative contribution of some infrastructure concession companies which are currently in the early stages of activity.

NET PROFIT

At 30 June 2011, net attributable profit stood at €104 million, up 27% on the €82 million recognised for the same period of the previous year.

REVENUE BACKLOG

The revenue backlog amounted to €50,901 million, primarily in connection with the recurring concessions and services business, with a large construction backlog from international contract wins. Sacyr Concesiones accounted for 58% and Valoriza for 23% of the total. As a result of the high level of contracting in the period, the backlog grew by 2% from that at 31 December 2010. Implied operating income from the backlog is €24,754 million.

PORTFOLIO BY BUSINESS ACTIVITY (Thousands of Euros)	June,30 2011		
	Portfolio	% Ebitda(1)	Ebitda
Sacyr - Somague (Construction Porfolio)	6,962,686	6.1%	412,401
Sacyr (Construction portfolio)	6,137,723	5.8%	357,631
Somague (Construction portfolio)	824,963	6.6%	54,770
Vallehermoso (Pre-sales portfolio)	90,182		66,466
Sacyr Concesiones (Revenues portfolio)	29,377,887	69.5%	20,425,247
Testa (Rents to maturity)	2,518,590	78.7%	1,982,910
Valoriza (Services portfolio)	11,951,819	15.6%	1,866,695
TOTAL PORTFOLIO	50,901,164	48.6%	24,753,720

(1) Margin of Ebitda at December 31, 2010. Valoriza average margin from activities

(2) Calculated as margin in selling homes of the housing stock at December 31, 2010.

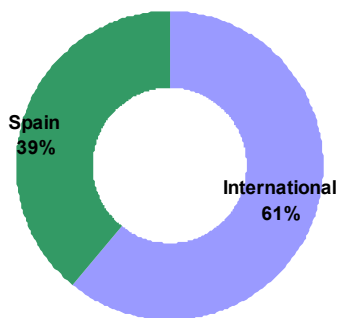
Presales portfolio does not include, due to the market dynamics, future EBITDA.

INTERNATIONAL BACKLOG

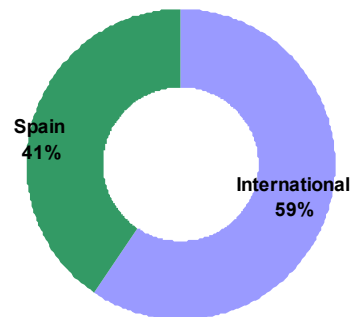
International activities represented 61% of the total backlog and 74% of the construction backlog:

- This was due to intensive public tendering activity outside Spain and contract wins in Chile, Italy, Panama, Israel, Angola and Cape Verde, among other countries.
- In the Concession business, the international backlog also represents 74% of the total and consists of our concessions in Chile, Italia, Costa Rica, Portugal and Ireland.
- The international backlog of Valoriza stands at 30% of this division's total backlog, with a presence in Israel, Algeria, Australia, Brazil, Portugal and other countries, and consists mainly of water-unit related projects.

PORTFOLIO 1H 2011



PORTFOLIO 1H2010



II. CONSOLIDATED BALANCE SHEET

BALANCE SHEET (Thousands of Euros)	June 2011	December 2010	Var 1H 2011
NON CURRENT ASSETS	14,769,891	14,676,695	93,196
Intangible Assets	15,501	16,050	-549
Real Estate Investments	2,626,066	2,654,463	-28,397
Concessions Investments	1,590,515	1,646,451	-55,936
Fixed Assets	628,869	624,704	4,165
Financial Assets	9,691,541	9,550,315	141,226
Other non Current Assets	54,928	18,563	36,365
Goodwill	162,471	166,149	-3,678
CURRENT ASSETS	5,906,557	6,436,400	-529,844
Non current assets held for sale	314,482	311,702	2,780
Inventories	2,345,656	2,510,577	-164,921
Accounts Receivable	2,365,936	2,366,160	-224
Financial Assets	209,993	464,246	-254,254
Cash	670,490	783,715	-113,224
ASSETS = LIABILITIES	20,676,447	21,113,095	-436,648
EQUITY	3,924,947	3,791,153	133,793
Shareholder's Equity	3,849,441	3,710,404	139,037
Minority Interests	75,505	80,749	-5,244
NON CURRENT LIABILITIES	5,943,883	5,622,580	321,303
Financial Debt	4,786,856	4,482,355	304,501
Financial Instruments at fair value	124,256	138,354	-14,098
Provisions	124,881	123,683	1,198
Other non current Liabilities	907,891	878,189	29,702
CURRENT LIABILITIES	10,807,617	11,699,361	-891,744
Liabilities associated with the non current assets held for sale	0	0	0
Financial Debt	7,286,753	7,760,183	-473,431
Trade Accounts Payable	2,332,584	2,940,305	-607,720
Operating Provisions	164,125	187,148	-23,023
Other current liabilities	1,024,156	811,725	212,431

BALANCE SHEET HIGHLIGHTS

Details and movements in the main balance sheet items are outlined below.

NON-CURRENT ASSETS

- “Investment properties” includes €2,626 million of leased properties, mainly related to the Property Rental business.
- The SyV Group has investments net of accumulated depreciation of €1,121 million in concession projects in operation (primarily motorways) and €469 million in projects under development. The drop in 1H11 is primarily due to the disposal of 60% of the

Guadalmedina motorway, which is therefore now consolidated using the equity method. The most significant investments in the period were made in the Arlanzón motorway, the Murcia Regional Airport, and the Marao motorway.

- "Property, plant and equipment" amounted to a net €629 million at 30 June 2011 and includes investments in power generation and co-generation plants, water and sewage networks, and other service-related products, in addition to machinery, plant and other assets. Accumulated depreciation in the year amounted to €448 million.
- "Financial assets" includes investments in associates amounting to €7,812 million, mainly in Repsol YPF and in Sacyr Concesiones' concessionaire companies. The item also includes a €1,045 million receivable from concessions resulting from the application of IFRIC 12. This item also includes €509 million of deferred tax assets, with the remainder relating mostly to receivables from Group companies.

CURRENT ASSETS

"Current assets" at 30 June 2011 totalled €5,907 million, of which €314 million relate to "Non-current assets classified as held for sale" (including the SyV Group's 15.5% stake in Itínere). The most significant items are "Inventories" (€2,346 million), which mainly relate to Vallehermoso's residential development business, and "Trade and other receivables" (€2,366 million). The reduction in "Inventories" in 2011 was due to the disposals carried out and the slower pace of additions of residential properties to the backlog.

NET EQUITY

Total equity at 30 June 2011 stood at €3,925 million, of which 98% (or €3,849 million) is attributable to equity holders of SyV and €75 million to minority interests in the Group.

Following the €401 million capital increase in December 2010 at €4.5 per share, a second capital increase was performed in 2011 for €96 million, through the issue of 16 million shares with an issue price of €6.0 per share. Subsequently, the Group also undertook a bonus share issue in the period, by virtue of which 1 new share was issued for every 33 shares held. Consequently, share capital at 30 June was represented by 422.6 million shares, with a par value of one euro each.

FINANCIAL DEBT

The Sacyr Vallehermoso Group's net financial debt at 30 June 2011 stood at €11,194 million, broken down as follows:

NET FINANCIAL DEBT (Millions of Euros)	June 2011	December 2010	% Chg 1H11
Corporate	550	414	32.9%
Capital intensive activities	4,963	4,833	2.7%
Testa	2,432	2,425	0.3%
Sacyr Concesiones	1,208	1,107	9.1%
Vallehermoso	1,323	1,301	1.7%
Other business	514	539	-4.7%
Sacyr + Somague	27	-39	
Valoriza	487	578	-15.7%
Stake Aquisitions	5,167	5,209	-0.8%
Repsol YPF	4,908	4,947	-0.8%
Itlnere	259	262	-1.1%
NET FINANCIAL DEBT	11,194	10,995	1.8%

Corporate:

At 30 June 2011, the Group's consolidated net corporate debt amounted to €550 million.

• **Capital-intensive businesses:**

- Debt used to finance infrastructure concessions amounted to €1,208 million. This consists of debt related to project financing guaranteed by the cash flows generated by the concessions.
- Debt in the Rental Property business; i.e. mortgage loans and leases, stood at €2,432 million. This debt is used to finance rental properties in operation or under construction, which at 31 December 2010 were appraised by an independent expert at €4,105 million. The debt of the property management business is serviced with the cash flows generated from rentals thanks to the buildings' high occupancy rates.
- In the Residential Development business, the net debt of €1,323 million relates to finance of inventories on Vallehermoso's balance sheet, at a carrying amount of €1,759 million. This debt was refinanced in 2010, as explained at the time.

- **Other:**
 - At 30 June 2011, the balance on the bank loan taken out to finance the investment in Repsol YPF was €4,908 million. Dividends received from Repsol are used to service this debt.
 - Structured debt in other businesses mainly relates to financing of environmental projects and concessions at Valoriza.
 - Lastly, debt associated with the SyV Group's holding in Itínere amounts to €259 million.

III. PERFORMANCE BY BUSINESS AREA

CONSOLIDATED INCOME STATEMENT AS OF JUNE 2011								
(Thousands of Euros)	Sacyr	Concessions	Vallehermoso	Testa	Valoriza	Somague	Holding & Adjustments	TOTAL
Turnover	983,225	67,062	97,551	123,329	493,325	366,157	-37,711	2,092,938
Other Sales	111,293	9,764	2,645	1,625	28,756	14,443	-16,170	152,356
Total Income	1,094,518	76,826	100,196	124,953	522,080	380,600	-53,880	2,245,294
External and Operating Expenses	-1,041,816	-32,712	-106,275	-26,787	-439,915	-356,727	45,762	-1,958,470
GROSS OPERATING PROFIT	52,702	44,114	-6,079	98,166	82,165	23,874	-8,118	286,824
Depreciation	-17,047	-10,783	-1,271	-22,153	-24,871	-5,593	-8,720	-90,439
Trade Provisions	6,055	-1,695	5,387	-265	-1,337	-3,616	100	4,630
NET OPERATING PROFIT	41,711	31,637	-1,963	75,749	55,957	14,664	-16,739	201,015
Changes in fixed assets provisions	-362	0	0	0	-123	0	0	-485
NET OPERATING PROFIT	41,349	31,637	-1,963	75,749	55,834	14,664	-16,739	200,530
Financial results	5,715	-38,619	-23,281	-22,972	-20,400	-4,982	-152,674	-257,213
Adjustment in exchange rates	-117	166	0	0	80	-3,407	-46	-3,325
Results from equity accounted subsidiaries	-272	-7,312	15	-1	425	223	163,986	157,064
Provisions for financial investments	0	0	-217	0	20	9	-150	-338
Change in value of financial instruments at fair value	0	213	0	0	149	0	0	363
Results from sales of non current assets	-1,836	29	5	0	-3,288	-58	12	-5,137
PROFIT BEFORE TAXES	44,838	-13,886	-25,441	52,776	32,820	6,449	-5,612	91,944
Corporate Tax	-14,650	8	5,174	-16,252	-9,498	-2,772	48,453	10,463
PROFIT FOR CONTINUING ACTIVITIES	30,188	-13,878	-20,268	36,524	23,322	3,678	42,842	102,407
PROFIT FOR DISCONTINUING ACTIVITIES	0	0	0	0	0	0	0	0
CONSOLIDATE RESULTS	30,188	-13,878	-20,268	36,524	23,322	3,678	42,842	102,407
Minorities	687	3,500	-708	-1	-1,805	-40	-137	1,496
NET ATTRIBUTABLE PROFIT	30,874	-10,378	-20,976	36,524	21,516	3,638	42,704	103,903

CONSOLIDATED INCOME STATEMENT AS OF JUNE 2010								TOTAL
(Thousands of Euros)	Sacyr	Concessions	Vallehermoso	Testa	Valoriza	Somague	Holding & Adjustments	
Turnover	1,091,786	29,997	299,360	125,904	483,740	373,783	-59,250	2,345,319
Other Sales	65,610	237,942	8,853	983	30,655	19,831	-171,201	192,673
Total Income	1,157,396	267,939	308,213	126,886	514,395	393,614	-230,452	2,537,991
External and Operating Expenses	-1,099,182	-251,997	-379,723	-26,269	-451,474	-375,218	240,298	-2,343,565
GROSS OPERATING PROFIT	58,214	15,942	-71,509	100,618	62,921	18,396	9,846	194,427
Depreciation	-9,663	-12,109	-1,289	-22,269	-22,005	-6,037	-4,281	-77,654
Trade Provisions	-4,539	0	70,058	-223	-1,682	-3,423	8,700	68,891
NET OPERATING PROFIT	44,011	3,833	-2,741	78,125	39,234	8,937	14,265	185,664
Changes in fixed assets provisions	0	0	0	0	21	0	0	21
NET OPERATING PROFIT	44,011	3,833	-2,741	78,125	39,254	8,937	14,265	185,685
Financial results	5,872	-8,279	-17,136	-32,266	-14,511	-5,268	-143,267	-214,856
Adjustment in exchange rates	-1,091	37	0	0	0	5,615	352	4,912
Results from equity accounted subsidiaries	-26	-8,569	-28	16	-70	220	103,416	94,959
Provisions for financial investments	0	0	12,001	0	120	-363	-193	11,565
Change in value of financial instruments at fair value	0	0	0	0	-158	0	0	-158
Results from sales of non current assets	1,113	-2	-630	0	-36	0	0	445
PROFIT BEFORE TAXES	49,880	-12,981	-8,535	45,875	24,600	9,141	-25,426	82,554
Corporate Tax	-14,036	929	1,625	-15,141	-5,414	-3,455	38,394	2,902
PROFIT FOR CONTINUING ACTIVITIES	35,844	-12,052	-6,910	30,734	19,185	5,685	12,969	85,455
PROFIT FOR DISCONTINUING ACTIVITIES	0	896	0	0	0	0	0	896
CONSOLIDATE RESULTS	35,844	-11,155	-6,910	30,734	19,185	5,685	12,969	86,351
Minorities	-435	1,157	-3,944	-63	-1,314	-30	-124	-4,753
NET ATTRIBUTABLE PROFIT	35,408	-9,999	-10,853	30,672	17,871	5,655	12,844	81,598

CONSOLIDATED BALANCE SHEET AS OF JUNE 2011								TOTAL
(Thousands of Euros)	Sacyr	Concessions	Vallehermoso	Testa	Valoriza	Somague	Holding & Adjustments	
NON CURRENT ASSETS	363,938	2,354,275	104,852	3,801,543	1,049,210	157,784	6,938,289	14,769,891
Intangible Assets	858	148	0	0	12,566	652	1,277	15,501
Real Estate Investments	0	0	52,141	2,782,718	0	0	-208,793	2,626,066
Concessions Investments	59,788	1,003,679	0	134,231	391,138	1,679	0	1,590,515
Fixed Assets	178,081	5,390	2,377	219	351,080	85,384	6,338	628,869
Financial Assets	125,211	1,309,633	42,588	884,374	165,825	42,672	7,121,238	9,691,541
Other non Current Assets	0	35,426	7,746	0	11,161	595	0	54,928
Goodwill	0	0	0	0	117,439	26,802	18,230	162,471
CURRENT ASSETS	2,447,996	522,458	1,840,196	156,628	733,885	713,457	-508,063	5,906,557
Non current assets held for sale	0	314,482	0	0	0	0	0	314,482
Inventories	270,529	129	1,758,687	0	15,074	44,573	256,664	2,345,656
Accounts Receivable	1,337,279	72,106	52,354	27,864	613,210	576,732	-313,610	2,365,936
Financial Assets	619,080	18,938	7,396	1,442	20,284	4,263	-461,411	209,993
Cash	221,108	116,803	21,759	127,321	85,316	87,889	10,295	670,490
ASSETS = LIABILITIES	2,811,934	2,876,733	1,945,048	3,958,170	1,783,095	871,240	6,430,227	20,676,447
Equity	590,420	179,674	74,759	1,285,386	379,033	153,162	1,262,513	3,924,947
Shareholder's Equity	577,687	148,757	69,723	1,285,332	351,221	152,972	1,263,749	3,849,441
Minority Interests	12,733	30,917	5,035	54	27,812	190	-1,237	75,505
NON CURRENT LIABILITIES	176,258	2,084,979	579,741	2,488,287	555,074	89,424	-29,881	5,943,883
Financial Debt	41,149	1,141,146	303,306	2,426,911	362,247	62,675	449,422	4,786,856
Financial Instruments at fair value	0	102,776	0	5,498	15,982	0	0	124,256
Provisions	7,038	16,792	50,316	5,538	33,728	9,754	1,715	124,881
Other non current Liabilities	128,071	824,266	226,119	50,341	143,117	16,995	-481,018	907,891
CURRENT LIABILITIES	2,045,256	612,080	1,290,549	184,498	848,987	628,654	5,197,594	10,807,617
Liabilities associated with the non current assets held for sale	0	0	0	0	0	0	0	0
Financial Debt	151,571	201,961	1,049,051	132,762	230,113	113,188	5,408,107	7,286,753
Trade Accounts Payable	1,137,105	220,462	201,526	20,778	218,028	426,878	107,807	2,332,584
Operating Provisions	102,633	3	0	2,321	15,224	22,645	21,300	164,125
Other current liabilities	653,948	189,655	39,972	28,637	385,621	65,943	-339,620	1,024,156

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 2010								
(Thousands of Euros)	Sacyr	Concessions	Vallehermoso	Testa	Valoriza	Somague	Holding & Adjustments	TOTAL
NON CURRENT ASSETS	403,886	2,182,567	110,130	3,788,903	1,059,360	171,760	6,960,088	14,676,695
Intangible Assets	786	172	0	0	12,621	662	1,810	16,050
Real Estate Investments	0	0	53,677	2,803,359	0	0	-202,572	2,654,463
Concessions Investments	147,041	1,059,515	0	134,317	392,130	1,782	-88,334	1,646,451
Fixed Assets	170,300	5,267	2,453	220	352,769	86,551	7,144	624,704
Financial Assets	85,759	1,116,833	47,404	851,007	173,213	55,964	7,220,135	9,550,315
Other non Current Assets	0	780	6,597	0	11,186	0	0	18,563
Goodwill	0	0	0	0	117,441	26,802	21,906	166,149
CURRENT ASSETS	2,806,880	286,284	1,933,458	243,380	683,517	736,994	-254,113	6,436,400
Non current assets held for sale	0	0	0	0	0	0	311,702	311,702
Inventories	353,179	10,739	1,830,499	0	13,055	57,045	246,059	2,510,577
Accounts Receivable	1,519,760	181,244	51,438	28,327	565,347	562,230	-542,185	2,366,160
Financial Assets	674,040	15,341	6,290	1,310	14,013	3,692	-250,439	464,246
Cash	259,901	78,961	45,231	213,743	91,102	114,027	-19,250	783,715
ASSETS = LIABILITIES	3,210,766	2,468,851	2,043,588	4,032,282	1,742,878	908,754	6,705,976	21,113,095
Equity	640,249	184,656	98,021	1,287,956	376,964	150,238	1,053,069	3,791,153
Shareholder's Equity	617,881	155,368	92,098	1,282,146	351,163	150,032	1,061,717	3,710,404
Minority Interests	22,368	29,289	5,923	5,810	25,801	205	-8,647	80,749
NON CURRENT LIABILITIES	299,695	1,366,905	564,558	2,567,885	540,931	86,102	196,503	5,622,580
Financial Debt	126,769	1,057,308	261,688	2,506,468	383,461	64,174	82,487	4,482,355
Financial Instruments at fair value	128	114,273	0	5,559	18,523	0	-128	138,354
Provisions	6,968	8,138	59,833	5,561	35,686	6,502	995	123,683
Other non current Liabilities	165,831	187,187	243,038	50,297	103,262	15,426	113,149	878,189
CURRENT LIABILITIES	2,270,822	917,290	1,381,009	176,441	824,982	672,414	5,456,403	11,699,361
Liabilities associated with the non current assets held for sale	0	0	0	0	0	0	0	0
Financial Debt	112,312	190,181	1,090,705	132,831	299,164	118,748	5,816,243	7,760,183
Trade Accounts Payable	1,646,335	147,593	255,484	24,689	261,351	456,964	147,889	2,940,305
Operating Provisions	100,231	0	0	906	15,276	25,266	45,469	187,148
Other current liabilities	411,943	579,516	34,820	18,015	249,192	71,436	-553,198	811,725

III. PERFORMANCE BY BUSINESS AREA

SACYR/SOMAGUE

The business posted revenue of €1,349, a 7.9% decrease from 2010, owing to the downturn in activity in Spain. Revenue from international activity, however, climbed to €627 million, representing 46% of the total compared with 39% in 2010, an 8.5% increase over 1H10.

CONSTRUCTION (Thousand of euros)	June		% Chg 11/10
	2011	2010	
Spain	722,029	887,393	-19%
Portugal	213,087	238,564	-11%
Angola	111,374	121,313	-8%
Italy	127,047	81,075	57%
Panama	82,424	63,500	30%
Chile	62,387	20,600	203%
Ireland	10,047	26,500	-62%
Cape Verde	18,632	13,923	34%
Costa Rica	2,202	7,100	-69%
Other	154	5,600	-97%
REVENUE	1,349,382	1,465,568	-7.9%
INTERNATIONAL	627,354	578,175	8.5%
% International	46%	39%	

Nevertheless, the decline in revenue was not accompanied by a drop in EBITDA, which stood at €77 million. The EBITDA margin stood at 5.7%, up from 5.2% in June 2010.

The large construction backlog at 30 June of €6,963 million guarantees 31 months of activity. At 30 June 2011, 74% of Sacyr Vallehermoso Group's construction backlog related to international projects, underpinned by the intense tendering activity abroad and the opening up of new markets.

Civil engineering work makes up 89% of the construction backlog, non-residential construction 9% and residential construction the remaining 2%.

Construction Portfolio	June 2011	December 2010	% chg 1H2011
Civil works	6,170,779	6,315,487	-2.3%
Non-residential building	622,938	730,686	-14.7%
Residential Building	168,969	92,025	83.6%
TOTAL	6,962,686	7,138,198	-2.5%
International	5,154,905	5,109,166	0.9%
Spain	1,807,781	2,029,032	-10.9%
% International Portfolio	74.0%	71.6%	

International Contracting

Major contracts were won in 1H11, including significant concession awards in Chile: the Concepción-Cabrero motorway, worth €168 million; and the alternative link road into Iquique, worth €88 million.

Another major contract was the construction of the Foz Tua dam for hydroelectricity production, 350 km north of Lisbon. With a maximum height of 108 metres, it will have a plant equipped with two reversible generators and installed capacity of 225 MW. The investment for this project totals €162.2 million.

Also internationally, the Group was awarded --among other contracts-- the urban development of the Kinaxixi complex in Angola, for €82 million, and the works to connect the Boa Vista International Airport to the Santa Mónica tourist area, in Cape Verde, with a budget of €8 million.

Contracting in Spain

This period has been a very busy period in terms of contracting in Spain. The main contracts awarded include the following:

- The Bergara-Bergara stretch of the Basque Country high-speed rail line, with a budget of €81 million.
- The commuter railway line between Charmartín, Madrid, and the town of Torrejón de Ardoz, with a budget of €58 million.

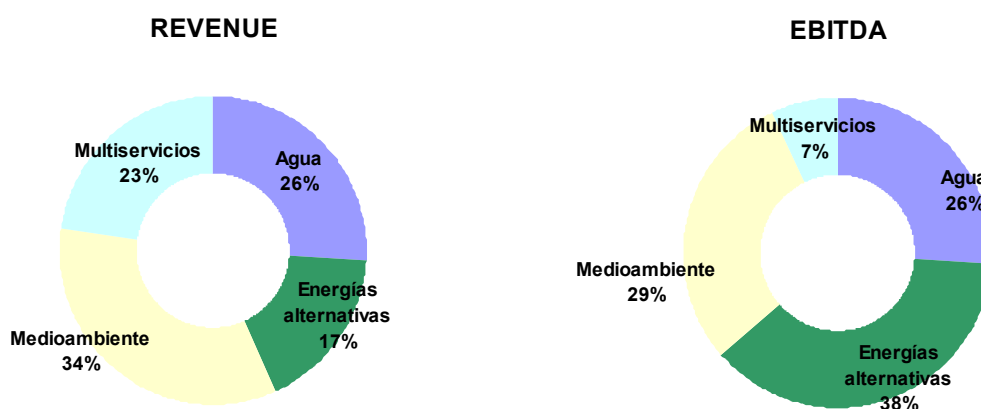
- The stretch between Granátula de Calatrava and Valdepeñas (Ciudad Real) of the IV Centenario motorway, with a budget of €31 million.
- The Bajamar relief road on the island of La Palma, with a budget of €36 million.
- Construction of the Spain campus of United World Colleges, with a budget of €31 million.

VALORIZA

Valoriza reported a 2% increase in revenue to €493 million in 1H11 from €484 million in 1H10, driven by organic growth in its four main business areas. Growth was particularly strong in the Environment division, with an increase of 10% over 1H10. EBITDA saw very strong growth (31%), totalling €82 million at 30 June 2011.

The EBITDA margin continues to rise each quarter, now standing at 16.7% compared with 13.0% in the same period last year.

The breakdown of revenue and the contribution to EBITDA by the business areas are as follows:



▪ Environment:

The Environment division generated revenue of €167 million, for a 10% increase, broadening the Group's footprint in this activity through recycling and waste recovery concessions (urban waste, sludge and waste containers) and access to other services (e.g., cleaning, parking meters). EBITDA for this activity improved considerably, increasing by 24% to €24 million.

In the first few months of 2011, Valoriza was awarded, among others, street cleaning and solid urban waste collection contracts by the Paracuellos del Jarama (Madrid), Sant Cugat del Vallés (Barcelona) and Plasencia (Caceres) Municipal Councils, as well as a contract to supply road cleaning and other services in the Coslada district near Madrid, and a four-year contract to operate the Loeches (Madrid) composting and thermal-drying plant.

- **Water:**

In water management, revenue stood at €128 million and EBITDA rose by 9% to €21 million.

A major contract has been won in 2011: the four-year service agreement to manage the Canal de Isabel II wastewater treatment plants at Alcalá Este and Arroyo el Plantío.

This activity is carried out through Valoriza Agua Spain and AGS in Brazil and Portugal, supplying water to over 3 million people through 25 concessions. Sadyt, the specialist water technology company, has developed over 50 wastewater treatment and desalination plants. It is involved in major projects, such as the design and construction of the Ashod (Israel) desalination plant; the Bahía de Alcudia desalination plant; the Perth (Australia) desalination plant; and the Llobregat drinking water treatment plant in Abrera (Barcelona), the largest in the world using electro dialysis reversal (EDR) technology.

- **Multi-services:**

Revenues from the Multi-services business amounted to €113 million in 1H10, 2% higher than in the first six months of 2010.

Valoriza Facilities and Valoriza Conservación de Infraestructuras were awarded numerous contracts during the period, including the concession to operate the Mondragón (AP-1) and Hernani (AP-8) service stations; the four-year contract to clean the municipal buildings of the San Sebastian City Council; the contract to maintain and treat vegetation on the AP-9 and Autoestradas motorways; the three-year contract to perform a variety of maintenance services on motorways and connecting roads in Zamora; and a contract to clean various buildings belonging to the Ministry of Justice in Madrid.

The company Valoriza Servicios a la Dependencia has also been awarded important contracts, most notably the 10-year end-to-end management contract of the Las Fuentes

senior citizens' home and day centre in Zaragoza and the contract to provide home-care services for councils in the province of Jaén.

- **Energy:**

In 1H11, revenue from alternative energy activities grew by 3% to €86 million compared with €83 million in 2010. This growth was accompanied by a substantial improvement in the EBITDA margin, which amounted to €31 million for the period.

Valoriza Energía oversees the SyV Group's actions in the areas of energy, focusing on the development, construction and operation of energy efficiency and renewable energy projects. It is currently involved in solar thermal and wind farm management projects, in addition to projects involving six co-generation and three biomass plants with installed capacity of 117 MW and 33 MW, respectively.

TESTA

Testa reported revenue of €123 million at 30 June 2011. Of this amount, €121 million related to rental income on properties in operation. The remaining €2 million came from property management services.

The trend in Testa's revenue and the EBITDA margin in 1H11 highlights the stability of the Sacyr Vallehermoso Group's Rental Property division and its robustness in the face of the general market downturn. Year-on-year revenue declined slightly in 1H10, to €126 million, owing to the renewal of some rental contracts with small rent increases in exchange for a lengthening of the term of the leases. EBITDA stood at €98 million, bringing the EBITDA margin to 80%, an improvement over the 79% recorded in December 2010.

Details of revenue by product are provided below. Leasable area at 30 June 2011 stood at 1,532 thousand m². In 2011, 19,497 m² have been added, comprising a housing-for-rent development in Madrid and the Vigo Convention Centre (Pazo de Congressos), which has begun to contribute revenue in the second quarter.

Thousands of Euros	Rental Income		
	6/30/2011	6/30/2010	Chg %
Properties	120,790	123,150	-1.9%
Offices	81,011	83,116	-2.5%
Hotels	14,249	14,068	1.3%
Shopping Centers	12,250	12,568	-2.5%
Houses	6,807	6,332	7.5%
Industrial	4,920	5,611	-12.3%
Elderly residences	913	897	1.8%
Parking	586	558	5.0%
Other	54	0	
Income from services	2,538	2,754	-7.8%
REVENUES	123,328	125,904	-2.0%

No properties were sold in the period.

The occupancy rate, measured in square metres, stood at 95.6% at 30 June 2011, nearly the same level as one year earlier (95.7%). Measured in terms of rentals, the occupancy rate is 97.5%.

The occupancy rate of office space stands at close to 100% after the signing of a rental agreement for the office space in the SyV Tower in December 2010.

In 1H11, Testa carried out a Public Buyback Offer regarding its stake in Tesfrán (listed on Euronext Paris) through which it has bought back 295,485 shares of this company at a price of €20.33 per share. Consequently, Testa now holds 99.99% of Tesfrán.

VALLEHERMOSO

Vallehermoso's revenue at 30 June 2011 stood at €98 million, a very positive figure given that deeds were exchanged on 300 houses in 1H11, in line with the planned schedule, in a year which continues to remain challenging for the residential development business.

Revenue was less than the €299 million posted in 1H10 owing mainly to the following factors:

- The effect of sales being made earlier than in 2010 ahead of the VAT rise and elimination of tax breaks.

- The sharp decline in the stock of unsold houses in 2010.
- A lower amount from land sales, which amounted to €9.8 million until June 2010.

Nearly all of the revenue was generated from housing sales and stood at €93.2 million. Revenue from land sales amounted to €1.3 million and services revenue at €2.9 million.

The EBITDA margin on residential development was 0.3%, while EBITDA improved from -€71 million in 2010 to -€6 million.

TURNOVER (Thousands of euros)	June		% chg 11/10
	2011	2010	
Residential Products	93,251	287,265	-67.5%
Gross Margin / sales(%)	0.3%	8.4%	
Land	1,353	9,798	-86.2%
Margin (%)	96.0%	-503.5%	
Total Residencial product and land	94,604	297,063	-68.2%
Services	2,947	2,297	28.3%
Margin (%)	100.0%	100.0%	
TURNOVER	97,551	299,360	-67.4%

Pre-sales at 30 June 2011 amounted to €90 million.

SACYR CONCESIONES

In January 2011, Sacyr Vallehermoso was awarded two major infrastructure concessions in Chile, bolstering its presence in a country in which the Group has extensive experience and where it is currently constructing the Vallenar–Caldera motorway, the first stretch of which entered into service in April.

- The company was also awarded the concession to construct, repair, maintain and operate the Concepción–Cabrero motorway, which runs for 35 years and is expected to generate revenue of €792 million. This 103-kilometre motorway is located in the Bío Bío region and will link the cities of Concepción and Cabrero by dual carriageway, plus a single-lane stretch from Cabrero to Cholguán.

- The concession to construct, extend, improve, maintain and operate the Iquique link road for a period of 32 years, involving an investment of €140 million and an estimated revenue backlog of €500 million was also won. This motorway will be located in Chile's Region 1 (the Tarapacá region) and will be 78.4 kilometres in length. It will comprise two stretches of highway in the vicinity of Iquique: Route 1, covering 31.4 kilometres, and the 47-kilometre Route 16 running from the junction with Route 5 to Iquique.

Recurring revenue from activities amounted to €29,378 million at 30 June 2011. Of this total backlog, 74% is located outside of Spain.

In the first quarter of 2011, Sacyr Concesiones reported revenue of €67 million, compared with €29 million in 2010. Revenue growth was shaped by the change in the scope of consolidation as a result of the sale last year of 49% of Aunor, Turia and the Moncloa and Plaza Elíptica transport hubs, which did not contribute revenue in 2010 because they were being held for sale. Were it not for this effect, revenue would have grown by 57%.

This growth was driven by the opening of the M-50 ring road in Dublin, Ireland, in September 2010, revenue from the Arlanzón motorway and the contribution of the two concessions that entered into service in 2Q11:

- The first stretch of the Vallenar-Caldera highway (Chile). With a total length of 64.6 km, this stretch joins the towns of Copiapó and Vallenar and has required an investment of more than €71 million.
- The new Hospital Universitario in Braga, Portugal. The 150,000 m² facility, entailing an investment of €140 million, has capacity for 800 beds and will be operated by Sacyr Concesiones for 30 years.

Gross operating profit grew to €44 million, with an EBITDA margin of 65.8%.

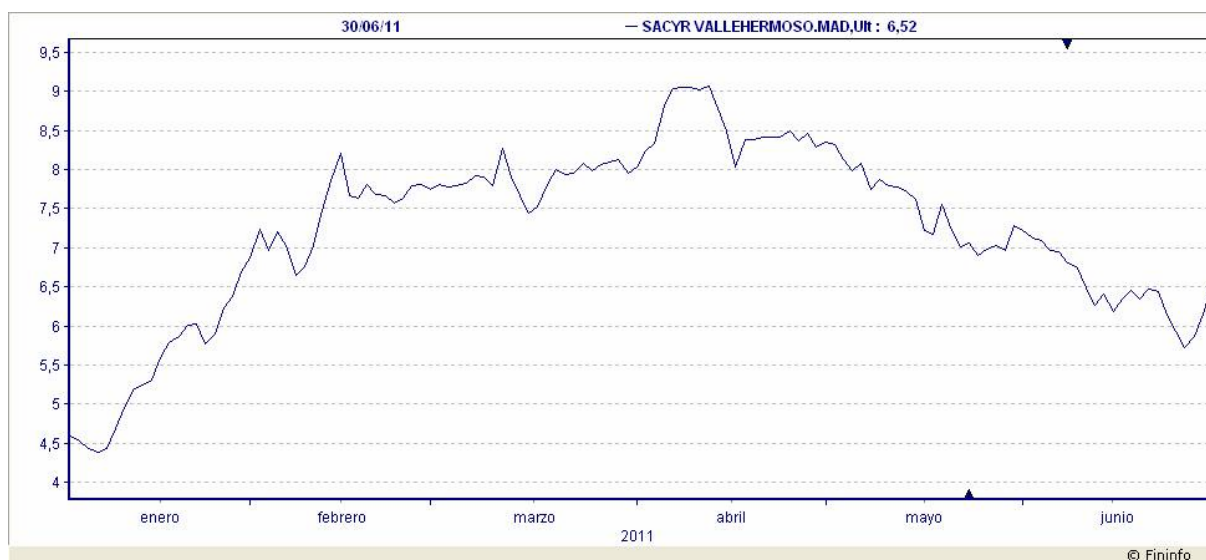
Traffic using the Group's motorways during the first six months of 2011 grew, especially on the Eresma (+6.6%) and Viastur (+3.5%) motorways. There was also substantial traffic growth in international concessions: Costa Rica (+17.2%) and the Galway–Ballinasloe motorway in Galway (+3.4%).

CONCESSION	Traffic 30/06/11 (ADT ytd)	Traffic 30/06/10 (ADT ytd)	% Change
AUNOR	11,192	11,874	-5.7%
PALMA-MANACOR -PAMASA-	20,236	20,303	-0.3%
VIASTUR	22,946	22,178	3.5%
TURIA MOTORWAY	36,598	37,128	-1.4%
ERESMA MOTORWAY	6,700	6,287	6.6%
BARBANZA MOTORWAY	12,071	12,175	-0.9%
ARLANZÓN MOTOWAY	19,795	20,344	-2.7%
SPAIN			
GALWAY - BALLINASLOE	8,901	8,612	3.4%
M50 - DUBLIN	106,230	96,898	9.6%
IRELAND			
AUTOPISTA DEL SOL MOTORWAY	25,432	21,695	17.2%
COSTA RICA			
VALLENAR-CALDERA	4,319		
CHILE			

At 30 June 2011, Sacyr Concesiones had a portfolio of 33 concessions in six countries. Of these, 21 are toll motorway concessions, 16 in the EU (Spain: 11, Portugal: 2, Ireland: 2, Italy: 1) and 5 in South America (Chile: 3, Costa Rica: 2). It also holds 12 concessions for other assets, namely three hospitals in Madrid, three hospitals in Portugal, two transport hubs in Madrid, two underground lines (one in Seville and one in Tenerife), one airport in Murcia and one motorway service area company.

V. STOCK MARKET PERFORMANCE

SACYR VALLEHERMOSO	June		% Chg 11/10
	2011	2010	
Market Price at closing (euros per share)	6.520	4.103	58.91%
High share price	9.343	9.400	-0.61%
Low share price	4.549	3.710	22.61%
Market Capitalization at closing (Thousands of euros)	2,755,342	1,251,281	120.20%
Average Trading Volume (Thousands of euros)	1,800,679	1,126,088	59.91%
Average Daily Trading Volume (Number of shares)	1,931,607	1,579,909	22.26%
Liquidity (%)	100	100	
Number of shares (Thousands)	422,598	304,967	38.57%
Share Nominal Value	1 EURO	1 EURO	



VI. SHAREHOLDER STRUCTURE

The owners of significant stakes in Sacyr Vallehermoso, S.A. subsequent to the bonus share issue on 31 March 2011 are as follows:

SHAREHOLDER	%Total
D. Luis del Rivero Asensio	12.59%
Actividades Inmobiliarias y Agrícolas S.L	6.87%
Rimefor Nuevo Milenio, S.L	5.72%
D. Manuel Manrique Cecilia	6.09%
Cymofag, S.L.	6.09%
D. Juan Abelló Gallo	9.62%
Austral B.V.	9.62%
D. José Manuel Loureda Mantiñán	12.65%
Prilou, S.L.	7.65%
Prilomi, S.L.	5.00%
Disa Corporación Petrolífera, S.A.	13.01%
Participaciones Agrupadas, S.L	7.70%
Novacaixagalicia	6.73%
Beta Asociados, S.L.	5.02%
Grupo Corporativo Fuertes, S.L	5.00%
Grupo Satocán, S.A.	2.88%
D. Diogo Alvez Diniz Vaz Guedes	0.38%
SIGNIFICANT STAKES	81.68%