

Financial Report 2006



First Half

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I. HIGHLIGHTS

| OPERATING DATA (Million €) | June 2006 | June 2005 | % Change 06/05 |
|--|--------------|--------------|-------------------|
| CONSTRUCTION - SACYR/SOMAGUE | | | |
| ORDER BOOK | 5,643 | 4,052 | 39.3% |
| <i>Months of activity</i> | 28.1 | 24.5 | 14.4% |
| HOUSING DEVELOPMENT - VALLEHERMOSO | | | |
| COMMITTED SALES | 677 | 618 | 9.5% |
| <i>Nº houses</i> | 2,283 | 2,073 | 10.1% |
| ORDER BOOK | 2,119 | 1,899 | 11.6% |
| <i>LAND RESERVE (Miles de m2)</i> | 5,150 | 4,489 | 14.7% |
| <i>% Housing</i> | 92.0% | 91.0% | 1.1% |
| CONCESSIONS - ITINERE | | | |
| ORDER BOOK | 53,068 | 49,498 | 7.2% |
| PROPERTY - TESTA | | | |
| ASSETS VALUE (31 December T. Adria + Brickell) | 4,132 | 3,100 | 33.3% |
| <i>NET SURFACE (Thousand Square Metres)</i> | 1,540 | 1,411 | 9.2% |
| <i>OCCUPANCY</i> | 97.4% | 96.1% | 1.4% |
| ORDER BOOK | 4,049 | 3,514 | 15.2% |
| SERVICES - VALORIZA | | | |
| ORDER BOOK | 9,404 | 6,336 | 48.4% |

I. HIGHLIGHTS

| ECONOMIC FINANCIAL DATA (Million €) (Million €) | June 2006 | June 2005 | % Change 06/05 |
|---|----------------------|----------------------|---------------------------|
| NET SALES | 2,181 | 1,764 | 23.6% |
| EBITDA | 486 | 404 | 20.2% |
| Construction (Sacyr – Somague) | 84 | 72 | 16.8% |
| Housing development (Vallehermoso) | 144 | 109 | 32.2% |
| Concessions (Itinere) | 155 | 133 | 16.3% |
| Property (Testa) | 94 | 86 | 9.5% |
| Services (Valoriza) | 27 | 14 | 105.9% |
| Holding and Adjustments | (18) | (9) | n/a |
| ORDINARY NET ATTRIBUTABLE PROFIT | 170 | 86 | 98.2% |
| Non ordinary | (10) | 103 | n/a |
| NET ATTRIBUTABLE PROFIT | 160 | 189 | (15.1%) |
| MARKET CAPITALIZATION | 7,713 | 5,192 | 48.5% |
| Number of outstanding shares | 274,471 | 266,153 | 3.1% |
| EQUITY | 1,790 | 1,448 | 23.6% |
| NET CORPORATE DEBT | 2,734 | 1,092 | 150.3% |

* The ordinary net Benefit reaches €170 million and grows a 98.2% once has been eliminated the effect of:

- The extraordinary results for the shares sale/ELS and the collection of BBVA dividends amounting to €102.8 million after taxes, registered in 2005.
- The financial expenses of 2006 for the acquisition of Eiffage shares amounting to €10.0 million after taxes since it is not included the positive effect of the financial results through equity method because they have not been made public the results of the first half of the year as for the presentation of this information.

If in the net result of Sacyr Vallehermoso it is included the proportional part since April of the figure predicted by the market referring to the net benefit of Eiffage in the first half of the year, this figure being adjusted by our percentage in the company; if it is also included the expenditures coming from the mentioned acquisition, the figure of net benefit of the first half of the year would rise to €190.1 million and the increase with respect to 2005 would have been 122%.

II. STATEMENT OF INCOME

| CONSOLIDATED PROFIT AND LOSS (Thousands €) | Junio 2006 | Junio 2005 | % Change 06/05 |
|---|-----------------------|-----------------------|---------------------------|
| Net amount of the business turnover | 2,180,742 | 1,763,721 | 23.6% |
| Other income | 83,520 | 58,233 | (43.4%) |
| Total operating income | 2,264,262 | 1,821,954 | 24.3% |
| External and operating expenses | (1,778,594) | (1,417,831) | 25.4% |
| GROSS OPERATING PROFIT | 485,668 | 404,123 | 20.2% |
| Depreciation | (128,546) | (108,689) | 18.3% |
| Trade Provisions | 12,217 | (11,430) | n/a |
| NET OPERATING PROFIT | 369,339 | 284,004 | 30.0% |
| Financial Results | (154,196) | 27,969 | n/a |
| Financial expenses | 3,983 | (181) | n/a |
| Results from equity accounted subsidiaries | (6,627) | (4,908) | 35.0% |
| Provisions for Financial Investments | (168) | (1,658) | (89.8%) |
| Change in Value of Financial Instruments | 13,518 | (2,825) | (578.5%) |
| Change in Value of Assets | 0 | (639) | (100.0%) |
| Results from sales of non current assets | 6,686 | 804 | 732.1% |
| Result before taxes | 232,536 | 302,566 | (23.1%) |
| Corporate tax | (64,224) | (108,529) | (40.8%) |
| TOTAL PROFIT | 168,312 | 194,037 | (13.3%) |
| Minorities | (8,164) | (5,409) | 50.9% |
| NET ATTRIBUTABLE PROFIT | 160,148 | 188,628 | (15.1%) |

ANALYSIS OF RESULTS

- In the first half of the year the business turnover of the group reaches an amount of €2,180.7 million with an increase of 23.6% with respect to the exercise 2005.
- The EBITDA has been €485.7 million, a 20.2% over that of 2005, which locates the margin on sales in 22.3%, the highest of the sector in Spain and Europe.
- The net operating profit rises a 30% up to €369.3 million
- The net ordinary profit amounts to €170million and grows a 98.2% once is eliminated the effect of:
 - The extraordinary results due to the sale of shares/ELS and the charge of dividends of BBVA for an amount of €102.8million after taxes, in 2005.
 - Financial expenses of 2006 per the acquisition of shares in Eiffage for €10.0 million after taxes, since it is not included the positive effect by the equity method, because the results of the first half of the year have not been made public as of the date of this information presentation

BUSINESS TURNOVER

In the first half of the year the business turnover of the Group reaches €2,180.7 million with an increase of 23.6% respecting the exercise 2005.

Per activity areas the evolution is the following:

| BUSINESS TURNOVER (€ thousands) | June 2006 | June 2005 | % Chg 06/05 |
|--|----------------------|----------------------|------------------------|
| Construction | 1,205,413 | 990,547 | 21.7% |
| Sacyr | 904,633 | 671,528 | 34.7% |
| Somague | 300,779 | 319,019 | (5.7%) |
| Housing Development (Vallehermoso) | 592,733 | 475,951 | 24.5% |
| Concessions (Itinere) | 196,392 | 168,075 | 16.8% |
| Property (Testa) | 118,113 | 106,585 | 10.8% |
| Services (Valoriza) | 234,585 | 140,567 | 66.9% |
| Holding and adjustments | (166,494) | (118,004) | n/a |
| BUSINESS TURNOVER | 2,180,742 | 1,763,721 | 23.6% |

- In the area of construction, the adjustment of the activity in Portugal is more than compensated with the significant increase of a 34.7% in those markets where the group works, especially Spain. The high order book, which amounts to €5,643.5 million at the end of the first half of the year, guarantees important growths of activity in the future.
- The total of the contracted sales, which reflect the evolution of the commercial activity of the period in Vallehermoso, reaches €677.0 million, with a total of 2,283 houses sold as for 30 June 2006, which means an increase of 10.1% with respect to the same period of the year before.
- In the area of concessions the growth of 16.8% in the income is the result of a favourable evolution of traffic in the area of motorway concessions together with the increase of tariffs.
- In Real Estate activities, Testa has increased its earnings in 10.8% up to €118.1million. This evolution is the result of the combination of the growth of a 1.5% in the degree of average occupation, the increase of a 3.2% in the average unitary income of the order book of renting and an increase of 5.8% in the average rental surface of the period, with the entrance in exploitation of the new buildings, among others the Tour Adriá (Paris) and 1401 Brickell.
- The services activity registered an extremely important increase of a 66.9% up to the €234.6 million as a consequence of the organic growth of the activity of Valoriza, especially in the activities of Water and Multiservices. Besides, they also influence the incorporations into the group of Sufi, acquired in the second term of the exercise 2005 and of the city council company of Aguas de Tenerife (Emmasa), awarded in December 2005.

Per geographic areas a 80.3% of the turnover figure was generated in Spain, a 14.8% corresponded to Portugal due to the building activity of Somague and of services of Valoriza and the resting 4.9% refers mostly to the activity in Chile, which gathers the incomes of concessions in exploitation together with the finished work of them although this part is reduced since the works of Vespucio Sur have finished. Throughout the year, the renting price of the two buildings which Testa has in Miami and the income from the building of Paris will increase its weight since they have been incorporated in the first term.

| BUSINESS TURNOVER (€Thousands) | June 2006 | June 2005 | % Chg 06/05 |
|---|----------------------|----------------------|------------------------|
| Spain | 1,750,093 | 1,284,499 | 36.2% |
| Chile | 42,776 | 90,722 | (52.8%) |
| Portugal | 322,590 | 352,834 | (8.6%) |
| Other countries | 65,283 | 35,666 | 83.0% |
| BUSINESS TURNOVER | 2,180,742 | 1,763,721 | 23.6% |

GROSS OPERATING PROFIT (EBITDA)

The gross operating profit of the group grew a 20.2% with respect to the same period of the previous exercise, positioning itself in €485.7 million.

- The growing business (construction, housing promotion) and holding provide a 43.2% of the consolidated operative results with €209.8 million, a 21.9% over that in 2005.
- The recurrent business (infrastructures concessions, rental property and services) with €275.9 million account for a 56.8% of the total EBITDA, with a growth per year of 18.9%.

| GROSS OPERATING PROFIT (€Thousands) | June 2006 | June 2005 | % Chg 06/05 |
|--|----------------------|----------------------|------------------------|
| Construction (Sacyr – Somague) | 83,908 | 71,855 | 16.8% |
| Housing development (Vallehermoso) | 144,367 | 109,207 | 32.2% |
| Holding and Adjustments | (18,496) | (8,915) | n/a |
| Growth activities | 209,779 | 172,121 | 21.9% |
| Concessions (Itinere) | 154,694 | 132,061 | 16.3% |
| Property (Testa) | 93,771 | 85,625 | 9.5% |
| Services (Valoriza) | 27,424 | 13,316 | 105.9% |
| Recurrent activities | 275,889 | 232,002 | 18.9% |
| EBITDA | 485,668 | 404,123 | 20.2% |

DEPRECIATIONS

The endowment of depreciations – technical and of revertible assets – reached €128.5 million, with an increase of an 18.3% due to the expansion of the concession business and of services. The activity of Itinere accounts for a 50.5% of the total of the depreciation of the group SyV (€64.9 million)

FINANCIAL RESULTS

The net financial results amounted to €154.2 million against the €28.0 million of 2005. This is mainly due to the positive impact on the previous exercise of €148.6 million generated per the sale of instruments derived from the group BBVA shares in February.

NET PROFIT

The total result before taxes amounts to €232.5 million. Once eliminated the extraordinary results per the sales of the shares/ELS and per BBVA dividends earnings amounting to €102.8 million after taxes registered in 2005 together with financial expenses registered in 2006 per the operation of Eiffage shares acquisition amounting to €10.0 million after taxes, taking into account that it is not included the positive effect which the mentioned acquisition would have in case have been recognised the results from equity accounted subsidiaries since the results of the first term for Eiffage have not been made public as for the presentation of this information, the net profit grows a 98.2%.

ORDER BOOK OF INCOMES

The order book of future incomes reaches €74,284.0 million which is basically supported by Itinere, with a 71.4% of the total. The implicit operative result of the mentioned book reaches the €47,081.2 million.

The order book has had an increase of 13.8% with respect to June 2005, and highlights:

- The inclusion of the contract for the construction of the bridge over Messina Strait and the motorway Salerno-Reggio Calabria
- The new toll motorways and two public transport stations awarded since the first term of 2005 under concession regime.
- The incorporation in the rental property of two hospitals under concession regime and the inclusion of rents coming from the new buildings acquired in Paris and Miami.
- The incorporation of Emmasa to the services area.

| ORDER BOOK (Thousand €) | June 2006 | % EBITDA* | EBITDA |
|-------------------------------------|----------------------|------------------|-------------------|
| Sacyr (Order Book) | 4,840,081 | 8.0% | 387,207 |
| Somague (Order Book) | 803,388 | 4.4% | 35,349 |
| Vallehermoso (Pre-sales Book) | 2,119,476 | 22.2% | 470,524 |
| Itinere (Concessional Income) | 53,067,954 | 79.1% | 41,976,751 |
| Testa (Lease contracts to maturity) | 4,048,593 | 78.7% | 3,186,243 |
| Valoriza (Income order) | 9,404,484 | 10.9% | 1,025,089 |
| ORDER BOOK | 74,283,977 | 63.4% | 47,081,162 |

* EBITDA margin as for December 2005

II. CONSOLIDATED BALANCE SHEET

| CONSOLIDATED BALANCE SHEET (Thousands €) | June 2006 | June 2005 | Change 06/05 |
|---|-------------------|-------------------|------------------|
| Non current assets | 11,162,649 | 8,053,814 | 3,108,835 |
| Intangible Assets | 273,414 | 174,236 | 99,178 |
| Real Estate investments | 2,669,781 | 1,942,386 | 727,395 |
| Investment in Highways | 4,111,033 | 3,814,255 | 296,778 |
| Fixed Assets | 940,327 | 747,277 | 193,049 |
| Financial Assets | 2,797,397 | 1,150,826 | 1,646,571 |
| Other non current assets | 23,257 | 21,752 | 1,504 |
| Goodwill | 347,440 | 203,082 | 144,359 |
| Current Assets | 5,977,904 | 5,304,645 | 673,259 |
| Inventories | 3,941,169 | 3,447,032 | 494,136 |
| Accounts Receivable | 1,568,249 | 1,555,514 | 12,736 |
| Financial Assets | 77,071 | 173,538 | (96,468) |
| Cash | 391,415 | 128,554 | 262,861 |
| Other Current Assets | 0 | 7 | (7) |
| TOTAL ASSETS/LIABILITIES | 17,140,553 | 13,358,459 | 3,782,093 |
| Equity | 1,907,768 | 1,694,885 | 212,883 |
| Shareholder' s Equity | 1,789,726 | 1,448,486 | 341,240 |
| Minority Interests | 118,043 | 246,399 | (128,357) |
| Non current Liabilities | 10,201,088 | 7,660,807 | 2,540,281 |
| Financial Debt | 9,160,617 | 6,572,440 | 2,588,177 |
| Financial instruments at fair value | 18,127 | 93,713 | (75,585) |
| Provisions | 51,951 | 46,050 | 5,901 |
| Other non current Liabilities | 970,393 | 948,604 | 21,789 |
| Current Liabilities | 5,031,696 | 4,002,767 | 1,028,929 |
| Financial Debt | 2,464,617 | 1,721,458 | 743,159 |
| Trade Accounts payable | 2,007,269 | 1,868,435 | 138,834 |
| Operating provisions | 141,227 | 77,886 | 63,342 |
| Other current liabilities | 418,584 | 334,989 | 83,595 |

EVOLUTION OF THE BALANCE

- The balance has an increase of €3,782.1million with a growth of a 28.3% with respect to the previous year mainly due to the acquisition of a 32% of Eiffage which as for 30 June 2006 means an investment of €1,749.7million and to the activity used in the business areas.

- **Investments in non-current assets:**
 - In the concessions which are being constructed, which suppose €296.8 of new assets.
 - Purchase of 8.6% of Itinere from Corporación Caixa Galicia for €119.7 million.
 - Acquisition of the Group Sufi and Emmasa, which are a cause for the expansion of €219.5 million registered in the balance of the activity of services.
 - Concerning property, the acquisition of the new building in Brickell Avenue (Miami) and that of Tour Adriá, in Paris are the main reason for the increase of €727 million in Real-State Investments.
- **Investments in current assets:**
 - The increase in land investments for housing and product promotion now in course with €522.0 million with the aim of guaranteeing the increase of activity for the future.

As of 30 June 2006, the three recurrent activities of the Group (concessions, rental property and services) added a total of €9,377.8 million of assets, equivalent to 54.7% of the total from the group SyV

Next it is detailed the composition and movements in the main headings of the balance sheet.

NON-CURRENT ASSETS

In the non-current assets the most significant entry is that concerning the motorways and other toll roads with €4,111.0 million; from the items mentioned, the volume of motorways and other developing roads amounted to €111.1 million.

The real-estate assets gather properties in operation for €2,669.8 million. Besides, the intangible assets include those dedicated to its exploitation by rent under long-term concession regime for an additional amount of €247.4 million. At the end of the period they were kept investments under way in property for renting for an amount of €304.4 million, investments in course in cogeneration plants together with electric power generation, water and clean-up networks and other projects which amounts to €162 million and other €245.4 million in land for future developments registered in the head of tangible fixed assets

The tangible fixed assets beside the work in progress in properties for renting them also include machinery, technical instalments and other fixed asset. The amount of the accrued depreciation is a total of €262.6 million.

The non-current financial assets include the equity accounted shares for €1,895.5 million among which it highlights the one corresponding to the investment in the French constructor Eiffage. Besides, in this head they are included €490.5 million corresponding mostly to the subventions for the exploitation of different concessions of Itinere which enjoy the mentioned benefits and the rest basically correspond to the amounts charged by companies of the group.

CURRENT ASSETS

As a whole the current assets amount to €5,977.9 million with a growth of 12.7% in comparison with the same period of 2005. This is mainly due to the increase of goods caused in the expansion of the activity of housing promotion due to the purchase of land and works in progress of the new promotions.

EQUITY

The equity at the end of the first half of 2006 reached €1,907.8 million, with an increase of 12.6% with respect to the year before, a 93.8% of the total (with €1,789.7 million) corresponded to the equity of SyV and €118.0 million to the minority shareholders of the group.

In June 2006 it was carried out a capital increase released with charge to reserves of 10,165,579 shares with a nominal price of €1. Thus, as at June 30, 2006 the capital stock was represented by 284.6 million of shares with €1 of nominal value, although the new shares began to quote in July 2006.

FINANCIAL DEBT

At the end of the first half of the year the corporative net indebtedness amounts to €2,734 million which is equivalent to 24.5% of the total indebtedness of the period. For its part the amount of the net debt in intensive activities in capital amounted to €8,172 million, a 73.2% of the total.

The net debt of the group as of 30 June 2006 is broken out:

| NET FINANCIAL DEBT (Million €) | June 2006 | June 2005 | % Change 06/05 |
|---|----------------------|----------------------|-------------------------------|
| Corporate Debt | 2,734 | 1,092 | 150.3% |
| Intensive capital Activities | 8,172 | 6,742 | 21.2% |
| Testa | 1,958 | 1,322 | 48.1% |
| Itinere | 3,567 | 3,188 | 11.9% |
| Vallehermoso | 2,647 | 2,233 | 18.6% |
| Other | 250 | 157 | 59.0% |
| NET FINANCIAL DEBT | 11,157 | 7,992 | 39.6% |

- Among the intensive activities in capital it is important to stand out that the debt weight affects to the financing of transport concessions, which reached €3,567.1 million in the last March, which means a 32.0% of the total debt of the group and a 65.7% of the book value of the gross investment in motorways, which amounted to 5,428.2 million at the end of the half. This financing is linked to specific activities of concession of public services, toll motorways, which confers great stability and visibility on the income and on cash flow which its exploitation generates.

- In the field of renting property the debt is materialised in mortgage loans and leasing contracts for an amount of €1,957.6m, which finance operating assets and assets in course. Thus, according to the last evaluation of cash assets by an independent expert, as for December 2005 (adding the Torre Adriá and the Building Brickell, recently acquired in Paris and Miami respectively) the debt only means a 47.4% of the mentioned value.

- Concerning the activity of promotion, with a net debt of €2,647.4 million, finances the goods appearing in the balance sheet of Vallehermoso for an accountant amount of €3,746.3.
- Lastly, the debt caused by other business greatly corresponds to the financing of projects and environmental concessions in Valoriza.

The financial instruments at a reasonable value reached a value of €18.1 million and were applied in operations concerning the cover of long-term debt assumed for the financing the activities of the group properties, concessions and rental properties.

III. EVOLUTION OF THE BUSINESS AREAS

| CONSOLIDATED PROFIT AND LOSS AS OF JUNE 2006 | | | | | | | | | TOTAL |
|---|----------------|----------------|---------------------|----------------|-----------------|----------------|----------------|--------------------|------------------|
| (Thds Euros) | Sacyr | Itinere | Vallehermoso | Testa | Valoriza | Somague | Holding | Adjustments | |
| Net Sales | 904,633 | 196,392 | 592,733 | 118,113 | 234,585 | 300,779 | 1,841 | -168,335 | 2,180,742 |
| Other Sales | 8,446 | 18,009 | 1,251 | 2,753 | 19,470 | 10,221 | 19,387 | 3,983 | 83,520 |
| Total Income | 913,079 | 214,401 | 593,984 | 120,867 | 254,055 | 311,000 | 21,228 | -164,352 | 2,264,262 |
| External and Operating Expenses | -844,338 | -59,707 | -449,617 | -27,096 | -226,631 | -295,833 | -39,724 | 164,352 | -1,778,594 |
| Gross Operating Profit | 68,741 | 154,694 | 144,367 | 93,771 | 27,424 | 15,167 | -18,496 | 0 | 485,668 |
| Depreciation | -16,518 | -72,726 | -1,292 | -19,567 | -8,845 | -6,168 | -1,381 | -2,049 | -128,546 |
| Trade Provisions | 946 | -1,693 | 5,629 | -153 | -556 | -2,169 | 10,212 | 0 | 12,217 |
| Net Operating Profit | 53,169 | 80,275 | 148,704 | 74,052 | 18,024 | 6,830 | -9,664 | -2,049 | 369,339 |
| Financial Results | 11,676 | -86,000 | -6,579 | -32,295 | -3,787 | -3,653 | 118,041 | -151,599 | -154,196 |
| Forex Results | -51 | 3,939 | 0 | -268 | -95 | 457 | 0 | 0 | 3,983 |
| Results from equity accounted subsidiaries | 24 | -7,169 | -1,014 | -159 | 515 | 1,176 | 0 | 0 | -6,627 |
| Provisions for financial investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -168 | -168 |
| Change in value of financial instruments | 0 | 12,099 | 0 | 1,235 | 0 | 0 | 185 | 0 | 13,518 |
| Change in value of assets | -171 | 0 | 0 | 0 | 0 | 0 | 0 | 171 | 0 |
| Results from sales of non current assets | -864 | 6,702 | 193 | 370 | 285 | 0 | 0 | 0 | 6,686 |
| PROFIT BEFORE TAXES | 63,783 | 9,845 | 141,305 | 42,935 | 14,943 | 4,810 | 108,561 | -153,645 | 232,536 |
| Corporate Tax | -20,606 | -2,684 | -51,290 | -13,652 | -3,268 | -1,601 | 28,861 | 16 | -64,224 |
| TOTAL PROFIT | 43,177 | 7,162 | 90,014 | 29,283 | 11,674 | 3,209 | 137,422 | -153,630 | 168,312 |
| Minorities | -413 | -7,507 | 107 | 0 | -3 | -96 | 0 | -252 | -8,164 |
| NET ATTRIBUTABLE PROFIT | 42,764 | -346 | 90,122 | 29,283 | 11,672 | 3,113 | 137,422 | -153,882 | 160,148 |

CONSOLIDATED PROFIT AND LOSS AS OF JUNE 2005

| (Thds Euros) | Sacyr | Itinere | Vallehermoso | Testa | Valoriza | Somague | Holding | Adjustments | TOTAL |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|------------------|
| Net Sales | 671,528 | 168,075 | 475,951 | 106,585 | 140,567 | 319,019 | 54 | -118,058 | 1,763,721 |
| Other Sales | 6,032 | 17,640 | 412 | 2,358 | 9,802 | 6,805 | 13,682 | 1,501 | 58,233 |
| Total Income | 677,561 | 185,715 | 476,364 | 108,944 | 150,369 | 325,823 | 13,736 | -116,557 | 1,821,954 |
| External and Operating Expenses | -619,547 | -52,654 | -367,157 | -23,319 | -137,053 | -312,007 | -22,676 | 116,583 | -1,417,831 |
| Gross Operating Profit | 58,013 | 133,061 | 109,207 | 85,625 | 13,316 | 13,816 | -8,940 | 25 | 404,123 |
| Depreciation | -7,851 | -64,899 | -164 | -15,528 | -8,167 | -7,194 | -1,648 | -3,237 | -108,689 |
| Trade Provisions | -4,336 | -1,172 | -5,036 | -136 | -295 | -236 | -220 | 0 | -11,430 |
| Net Operating Profit | 45,826 | 66,990 | 104,007 | 69,960 | 4,855 | 6,386 | -10,808 | -3,211 | 284,004 |
| Financial Results | 10,430 | -76,715 | -16,029 | -26,336 | -3,884 | -549 | 235,238 | -94,186 | 27,969 |
| Forex Results | 70 | -1,556 | 0 | 1,417 | -127 | 15 | 0 | 0 | -181 |
| Results from equity accounted subsidiaries | 10 | -5,894 | -88 | 10 | 1,159 | -105 | 0 | 0 | -4,908 |
| Provisions for financial investments | 0 | 0 | -1,650 | 0 | -8 | 0 | 0 | 0 | -1,658 |
| Change in value of financial instruments | 0 | -2,825 | 0 | 0 | 0 | 0 | 0 | 0 | -2,825 |
| Change in value of assets | -318 | 0 | 0 | 0 | -401 | 0 | 0 | 80 | -639 |
| Results from sales of non current assets | 894 | 98 | -207 | 140 | -122 | 21,571 | -1 | -21,571 | 804 |
| PROFIT BEFORE TAXES | 56,913 | -19,901 | 86,033 | 45,193 | 1,472 | 27,317 | 224,429 | -118,889 | 302,566 |
| Corporate Tax | -17,799 | 3,964 | -30,359 | -17,409 | -415 | -3,076 | -43,447 | 13 | -108,529 |
| TOTAL PROFIT | 39,114 | -15,937 | 55,674 | 27,783 | 1,057 | 24,241 | 180,981 | -118,876 | 194,037 |
| Minorities | -395 | -7,559 | 61 | 0 | -1,417 | 35 | 0 | 3,867 | -5,409 |
| NET ATTRIBUTABLE PROFIT | 38,719 | -23,495 | 55,734 | 27,783 | -361 | 24,275 | 180,981 | -115,008 | 188,628 |

| CONSOLIDATED BALANCE SHEET AS OF JUNE 2006 | | | | | | | | | |
|---|------------------|------------------|---------------------|------------------|-----------------|----------------|------------------|--------------------|-------------------|
| (Thds €) | Sacyr | Itinere | Vallehermoso | Testa | Valoriza | Somague | Holding | Adjustments | TOTAL |
| NON CURRENT ASSTES | 755,560 | 5,037,310 | 152,610 | 3,101,785 | 515,258 | 176,437 | 3,801,727 | -2,378,039 | 11,162,649 |
| Intangible Assets | 28,223 | 38,528 | 14 | 111,084 | 35,029 | 1,654 | 1,551 | 57,330 | 273,414 |
| Real Estate Investments | 0 | 0 | 59,203 | 2,500,346 | 0 | 0 | 0 | 110,232 | 2,669,781 |
| Highway Investments | 14,918 | 4,096,115 | 0 | 0 | 0 | 0 | 0 | 0 | 4,111,033 |
| Fixed Assets | 110,286 | 33,214 | 7,191 | 373,230 | 322,100 | 88,489 | 5,816 | 0 | 940,327 |
| Financial Assets | 584,172 | 852,444 | 78,143 | 112,091 | 33,091 | 58,827 | 3,791,039 | -2,712,410 | 2,797,397 |
| Other non Current Assets | 17,961 | 3,356 | 6,183 | 5,035 | 1,512 | 0 | 3,321 | -14,111 | 23,257 |
| Goodwill | 0 | 13,653 | 1,875 | 0 | 123,526 | 27,467 | 0 | 180,920 | 347,440 |
| CURRENT ASSETS | 974,235 | 237,491 | 4,006,704 | 104,760 | 381,218 | 523,819 | 48,560 | -298,884 | 5,977,904 |
| Inventories | 119,119 | 2,968 | 3,746,342 | 36 | 23,247 | 50,108 | 947 | -1,598 | 3,941,169 |
| Accounts Receivable | 692,575 | 132,059 | 228,140 | 78,487 | 244,381 | 438,996 | 47,234 | -293,622 | 1,568,249 |
| Financial Assets | 26,400 | 6,578 | 1,794 | 0 | 38,226 | 4,067 | 6 | 0 | 77,071 |
| Cash | 136,141 | 92,120 | 30,430 | 26,237 | 75,364 | 30,649 | 373 | 102 | 391,415 |
| Other Current Assets | 0 | 3,767 | 0 | 0 | 0 | 0 | 0 | -3,767 | 0 |
| ASSETS=LIABILITIES | 1,729,795 | 5,274,801 | 4,159,314 | 3,206,546 | 896,477 | 700,256 | 3,850,287 | -2,676,923 | 17,140,553 |
| Equity | 406,042 | 389,978 | 340,469 | 1,091,084 | 270,376 | 139,240 | 895,232 | -1,624,652 | 1,907,768 |
| Shareholder's Equity | 403,137 | 308,730 | 337,546 | 1,091,084 | 262,483 | 137,114 | 895,232 | -1,645,600 | 1,789,726 |
| Minority Interests | 2,906 | 81,248 | 2,923 | 0 | 7,892 | 2,126 | 0 | 20,948 | 118,043 |
| NON CURRENT ASSETS | 177,350 | 4,487,816 | 1,854,347 | 1,828,723 | 283,040 | 150,380 | 2,169,794 | -750,363 | 10,201,088 |
| Financial Debt | 121,079 | 3,454,882 | 1,605,196 | 1,772,030 | 204,318 | 133,032 | 1,870,081 | 0 | 9,160,617 |
| Financial Instruments at fair value | 0 | 15,298 | 0 | 2,041 | 338 | 0 | 450 | 0 | 18,127 |
| Provisions | 71 | 4,325 | 13,523 | 3,164 | 25,051 | 3,342 | 2,474 | 0 | 51,951 |
| Other non Current Assets | 56,199 | 1,013,312 | 235,629 | 51,488 | 53,333 | 14,007 | 296,789 | -750,363 | 970,393 |
| CURRENT ASSETS | 1,146,403 | 397,007 | 1,964,497 | 286,739 | 343,061 | 410,636 | 785,261 | -301,908 | 5,031,696 |
| Financial Debt | 28,743 | 210,893 | 1,074,504 | 211,813 | 65,026 | 117,627 | 756,010 | 0 | 2,464,617 |
| Trade Accounts payable | 949,403 | 17,541 | 700,534 | 18,646 | 139,422 | 189,149 | 3,616 | -11,043 | 2,007,269 |
| Operating provisions | 50,055 | 1,738 | 54,035 | 2,056 | 1,532 | 22,013 | 9,799 | 0 | 141,227 |
| Other Current Assets | 118,202 | 166,836 | 135,424 | 54,225 | 137,081 | 81,846 | 15,835 | -290,865 | 418,584 |

CONSOLIDATED BALANCE SHEET AS OF JUNE 2005

| (Thds €) | Sacyr | Itinere | Vallehermoso | Testa | Valoriza | Somague | Holding | Adjustments | TOTAL |
|-------------------------------------|------------------|------------------|------------------|------------------|----------------|----------------|------------------|-------------------|-------------------|
| NON CURRENT ASSTES | 466,419 | 4,739,156 | 237,834 | 2,429,223 | 295,737 | 201,217 | 1,926,564 | -2,242,337 | 8,053,814 |
| Intangible Assets | 28,280 | 14,580 | 19 | 113,202 | 15,150 | 275 | 2,729 | 0 | 174,236 |
| Real Estate Investments | 0 | 0 | 0 | 1,830,425 | 0 | 0 | 0 | 111,961 | 1,942,386 |
| Highway Investments | 0 | 3,814,255 | 0 | 0 | 0 | 0 | 0 | 0 | 3,814,255 |
| Fixed Assets | 58,036 | 33,907 | 58,163 | 334,047 | 168,577 | 90,912 | 3,605 | 30 | 747,277 |
| Financial Assets | 364,915 | 862,799 | 174,564 | 149,421 | 104,479 | 72,896 | 1,917,563 | -2,495,811 | 1,150,826 |
| Other non Current Assets | 15,188 | 0 | 4,951 | 2,128 | 2,699 | 0 | 2,667 | -5,880 | 21,752 |
| Goodwill | 0 | 13,615 | 137 | 0 | 4,831 | 37,135 | 0 | 147,363 | 203,082 |
| CURRENT ASSETS | 803,684 | 217,575 | 3,493,744 | 63,603 | 239,628 | 572,396 | 95,702 | -181,685 | 5,304,645 |
| Inventories | 143,211 | 2,870 | 3,224,296 | 69 | 35,747 | 41,582 | 854 | -1,598 | 3,447,032 |
| Accounts receivable | 553,919 | 115,611 | 257,866 | 43,313 | 164,789 | 504,714 | 94,597 | -179,296 | 1,555,514 |
| Financial Assets | 48,539 | 84,387 | 6,609 | 12,932 | 17,466 | 4,394 | 5 | -794 | 173,538 |
| Cash | 58,014 | 14,707 | 4,972 | 7,288 | 21,619 | 21,706 | 245 | 4 | 128,554 |
| Other Current Assets | 0 | 0 | 0 | 0 | 7 | 0 | 0 | 0 | 7 |
| ASSETS=LIABILITIES | 1,270,103 | 4,956,731 | 3,731,578 | 2,492,825 | 535,365 | 773,613 | 2,022,266 | -2,424,022 | 13,358,459 |
| Equity | 374,878 | 348,659 | 224,421 | 1,050,992 | 58,450 | 148,386 | 985,030 | -1,495,930 | 1,694,885 |
| Shareholder's Equity | 373,203 | 155,054 | 221,312 | 1,050,992 | 47,758 | 144,813 | 985,030 | -1,529,675 | 1,448,486 |
| Minority Interests | 1,676 | 193,605 | 3,109 | 0 | 10,692 | 3,573 | 0 | 33,745 | 246,399 |
| NON CURRENT ASSETS | 113,586 | 4,165,882 | 1,885,793 | 1,343,547 | 209,896 | 157,913 | 526,217 | -742,028 | 7,660,807 |
| Financial Debt | 97,539 | 3,006,988 | 1,578,124 | 1,284,321 | 90,918 | 122,049 | 392,500 | 0 | 6,572,440 |
| Financial Instruments at fair value | 0 | 77,396 | 0 | 11,904 | 1,622 | 0 | 2,791 | 0 | 93,713 |
| Provisions | 6,389 | 1,762 | 11,457 | 3,356 | 3,492 | 18,112 | 1,482 | 0 | 46,050 |
| Other non Current Assets | 9,658 | 1,079,736 | 296,212 | 43,966 | 113,864 | 17,751 | 129,444 | -742,028 | 948,604 |
| CURRENT ASSETS | 781,639 | 442,190 | 1,621,364 | 98,287 | 267,019 | 467,314 | 511,019 | -186,065 | 4,002,767 |
| Financial Debt | 20,835 | 279,763 | 666,285 | 57,639 | 51,616 | 155,891 | 489,428 | 0 | 1,721,458 |
| Trade Accounts payable | 641,354 | 61,453 | 811,510 | 14,703 | 109,174 | 232,525 | 2,954 | -5,239 | 1,868,435 |
| Operating provisions | 34,788 | 1,201 | 28,433 | 2,603 | 418 | 0 | 10,442 | 0 | 77,886 |
| Other Current Assets | 84,662 | 99,773 | 115,137 | 23,341 | 105,810 | 78,898 | 8,194 | -180,826 | 334,989 |

III. EVOLUTION OF THE BUSINESS AREAS

SACYR/SOMAGUE

The net incomes of the area reached €1,205.4 million, a 21.7% over the last exercise. The most important component of the activity, Sacyr, paid in €904.6 million, with an outstanding increase of a 34.7% with respect to the year before and a weight of 75.0% of the total. In spite of the situation of low activity which the market in Portugal is going through, Somague incomes were €300.8 million.

The order book has significantly grown and as for June it amounted to €5,643.5 million, which are equivalent to 28 months of activity. The increase with respect to the year 2005 has been a 39.3%.

A 93.9% of the order book is sited in the European Union, with a 54.2% corresponding to Spain, a 27.3% to Italy and a 12.4% to Portugal. The resting 6.1%, in other countries, mostly comes from projects of infrastructures concessions in Chile and Costa Rica.

Among the main contracts obtained in the first half of the year 2006 the next ones stand out:

- Award to the consortium in which Sacyr takes part with an 18.7% of the construction of the bridge over Messina Strait, which will link the region of Reggio Calabria at the south of the Italic Peninsula with Sicily Island, for an amount of €725.5 million.
- Award to SIS, the subsidiary of the Group SyV in Italy, of the Works for modernizing and adapting as a first level motorway a stretch of 31 kilometres which belonged to the old motorway Salerno-Reggio Calabria, for an amount of €407.4million.
- Contract for implantation with vacant possession of the trolley system in the Italian city of Palermo, for an amount of €96 million. The award has been conferred on the consortium of which SIS forms part.
- Construction of the new government-paid toll motorway between Padrón and Santa Uxía de Ribeira, known as motorway of Barbanza, in the province of A Coruña for an amount of €78.5 million.
- Works for the construction of the motorway of Eresma, between Cuéllar and Segovia for an amount of €65.0million.
- Construction of the motorway San José-Caldera, in Costa Rica, for an amount of €47.5 million.
- Construction of the new Moncloa transport hub, in Madrid, for an amount of €69.0 million.
- Works for the construction of Casa Mar Auditorium Centre in the city of Vigo, for an amount of €38.7 million.
- Edification of 500 houses in the housing estate Vista Hermosa, in the Línea de la Concepción, for an amount of €44.4 million.
- Works of finish of the Basilica of Fátima for an amount of €28.5 million.

VALLEHERMOSO

Vallehermoso's income as of 30 June 2006 has reached €592.7 million, which account for an increase of 24.5% against the year before. The sales corresponding to residential product were of €525.0 million, €60.9m are due to the sale of land and the rest, €6.8 million, correspond to incomes per services.

For its part, the Ebitda has also experienced an important increase of 32.4% up to €144.4 million reaching a margin over sales of 24.4%.

The contracted residential sales reach €677.0 million, with an increase of a 9.5% with respect to 2005, with an increase in the sold number of units of 10.1% until reaching 2,283 houses. At the end of the first half there were contracted sales awaiting being accounted for an amount of €2,119.5 million, an 11.6% over the previous exercise.

During the first half of the year 2006 they have been compromised €522 million in land purchase, equivalent to 7,061 houses and mean a 15% more than in 2005.

At the end of the period, the land reserve of Vallehermoso reached 19.6 million of square metres, equivalent to 5.2 million m² of building land, which means more than 36,000 houses.

ITINERE

The concession business of Itinere registered an income figure of €196.4 million, a 16.8% more than in 2005.

The gross operating profit grew a 16.5% up to €154.7million, which permits to reach a new top in the operative margin up to 78.9%.

The average increase of traffic has keep on being above that of the economy in general, with a very positive evolution both in the concessions in Spain and in Chile.

| (€ million) | June 2006 | | June 2005 | | %Change. 06/05 | |
|--------------------------|-----------|--------|-----------|--------|----------------|-------|
| España | Income | ADT | Income | ADT | Income | ADT |
| Audasa | 64.7 | 21,842 | 59.6 | 20,773 | 8.5% | 5.1% |
| Avasa | 31.8 | 12,831 | 29.4 | 12,231 | 8.1% | 4.9% |
| Audenasas | 18.6 | 16,830 | 17.1 | 16,191 | 8.6% | 3.9% |
| Aucalsa | 16.0 | 8,311 | 14.4 | 7,792 | 11.2% | 6.7% |
| Aunor | 8.3 | 11,699 | 7.6 | 10,954 | 10.4% | 6.8% |
| Autoestradas de Galicia | 5.9 | 10,440 | 5.3 | 9,893 | 11.3% | 5.5% |
| Chile | | | | | | |
| Elqui | 7.5 | 3,941 | 7.0 | 3,740 | 7.9% | 5.4% |
| Los Lagos | 6.7 | 7,744 | 6.1 | 7,143 | 9.5% | 8.4% |
| Rutas del Pacífico | 11.0 | 18,990 | 9.6 | 17,032 | 15.0% | 11.5% |
| Red Vial Litoral Central | 1.4 | 2,387 | 1.1 | 2,288 | 24.4% | 4.4% |
| Vespucio Sur | 5.0 | 41,036 | n/a | n/a | n/a | n/a |
| Brasil | | | | | | |
| Triangulo do Sol | 14.4 | 36,035 | 10.5 | 36,714 | 37.1% | -1.8% |

During the first half of 2006 the group Itinere was awarded the following concessions:

- Concession for the construction, maintenance and exploitation for 30 years of the government-paid motorway between Padrón and Santa Uxía de Ribeira, commonly known as motorway of Barbanza, in the province of A Coruña. The motorway of Barbanza will have a total of 40 km long and the award amount is €105 million.
- Concession for the construction, maintenance and exploitation for 35 years of the government-paid toll motorway between Cuéllar and Segovia, with a length of 48.5 km and includes the construction of three viaducts for an amount of €105 million.
- Concession for the construction and exploitation of the stretch San José – Caldera of the Autopista del Sol, in Costa Rica, for an amount of €145 million.
- Concession for the construction and exploitation of the public transport station of Moncloa in Madrid for an amount of €100 million.

With these awards Itinere reaches an order book of 32 concessions of transport infrastructures distributed among the EU with 21 ones (Spain: 18, Portugal: 3), America with 10 ones (Chile:6, Brazil: 2 and Costa Rica:2) and 1 concession in Bulgaria.

The order book of recurrent income of the activity amounted to €53,068.0 million at the end of the half of the year, a 7.2% over the year before. A 91% of it was placed in Spain.

The gross investment in motorways amounted at the end of the period of €5,428.2 million. From them, €111.1 million are in progress and mostly correspond to the works in the concession Autopista Nororiental, which is placed in the urban area of Chile's capital. Besides, they also correspond to the works of two government-paid toll motorways in Spain (Viasur and Autopista Del Turia) and the two transport hubs in Madrid (Plaza Elíptica and Moncloa).

| INVESTMENT (€ Thousands) | June 2006 | | June 2005 | | % Change 06/05 |
|-------------------------------|------------------|-----------------------|------------------|-----------------------|----------------------|
| | In operation | Under construction | In operation | Under construction | |
| Audasa | 2,296,384 | | 2,082,263 | | 10.3% |
| Avasa | 667,460 | | 663,750 | | 0.6% |
| Audenasa | 432,948 | 362 | 397,873 | | 8.9% |
| Aucalsa | 787,369 | | 748,089 | | 5.3% |
| Aunor | 96,954 | | 96,954 | | 0.0% |
| Autoestradas de Galicia | 170,818 | | 158,511 | | 7.8% |
| Viasur | | 31,747 | | | |
| Turia Motorway | | 17,081 | | | |
| Elíptica Square Transport Hub | | 14,918 | | | |
| Moncloa Transport Hub | | 2,456 | | | |
| Eresma Motorway | | 882 | | | |
| Barbanza Motorway | | 128 | | | |
| Spain | 4,451,933 | 67,574 | 4,147,440 | 0 | 9.0% |
| Elqui | 225,729 | | 222,259 | | 1.6% |
| Los Lagos | 236,313 | | 232,681 | | 1.6% |
| Rutas del Pacífico | 185,053 | | 181,531 | | 1.9% |
| Red Vial Litoral Central | 36,569 | | 35,853 | | 2.0% |
| Vespucio Sur | 131,248 | | | 97,762 | 34.3% |
| Acceso Nororiental | | 36,098 | | 27,623 | 30.7% |
| Triangulo do Sol | 50,280 | 4,517 | 45,598 | | 20.2% |
| Autopista del Valle | | 2,877 | | 261 | 1002.3% |
| Autopista del Sol | | 9 | | | |
| America | 865,192 | 43,501 | 717,922 | 125,646 | 7.7% |
| TOTAL | 5,317,125 | 111,075 | 4,865,362 | 125,646 | 13.4% |

TESTA

The incomes reached by Testa in the period concerned were €118.1 million, a 10.8% over 2005.

Next there are shown the explicative factors of incomes variation per renting:

| Rental Performance | June 2006 | June 2005 | % Var 06/05 |
|-------------------------------|-----------|-----------|-------------|
| Net Rental Income (Thds €) | 115,775 | 104.392 | 10.9% |
| Average Occupied Surface (M2) | 1,432,987 | 1,333,753 | 7.4% |
| Average rent (€/M2/month) | 13.47 | 13.04 | 3.2% |
| Land Lettable Surface (M2) | 1,471,995 | 1,390,775 | 5.8% |
| Average Occupancy Rate (%) | 97.35 | 95.90 | 1.5% |

The increase of net surface is consequence of the incorporation by purchase of both an office building in Paris, in the area of la Defense, and another one in Miami, with 53,841 and 17,479 square metres respectively. Besides, it is also consequence of the end of works and starting of the operation of an increased commercial surface of 7,210 square metres in the complex Porto Pi in Palma de Mallorca, two residential homes in Barcelona and Santander with 12,260 and 4,896 square metres together with a building of flats in Madrid for operation under renting regime with 9,318 square metres. Increase in average occupancy rate is more significant in office space.

Neither in the first half of 2006 nor in the same period of 2005 were carried out significant sales of property assets.

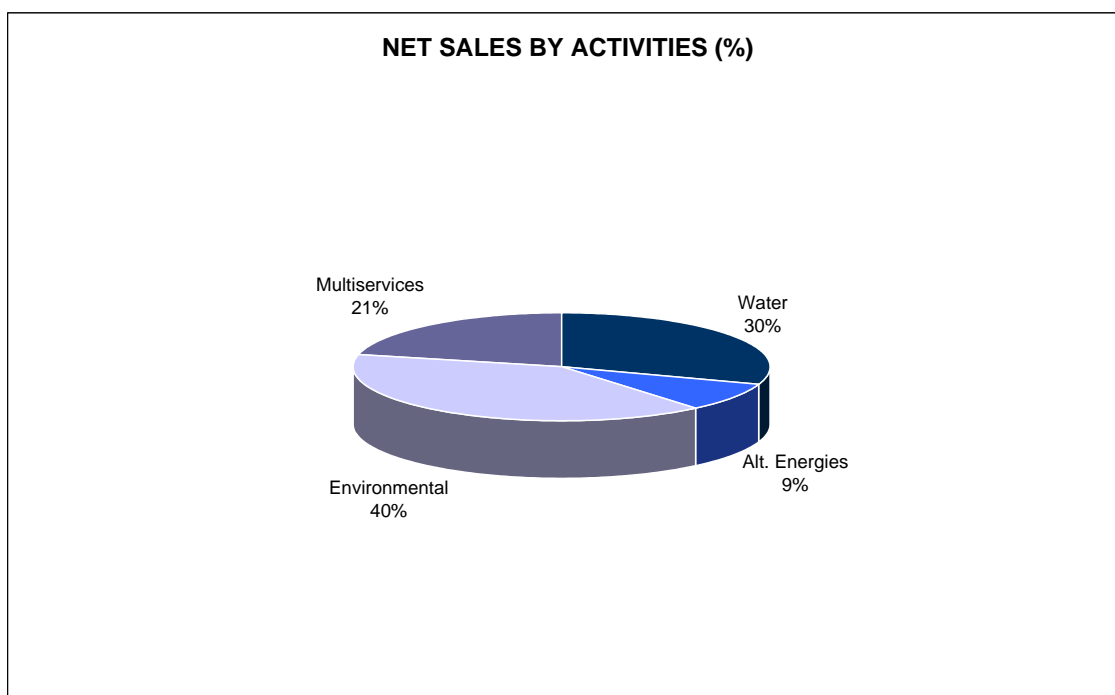
As of June 2006 there were there were Works in progress for a total of €304.4 million, of which the most significant one is the Tower SyV, outstanding building of mixed use placed in the business district in Madrid with 187.6 million of invested euros. Besides, there are kept other investments in several buildings, of which 52.7 million correspond to an office building sited in Madrid, €29.1million to two hospitals awarded in Madrid Community and other €26.2million for three pre-rented residential homes, which are in different degrees of development. In total, the projects in progress mean 248,517 m².

VALORIZA

In 2006 Valoriza reached some incomes of €234.6 million, with a strong increase of 66.9% with respect to the €140.6 million in 2005 due to the combination of three factors:

- The organic growth experienced with the setting in motion of new projects, especially in the area of multiservices (integral maintenance of property) and environmental activities.
- The acquisition of the group Sufi in 2005, specialized in environmental activities, pick-up and treatment of solid urban waste and rendering of other public services.
- The incorporation of the council company of Aguas de Tenerife (EMMASA), acquired in December of the last exercise and in charge of the supply of water in Santa Cruz de Tenerife.

The breakdown of incomes among the different areas is the following:



In the environmental area the acquisition of Sufi has permitted to reach some incomes of €93.7 million. This incorporation has allowed to consolidate the development of the service activities, specially through the concessions which Sufi has in the recycle scope and re-use of waste (urban, mud and containers) and the access to other types of services (clean-up, parking meter...)

In water management, the incomes were €70.9million, with a strong increase with respect to the €29.2million registered in the same period of the previous year. Emmasa contributed to the business turnover with €15.2 million.

In the area of Multiservices the incomes grew a 64.1% up to the €49.9 million. Valoriza Facilities, specialized in maintenance and management of every type of buildings, has invoiced during the period €26.4million, with a growth of 67.9% against the same period of the previous year. On its side, Cafestore, with €12.0 milion, has experienced a growth of 41.8% in the invoicing.

The activity of alternative energies, headed by Valoriza Energía and Iberese, accounts for a 8.5% of the invoicing, with €20.0million, which means a growth of a 12.1% with respect

Lastly, among the concessions performed in the first term outstands the award to Sufi of the management of the public service regulated parking in the public roads of the area 6 in Madrid, for €74.5 million. The contract lasts 11 years with possibility of enlargement for 14 years more. Sufi has also been awarded the road clean-up and waste pick-up in the city of Cadiz for ten years with an estimated annual benefit of €13.7m. Thus, this service consolidates Sufi's presence in the business of pick-up of urban solid waste and road clean-up, where it was already present with contracts in Madrid and Barcelona.

IV. AGREEMENTS OF THE BOARD

DISTRIBUTION OF DIVIDENDS

- On 13 January 2006 it was put into effect the third dividend on account of the exercise 2005 for an amount of €0.100 gross euros per share, whose distribution had been agreed in the meeting of the Board of Directors held on 29 November 2005.
- In their meeting on 8 March 2006 the Board of Directors agreed the payment of one dividend for a gross amount of €0.120 per share. This dividend will be the last one corresponding to the exercise 2005 after its approval in the Shareholders General Meeting. The payment came into effect on 12 April 2006.

CHANGES IN THE BOARD OF DIRECTORS

- The Board of Directors of Sacyr Vallehermoso, S.A. in the meeting held on 11 January 2006 agreed to accept the resignation submitted by Mr. José Seixas de Queiroz Vaz Guedes to the post of Directors, putting the unanimous recognition of the members on record. Likewise, the Board of Directors accepted the appointment of Mr. Francisco Javier Pérez Gracia as member of the Board.
- In the meeting held on 5 May 2006 the Board of Directors agreed to accept the resignation presented by Mr. Vicente Benedito Francés to the post of Director, thanking him for the services rendered to the Company.

CAPITAL ENLARGEMENTS

The General Ordinary Meeting of shareholders held on 5 May 2006 approved a paid up enlargement of capital charged to retained earnings with a price of €10,165,579 through the issue of 10,165,579 shares of €1 of nominal value each. The proportion is one new share per every twenty seven outstanding shares. The mentioned shares have been listed on 10 July 2006.

OTHER AGREEMENTS

- In their meeting on 22 March 2006 the Board of Directors of Sacyr Vallehermoso, S.A. agreed to call for an Ordinary General Meeting of Shareholders, which took place the last 5 May 2006. In this meeting itself was approved a modification in the Rules of the Board of Directors whose coming into force is conditioned to the approval of modifications introduced in the Social By – Laws.

V. STOCK EXCHANGE EVOLUTION

| | June | | % Variac. 06/ 05 |
|---|-----------|-----------|---------------------|
| | 2006 | 2005 | |
| Closing stock price (euros p.s.) | 26.13 | 18.92 | 38.13% |
| High of the year (euros p.s.) | 29.36 | 19.49 | 50.64% |
| Low of the year (euros p.s.) | 19.34 | 11.54 | 67.59% |
| Market Cap as of end of period (Thds euros) | 7,171,927 | 5,192,103 | 38.13% |
| Trading volume (Thds euros) | 3,032,581 | 1,838,499 | 64.95% |
| Average trading volume (No. Shares) | 981,007 | 987,669 | -0.67% |
| Liquidity (shares traded/capital) | % | 100 | 100 |
| N° of shares (Thds) | 274,471 | 266,153 | 3.13% |
| Share Nominal Value | 1 EURO | 1 EURO | |

* Adjusted in 2005 by bonus issue of 1x32 carried out last July.



VI. SHAREHOLDER EVOLUTION

SHAREHOLDING STRUCTURE

According with the information registered in the Spanish Stock Exchange Commission at June 30th. 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 | 19,740 | 0.01% |
| Corporación Caixa Galicia, S.A. | 13,724,532 | 5.00% |
| Mr. Matias Cortés Domínguez | 100 | 0.00% |
| Mr. Manuel Manrique Cecilia (2) | 24,467,290 | 8.91% |
| Torreal, S.A. (3) | 27,448,667 | |
| Nueva Compañía de Inversiones, S.A (3) | 27,448,672 | 10.00% |
| Prilomi, S.L.(4) | 13,723,533 | |
| Prilou, S.L. (4) | 36,890,776 | 13.44% |
| Grupo Satocán, S.A. | 9,272,262 | 3.38% |
| Participaciones Agrupadas, S.R.L. | 21,955,568 | 8.00% |
| Mr. Francisco Javier Pérez Gracia | 144,162 | 0.05% |

TOTAL BOARD OF DIRECTORS

171,655,064

62.54%

Actividades Inmobiliarias y Agrícolas, S.A. (represented by Mr. Víctor Guillamón) and Rimefor Nuevo Milenio, S.L. are the companies by which Mr. Luis del Rivero Asensio participates in the Company. Actividades Inmobiliarias y

(1) Agrícolas, S.A. has a stake of 6.06% and Rimefor Nuevo Milenio, S.L. has a stake of 7.69%. Mr Luis del Rivero holds the 100% Actividades Inmobiliarias y Agrícolas, S.A.'s equity, and the 61.89% of Rimefor Nuevo Milenio, S.L.'s equity.

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

(3) Directors representing Abelló Group.

(4) 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.