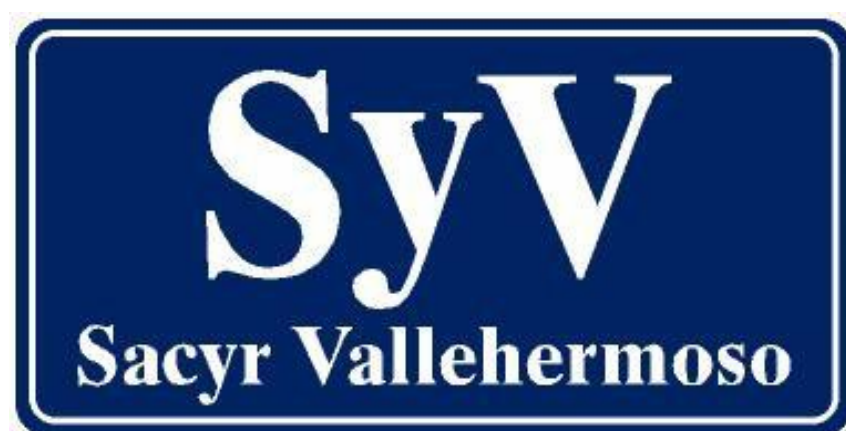


SACYR VALLEHERMOSO

First Half Year
Results 2004



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I. HIGHLIGHTS

OPERATING DATA				June 03	June 04	% Change 04/ 03
<u>CONSTRUCTION-SACYR</u>						
ORDER BOOK		Mn €		2,565	3,126	21.9%
		Months of Activity		19.2	19.8	3.2%
	Domestic/Total	In %		63.1%	61.4%	-2.7%
<u>HOUSING DEVELOPMENT-VALLEHERMOSO</u>						
HOUSING	Committed sales	Nº houses		1,879	1,964	4.5%
		Euros thds €		431,552	467,188	8.3%
LAND	Committed sales	Euros thds €		5,220	21,379	309.6%
LAND RESERVE (End of quarter)		Thds m ²		2,968	3,740	26.0%
	Housing	%		88%	91%	3.4%
<u>CONCESSIONS-ITINERE</u>						
ORDER BOOK		Euros Mn€		13,182	48,836	270.5%
<u>PROPERTY-TESTA</u>						
RENTAL INCOME		Euros thds €		88,926	93,925	5.6%
NET SURFACE (End of quarter)		Thds m ²		1,452.7	1,380.6	-5.0%
OCCUPANCY (End of quarter)		%		96.3	97.5	1.3%

I. HIGHLIGHTS

ECONOMIC FINANCIAL DATA		June 03	June 04	% Change. 04/ 03
NET INCOME	Euros thds €	1,098,071	1,647,648	50.05%
EBITDA	Euros thds €	189,629	341,569	80.13%
by activity:				
	Sacyr/Somague(*)	34,223	72,750	112.58%
	Vallehermoso	56,780	92,433	62.79%
	Itinere	42,375	112,365	165.17%
	Testa	65,331	72,247	10.59%
	Valoriza	68	1,453	2,023.69%
	Others and Holding	-9,149	-9,678	5.78%
NET ATTRIBUTABLE PROFIT	Euros thds €	126,455	138,543	9.56%
EPS	€	0.51	0.56	9.56%
CASH-FLOW	Euros thds €	164,128	222,344	35.47%
Equity (as of end of period)	Euros thds €	1,125,223	1,415,391	25.79%
NET FINANCIAL DEBT	Euros thds €	1,115,870	1,143,000	2.43%
% over Total Financial debt		27.44%	16.6%	-39.50%

*Somague is consolidated at 29.69% in 2003 and at 100% in 2004.

II. FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS				Change
(Thds Euros)		June 03	June 04	03/02
Net Income		1,098,071	1,647,648	50.0%
Other Income		341,725	209,293	-38.8%
Total Income		1,439,796	1,856,941	29.0%
External and Operating expenses*		(1,250,168)	(1,515,372)	21.2%
Gross Operating Profit		189,629	341,569	80.1%
Depreciation		(31,990)	(55,737)	74.2%
Reversion Fund		(8,351)	(17,682)	111.7%
Trade Provisions		5,898	(7,222)	-222.4%
Net Operating Profit		155,185	260,929	68.1%
Financial Results		(58,900)	(77,580)	31.7%
Results from equity accounted subsidiaries		818	3,814	366.4%
Financial Provisions		(7,586)	(146)	-98.1%
Goodwill		(3,230)	(3,160)	-2.2%
Ordinary Profit		86,286	183,857	113.1%
Net Extraordinary Results		64,910	35,492	-45.3%
PROFIT BEFORE TAXES		151,196	219,349	45.1%
Corporate Tax		(22,978)	(60,163)	161.8%
TOTAL PROFIT		128,219	159,186	24.2%
Minorities		(1,764)	(20,643)	1,070.5%
NET ATTRIBUTABLE PROFIT		126,455	138,543	9.6%

*Includes Supplies

RESULTS ANALYSIS

The consolidated first half year 2004 income statement for the SyV Group, is compared to the SyV Group's consolidated figures for the same period in 2003. The comparisons are therefore fully homogeneous. Notwithstanding the above, the effect on 2004 of two corporate events should be highlighted:

- The agreement reached in December 2003, whereby SyV acquired this past June 93.9% of the capital of the Portuguese construction and services group Somague. This signifies its inclusion by global consolidation in 2004, while in 2003 Somague's contribution consolidated proportionately, in line with the group's economic and political percentage holding in the company, which was 29.7%.
- To follow this operation SyV has completed in July a capital share increase of 13,850,948 shares (open until 12 of august 2004), for the remaining 6,07% of the capital.

- The acquisition of 50% of the capital of ENA, a public service transport infrastructure concession group. This transaction closed last October and is included under global consolidation in the concessions business area in the 2004 figures, since the group effectively controls its management.

Turnover

Turnover surged 50.0% to 1,647.6 million euros. This was due to a great extent to the effect of the corporate operations discussed above, together with growth in all areas of business.

Noteworthy are the greater contribution from the concessions business area, the combination of the Ena acquisition and the favorable development in traffic and toll increases, allowing sales in that business to grow 176% to 150.9 million euros.

Worthy of mention is the growth in Sacyr-Somague's construction business, which expanded in a homogeneous perimeter 17.6% to 946.4 million euros. Construction sales represented 57.4% of the group's total sales. This performance was positive in the various geographic areas, although it was more intense in Somague's business, whose revenues rose 40.3% in homogeneous terms to 405 million euros despite the Portuguese market's transitory economic downturn. Sacyr registered 541.3 million euros of income, with a growth of 4.9%.

Housing development business registered 492.3 million of income, which means 29.9% of the total consolidated income and its net income has experienced a significant growth of 61.1% compared to the same period on the year before. Contracted sales, which reflect the performance of the commercial activity of the period, has grown a 11.9%, reaching 488.6 million euros, with a total of 1,964 units sold as of end of July.

Services business line registered a considerable growth of 58.9% up to 30.5 million euros, due to the set up of diverse alternative energies projects and also due to the opening of new services areas on the highway over the last few months.

On the Property business, Testa grew a 2.6% its net income up to 93.9 million euros, due to the update of the prices that were compensated, with a growth of 3.1%, a small reduction of the occupied surface of a 0.5%.

The geographic breakdown of turnover reflects a high domestic component (70.3% of the total). Portugal, through Somague's business, stands out abroad, as does Chile, which to a large extent reflects revenues from operating concessions owned in that country together with construction work executed on their behalf.

The breakdown of turnover by business activity was as follows:

NET INCOME (by activity) (Thds Euros)	June		% Change 04/03
	2003	2004	
Sacyr	516,231	541,311	4.9%
Vallehermoso	305,632	492,334	61.1%
Itinere	54,680	150,954	176.1%
Testa	91,520	93,925	2.6%
Valoriza	19,215	30,529	58.9%
Somague*	85,716	405,087	372.6%
Others	25,077	-66,491	-365.1%
TOTAL	1,098,071	1,647,648	50.0%

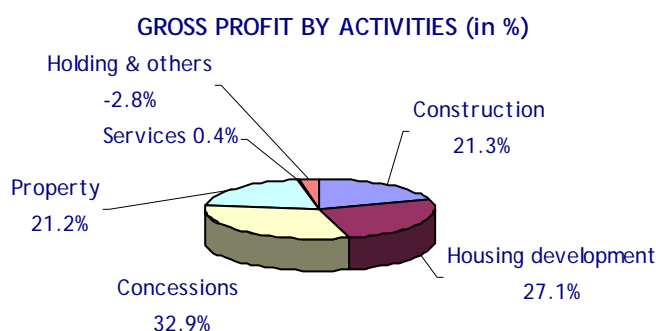
NET INCOME (by greographical area) (Thds Euros)	June		% Change 04/03
	2003	2004	
Domestic	947,981	1,157,881	22.1%
Chile	58,059	78,127	34.6%
Portugal and others*	85,716	405,087	372.6%
USA	6,315	6,554	3.8%
TOTAL	1,098,071	1,647,648	50.0%

*Somague is consolidated at 29.69% in 2003 and at 100% in 2004.

GROSS OPERATING PROFIT (EBITDA)

The group's gross operating profit grew 80.1% on the same period last year to 341.6 million euros. Growth was favorable in all areas of business.

The contribution from management businesses (infrastructure concessions, property management) together with services represented 54% of the total, up to 184.6 million euros. Concessions area of business following the acquisition of Ena was especially noteworthy; implying that Itinere will be the core business contributing towards the group's operating profit (it contributed 32.9% as at June 2004).



Growth and other businesses (construction, residential development, holding) contributed 46% (156.9 million euros) towards consolidated operating profits.

These activities grew a 72.8% compared to 2003 due to organic growth, as well as to the acquisition of the majority of the Somague group.

FINANCIAL PROFIT AND AMORTIZATION OF GOODWILL

The performance of net financial expenses in 2004 (up 31.7% to 77.6 million euros), was due to the following factors.

- Increase in third-party funds financing investments undertaken in the period, especially in the area of concessions, in land purchases for development of new real estate projects, and the acquisition of a building site for 140 million euros for development by Testa of a unique tertiary-use building in Madrid city center.
- Also reflected are the negative exchange rate differences of 16.6 million euros relating to the concessions business in Chile.
- The effect caused by the income on the securities portfolio of 41.2 million euros due to the sale of 100% of an asset holding company which owns a portfolio of rent-controlled properties closed this past March.

Deferred financial expenses originated by operating infrastructure concessions, which rose to 23.8 million euros.

Financial provisions improved their balance in 2004, since no charge was taken like the one for 7.5 million euros taken in the first half of 2003, due to the depreciation of Testa's holding in the listed company Maag Holding.

In 2004, amortization of goodwill posted a charge of 3.2 million euros, similar to the one taken in 2003, since the greater value assigned to shareholders' equity in companies acquired, such as Ena in concessions, has been recognized as the greater value of the assets incorporated, as a consequence of the detailed identification of the value they will generate in the future and the high stability in their revenues, as afforded by their nature of a public service operated under a licensing concession scheme.

ORDINARY REVENUE

Worthy of emphasis is the growing contribution and weight of the various areas of business. After discounting the debt servicing on the financing of their productive asset base, ordinary revenue rose 113.1% to 183.8 million euros in the first half of the fiscal year.

EXTRAORDINARY INCOME

Extraordinary income (35.5 million euros) declined 45.3% year-on-year, due mostly to the sale of a building site owned by the Testa group with a very low historical cost basis, and within the process of asset turnover and positioning characteristic of this business.

This lower contribution of extraordinary income placed the total pre-tax profit at 219.3 million euros, up 45.1% on the same period in 2003.

Growth in net income was softened by two factors: on the one hand, the surge in the tax rate accrued in the period as a result of having exhausted available tax credits in the property management business in the first half of 2003, and on the other, the greater participation of minority shareholders in the earnings generated by group companies (Somague and ENA), implying that attributable profit will reach 138.5 million euros, up 9.6% on 2003.

PORTFOLIO

The portfolio of assured future income in the various business areas as at June 2004 reached 58,061 million euros. The operating margin implicit to the portfolio, as posted in the first half of the year, reached 37,718.3 million euros. This volume of future revenues contained in the business is supported to a great extent at Itinere (84.1% of the total), since it enjoys long periods of assured concessions, thereby allowing for a high forecast and certainty of revenues, with an elevated degree of use of third-party financing specific to each project.

ORDER BACKLOG (Thds Euros)	June		Ebitda O. Book
	O. Book	% Ebitda*	
Sacyr (Order Book)	2,162,999	8.5%	182,790
Somague (O. Book, concessions, services and H. development)	3,400,359	5.3%	179,228
Itinere (Income Portfolio)	48,836,300	73.0%	35,635,366
Tetsa (Rental Income)	1,997,322	77.2%	1,541,159
Vallehermoso (pre-sales Order Book)	722,634	20.8%	150,507
Valoriza (Services Order Book)	941,408	3.1%	29,286
TOTAL	58,061,023	65.0%	37,718,336

*Ebitda Margin as of December 03

III. FINANCIAL STATEMENTS:

CONSOLIDATED BALANCE SHEET			
(Thds Euros)	June 03	June 04	Change
			04/03 (Mn €)
ASSETS			
Fixed assets	3,565,167	7,136,029	3,570,862
Goodwill in Consolidation	101,422	77,939	-23,482
Deferred expenses	372,749	583,714	210,964
Current assets	3,243,121	4,282,326	1,039,205
TOTAL ASSETS/LIABILITIES	7,282,458	12,080,007	4,797,549
LIABILITIES			
Equity	1,125,223	1,415,391	290,168
Minorities Interests	39,260	759,697	720,436
Badwill	14,077	11,238	-2,839
Accruals	51,823	80,725	28,902
Provisions for contingencies and credit expenses	308,760	589,068	280,308
Long term creditors	3,481,748	6,077,896	2,596,148
Short term creditors	2,261,566	3,145,992	884,426

BALANCE SHEET

The expansion of 4,797.5 million euros (up 65.9%) posted on the balance sheet, is due fundamentally to the following factors:

- The incorporation through global consolidation of Somague as opposed to the proportional consolidation carried out in 2003, implying a greater contribution to the balance sheet of 649.2 million euros.
- The acquisition of the Ena concessions group, contributing 2,981 million euros in new assets/liabilities.
- The increase in Vallehermoso's investments in land and product in progress, with an increase of 293.3 million euros and in debtors and other current assets by 316.1 million euros, due to the projected expansion of business and delivery of residential units in the upcoming months.

The composition and movement in the core headings on the balance sheet are shown next.

Fixed assets

The balance as at June 30, 2004 is broken down as follows:

FIXED ASSETS (Thds Euros)	June		Change
	2003	2004	04/03
Start Up Expenses	5,734	13,820	8,086
Net Intangible Fixed Assets	456,745	504,376	47,631
Net Tangible Fixed Assets	2,888,151	6,174,737	3,286,586
Financial Assets & LT debtors	205,126	440,378	235,252
Own shares of the controlling company	9,411	2,718	-6,693
TOTAL	3,565,167	7,136,029	3,570,862

Intangible fixed assets include, among other line-items, 333 million euros pertaining to the purchase through leasing of 12 properties leased to the Endesa group, as well as other assets operated under rental pursuant to a long-term concession, for an additional amount of 105.1 million euros.

The following chapters are the most significant entries under the tangible fixed assets heading: leased land and real estate at €1,579.2 million, and investment in turnpikes and other toll roads at €4,258.2 million, €4,184.5 million of which are roads in operation and €73.7 million are works in progress. The rest is machinery, technical facilities and other fixed assets. The balance of total cumulative depreciation is €431.1 million. During fiscal year 2004 investments in progress in both leased real estate and turnpike concessions have been continued. The addition of a building site for construction of a tertiary-use tower in Madrid for 140 million euros this past month of June is noteworthy.

The financial fixed assets heading includes, inter alia, holdings valued by the equity method worth €199.3 million. Highlighted among these holdings are Somague's investment in services and concessions for 72.8 million euros and Itinere's stake in Alazor (Madrid radial highways 3 and 5) worth 23.7 million euros, the Madrid-South highway for 18.5 million euros, as well as the addition of the Palma-Manacor concessionaire for 7 million euros.

This heading also includes other holdings in the securities portfolio worth €95.3 million. The latter most notably includes MAAG holding with a balance of €38.5 million at the close of the first six months of 2004.

Current assets

The development in current assets is shown below:

CURRENT ASSETS (Thds Euros)	June		Change
	2003	2004	04/03
Inventories	1,670,616	2,073,690	403,074
Debtors	1,236,802	1,935,813	699,011
Cash & ST financial Investments	335,703	272,823	-62,880
TOTAL	3,243,121	4,282,326	1,039,205

Current assets on the whole grew by €1,039.2 million, 32.0% up on the same period in 2003. This is fundamentally due to the following:

- 1.- The aforementioned effect of including the Somague group through global integration, with an additional contribution of €412.8 million in the construction business in the accounts receivable balance.
- 2.- An increase in stock, mainly caused by the increase in stock in the residential development business worth €293.3 million, due to purchases of land and works in progress for new developments .
- 3.- The increase in accounts receivable in the development business by 316.1 million euros as a result of the 53.7% surge in annualized recorded sales and the non-renewal as from the end of last year of Vallehermoso's collection right assignment contracts, which had an assigned balance of €124.7 million in June 2003.

Shareholders' Equity

The €290.2 million increase in shareholders' equity during the period can be explained by a combination of two main factors: the increase brought about by the attributable profit of €346.4 million accrued from June 2003 through June 2004, on the one hand, and on the other hand, the dividends paid in the same period representing a total amount of 103.2 million euros.

The share capital is represented by 245.81 million shares each having a par value of €1.

Financial Debt

Most of the group's financial debt is on the balance sheets of the five main business subsidiaries. In this manner, the structure, kind of financing, terms and financial instruments most suitable for each of them are clearly identified, depending on how cyclical or stable the various business are, such as Testa's property business or Itinere's concessions and Vallehermoso's housing development projects.

As far as the kind of instrument is concerned, bank debt predominates with 75.7% of the total and, with regards to the terms, long-term debt accounted for 81.4% of the total.

At the close of the first half, insured interest rate debt amounted to 49.5% of the aggregate and was mainly concentrated in areas with more recurring business and assets held on the balance sheet for longer (concessions and rental property).

As at June 30, 2004, the group's debt is broken down as follows:

FINANCIAL DEBT (Thds Euros)	SyV Group			Total
	Corporate Debt	Structured Debt	Related to Intensive Cap. Activities	
Long term	668,885	104,338	4,828,915	5,602,138
Short term	474,115	23,020	785,292	1,282,427
TOTAL	1,143,000	127,358	5,614,207	6,884,564

The amount of debt in capital-intensive businesses (concessions, rental property and residential development) reached 5,614.2 million euros, 81.5% of the total.

Among such businesses, it is important to highlight the weight of debt committed to project financing for transportation concessions, which reached €2,814.3 million this past June, 40.9% of the group total and 67.9% of the book value of highway investments, which reached 4,142 million euros at the close of the period. This financing is linked to specific business involving public service concessions, toll highways, which provides great security and stability to the revenues and cash flow generated by the operations. In this regard, worthy of mention is the successful refinancing carried out at two important concessionaires, Audasa and Aucalsa, in the amount of 364 million euros this past June, which was closed at a fixed rate of only 4% for a term of 10 years, supported by the high quality of this business, as discussed above.

In the property holding area, debt is materialized in mortgage loans and leasing agreements amounting to 1,471.7 million, which finance assets under operation. According to the last available valuation by an independent expert, on December 2003, the property assets together with the cost basis of purchases made in the period had a market value of €2,802 million as at June 2003, yielding a loan-to-value ratio of only 52.5%.

Finally, the development business had debt of €1,328.1 million in June to finance the stocks shown on Vallehermoso's balance sheet with a book value of €1,895.6 million. On the same date, contracted homes corresponding to sales pending delivery to customers amounted to €722.6 million and the number of units sold grew 4.5% to 1,964 units.

Structured debt in other businesses, including construction financing by the German method at Sacyr, with 82.1 million euros, and environmental project financing at Valoriza, with another 23.8 million euros, reached a total of 127.4 million euros.

Finally, the group's gross corporate debt, 16.6% of that existing in June, was 1,143 million euros measured against equity of 1,143 million euros on that date, with a relative weighting on the total 39.5% less than in the same period in 2003.

III. DEVELOPMENT OF THE BUSINESS AREAS

CONSOLIDATED PROFIT AND LOSS AS OF 30 TH JUNE 2004									
(Thds Euros)	Sacyr	Itinere	Vallehermoso	Testa	Services	Somague	Holding	Adjustments	TOTAL
Net Income	541,311	150,954	492,334	93,925	30,529	405,087	243	(66,734)	1,647,648
Other Income	21,845	4,518	160,291	553	843	4,370	11,390	5,484	209,293
Total Income	563,156	155,472	652,624	94,478	31,371	409,457	11,633	(61,250)	1,856,941
External and Operating expenses*	(515,243)	(43,107)	(560,191)	(22,231)	(29,919)	(384,620)	(21,912)	61,851	(1,515,372)
Gross Operating Profit	47,913	112,365	92,433	72,247	1,453	24,837	(10,279)	601	341,569
Depreciation	(7,620)	(20,205)	(94)	(14,859)	(1,075)	(8,098)	(3,011)	(775)	(55,737)
Reversion Fund	0	(17,682)	0	0	0	0	0	0	(17,682)
Trade Provisions	(8,365)	(505)	995	(328)	(44)	(1,251)	2,276	0	(7,222)
Net Operating Profit	31,928	73,973	93,334	57,060	334	15,488	(11,015)	(174)	260,929
Financial Results	6,299	(60,948)	(15,910)	16,161	(572)	(9,064)	53,082	(66,628)	(77,580)
Results from equity accounted subsidiaries	(20)	(26)	73	255	0	3,531	0	0	3,814
Financial Assets Provisions	0	0	0	0	0	(146)	0	0	(146)
Goodwill	(88)	(124)	0	0	(133)	(2,287)	0	(529)	(3,160)
Ordinary Profit	38,120	12,876	77,497	73,477	(371)	7,522	42,066	(67,330)	183,857
Net Extraordinary Results	(661)	1,583	281	30,744	(316)	2,188	1,672	0	35,492
PROFIT BEFORE TAXES	37,459	14,459	77,778	104,221	(687)	9,711	43,738	67,330	219,349
Corporate Tax	(11,149)	(6,803)	(27,056)	(20,930)	332	(3,300)	8,742	0	(60,163)
TOTAL PROFIT	26,310	7,656	50,722	83,291	(355)	6,411	52,480	67,330	159,186
Minorities	402	(15,853)	50	0	(22)	(530)	0	(4,690)	(20,643)
NET ATTRIBUTABLE PROFIT	26,713	(8,198)	50,772	83,291	(377)	5,881	52,480	(72,020)	138,543

*Includes other expenses.

III. DEVELOPMENT OF THE BUSINESS AREAS

CONSOLIDATED PROFIT AND LOSS AS OF 30 TH JUNE 2003									
(Thds Euros)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	TOTAL
Net Income	516,231	54,680	305,632	91,520	19,215	85,716	25,403	(326)	1,098,071
Other Income	56,044	24,087	264,116	58	788	517	60	(3,945)	341,725
Total Income	572,275	78,767	569,748	91,578	20,003	86,233	25,463	(4,271)	1.439.796
External and Operating expenses*	(542,559)	(36,392)	(512,968)	(26,246)	(19,935)	(81,726)	(34,612)	4,270	(1,250,168)
Gross Operating Profit	29,716	42,375	56,780	65,331	68	4,507	(9,149)	0	189,629
Depreciation	(6,055)	(7,782)	(87)	(14,049)	(348)	(2,097)	(1,782)	210	(31,990)
Reversion Fund	0	(8,351)	0	0	0	0	0	0	(8,351)
Trade Provisions	3,129	0	(400)	(181)	181	0	3,170	0	5,898
Net Operating Profit	26,790	26,242	56,293	51,101	(99)	2,409	(7,762)	210	155,185
Financial Results	4,330	(14,249)	(11,852)	(21,461)	(65)	(1,222)	37,982	(52,363)	(58,900)
Results from equity accounted subsidiaries	(9)	654	304	99	(230)	0	0	0	818
Financial Assets Provisions	(147)	0	0	(7,439)	0	0	0	0	(7,586)
Goodwill	(88)	(2,289)	(13)	0	(312)	0	0	(529)	(3,230)
Ordinary Profit	30,876	10,358	44,732	22,300	(706)	1,188	30,220	(52,682)	86,286
Net Extraordinary Results	4,826	371	906	68,670	266	260	(3,626)	(6,762)	64,910
PROFIT BEFORE TAXES	35,702	10,729	45,638	90,970	(440)	1,448	26,594	(59,444)	151,196
Corporate Tax	(11,749)	(872)	(15,872)	(1,598)	145	(390)	7,357	0	(22,978)
TOTAL PROFIT	23,954	9,857	29,766	89,372	(295)	1,058	33,951	(59,444)	128,219
Minorities	(458)	(632)	73	0	(100)	(47)	0	(599)	(1,764)
NET ATTRIBUTABLE PROFIT	23,496	9,225	29,839	89,372	(395)	1,010	33,951	(60,043)	126,455

*Includes other expenses.

CONSOLIDATED BALANCE SHEET		AS of June 30th 2004							TOTAL
(Thds €)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	
FIXED ASSETS	467,764	4,743,927	176,518	2,2471,259	75,010	337,202	1,523,450	(1,997,447)	7,797,682
Tangible	41,030	4,142,029	3,642	1,740,406	50,747	98,463	3,464	94,957	6,174,737
Intangible	60,915	802	781	427,751	8,809	984	4,333	0	504,376
Financial and Other	362,971	111,869	166,730	223,503	9,052	164,115	1,513,724	(2,095,047)	456,916
Goodwill	432	619	0	0	605	73,640	0	2,643	77,939
Deferred Expenses	2,415	488,609	5,365	79,599	5,797	0	1,929	0	583,714
CURRENT ASSETS	729,338	194,085	2,624,485	75,341	34,799	587,115	116,390	(79,227)	4,282,326
Stocks	101,469	1,992	1,895,667	192	4,150	51,138	1,224	17,858	2,073,690
Debtors	545,051	72,005	725,438	57,450	26,017	492,239	89,541	(71,930)	1,935,813
Others	82,818	120,087	3,380	17,699	4,632	43,737	25,625	(25,155)	272,823
ASSETS = LIABILITIES	1,197,102	4,938,012	2,801,003	2,546,600	109,809	924,317	1,639,840	(2,076,674)	12,080,007
LONG TERM FUNDS	575,266	4,629,438	1,511,586	2,455,600	71,451	426,151	1,239,531	(1,975,008)	8,934,015
Equity	339,745	235,597	394,528	1,004,426	25,276	189,452	676,584	(1,450,217)	1,415,391
Minorities	903	603,282	3,245	0	2,985	9,385	0	139,896	759,697
Long term creditors	8,607	1,139,224	348,400	39,009	9,708	48,205	228,324	(664,687)	1,156,790
Long term interest bearing debt	226,010	2,651,335	765,414	1,412,166	33,481	179,108	334,623	0	5,602,138
CURRENT LIABILITIES	621,835	308,574	1,289,416	91,000	38,358	498,166	400,309	(101,666)	3,145,992
Creditors	476,508	22,156	566,435	12,369	27,078	237,589	5,718	2	1,347,855
Provisions	26,295	529	71,862	974	352	10,568	9,272	0	119,852
Short term creditors	90,463	122,876	88,467	18,031	4,373	79,963	93,355	(101,668)	395,859
Short term interest bearing debt	28,569	163,013	562,653	59,626	6,556	170,046	291,964	0	1,282,427

CONSOLIDATED BALANCE SHEET		AS of June 30th 2003							TOTAL
(Thds €)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	
FIXED ASSETS	152,824	1,482,206	59,731	2,249,556	58,422	78,107	1,542,886	(1,584,394)	4,039,338
Tangible	22,387	1,145,605	2,837	1,542,348	28,510	24,685	24,289	97,492	2,888,151
Intangible	34,605	94	2,298	406,353	7,002	101	6,292	0	456,745
Financial and Other	67,869	30,163	46,724	203,122	18,522	32,899	1,506,559	(1,685,586)	220,271
Goodwill	608	72,503	0	0	4,187	20,423	0	3,700	101,422
Deferred Expenses	27,355	233,840	7,872	97,733	201	0	5,747	0	372,749
CURRENT ASSETS	1,227,445	263,294	2,018,406	81,676	28,499	181,129	129,592	(686,919)	3,243,121
Stocks	59,769	209	1,602,334	6,804	3,149	18,056	836	(20,540)	1,670,616
Debtors	459,802	34,999	409,321	46,064	15,064	158,099	31,293	82,160	1,236,802
Others	707,874	228,086	6,750	28,808	10,286	4,974	97,463	(748,538)	335,703
ASSETS = LIABILITIES	1,380,268	1,745,500	2,078,136	2,331,232	86,921	259,236	1,672,478	(2,271,313)	7,282,458
LONG TERM FUNDS	841,618	1,389,149	1,136,144	2,202,989	57,124	98,184	901,820	(1,606,135)	5,020,892
Equity	316,173	203,999	375,173	863,780	27,734	47,034	642,552	(1,351,223)	1,125,223
Minorities	1,203	24,100	3,363	0	3,099	1,442	0	6,053	39,260
Long term creditors	17,626	312,958	408,131	44,580	5,856	15,532	13,079	(260,965)	556,797
Long term interest bearing debt	506,615	848,093	349,477	1,294,628	20,435	34,176	246,189	0	3,299,612
CURRENT LIABILITIES	538,651	356,351	941,993	128,243	29,797	161,052	770,658	(665,178)	2,261,566
Creditors	415,741	12,546	636,829	53,659	11,658	65,243	21,320	(10,427)	1,206,569
Provisions	15,776	3,027	54,867	1,206	202	0	867	0	75,945
Short term creditors	79,155	185,946	10,044	13,409	10,284	52,186	516,131	(654,751)	212,404
Short term interest bearing debt	27,979	154,832	240,253	59,970	7,653	43,623	232,340	0	766,649

SACYR/SOMAGUE

The Sacyr's Group's revenues, including the income from owning 100% of Somague, amounted to €946.4 million, up 57.2%. If one uses the same integration perimeter for Somague as in 2003 - 100% - growth was a notable 17.6%, due to the considerable expansion in the works portfolio in the last fiscal year.

The net profit of the construction area (Sacyr + Somague) amounted to €32.6 million, up 33% on the 24.5 million euros in 2003, due both to an increase in business as well as a comparative improvement in margins occurring at the two groups forming the business group.

At the close of June 2004, the works portfolio amounted to €3,125.5 million, equivalent to 19.8 months of business. The increase with respect to 2003, in homogeneous terms (Somague = 100%), was due to the positive and balanced performance of contracting in the period.

The breakdown of the works portfolio is as follows:

PORTFOLIO (Thousands of Euros)	June		% change
	2003	2003	04/03
Spain	1,618	1,919	18.6%
Portugal	806	963	19.4%
Other Countries	141	244	72.9%
TOTAL	2,565	6,125	21.8%

The following is a list of contracts awarded in the period:

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

- Project for construction of the high speed train tranche connecting Galicia and Portugal in the Carballino-O Rixo Lalin tranche for 115.7 million euros.
- Project for construction of the San Jose-San Ramon corridor in Costa Rica, in the toll highway providing access to the San Jose International Airport for 61.1 million euros.
- Supplementary contract no. 1 of the Americo Vesputio International Concession in Chile for 60.3 million euros.
- Construction of 712 housing units in Parla for 40.4 million euros.
- Construction works on line 9 of the Barcelona subway: Segrera-Meridiana transfer point for 22.3 million euros and tranche 1 for 15.3 million euros.
- Project for construction of the high speed train connecting Madrid and Levante in the Sax-Elda tranche for 36.4 million euros.
- Project for construction of the high speed train connecting Madrid-Barcelona-French border in the Llinars-Sant Celoni and Massanet-Macanet tranches for 31.6 and 26.7 million euros respectively.

-Projects for construction of the shadow toll highway to join Palma de Mallorca with Manacor: expansion of C-715 highway between Cami de Sa Siquia and Manacor for 35.8 million euros.

-Various residential developments for the Vallehermoso Group, for a total amount of 84.2 million euros.

Contracting generated by Sacyr for Vallehermoso, which reached 8.5% of the total by June, responds to SyV's objective of nurturing and taking advantage of the synergies existing among the group's various subsidiaries, seeking to increase the total profit by executing works with the group's own means, avoiding taking away from the Group's construction margin part of the construction needs relating to the various businesses, principally in relation to concessions and residential development.

VALLEHERMOSO

Vallehermoso's sales through June 2004 reached 492.3 million euros, up 61.1%. Sales of the residential product were €468.5 million and the rest, €23.8 million, came from the sale of other products and services.

The operating margin on sales stood at 18.8% at June, similar to the 18.6% posted in 2003. In the period, margin performed in line with the targets for the fiscal year aggregate and allowed normalizing the low level posted in the first quarter of the year.

Booked residential sales performed consistently in the period, reaching €467.1 million, up 8.3% with respect to 2003. This increase was supported by the number of units sold, 4.5% more than in the first half of 2003, reaching 1,964 units. As at June 30, there were booked sales pending posting for 722.6million euros. For their part, land sales grew to 21.4 million euros, 4.4% of the total product booked in the period.

Investments made in the purchase of land grew consistently in the first half, with €326.1 million through June, equivalent to 3,739 homes.

Reserves of land for the residential product thus amounted to 3.7 million m2 this past June, which is the equivalent of a total of 22,387 homes and an assured period of business of 4.9 years. This reserve implies a significant increase of 26.0% in the volume of m2 in stocks compared to June 2003 and is the equivalent of 29.6% in growth in the number of housing units in portfolio in the same period. This position in the land reserve sustains solid, long-term business activity as a consequence of a broad-based, geographically diversified portfolio with an adequate degree of urban planning and development.

ITINERE

Itínere's concession business performed well with turnover of €150.9 million, 175.9% up on 2003. Operating income grew 165.1% to 112.3 million euros. This growth was principally supported by Ena joining the group in October 2003 as well as, to a lesser extent, by the sound performance of traffic in the various concessions and the inclusion of new tranches.

The daily traffic intensity recorded in the first half grew in all of the concessions. In the Spain-based concessions growth continued higher than the growth of the economy in general. Growth on the most important routes was particularly notable. Audasa, with 20,846 vehicles/day, grew 2.8% (12.8% in terms of traffic) due to the impact, not reflected in traffic intensities, of the extension in December 2003 of the length of the concession by 13% with the inclusion of the last stretch awarded, the northern access to Ferrol, an extra 24.7 km under operation. Aucalsa and Audenasa enjoyed traffic increases of 9% and 6.3%, respectively, while Avasa's traffic volume grew by 3% in the period. Aunor achieved, once again achieved the highest levels since its opening, growing 5.4% with respect to the same period last year.

The business in Chile, enjoying a high level of assured revenues and subsidies, has shown a progressive acceleration in traffic levels with respect to 2003, in line with economic recovery. Although traffic intensity on the Pacific Routes declined as a consequence of the effect of the opening of the last pending tranche, the southern stretch to Vina del Mar (36 km long), traffic grew a notable 30% (P) due to the increase in penetration and permeability of the road. The two extreme concessions of the Pan-American route (Los Lagos and El Elqui) obtained 6.9% and 3.6% growth, respectively, in number of vehicles.

During the first half of the year, two new concessions were contracted to be added to the current portfolio of 24 held by the Itinere group. The consortium in which Itinere participates with 35% was awarded the tender for development and management of a roadway concession in Costa Rica, specifically the San Jose-San Ramon corridor, the one most traveled by the Central American country and which provides access to San Jose International Airport, to which the Santa Ana-Rio Segundo radial concession has been added. The length of the highway is 60 kilometers and that of the radial highway 7.5 kilometers. The operating term for the concession is 25 years and carries with it doubling and improving the existing stretch, by mobilizing a total investment of 266 million dollars.

Furthermore, in the month of April, the government of the Balearic Islands awarded to the consortium 40% invested by Sacyr Vallehermoso, the development and operation of the shadow toll road joining Palma de Mallorca with Manacor. The shadow toll road project has a length of 41 kilometers. The forecasted investment is 116 million euros. The concession term is 33 years and estimated construction time is 27 months. The concessionaire company, apart from the royalty demanded in function of the number of vehicles which transit the highway, will receive from the regional government fixed payments during the first seven years of the concession for 37 million euros. The estimated traffic for the first year of operation of the highway is 16,000 vehicles/day.

Finally, and within the corporate restructuring process, Itinere reached in the month of May an agreement with the OHL group for the exchange of holdings in certain concessionaires in which both groups hold interests. The agreement, which is subject to obtaining the pertinent authorizations, will imply that Itinere will assign its stakes in Euroglosa 45 (33%)—holder of tranche III of the M-45 highway, and in Aeropistas, S.L. (20%)—holder of the Airport Axis Concessionaire. In exchange, Itinerary will receive as a counterpart from the OHL Group, the latter's holdings in the companies Aunor S.A. of the Region of Murcia (45%), Tacel Inversiones, S.A. (5.9%)—owner of the Central Galician Highway—and Alazor Inversiones, S.A. (6.75%)—owner of the concessions Radial-III and Radial-V in Madrid. Itinere will thus become the most important shareholder at the three companies from which it receives stakes.

The portfolio of recurrent business revenues amounted to 48,836 million euros by June.

Furthermore, 92.1% of the portfolio was located domestically, reaffirming its profile of high security and profitability.

Likewise, the 265.3% increase in fixed assets with respect to the first half of 2003 was due to the concessions included in ENA's subgroup joining the group. At the close of the first half year, the total investment in highways amounted to 4,258.3

million euros, with 73.7 million euros in progress, pertaining to a large extent to development of works on the Santiago de Chile, Americo Vespucio Sur urban circumvallation highway, and to a lesser extent, to the Valle Chacabuco Highway concession (Northeast access), the latter located in the metropolitan area of the Chilean capital.

Finally, the decline in net profit in the first half of the year to -8.2 million euros, was due to a combination of various factors: on the one hand, a surge in operating income (+165.1%) and, on the other and, the negative exchange differences of 16.6 million euros posted as a result of the depreciation suffered by the Chilean peso against the U.S. dollar (reference currency for financing of several concessions in Chile), combined with a greater financial expense assumed for the acquisition of the ENA group. It is estimated that, as the fiscal year progresses, an increase in operating income will be recorded, which will allow achieving an equilibrium in net income for the year on aggregate, given the seasonal nature of traffic at the Spanish concessions, where a good portion of revenues are collected in the third quarter.

TESTA

The revenues earned by Testa during the period were €93.9 million, up 2.6% on 2003. Operating income grew 10.6% to 72.2 million euros, due to the increase in operating margin (76.9% as opposed to 71.4% posted in 2003), thanks to the positioning in production yielding a higher return and lower management costs. The normalization of the tax rate took place in this period following the full application of the tax losses offset last year. Consequently, although pre-tax profit grew 14.6% to 104.2 million euros, the net profit of 83.2 million euros, actually declined 6.8%.

Worthy of emphasis is the entry into rehabilitation as from the second half of last year of two office buildings in Madrid, with an above-ground surface area of 32,491 m². These properties are fully pre-leased to two major tenants. Consequently, adjusted for this effect, the occupancy rate for all properties under management would be 97.5% as of this past June, as opposed to 96.2% in 2003.

Among the investments made in the period, the acquisition in June of land for construction of a tertiary-use tower in the Madrid business district for 140 million euros, is noteworthy. This purchase, made to the Madrid Town Hall, is framed within "Project Ciudad Arena", located in the center/north of the city, and comprising the construction of a unique, 250 meter-high tower having a buildable surface area of 57,672 meters. This will entail consolidating this area within the city's business district and converting it into one of the city's most emblematic and visible areas.

Investments in progress totaled 114.2 million euros at the close of the first half of the year and included 34 million euros invested in 3 senior citizen residences, in various stages of development, as well as other line items assigned to rehabilitation and implementation of various uses.

Until June, the principal portfolio property sold was a building sight located in the city of Meco, Madrid, for 36.2 million euros. Because this asset was long-held by the group, it contributed a high margin of 29.4 million euros.

Furthermore, on March 31, 100% of a company owning 380 mostly residential properties located in Madrid was sold for a price of 47.6 million euros. These properties, subject to rent-control leases, allow, through their sale, freeing up financial resources through generating a capital gain amounting to 41.2 million euros.

VALORIZA

SyV's growing services business is grouped around Valoriza, which achieved revenues of 30.5 million euros through June, up 58.8% on 2003, due to a large extent to the implementation of new projects. Its core business areas are facilities management, alternative energies, waste water management and highway service areas.

Noteworthy because of their importance and potential are Iberese, the alternative energy business, which represented 38% of turnover in the first half and Sadyt, one of the companies enjoying the greatest tradition and historical portfolio in the desalination business.

Various projects were booked during the period in the special energy business, both as regards execution as well as subsequent operation by the group. In the second quarter, the construction of two co-generation plants was booked, with more than 20 MgW of installed power for various industrial customers. In the facet of development and operation, two bio-mass plants located in the province of Jaen were obtained, based on generating electrical energy by drying agricultural mud waste. Consequently, at the close of the first half of the year, a total of 7 plants were in the portfolio, totaling more than 100 MW of installed capacity once the recent adjudications obtained became operative. Furthermore, the stake in Iberese, a leader in the business, was increased in the first half of the year from 50% to 74%, with an investment of P million euros. This transaction allowed consolidating the exposure and control of management of an area which enjoys a high growth potential.

Sadyt, in the water cycle, was awarded within the GEIDA joint venture, two development and operation projects for a period of 25 years for seawater desalination plants in Algiers. The first of these plants, located in Skikda, was adjudicated this past March and has a desalination capacity of 100,000 cubic meters per day. The second project was awarded in the month of May and is located in the region of Beni-Saf, with a desalination capacity of 150,000 cubic meters of seawater per day. With these plants more than 330,000 m³/desalination day installed by Sadyt will be achieved, bringing the total to eight-four in operation and four in development, apart from other facilities dedicated to water

purification and other treatments. In addition, it is worthy of mention that, although included within the corporate structure of the Somague subgroup, the AGS management subsidiary was adjudicated from 3 Edar in Portugal, with an aggregate purification treatment capacity of 330,000 m³/day. In addition, it expanded its integral management contracts with two new assignments in the cities of Faro and Tavira, with a serviced population of 85,000 inhabitants, thus allowing consolidation of its leadership position in the privatized Portuguese water treatment market.

In the first half of the year, Cafestore inaugurated a total of 10 new service areas, 2 located in Galicia and 8 in the Madrid region. This entails a total of 17 points of business, as opposed to the 10 existing this past December. Throughout the fiscal year this figure is expected to rise with another four new openings, pursuant to the forecasted expansion plan, allowing Cafestore to hold third place domestically as an operator of highway hospitality services.

Finally, Valoriza Facilities, specializing in the maintenance and management of all types of real properties, billed P million euros in the first half—estimated to increase considerably throughout the year. This expansion is due fundamentally to contracting generated, with new major accounts, thus allowing a portfolio of close to 200 customers to be reached at the close of June.

IV. BOARD RESOLUTIONS

- **DISTRIBUTION OF DIVIDENDS:** On January 9, 2004, the third interim dividend for fiscal year 2003 in the gross amount of 0.075 euros per share was paid. The dividend distribution had been resolved at the Board of Directors meeting held on December 11, 2003.
- On June 29, 2004, a supplementary dividend for fiscal year 2004 in the gross amount of 0.075 euros per share was distributed. The dividend distribution had been resolved at the Board of Directors meeting held on June 25, 2004.
- In addition, at this same Board meeting, the distribution of the first interim dividend against fiscal year 2004 in the gross amount of 0.077 euros per share was resolved, to be paid on July 28, 2004.

CHANGES TO THE BOARD OF DIRECTORS

The Board of Directors of Sacyr Vallehermoso, S.A., at its meeting held on February 11, 2004, resolved to accept the resignation tendered by Mr. Jose Ramon Calderon Ramos from his post as Member of the Board of Directors, for and on behalf of Almarfe S.L., the owner of 6.3% of SyV's capital.

- At its meeting on June 3, 2004, the Board of Directors of Sacyr Vallehermoso, S.A. resolved to appoint as Chairman of the Board Mr. Luis de Rivero Asensio, replacing Mr. Jose Manuel Loureda Mantinan, who will leave this post due to his age, and as First Vice Chairman and Chief Executive Officer Mr. Manuel Manrique Cecilia. Such appointments shall take effect on November 11, 2004. Mr. Jose Manuel Loureda Mantinan will continue his services after such date as a Company director.
- The Board of Directors, at its meeting held on June 25, 2004, resolved to appoint as directors of Sacyr Vallehermoso, S.A., for a term of five years: Mr. Diogo ALves Diniz Vaz Guedes, who will hold the post of Third Vice Chairman of the Board of Directors and member of the Executive Committee, Mr. Jose Seixas de Queiroz Vaz Guedes and Almarfe, S.L., as represented by Mr. Fernando Martin Alvarez. The said appointments were ratified at the General Shareholders' Meeting held on June 25, 2004.

CAPITAL INCREASES

The Annual General Shareholders' Meeting held on June 25, 2004 approved increasing the share capital by 13,850,948 euros, through the issuance of 13,850,948 shares each having a par value of 1 euro, to service the operation involving the integration of Somague into the Sacyr Vallehermoso Group. These

shares will be exchanged for 16,776,607 shares of Somague SGPS representing 64.28% of Its share capital. The new shares were admitted to trading on the Madrid Stock Exchange on July 21, 2004.

Furthermore, the Annual General Shareholders' Meeting approved increasing the share capital by 6,491,544 euros, through the issuance of 6,491,544 shares each having a par value of one euro, as a charge against freely disposable reserves and in the proportion of one new share for every forty in circulation. The said increase will be carried out in the coming months.

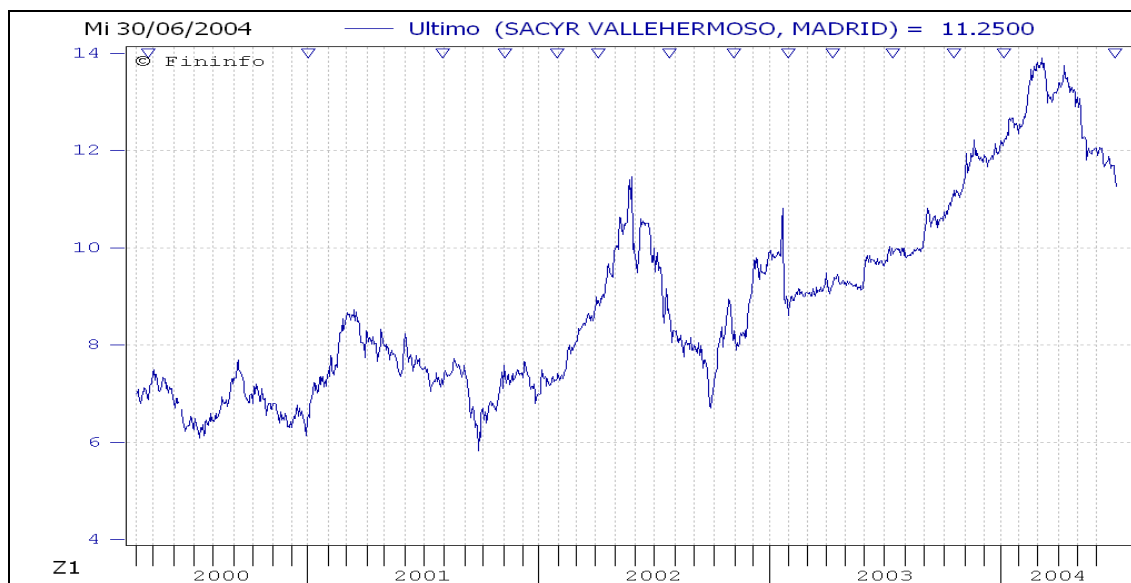
OTHER RESOLUTIONS

At its meeting on June 3, 2004, the Board of Directors of Sacyr Vallehermoso, S.A. approved the new Regulations of the Board of Directors, which took effect after the new Bylaws were approved by the General Shareholders' Meeting.

On June 25, 2004, the Board approved the new Internal Rules of Conduct of Sacyr Vallehermoso, S.A., the new Corporate Bylaws of Sacyr Vallehermoso, S.A., and the Regulations of the General Shareholders' Meeting, which have been forwarded to the Spanish Securities Regulatory Commission for publicity.

V. STOCK PERFORMANCE

	Junio		% Variac. 04 / 03
	2003	2004	
Precio de la acción al cierre (euros / acción)	9,66	11,25	16,46%
Capitalización bursátil, al precio de cierre (Miles de Euros)	2.374.533	2.765.372	16,46%
Beneficio neto por acción (Beneficio atribuido / N° acciones)	Euros 0,51	0,56	9,56%
Cash-Flow neto por acción (Cash-Flow / N° acciones)	Euros 0,67	0,90	35,47%
Volumen de contratación efectivo (Miles de Euros)	2.073.010	889.823	-57,08%
Frecuencia de contratación	% 100	100	
Número de acciones (Miles)	245.811	245.811	
Valor nominal de la acción	1 EURO	1 EURO	



VI. SHAREHOLDING STRUCTURE

A 30 de junio y según la información del registro de participaciones significativas de la C.N.M.V., los Consejeros de Sacyr Vallehermoso, S.A. poseen y/o representan las siguientes participaciones de la misma:

	Nº Acciones	%
Almarfe, S.L.	15.476.414	6,30%
D. Antonio Basagoiti García Tuñón (1)	1.000	0,00%
D. Vicente Benedito Francés	53.103	0,02%
D. Demetrio Carceller Arce (2)	18.000	0,01%
Corporación Caixa Galicia, S.A.	7.374.326	3,00%
D. Matias Cortés Domínguez	100	0,00%
Cymofag, S.L. (3)	17.207.343	7,00%
D. Pedro Gamero del Castillo y Bayo	100	0,00%
D. Francisco Javier Gayo Pozo	5.005.806	2,04%
D. José Manuel Loureda Mantiñán	29.971.078	12,19%
Nueva Compañía de Inversiones, S.A. (4)	22.072.574	8,98%
Participaciones Agrupadas, S.R.L.	15.605.674	6,35%
D. Luis Fernando del Rivero Asensio (5)	33.016.715	13,43%
D. Juan Miguel Sanjuan Jover	9.046.110	3,68%
Torreal, S.A. (4)	22.072.569	8,98%
TOTAL CONSEJO	154.848.343	62,99%

(1) Consejero en representación de BSCH.

(2) Consejero en representación de Disa Corporación Petrolífera, Atlántica Petrogás y Renta Insular Canaria.

(3) Consejero representado por D.Manuel Manrique, quien ostenta una participación significativa en Cymofag, S.L.

(4) Consejeros dominicales en representación del Grupo Abelló. La representación de Torreal S.A. está ya incluida como participación indirecta en la de Nueva Compañía de Inversiones, S.A.

La participación indirecta de D. Luis del Rivero Asensio lo es a través de Actividades Inmobiliarias y (5) Agrícolas, S.A. que ostenta una participación del 5,353% y de Rimefor Nuevo Milenio, S.L., que ostenta una participación del 8,079% y en la que D. Luis del Rivero Asensio participa en un 61,89%.