

SACYR VALLEHERMOSO

1H Results 2003



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I. HIGHLIGHTS

OPERATING DATA			2003
			June 03
GROWTH AREAS			
<u>DEVELOPMENT</u>			
ORDER BOOK		Euros thds €	1,998,670
		Months of Activity	19.9
	Domestic/Total	In %	81.0%
<u>HOUSING DEVELOPMENT</u>			
HOUSING	Committed sales	Nº houses	1,879
		Euros thds €	431,552
LAND	Committed sales	Euros thds €	5,220
LAND RESERVE (End of quarter)		Thds m ²	2,968
		Housing %	88.0%
RECURRENT AREAS			
<u>CONCESSIONS</u>			
ORDER BOOK		Euros thds €	13,182,126
<u>PROPERTY</u>			
RENTAL INCOME		Euros thds €	88,926
NET SURFACE (End of quarter)		Thds m ²	1,452.7
OCCUPANCY (End of quarter)		%	96.3

I. HIGHLIGHTS

ECONOMIC FINANCIAL DATA			June 03
NET INCOME		Euros thds €	1,098,071
EBITDA		Euros thds €	189,629
By activity			
	Growth	Construction	29,716
		Housing Development	56,780
	Recurrent	Concessions	42,375
		Property	65,331
		Services	68
	Others and Holding		(4,642)
NET ATTRIBUTABLE PROFIT		Euros thds €	126,455
EPS		€	0.51
CASH-FLOW		Euros thds €	155,777
GROSS INVESTMENTS		Euros thds €	960,035
	Concessions (fixed assets)	Euros thds €	65,362
	Property (fixed assets)	Euros thds €	406,795
	Land (Stocks)	Euros thds €	285,056
	Work in Progress (Stocks)	Euros thds €	202,822
Equity (as of end of period)		Euros thds €	1,125,223
NET FINANCIAL DEBT		Euros thds €	4,066,261
Project Finance		Euros thds €	1,006,064
Mortgages, Hire purchases and Loans Assoc. Hous. Develop (*)		Euros thds €	1,796,124
Other financing		Euros thds €	1,264,073
	(*) Vallehermoso	Euros thds €	908,540
		Pre-sales stock	852,209
		Stock	1,602,334
	(*) Testa	Euros thds €	1,354,597
		Over/G.A.V.	52.1%

II. FINANCIAL STATEMENTS:

CONSOLIDATED BALANCE SHEET (Thds Euros)	June 02	June 03	Change 03/02 (Mn €)
ASSETS			
Fixed assets	1,627,072	3,565,167	1,938,095
Goodwill in Consolidation	3,561	101,422	97,861
Deferred expenses	10,253	372,749	362,496
Current assets	1,497,831	3,243,121	1,745,290
TOTAL ASSETS/LIABILITIES	3,138,717	7,282,458	4,143,741
LIABILITIES			
Equity	1,006,934	1,125,223	118,289
Minorities Interests	6,594	39,260	32,666
Badwill	601	14,077	13,476
Accruals	11,228	51,823	40,595
Provisions for contingencies and credit expenses	31,988	308,760	276,772
Long term creditors	1,161,261	3,481,748	2,320,487
Short term creditors	920,111	2,261,566	1,341,455

DEVELOPMENT OF THE BALANCE SHEET

The balance sheet 2003 is the result of the takeover of the Sacyr Group by Vallehermoso on May 29, while the balance sheet for the same period in 2002 is for the Vallehermoso Group and does not include the Sacyr Group. Thus, a great deal of the expansion shown on the balance sheet, with growth of 133.2%, is due to the inclusion of the Sacyr Group's assets.

The composition and movement under the main headings on the balance sheet are shown below.

Fixed assets

The balance on June 30, 2003 breaks down as follows:

ASSETS (Thds Euros)	June 02	June 03	Change 03/02
Start Up Expenses	3,795	5,734	1,939
Net Intangible Fixed Assets	74,815	456,745	381,930
Net Tangible Fixed Assets	1,426,359	2,888,151	1,461,792
Financial Assets & LT debtors	109,040	205,126	96,086
Own shares of the controlling company	13,063	9,411	(3,652)
Total Fixed Assets	1,627,072	3,565,167	1,938,095

The intangible fixed assets include the hire purchase of 12 properties from the Endesa group for €385 million last February.

The following chapters are the most significant entries under the tangible fixed assets heading: land and property assets at €1,542 million, and investment in turnpikes and other toll roads at €1,165.80 million, of which €1,068 million are roads in operation and €97 million are works in progress. The rest is machinery, technical facilities, advances and other fixed assets. The balance of total cumulative depreciation is €206.4 million. During the financial year 2003, the investments in progress in both leased properties and turnpike concessions have been continued, without there having been significant additional increases.

The financial fixed assets heading includes holdings consolidated using the equity consolidation method worth €72.0 million, as well as other financial holdings not included in the consolidation perimeter worth €70.2 million. The latter most notably includes MAAG holding with a balance of €38.3 million on June 30, 2002. Other credits worth €82.4 million are also included.

Current assets

The current assets are shown below:

CURRENT ASSETS (Thds Euros)	June 02	June 03	Change 03/02
Inventories	1,141,456	1,670,616	529,160
Debtors	327,639	1,236,802	909,163
Cash & Short term financial investments	27,279	335,703	308,424
Other Current Assets	1,457	0	(1,457)
Total	1,497,831	3,243,121	1,745,290

The current assets as a whole grew by €1,745 million, 116.5% compared with the same period in 2002. This is basically due to the following:

1.- The aforementioned effect of the takeover of the Sacyr Group with a contribution of €700 million from the construction business, which breaks down into €519 million from Sacyr and a further €181 million from its investee company Somague, which operates in Portugal, as well as €263 million from the concession business.

2.- A €529 million increase in inventories, mainly caused by the increase in stock in the residential development business worth €495 million, due to purchases of land and works in progress for new developments (the acceleration in sales expected in 2003 compared to 2002 requires greater investment). The latter aspect has also involved a €125 million increase in current assets under the receivables heading.

Capital and reserves

The €118.3 million increase in capital and reserves during the period can be explained by a combination of two main factors; on the one hand there is the addition of the Sacyr Group's capital and reserves due to the takeover of Grupo Sacyr, S.A. by Vallehermoso, S.A. accounted for as of January 1, and on the other hand, the effect of eliminating the financial holding that the Sacyr Group had in Vallehermoso, worth €568 million (bought in May 2002) which cancels out against the capital and reserves of the merged company.

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

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 the Itinere subgroup's concessions.

The group's debt on June 30, 2003 breaks down as follows:

(Thds €)	As of 30th June								
	SYV	SACYR	ITINERE	SERVICES	TESTA	VALLE.	SOMAGUE	Adjustments	TOTAL
Long term bonds and notes	103,415		124,977	0		0	3,949		232,341
Long term banking debt	142,774	506,615	746,489	26,594	1,294,826	350,914	30,227	(261,168)	2,837,271
Short term bonds and notes	192,160		0	0	0		2,407		194,567
Short term banking debt	40,180	27,979	131,459	1,493	59,772	557,626	41,215	(57,642)	802,082
TOTAL	478,529	534,594	1,002,925	28,088	1,354,597	908,540	77,799	(318,810)	4,066,261

As far as the kind of instrument is concerned, bank debt predominates with an 89.5% share of the total and with regards to the terms, long-term debt accounted for more than 75% of the total.

It is important to highlight the amount of debt committed to project financing, which was €1,006 million in June. This finance is linked to specific business involving public service concessions, which provides great security and stability to the revenues and cash flow generated by the operations.

It is also relevant the weighting of debt financing property activity, materialized in mortgage loans and hire purchases, which totals €1,354 million, which backs yielding assets, that according to the last available valuation by an independent expert made as of December 2002 and adjusted by acquisitions and divestments carried out in the first semester of 2003 (calculated by their effective buy and selling price) had a market value of €2,602 million, which is equivalent to a 52.1% of that market value.

Lastly, housing development activity has a debt of €908.5 million, which finances booked stocks for an amount of €1,602 million. Contracted sales balance totaled €852.2 million at the end of the period.

II. FINANCIAL STATEMENTS:

CONSOLIDATED PROFIT AND LOSS (Thds Euros)	June 02	June 03	Change 03/02
Net Income	302,164	1,098,071	263.4%
Other Income	598	73,356	12,166.9%
Total Income	302,762	1,171,428	286.9%
External and Operating expenses*	(188,717)	(981,799)	420.2%
Gross Operating Profit	114,045	189,629	66.3%
Depreciation	(11,752)	(31,990)	172.2%
Reversion Fund	0,000	(8,351)	
Trade Provisions	(2,144)	5,898	(375.1%)
Net Operating Profit	100,149	155,185	55.0%
Financial Results	(34,633)	(58,900)	70.1%
Results from equity accounted subsidiaries	605	818	35.2%
Financial Provisions	(601)	(7,586)	1,162.3%
Goodwill	(195)	(3,230)	1,556.6%
Ordinary Profit	65,325	86,286	32.1%
Net Extraordinary Results	82,781	64,910	(21.6%)
PROFIT BEFORE TAXES	148,106	151,196	2.1%
Corporate Tax	(22,171)	(22,978)	3.6%
TOTAL PROFIT	125,935	128,219	1.8%
Minorities	(751)	(1,764)	134.8%
NET ATTRIBUTABLE PROFIT	125,184	126,455	1.0%

*Includes Supplies

ANALYSIS OF RESULTS

Sacyr Vallehermoso operating profit of 189.6 million, grew by 66.3% respect of the same period last year. Ordinary profit amounted to €86.3 million, 32% higher than the first half 2002.

Extraordinary profits have almost all come from the sale of property assets, providing profits of €64.9 million. This explains the stable level of Sacyr Vallehermoso's profit after tax in the first half of 2003, which rose to €126.46 million from €125.18 million in June 2002.

The high increase in net turnover, 263.4%, is due to the takeover of the Sacyr Group, as mentioned above, which has made construction sales a large share of the whole - at €602.0 million (including Somague's proportional sales) they were 54.8% of the group's total. Property development was the second largest business at €305.6 million, 27.8% of consolidated revenues.

As for gross operating profits, the contribution of recurring business, infrastructure concessions, property rental and services contributed 56.8% of the total at €107.7 million. Meanwhile the cash generation and growth businesses and others (construction and development of dwellings and holdings) accounted for 43.2%, contributing €81.9 million to the consolidated operating profit.

The performance in turnover by businesses was as follows:

NET INCOME (Thds Euros)	2003
	June
Construction	516,231
Housing Development	305,632
Concessions	54,680
Property	91,520
Services	19,215
Somague	85,716
Others	25,077
TOTAL	1,098,071

NET INCOME (Thds Euros)	2003
	June
Domestic	954,296
Chile	58,059
Portugal	85,716
TOTAL	1,098,071

In terms of geographic distribution, turnover is greatly concentrated in the domestic market with 86.9% of the total. The business in Portugal is due to the proportionate contribution of the 29.69% of Somague held by Sacyr, the top construction company and second-largest company in Portugal in terms of turnover. Lastly, Chile, with 5.3% of the total, includes the income from the infrastructure concessions held and operated in that country.

Operating expenses (general, personnel and supplies) amounted to €990,200. Together with the increase in turnover, this brought about a 66.3% increase over the group's gross operating profit in 2002 to €189.6million.

The financial provisions made are due to the need for provisions worth €7.5 million mainly due to adjusting our holdings in the listed companies WCM and Maag Holdings to their market price.

The 70.1% increase in net financial expenses in the first half of 2003 compared to 2002 is mainly due to the increase in average remunerated debt, caused by the purchase of 12 properties leased from Endesa, increased purchasing of land in order to build the new developments in the first half of 2003 and the inclusion of the Sacyr group's debt, especially the concession debt to finance projects, among other factors.

Extraordinary profits, which have almost all come from the sale of real estate property, providing profits of €64.9 million (21.6% less than in 2002) were largely due to the sale of a housing building leased in Madrid in Calle Emilio Jiménez Millas 2 and Calle Princesa 3. This made total profits before tax €151.2 million, 2.1% higher than the same period 2002.

III. DEVELOPMENT OF THE BUSINESS AREAS

CONSOLIDATED PROFIT AND LOSS AS OF 30 TH JUNE									TOTAL
(Thds Euros)	Sacyr	Itinere	Vallehermoso	Testa	Services	Somague	Holding	Adjustments	
Net Income	516,231	54,680	305,632	91,520	19,215	85,176	25,403	(326)	1,098,071
Other Income	47,646	24,087	224	58	765	517	60	0	73,356
Total Income	563,877	78,767	305,856	91,578	19,980	86,233	25,463	(326)	1,171,428
External and Operating expenses*	(534,161)	(36,392)	(249,076)	(26,246)	(19,912)	(81,726)	(34,612)	326	(981,799)
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		(8,351)						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)			(7,439)				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 Supplies

CONSOLIDATED BALANCE SHEET									
AS of June 30th									
(Thds €)	Sacyr	Itinere	Vallehermoso	Testa	Services	Somague	Holding	Adjustments	TOTAL
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	95,224	264,003	54,596	300,855	18,723	32,899	1,512,306	(1,685,586)	593,020
Goodwill	608	72,503	0	0	4,187	20,423	0	3,700	101,422
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
Long term creditors	18,829	337,057	150,326	44,581	8,955	16,974	13,079	6,256	596,057
Long term interest bearing debt	506,615	848,093	610,645	1,294,628	20,435	34,176	246,189	(261,168)	3,299,612
CURRENT LIABILITIES	538,651	356,351	941,993	128,243	29,797	161,052	770,658	(665,178)	2,261,566
Short term creditors	510,672	201,519	644,098	68,274	22,144	117,429	538,318	(607,535)	1,494,918
Short term interest bearing debt	27,979	154,832	297,895	59,970	7,653	43,623	232,340	(57,642)	766,649

GROWTH AREAS

CONSTRUCTION

The revenue of Sacyr achieved €516.2 million and net profit after tax registered €23.4 million.

The works portfolio amounted to €1,998 million, equivalent to 20 month's business.

The breakdown of the works portfolio is as follows:

ORDER BACKLOG (Thds Euros)	2003
	June
Spain	1,618,380
Portugal	239,270
Others	141,020
TOTAL	1,998,670

The most relevant contracts obtained during the period were as follows:

MAIN CONTRACTS AWARDED	
(Euros)	June 2003
BSCH Bussiness Center	29,946,120
Other buildings	27,519,493
Navalcarnero Townhall	7,665,019
Building	65,130,632
Seville tube	121,854,397
Pajares AVE tunnel	72,168,341
C. Real Airport	63,366,269
AVE Platform Alcira-Algemessí stretch	34,091,755
Other Civil Works	91,371,888
Civil Works	382,852,650
Somague	63,367,020
Others	244,397,607
Total	755,747,909

Total contracts awarded in the first half amounted to €755.7 million. It is noteworthy to mention rail works contracted with GIF (Public Railways Investment Entity) such as high speed train tunnel of Pajares for €72.1 million and the platform for the Alcira-Algemessí stretch worth €34.09 million. Moreover, in February 02 Sacyr was awarded jointly with other companies the construction of the line 1 of the future Seville tube for an attributable workload of €121.8 million.

HOUSING DEVELOPMENT

The sales of Vallehermoso were € 305.6 million with a net profit of €29.8 million. Sales in the housing area registered €297.6 million being the remaining €8 million of sales due to land plots divestments.

Contracted sales in the residential sub-sector consistently grew during the first half of the year, amounting to €431.5 million , which represents 1,879 houses.

Table below shows the pre-sales performance during first semester by geographical area:

CONTRACTED SALES (Thds Euros)	June 2003	
	Sales	Margin*
LAND	5,220	0
DEVELOPMENT	431,552	98,622
Andalusia	61,446	15,473
Canarias	15,775	3,325
Catalonia	72,689	14,900
Central Spain	155,160	26,706
Eastern Spain	58,124	19,523
Northern Spain	68,358	18,695
OTHER PRODUCTS	0	0
TOTAL GROUP	436,772	98,622

*Direct Ebitda (includes sales direct costs only)

During the first half of 2003, the main land purchases made in the various areas were as follows:

<u>Location</u>	<u>Product Equivalent</u>
. Centre	1,508 homes
. East	757 homes.
. North	558 homes
. North-east	372 homes
. Canary Islands	132 homes
TOTAL	3,327 homes

RECURRING AREAS

CONCESSIONS

Itinere, infrastructure concessions company, turnover amounted to €54.6 million with a net profit of €9.2 million.

Average daily traffic showed a consistent performance in all the roads. Remarkably is the growth registered in the most important concession, Avasa, with an intensity of 13,100 vehicles/day and a 6.4% increase over the same period last year.

ADT	June 03
Avasa	13,100
Aunor	9,986
Euroglosa 45	78,755
ADT Aprox	
R-5 Los Lagos	3,191
R-5 El Elquí	2,244
Rutas del Pacífico	13,810
Red Vial Litoral Central	1,612

The breakdown of the income portfolio expected is as follows:

ORDER BOOK	2003
(Thds Euros)	June
Spain	8,104,938
Other Countries	5,077,188
TOTAL	13,182,126

The most relevant contracts obtained during the period were for the Seville Subway, with total expected income of €592.9 million during its concession life.

It is also important to mention the awarding made last May of the privatization of ENA (Spanish National Toll Road Company) to a consortium, lead in a 50% by Sacyr, for €1,586 million. This operation is expected to be completed before year end, and will mean to increase in more than 60% net income of Itinere in 2003. ENA has a total of 436 km in operation broken down into 5 road concessions in Spain and over minorities stakes in Spain and Chile.

Regarding current investments under operation, it is important the contribution of Avasa toll road (Bilbao-Zaragoza) with 300 km long and a 53.5% o total amount invested in the area. Investment works in progress achieved €96.8 million as of last June.

INVESTMENTS (Thds Euros)	June 2003	
	In Operation	Under Construction
Spain (Avasa)	572,271	
ELQUI	194,838	
LOS LAGOS	203,906	
RUTAS DEL PACIFICO	92,251	61,197
RED LITORAL CENTRAL	5,613	13,627
AUTOP. MET.		22,045
Chile	496,609	96,869
TOTAL	1,068,880	96,869

PROPERTY

The net income registered in Testa were €91.5 million with a corresponding net profit of €89.3 million due to the high level of extraordinaries, based on asset sales and low fiscal rate of the period, due to has been used up the existing tax shield of Testa.

The revenue growth over 2002 was basically due to a 19.8% increase in average rentable surface area, a growth of rented surface of 3.7% and an increase in average revenue per unit of 11%, the latter as a consequence of rents price revisions and the incorporation of new assets with higher than portfolio average revenue per square meter.

The factors that explain the change in leasing revenue are shown below:

	2003
Revenue (thousands of euros)	91,520
Average occupied surface area (M ²)	1,343,797
Average revenue per unit (€ /m ² /month)	11.37
Average rentable surface area (M ²)	1,396,153
Occupancy rate	96,2

It is worth pointing out that Endesa has awarded Testa 12 office buildings under lease worth €385 million, which 110,491M². This, has brought about an increase of more than 26% in office space and a rise of approximately 28% in net rental revenues.

The transaction was carried out on February 15, 2003, and was mostly financed through a long term hire purchase (14 years maturity).

PROPERTY (Thds Euros)	SALES 2003	GROSS PROFIT 2003
	June	June
J, Millas 2	58,193	46,050
Princesa 3	12,727	10,041
Others	12,872	11,402
TOTAL	83,792	67,493

The most significant sales of property were the 414 apartments in Calle de Princesa 3 and Calle E. Jiménez Millas 2 for €70.9 million , which contributed a margin of €56 million.

IV. BOARD RESOLUTIONS

- In its meeting on January 29, 2003, the Board of Directors resolved to pay the third dividend for the financial year 2002 of €0.075 per share (7.5% of the par value of the shares). This payment was made on January 31, 2003. In addition, the General Shareholders Meeting, in an extraordinary session on April 3, 2003, resolved to pay a supplementary dividend for the financial year 2002 of €0.075 euros per share. This dividend was paid on April 10, 2003. These dividends are 20% higher than those of the previous year. On July 7, 2003, the Board of Directors resolved to pay a first interim dividend for the financial year 2003 of €0.075 per share (7.5 % of the par value of the shares). This dividend was paid on July 14.
- On January 29, 2003, the Boards of Directors of the Vallehermoso Group and the Sacyr Group approved the takeover of the Sacyr Group by Vallehermoso, S.A. The exchange ratio set was 1 Vallehermoso share per 1.2765 Sacyr Group shares. Vallehermoso's advisor in the transaction was Goldman Sachs International, and the Sacyr's Group's was Schroder Salomon Smith Barney. In order to deal with the exchange needs, Vallehermoso, S.A. carried out an increase in capital of €91,046,810 with the issue of 91,046,810 new shares, listed on the Stock Exchange on May 29, 2003. The merger was approved in the General Shareholders Meeting held in an Ordinary and Extraordinary session on April 3, 2003. The resulting company, renamed Sacyr Vallehermoso, was registered in the Mercantile Registry of Madrid on May 30, 2003.
- On March 26, 2003, the Board of Directors of Vallehermoso, S.A. approved a resolution concerning the improvement of its corporate governance rules.
- On May 28, 2003, SEPI (Public Industrial Portfolio Entity) awarded the privatization of ENA (National toll Road Company) to the Consortium lead by Grupo Sacyr S.A. (50%), together with BSCH (20%), Caixa de aforros de Vigo, Ourense e Pontevedra, Caixanova (10%), Caja de Ahorros de Galicia (Caixa Galicia) (10%), Monte de Piedad y Caja de Ahorros de Huelva y Sevilla (El Monte) (5%), and Torreal S.A. (5%) for a total amount of €1,586 million. This acquisition reinforces the strategic objective of growing in an area of solid and recurrent income, in line with the strategy of the new group.
- In its meeting on June 5, 2003, the Board of Directors accepted the resignation of Mr. Jose María Cuevas Salvador, from all his positions in the Board, the CEO, Mr. Emilio Novela Berlín, and from the directors Mr. John Gómez Hall and Mr. G. Jacobs, expressly stating for the record the Board's recognition of the work they dedicated to the company. To appoint chairman of the Board of Directors and of its Executive Committee Mr. Jose Manuel Loureda Mantiñán and First Vicechairman Mr. Luis del Rivero and Second Vicechairman Mr. Juan Abelló Gallo. As a result of this changes the Board of

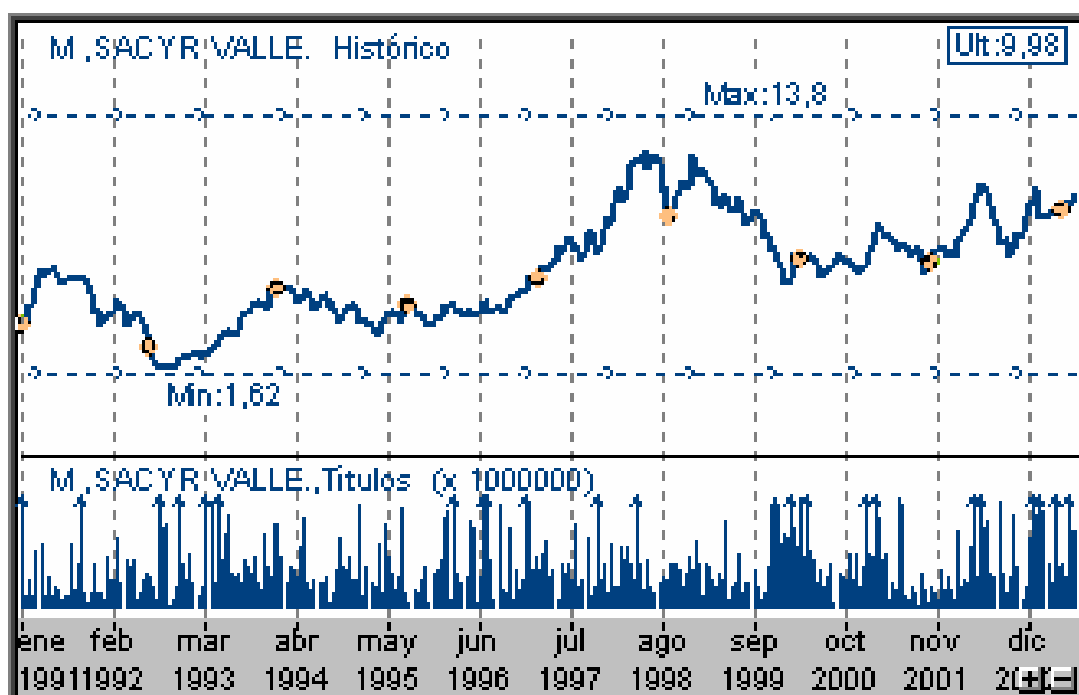
Directors is formed with 14 members: Mr. José Manuel Loureda (Chairman), Mr. Luis del Rivero (First Vicechairman and CEO), Mr. Juan Abelló (Second Vicechairman) and the directors: Mr. Antonio Basagoiti García-Tuñón, Mr. Vicente Benedito Francés, Mr. Jose Ramón Calderón Ramos, Mr. Demetrio Carceller Arce, Mr. Matías Cortés Domínguez, Mr. Pedro del Corro García-Lomas, Mr. Ignacio Ezquiaga Domínguez, Mr. Pedro Gamero del Castillo y Bayo, Mr. Francisco Javier Gayo Pozo, Mr. Manuel Manrique Cecilia y Mr. Juan Miguel Sanjuán Jover.

- On June 25, 2003, the Board of Directors accepted the resignation of Mr. Ignacio Ezquiaga Domínguez, also expressly stating for the record the Board's appreciation for his services rendered to the company and appoint in substitution Participaciones Agrupadas, S.L., which will be represented in its interest by the above mentioned director. In the same meeting was accepted the resignation of Mr. Vicente Benedito Francés as Secretary of the Board, being substituted by Mrs. Marta Silva de Lapuerta.
- On July 30, 2003, the Board of Directors accepted the resignation by Mr. Manuel Manrique Cecilia. In substitution are appointed, in exercise of the power of co-optation, members of the Board of Directors Corporacion Caixa Galicia S.A.U., represented by Mr. Jose Luis Méndez López and CYMOFAG, S.L., which will be represented by Mr. Manuel Manrique Cecilia. On the same date, the Board of Directors approved new rules of its internal conduct code, which has been submitted to the Stock Exchange Commission.

V. STOCK MARKET DEVELOPMENT

June 03

Closing Stock Price (euros p.s.)		9.66
Market Capitalization (Mn Euros)		2,374,533
EPS (Y-o-Y EPS / N° Shares)	Euros	0.51
CFPS (Y-o-Y EPS / N° Shares)	Euros	0.63
Trading Volumen (Thds Euros)		2,073,010
Frecuency of trading	%	100
N° of Shares (Thds)		245,811
Share Nominal Value		1 EURO



VI. SHAREHOLDING STRUCTURE

According to the information registered in the Spanish Stock Exchange Commission, Sacyr Vallehermoso, S. A. directors holds the following number of shares in the company:

	Nº shares	%
D. Juan Abelló Gallo (1)	19,271,445	7.84%
D. Vicente Benedito Francés	47,103	0.02%
D. Antonio Basagoiti Garcia-Tuñon	1,000	0.00%
D. José Ramón Calderón Ramos (2)	15,496,514	6.30%
D. Demetrio Carceller Arce	18,000	0.01%
D. Matias Cortés Domínguez	100	0.00%
D. Pedro del Corro García-Lomas (1)	117,611	0.05%
D. Luis Fernando del Rivero Asensio (3)	33,016,715	13.43%
D. Ignacio Ezquiaga Domínguez	12,292,007	5.00%
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	27,518,495	11.19%
D. Manuel Manrique Cecilia	15,806,458	6.43%
D. Juan Miguel Sanjuan Jover	9,046,110	3.68%

TOTAL Board of Directors	137,637,464	55.98%
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Total N° of shares	245,810,851	100.00%
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(1) Controlling shareholder representatives of Sacyr Vallehermoso representing Torreal, S.A. and Torreal S.C.R.,S.A.

Director representing Almarfe, S.L., owned at 100% by Mr. Fernando Martín Alvarez,

(2) Chairman of Martinsa, Real Estate Group.

(3) Actividades Inmobiliarias y Agrícolas,S.A. and Rimefor Milenio Nuevo,S.L. are the

companies by which Mr. Luis del Rivero Asensio participates in the company. Actividades

Inmobiliarias y Agrícolas has a stake of 5.353% and Rimefor Milenio Nuevo,S.L. a 8.079% in

which Mr. Luis del Rivero Asensio holds a 61.89%.