



FINANCIAL REPORT 2008



First quarter

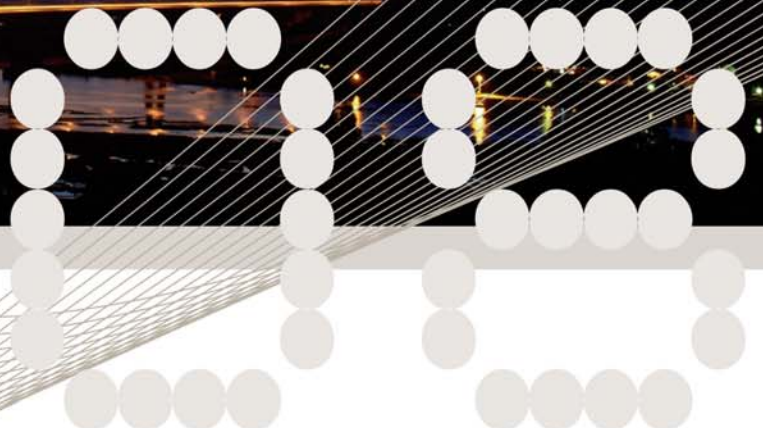


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I. HIGHLIGHTS

OPERATING DATA (Millions of euros)	March 2008	March 2007	% Var. 08/07
CONSTRUCTION - SACYR/SOMAGUE			
ORDER BOOK	6,266	5,725	9.14%
<i>Months of Activity</i>	21.3	23.3	-8.5%
HOUSING DEVELOPMENT - VALLEHERMOSO			
PRE-SALES	114	404	-71.9%
PRE-SALES PORTFOLIO	2,260	2,575	-12.2%
ASSET VALUE (DECEMBER 31)	6,969	7,800	-10.7%
CONCESSIONS - ITÍNERE			
INCOME PORTFOLIO	66,052	59,989	10.1%
<i>KM UNDER CONCESSION</i>	3,784	3,599	5.2%
PROPERTY - TESTA			
ASSET VALUE (DECEMBER 31)	4,725	4,592	2.9%
<i>RENTABLE AREA (Thousand Square meters)</i>	1,555	1,543	0.8%
<i>OCCUPANCY RATE</i>	99.0%	98.7%	0.3%
RENTAL PORTFOLIO	2,951	3,145	-6.2%
SERVICES - VALORIZA			
INCOME PORTFOLIO	10,300	9,947	3.5%

I. HIGHLIGHTS

ECONOMIC-FINANCIAL DATA (Millions of euros)	March 2008	March 2007	% Var. 08/07
TURNOVER	1,320	1,267	4.2%
EBITDA	256	292	-12.5%
Construction (Sacyr – Somague)	57	53	7.4%
Housing Development (Vallehermoso)	23	75	-68.7%
Concessions (Itínere)	111	91	21.5%
Property (Testa)	56	55	2.1%
Services (Valoriza)	16	11	43.0%
Holding and Adjustments	- 8	7	ns
NET ATTRIBUTABLE INCOME	205	203	1.0%
MARKET CAPITALIZATION	6,261,997	11,937,643	-47.5%
Number of outstanding shares (Thousands)	284,636	284,636	
NET EQUITY	3,353	2,370	41.5%
NET CORPORATE DEBT	1,687	1,980	-14.8%

II. STATEMENT OF INCOME

Turnover	1,320,022	1,267,263	4.2%
Other Sales	89,104	53,533	66.4%
Total Income	1,409,126	1,320,796	6.7%
External and Operating Expenses	(1,153,161)	(1,028,257)	12.1%
GROSS OPERATING PROFIT	255,965	292,539	(12.5%)
Depreciation	(83,517)	(65,817)	26.9%
Trade Provisions	(1,272)	(8,601)	(85.2%)
NET OPERATING PROFIT	171,175	218,120	(21.5%)
Financial results	(215,273)	(177,422)	21.3%
Forex results	4,520	825	448.1%
Results from equity accounted subsidiaries	242,258	171,957	40.9%
Provisions for financial investments	(6,435)	61	
Change in value of financial instruments	(1,021)	1,923	
Change in value of assets	(72)	(147)	(51.0%)
Results from sales of non current assets	56	(228)	
PROFIT BEFORE TAXES	195,210	215,089	(9.2%)
Corporate Tax	14,934	(8,938)	
TOTAL PROFIT	210,144	206,151	1.9%
Minorities	(5,012)	(3,034)	65.2%
NET ATTRIBUTABLE PROFIT	205,132	203,117	1.0%

RESULTS ANALYSIS

- As at March 31, the Group's total turnover amounted to €1,320.0 million, up 4.2% with respect to 2007.
- EBITDA stood at €256.0 million, which places the margin on sales at 19.4%.
- Ordinary net income amounted to €205.1 million, entailing a 1.0% increase with respect to the first quarter of 2007.

The financial statements as at March 31, 2008 do not reflect the inclusion of the 33% stake (equity method) in Eiffage held by SyV Group as the French company had not published its quarterly results. Likewise, they were not included as at March 31 2007. On April 17 2008, SyV sold the aforementioned stake.

On December 31 2007, the merger by absorption of Itínere and Europistas was executed. The new listed group has been trading since January 2008 as "Itínere Infraestructuras S.A.". Taking into consideration that the vehicle company enabling Europistas acquisition was not part of the merger, it consolidates into the holding company (SyV) and not into the Itínere-Europistas subgroup, as reported in the first quarter of 2007.

TURNOVER

As at March 31 2008, the Group's turnover amounted to €1,320.0 million, up 4.2% with respect to the first quarter of 2007.

Business areas performed as follows:

TURNOVER (Thousands of euros)	March		% Var 07/06
	2008	2007	
Construction	883,394	738,729	19.6%
Sacyr	717,754	591,280	21.4%
Somague	165,640	147,448	12.3%
Housing Development (Vallehermoso)	233,059	313,314	(25.6%)
Concessions (Itinere)	148,984	119,305	24.9%
Property (Testa)	67,974	67,957	0.0%
Services (Valoriza)	180,951	136,200	32.9%
Holding and adjustments	(194,340)	108,242	(279.5%)
TURNOVER	1,320,022	1,267,263	4.2%

- The construction business posted growth of 19.6%, achieving sales of €883.4 million as at March 31 2008. The positive performance of the construction business in Portugal, entailing an increase in turnover of 12.3%, was driven by a noteworthy increase of 21.4% throughout the Group's market areas, particularly Spain. The high order book as of the first-quarter end of the fiscal year (+10.2%), amounting to €6,308.1 million, guarantees significant business growth in the future.
- Total sales registered in the housing development division reached €233.1 million, down 25.6% with respect to the same period last year.
- In the concessions division, the 24.9% growth in income derives from the favourable traffic performance of the Group's motorway concessions, tariff increase and, to a lesser extent, from the operation of Viastur (inaugurated in May 2007), of the Western stretch of the Nororient Highway in Chile (inaugurated in February 2008), the Moncloa and Plaza Elíptica transport hubs in Madrid (in operation since February 2008 and April 2007 respectively) and two hospitals (Hospital del Noreste and the Hospital de Parla) in the Autonomous Community of Madrid.
- In Property, Testa's registered earnings of €68.0 million, slightly above the figure registered in the first quarter on the previous year. As turnover for 2007 includes €1.9 million received from a client as a result of the early cancellation of his rental contract, the comparable growth of the turnover figure has been 2.4% with rental income increasing 2.7%. This performance has been boosted by the increase in the average occupancy level by 0.7%, the increase in the average unit income of the rental portfolio by 1.8% and an increase of 0.2% in the average rental area for the period.
- The services business recorded a significant growth of 32.9% to €180.9 million as a consequence of Valoriza's organic growth, especially in the Water and Multiservices sectors.

Regarding the turnover registered by geographic areas, 79.2% corresponds to operations in Spain, 9.9% to Portugal through Somague's building activity and Valoriza's services business and the remaining 10.9% corresponds to the construction of newly awarded concessions in Ireland, the income from operating concessions in Chile and the properties rented by Testa in Miami and Paris.

TURNOVER (Thousands of Euros)	March		% Var 08/07
	2008	2007	
Spain	1,045,850	1,002,242	4.4%
Portugal	130,813	194,092	(32.6%)
Chile	49,314	40,159	22.8%
Ireland	30,839		
Other Countries	63,206	30,770	105.4%
TURNOVER	1,320,022	1,267,263	4.2%

GROSS OPERATING INCOME (EBITDA)

The Group's gross operating income was €256.0 million entailing a 12.5% reduction due to the Ebitda performance in the housing development unit despite the Ebitda growth registered by the other divisions.

- The growth businesses (construction, housing development) and holding represent 28.3% of the consolidated operating income, contributing €71.7 million, down 46.2% with respect to 2007.
- The recurrent business activities (infrastructure concessions, rental property and services), represent 74.8% of the total EBITDA, contributing €183.4 million and entailing a 16.3% growth.

GROSS OPERATING PROFIT = EBITDA (Thousands of Euros)	March		% Var 08/07
	2008	2007	
Construction (Sacyr - Somague)	57,068	53,159	7.4%
Housing development (Vallehermoso)	23,360	74,536	(68.7%)
Holding and adjustments	(7,896)	7,163	(210.2%)
Growth activities	72,532	134,858	(46.2%)
Concessions (Itínere)	111,171	91,464	21.5%
Property (Testa)	55,965	54,823	2.1%
Services (Valoriza)	16,297	11,394	43.0%
Recurrent activities	183,433	157,681	16.3%
EBITDA	255,965	292,539	(12.5%)

DEPRECIATION

The depreciation provision – technical and revertible assets – amounted to €83.5 million. The provision corresponding to the heavily invested recurrent activities (infrastructure concessions, rental property and services) accounted for 69.2%. Itínere's business activity accounted for 46.7% of SyV

Group's total depreciation (€39.0 million), 13.3% corresponds to Testa (€11.1 million) and 1.9% to Valoriza (€7.6 million).

FINANCIAL INCOME

Net financial expenses amounted to €215.3 million, against €177.4 million in 2007. This is due to the increase the average indebtedness rate for the period and the increase in the average debt cost.

INCOME FROM COMPANIES CARRIED BY THE EQUITY METHOD

Income from Repsol YPF (20.1% of the €1,212.0 million registered by Repsol YPF in the first quarter of 2008) contributing €182.6 million to net income is reported under this heading. Income from Eiffage is excluded as the French company does not publish quarterly results.

NET INCOME

Total pre-tax income amounted to €195.2 million and net attributable income amounted to €205.1 million, up 1.0%.

INCOME PORTFOLIO

The future income portfolio is €87,870.5 million and is primarily supported by Itínere, with 75.2% of the total. The implicit operating income on the above-mentioned portfolio stands at €54,864.3 million.

The income portfolio has risen 6.4% with respect to March 31 2007 mainly due to:

- various concessions for both civil and building works, representing a 10.2% increase in the construction portfolio.
- new concessions awarded since the first quarter of 2007 such as the N6 Galway-Ballinasloe Highway, Dublin M50 ringroad and the Autovía de Arlanzón entailing a portfolio increase of 10.1%.
- The organic growth registered in the services business entailing a 3.5% increase in the income portfolio.

PORTFOLIO BY BUSINESS ACTIVITY (Thousands of Euros)	March 2008		
	Portfolio	% Ebitda*	Ebitda
Sacyr (Construction portfolio)	5,261,298	7.1%	371,817
Somague (Construction portfolio)	1,004,811	5.7%	57,248
Vallehermoso (Pre-sales portfolio)	2,260,200	25.5%	576,732
Itínere (Revenues portfolio)	66,052,132	76.3%	50,385,905
Testa (Rents to maturity)	2,951,344	79.8%	2,355,094
Valoriza (Services portfolio)	10,299,966	10.8%	1,115,443
TOTAL	87,829,751	62.5%	54,862,239

*Margin of Ebitda as at December 31, 2007

II. CONSOLIDATED BALANCE SHEET

BALANCE SHEET (Thousands of Euros)	March 2008	December 2007	Var 1Q 08
NON CURRENT ASSETS	21,784,507	21,331,247	453,260
Intangible Assets	299,958	290,358	9,600
Real Estate Investments	2,627,740	2,577,780	49,961
Concessions Investments	5,702,182	5,618,612	83,569
Fixed Assets	1,158,177	1,124,357	33,820
Financial Assets	11,518,370	11,236,464	281,906
Other non Current Assets	6,919	12,273	(5,354)
Goodwill	471,161	471,404	(242)
CURRENT ASSETS	8,365,006	8,445,768	(80,762)
Inventories	4,603,111	4,622,812	(19,700)
Accounts Receivable	2,480,022	2,494,885	(14,863)
Financial Assets	73,984	182,070	(108,086)
Cash	1,207,889	1,146,000	61,889
ASSETS = LIABILITIES	30,149,514	29,777,016	372,498
EQUITY	3,650,902	3,492,365	158,536
Shareholder's Equity	3,352,745	2,771,162	581,584
Minority Interests	298,156	721,204	(423,048)
NON CURRENT LIABILITIES	19,589,975	18,577,651	1,012,323
Financial Debt	17,909,686	16,987,105	922,581
Financial Instruments at fair value	42,778	7,265	35,513
Provisions	63,907	64,548	(642)
Other non current Liabilities	1,573,604	1,518,733	54,870
CURRENT LIABILITIES	6,908,637	7,706,999	(798,362)
Financial Debt	3,587,418	4,066,531	(479,113)
Trade Accounts Payable	2,700,412	2,963,737	(263,325)
Operating Provisions	170,486	165,852	4,634
Other current liabilities	450,321	510,879	(60,558)

BALANCE SHEET PERFORMANCE

The balance sheet for the first quarter of 2008 was €372.5 million. Financial assets increased by €281.9 million due primarily to the accounting of the consolidated companies by the equity method.

Similarly, concession projects currently under construction entailed a gross investment of €141.3 million in new assets. The bulk of net investments involve the construction of new energy and water treatment plants for €43.8 million registered in the balance of the services area and in the property area, the construction of the SyV Tower and in various buildings under construction for future operation explain the increase by €11.2 million in property, plant and equipment.

NON-CURRENT ASSETS

Real Estate assets include properties in operation for €2,627.7 million. At the close of the period, investment in progress were maintained such as the SyV Tower and various buildings under construction as future rental property for €2,468.0 million. Other investments in progress include electrical co-generation and generation plants, water and sewer grids and other projects pertaining to the services business for €159.7 million.

Tangible Assets include machinery, technical facilities and other fixed assets. The amount of accrued depreciation totals €354.1 million.

Sacyr Vallehermoso Group has invested €7,085.0 million in concession projects in operation (mainly highways), and €433.1 million in projects under development.

Non-current financial assets include stakeholdings carried by the equity method amounting to €10,444.7 million, of which the investments in the French construction company Eiffage, Repsol YPF and Itínere/Europistas merger are of significant importance. In addition, this heading includes €483.9 million relating mostly to grants for the operation of Itínere's various Chilean concessions, €466.1 million to deferred tax and the remainder relates to amounts charged by SyV Group companies.

CURRENT ASSETS

In the aggregate, current assets amount to €8,365.0 million, down 1.0% since December 2007. The decrease in current financial assets is mainly due to the recognition in December 2007 of the Repsol YPF dividend for €102 million.

NET EQUITY

As at March 31 2008, net equity was €3,650.9 million, up 4.5% with respect to December 2007; 91.8% of the total (€3,352.7 million) corresponded to SyV's net equity and €298.2 million to the Group's minority shareholders. As at March 31 2008, the Group's share capital is represented by 284.6 million shares with a nominal value of €1 each.

FINANCIAL DEBT

As at first-quarter end, net corporate debt amounted to €1,687 million, equivalent to 8.3% of the total debt for the period. Net debt incurred by capital intensive activities amounted to €10,265 million, 50.8% of the total.

The Group's net debt as at March 31 2008 is broken down as follows:

NET FINANCIAL DEBT (Millions of Euros)	March 08	March 07	Asset Value*	LTV
Corporate	1,687	1,980	-	-
Capital intensive activities	10,265	9,015	21,872	46.9%
Testa	2,228	1,871	4,725	47.1%
Itínere - Europistas	4,714	3,947	10,178	46.3%
Vallehermoso	3,324	3,196	6,969	47.7%
Other	8,264	7,839	9,960	83.0%
Eiffage	1,813	1,750	1,920	94.4%
Repsol YPF	5,154	5,175	5,340	96.5%
SyV Participaciones	562	570	-	-
Other	735	344	2,700	27.2%
NET FINANCIAL DEBT	20,215	18,833	31,832	63.5%

*Obtained as market value from the Stock Market, independent expert, analysts consensus or internal valuation of the company.

- **Corporate:**

- Corporate debt includes the note program issued by Sacyr Vallehermoso Group for a nominal amount of €800 million. As at first-quarter end, €89.4 million had been drawn down.

- Debt raised to finance the stakes acquired in Repsol is also included under this heading. Such debt amounts to €1,375 million provided by the credit entities under the same terms as the main loan for said company (see other business activities).

- **Capital Intensive Activities:**
 - The debt attached to transportation concessions reached €4,713.6 million last March. The increase by €164.3 million with respect to December 2007 is mainly due to the raising of debt to fund projects under development. It is worth noting the closing of a bond issue operation in Audasa, a project finance for the Moncloa transport hub (Madrid) and o a refinancing operation in Triagulo do Sol (Brazil). The project financing is 84% without additional recourse thanks to the visibility of the concessions cash flows.

 - In the rental property business, the debt consists of mortgage loans and leasing contracts for an amount of €2,227.6 million to finance operating assets and assets in progress. Thus, according to the latest valuation of cash assets by an independent expert, as at December 31, 2007 debt only represented 47.1% of the above-mentioned value.

 - As for the housing development business, its net debt of €3,323.7 million is aimed at financing the fixed assets appearing on Vallehermoso's balance sheet for an amount recorded on the books of €4,151.6 million. Furthermore, the pre-sales figure (signed housing contracts prior to the delivery of homes) reached €2,260.2 million, covering 68% of the total debt.

- **Other Business Activities:**
 - Bank loans at the end of the quarter for €1,812.5 million finance Eiffage acquisition and have an average maturity of 4 years and an average spread over Euribor (as per the selected term) between 0.34 and 0.58. These loans were cancelled in April 2008 following the sale of stake in Eiffage for €1,920.0 million.

 - The investment in Repsol YPF was financed through a bank loan with a balance as at March 31 of €5,154 million, subject to a 6-year bullet maturity, with a spread over Euribor of 100 b.p. The main guarantees are a pledge on Repsol YPF shares, which would be increased if the quotient between the market value of the pledged shares and the outstanding loan balance goes down from 105% in the first two years (115% in successive years), with the contribution of liquid listed securities or additional cash. Repsol's market value as at March 31 2008 for our stakeholding amounted to €5,340 million.

 - Lastly, structured debt incurred by other business areas pertains mostly to Valoriza's project financing and environmental concessions.

CONSOLIDATED INCOME STATEMENT AS OF MARCH 2008									TOTAL
(Thousands of Euros)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	
Turnover	717,754	148,984	233,059	67,974	180,951	165,640	4	(194,344)	1,320,022
Other Sales	17,434	12,170	559	381	14,819	7,081	12,867	23,793	89,104
Total Income	735,188	161,155	233,618	68,355	195,769	172,721	12,871	(170,551)	1,409,126
External and Operating Expenses	(687,037)	(49,983)	(210,258)	(12,390)	(179,472)	(163,804)	(21,062)	170,846	(1,153,161)
GROSS OPERATING PROFIT	48,151	111,171	23,360	55,965	16,297	8,917	(8,192)	296	255,965
Depreciation	(8,307)	(39,037)	(622)	(11,112)	(7,634)	(3,167)	(859)	(12,780)	(83,517)
Trade Provisions	(1,485)	(1,356)	3,303	(66)	(465)	(1,203)	0	(0)	(1,272)
NET OPERATING PROFIT	38,360	70,778	26,040	44,787	8,197	4,548	(9,051)	(12,484)	171,175
Financial results	10,496	(58,615)	(985)	(21,834)	(3,938)	(3,280)	(136,948)	(169)	(215,273)
Forex results	(153)	3,906	0	0	(146)	912	(0)	1	4,520
Results from equity accounted subsidiaries	(144)	1,354	(0)	(10)	779	12	242,521	(2,253)	242,258
Provisions for financial investments	0	0	0	0	(94)	0	(6,341)	0	(6,435)
Change in value of financial instruments at fair value	0	(995)	0	(26)	0	0	0	0	(1,021)
Change in value of assets at fair value	0	0	0	0	(72)	0	0	0	(72)
Results from sales of non current assets	(27)	23	0	0	193	0	0	(133)	56
PROFIT BEFORE TAXES	48,532	16,451	25,055	22,918	4,919	2,192	90,156	(15,038)	195,210
Corporate Tax	(15,256)	(6,055)	(8,005)	(3,718)	(1,078)	(720)	45,356	4,410	14,934
TOTAL PROFIT	33,276	10,396	17,050	19,200	3,841	1,472	135,511	(10,603)	210,144
Minorities	(411)	(4,857)	(80)	(51)	(553)	25	0	916	(5,012)
NET ATTRIBUTABLE PROFIT	32,865	5,539	16,970	19,149	3,288	1,497	135,511	(9,686)	205,132

CONSOLIDATED INCOME STATEMENT AS OF MARCH 2007									TOTAL
(Thousands of Euros)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	
Turnover	591,280	119,305	313,314	67,957	136,200	147,448	6	(108,248)	1,267,263
Other Sales	8,109	10,185	370	223	6,021	6,557	16,539	5,528	53,533
Total Income	599,390	129,490	313,684	68,180	142,221	154,005	16,545	(102,720)	1,320,796
External and Operating Expenses	(555,120)	(38,027)	(239,148)	(13,356)	(130,827)	(145,117)	(9,382)	102,720	(1,028,257)
GROSS OPERATING PROFIT	44,270	91,464	74,536	54,823	11,394	8,889	7,163	(0)	292,539
Depreciation	(6,796)	(37,592)	(628)	(11,155)	(5,411)	(3,082)	(1,176)	22	(65,817)
Trade Provisions	(5,643)	(1,037)	(25)	(7)	(174)	(1,715)	0	0	(8,601)
NET OPERATING PROFIT	31,831	52,835	73,882	43,662	5,809	4,091	5,987	22	218,120
Financial results	8,199	(50,500)	(2,099)	(19,245)	(2,246)	(2,120)	(109,380)	(31)	(177,422)
Forex results	16	701	0	0	(5)	113	0	(0)	825
Results from equity accounted subsidiaries	0	(5,553)	(1)	(14)	(154)	31	177,649	0	171,957
Provisions for financial investments	0	0	0	0	(6)	0	67	0	61
Change in value of financial instruments at fair value	0	1,821	0	103	0	0	0	0	1,923
Change in value of assets at fair value	(232)	0	367	0	(286)	0	0	4	(147)
Results from sales of non current assets	28	24	(181)	0	(100)	0	0	(0)	(228)
PROFIT BEFORE TAXES	39,843	(673)	71,969	24,506	3,012	2,114	74,323	(6)	215,089
Corporate Tax	(11,963)	168	(23,838)	(5,947)	(380)	(571)	33,583	10	(8,938)
TOTAL PROFIT	27,880	(505)	48,131	18,558	2,631	1,543	107,907	4	206,151
Minorities	(312)	(1,813)	37	(370)	33	46	0	(655)	(3,034)
NET ATTRIBUTABLE PROFIT	27,568	(2,318)	48,168	18,188	2,665	1,589	107,907	(650)	203,117

CONSOLIDATED BALANCE SHEET AS OF MARCH 2008									TOTAL
(Thousands of Euros)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	
NON CURRENT ASSETS	888,182	6,072,680	457,188	3,420,206	836,891	158,212	13,202,214	(3,251,067)	21,784,507
Intangible Assets	28,845	25,669	2	105,732	132,079	1,804	3,207	2,620	299,958
Real Estate Investments	0	0	52,625	2,467,960	0	0	0	107,156	2,627,740
Concessions Investments	52,070	5,010,140	0	0	0	0	0	639,972	5,702,182
Fixed Assets	87,796	33,943	8,636	412,598	523,541	82,306	9,276	80	1,158,177
Financial Assets	719,138	982,627	393,878	431,971	69,729	45,296	13,189,731	(4,314,000)	11,518,370
Other non Current Assets	333	702	1,910	333	5,009	0	0	(1,368)	6,919
Goodwill	0	19,600	137	1,611	106,533	28,806	0	314,473	471,161
CURRENT ASSETS	1,910,877	463,089	4,373,854	661,309	550,136	680,623	353,691	(628,573)	8,365,006
Inventories	343,678	3,087	4,151,653	16,157	28,617	60,376	1,141	(1,596)	4,603,111
Accounts Receivable	1,369,346	257,184	171,687	27,708	436,361	546,935	155,636	(484,835)	2,480,022
Financial Assets	15,035	31,932	1,133	2,552	15,988	3,837	146,678	(143,171)	73,984
Cash	182,818	170,886	49,381	614,892	69,171	69,476	50,236	1,029	1,207,889
ASSETS = LIABILITIES	2,799,059	6,535,769	4,831,042	4,081,515	1,387,028	838,836	13,555,905	(3,879,640)	30,149,514
Equity	474,624	547,675	475,178	1,123,581	295,982	150,773	1,502,288	(919,200)	3,650,902
Shareholder's Equity	465,668	403,239	472,083	1,117,544	287,713	146,314	1,502,288	(1,042,104)	3,352,745
Minority Interests	8,956	144,436	3,096	6,037	8,269	4,459	0	122,904	298,156
NON CURRENT LIABILITIES	302,447	5,448,181	2,455,672	2,531,258	502,193	95,059	10,586,743	(2,331,578)	19,589,975
Financial Debt	141,018	4,626,825	2,276,581	2,484,074	341,928	76,179	7,953,639	9,442	17,909,686
Financial Instruments at fair value	0	13,946	0	0	131	0	28,701	0	42,778
Provisions	6,662	2,279	16,552	3,425	27,882	6,102	1,039	(33)	63,907
Other non current Liabilities	154,767	805,131	162,539	43,759	132,252	12,778	2,603,364	(2,340,986)	1,573,604
CURRENT LIABILITIES	2,021,988	539,913	1,900,192	426,676	588,853	593,003	1,466,874	(628,862)	6,908,637
Financial Debt	190,706	289,597	1,097,679	360,923	159,393	182,476	1,306,338	307	3,587,418
Trade Accounts Payable	1,576,266	33,846	563,372	22,436	266,420	306,968	6,340	(75,236)	2,700,412
Operating Provisions	85,453	1,266	58,052	1,929	3,128	20,439	0	220	170,486
Other current liabilities	169,563	215,204	181,089	41,388	159,913	83,120	154,197	(554,153)	450,321

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31 2007									TOTAL
(Thousands of Euros)	Sacyr	Itinere - Europistas	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	
NON CURRENT ASSETS	899,568	5,945,564	426,849	3,290,251	770,811	159,389	13,010,010	(3,171,195)	21,331,247
Intangible Assets	27,350	24,204	3	106,607	124,555	1,974	3,016	2,649	290,358
Real Estate Investments	0	0	53,848	2,416,337	0	0	0	107,595	2,577,780
Concessions Investments	46,364	4,920,231	0	0	0	0	0	652,017	5,618,612
Fixed Assets	86,998	34,689	8,856	402,247	498,477	84,142	8,890	58	1,124,357
Financial Assets	738,856	946,560	356,701	363,450	36,271	44,509	12,998,103	(4,247,986)	11,236,464
Other non Current Assets	0	0	7,304		4,970	0	0	0	12,273
Goodwill	0	19,880	137	1,611	106,538	28,764	0	314,473	471,404
CURRENT ASSETS	2,028,771	398,525	4,289,725	568,445	502,134	686,916	464,341	(493,086)	8,445,770
Inventories	441,603	3,124	4,078,959	16,157	24,895	58,819	852	(1,598)	4,622,812
Accounts Receivable	1,383,842	238,694	164,520	20,156	402,113	551,727	105,209	(371,374)	2,494,887
Financial Assets	25,896	14,256	1,084	7,262	6,993	3,949	243,041	(120,411)	182,070
Cash	177,429	142,450	45,162	524,871	68,132	72,421	115,238	297	1,146,001
ASSETS = LIABILITIES	2,928,339	6,344,089	4,716,574	3,858,696	1,272,945	846,305	13,474,350	(3,664,281)	29,777,017
Equity	436,701	544,062	458,139	1,119,453	292,782	149,191	1,399,650	(907,613)	3,492,366
Shareholder's Equity	430,409	409,833	455,124	1,113,468	285,157	144,750	1,399,650	(1,467,228)	2,771,162
Minority Interests	6,293	134,230	3,015	5,986	7,625	4,441	0	559,616	721,204
NON CURRENT LIABILITIES	256,876	5,182,849	2,110,345	2,311,658	445,255	114,871	10,420,801	(2,265,003)	18,577,652
Financial Debt	110,790	4,353,520	1,939,962	2,266,980	282,696	95,046	7,928,863	9,248	16,987,105
Financial Instruments at fair value	0	7,174	0	0	92	0	0	0	7,265
Provisions	6,671	1,893	20,232	3,440	25,890	6,089	353	(20)	64,548
Other non current Liabilities	139,415	820,262	150,152	41,238	136,578	13,736	2,491,585	(2,274,231)	1,518,733
CURRENT LIABILITIES	2,234,762	617,178	2,148,089	427,585	534,908	582,244	1,653,900	(491,666)	7,707,000
Financial Debt	196,447	398,605	1,328,432	358,460	149,088	158,540	1,476,735	224	4,066,531
Trade Accounts Payable	1,798,494	36,972	615,732	32,854	229,804	307,966	7,991	(66,076)	2,963,737
Operating Provisions	78,384	2	62,550	1,753	3,085	20,006	62	10	165,852
Other current liabilities	161,437	181,598	141,375	34,517	152,931	95,733	169,111	(425,823)	510,879

III. BUSINESS AREA PERFORMANCE

SACYR/SOMAGUE

Net income surged 19.6% to €883.4 million. Sacyr, the strongest part of the business, contributed €717.7 million, representing an outstanding growth of 21.4% with respect to the previous year and 81.2% of the total. Somague's income grew 12.3% to €165.6 million.

The order book as at March 31 amounted to €6,266.1 million, equivalent to 21.3 months of activity, and representing a 9.4% increase with respect to 2007.

96.4% of the order book is located in the European Union, with 55.1% pertaining to Spain, 24.4% to Italy, 11.8% to Portugal and 5.1% to Ireland. The remaining 3.6% is located in other countries, and mostly pertain to infrastructure concessions projects in Chile and Costa Rica.

The most significant contracts awarded during the first quarter of 2008 are:

- Awarding of the construction of the tunnel connecting Sants-La Sagrera of the Madrid-Zaragoza-Barcelona-French Border high speed line for €154.4 million. The awarded stretch is 5.64 kilometers long and the concession term is 35 months.
- Awarding of the construction of a jetty as part of the Port of Valencia extension project for €193.4 million to the consortium in which SyV holds a stake of 28%.
- Awarding of the Estoril Sol residential complex for €28.5 million to Somague.
- Urbanization works of the "Pedro Muñoz Industrial" project in Ciudad real for €8.1 million.

VALLEHERMOSO

Vallehermoso's income as at March 31 2008 reached €233.1 million, against €313.3 million from the previous year, down 25.6%.

Of the total income amount, €167 million correspond to registration of real state products with a direct gross margin of 24.5% in 2008, (€202 million with a gross margin of 26.7% in 2008), €45 million correspond to land sales (with no margin in 2008) against €109 million in the first quarter of 2007 (with a margin of 42%), and the remainder correspond to income from services. As a result, non-residential sales for the quarter have registered a lower margin than the residential products and that is the reason why the gross margin is lower than on the previous year. The decrease in income is due to two factors: the seasonal factor relating to registrations and the decrease in land sales in the first quarter of 2008 with respect to the same period in 2007.

Residential pre-sales amounted to €113.6 million, 72% below the €404.0 million registered in 2007. This fall during the first quarter will be less accentuated on the whole due to the fact that the business slowdown started during the second half of 2007 and therefore we are comparing the first quarter of 2008 with a more positive period (2007).

As at March 31 unrecorded pre-sales amounted to €2,260.2 million, securing turnover for the next two years.

ITINERE

The concessions business of Itinere recorded an income of €149.0 million, entailing a significant growth of 24.9%.

Gross operating income grew 21.5% to €111.2 million, allowing for an operating margin of 76.3%.

Traffic increased significantly, above the overall economy growth, with positive performance for concessions in Spain, Chile and Brazil. The average weighted ADT of Itinere's highways grew 8.3% by 13,155 vehicles with respect to the same period on the previous year thanks to the positive performance of highways in Spain (+8.1%) and abroad (+8.3%). It is worth noting the double digit traffic growth registered by more mature concessions such as Avasa, AP-1 and Aucalsa with 12.7%, 13.7% and 12.9% respectively. With regard to the international markets, the traffic performance of highways in Chile (+9.9% of weighed average) and in Brazil (+12.3% of Triangulo de Sol) has been very positive.

In Millions of Euros	March 31, 2008		March 31, 2007		% Var.08/07	
	Revenues	ADT	Revenues	ADT	Revenues	ADT
Spain	100.0		88.6		12.8%	
Audasa	36.2	23,009	33.8	22,244	7.1%	3.4%
Avasa	17.7	13,459	15.6	11,940	13.8%	12.7%
AP-1	16.1	20,049	13.9	17,639	16.2%	13.7%
Audenasa	10.2	16,802	9.1	16,127	11.6%	4.2%
Aucalsa	9.1	8,710	7.9	7,717	15.4%	12.9%
Aunor	4.7	12,426	4.2	12,601	12.2%	-1.4%
Autoestradas Galicia	3.2	10,904	3.1	10,664	5.1%	2.3%
Víastur	1.4	20,012	0.0			
Túneles de Artxanda	0.8	16,889	0.7	15,318	15.5%	10.3%
Palma – Manacor	0.7	19,008	0.5	18,234	35.9%	4.2%
Chile	22.6		18.4		23.1%	
Rutas del Pacífico	7.5	24,773	6.1	23,078	22.7%	7.3%
El Elqui	5.6	5,979	4.7	5,592	20.4%	6.9%
Los Lagos	4.3	10,191	3.7	9,401	18.0%	8.4%
Vespucio Sur	3.9	58,187	3.0	47,827	32.0%	21.7%
Red Vial Litoral Central	1.2	3,743	1.0	3,381	21.6%	10.7%
Nororiente	0.1	1,083	0.0	0.0		
Brazil	9.6		7.5		28.3%	
Triangulo do Sol	9.6	6,892	7.5	6,136	28.3%	12.3%
TOTAL TOLL	132.2		114.5		15.5%	
Intercambiador Plaza Elíptica	1.6					
Intercambiador Moncloa	0.4					
Hospital del Noreste	3.6					
Hospital del Sur	3.3					
Other Income	7.7		4.8		60.8%	
TURNOVER	149.0		119.3		24.9%	

In January 2008, the Ministry of Development approved the awarding to Neopistas of a new services area on the A-66, Ruta de la Plata, Zafra-Seville Stretch, PK 680,875 located on the municipality of Calzadilla de los Barros (Badajoz). Neopistas is owned by Itinere and specializes in the management of services areas. The investment amounts to €5.1 million.

The concessions group Itinere held at the end of March 2008, 43 concessions in 7 countries. 35 of them are highway concessions with 25 motorways located in the EU (Spain: 20, Portugal: 3, Ireland: 2), 9 are located in America (Chile: 6, Brazil: 1, Costa Rica: 2) and 1 in Bulgaria. Additionally, Itinere holds 8 concessions of various assets in Spain: 3 hospitals in the Autonomous Community of Madrid; 2 transport hubs in Madrid; 1 metro line in Seville; 1 airport in Murcia and 1 services area company.

13 projects out of the total 43 concessions are currently under development, 30 are fully or partially operative (25 of them are highways totalling 2,778 kilometers; 2 hospitals; 2 transport hubs and 1 services area company).

The recurrent income portfolio amounted to €66,052.1 million at third-quarter end, up 10.1% with respect to the previous year. 86.1% of the portfolio was located in Spain.

At the end of the period, SyV's gross investment in concessions amounted to €7,407.7 million, of which €385.7 million are in progress and pertain mostly to the works on the Autopista Nororiental concession located in the urban area of Chile, together with five shadow toll highways in Spain (Autopista del Turia, Eresma, Barbanza, Guadalmedina and Arlanzón) and two concessions awarded in Ireland.

INVESTMENT (Thousands of Euros)	March 31, 2008		March 31, 2007		% Var. 08/07
	Development	In Course	Development	In Course	
Audasa	2,295,539		2,298,977		-0.1%
Avasa	673,324		669,673		0.5%
Audenasa	436,173	1,177	433,488	606	0.8%
Aucalsa	792,293		787,968		0.5%
Aunor	97,467		97,112		0.4%
Autoestradas de Galicia	171,092	16	170,889		0.1%
Burgos - Armiñón	1,080,784		1,074,962		0.5%
Túneles de Artxanda	52,756		52,071		1.3%
Palma - Manacor	46,908		46,908		0.0%
Viastur	121,393			93,514	29.8%
Neopistas	16,590				
Autovia del Turia		129,039.0		69,217.0	86.4%
Intercambiador de la Plaza Elíptica	59,054			38,125	54.9%
Intercambiador de Moncloa	67,863.0	327.0		41,644.0	63.7%
Autovia del Eresma		67,356.0		13,923.0	383.8%
Autopista del Barbanza		63,022.0		5,844.0	978.4%
Autopista de Guadalmedina		4,587.0		229.0	1903.1%
Autovía del Arlanzón		1,232.0			
Hospital de Parla	83,340				
Hospital del Noreste	93,157				
Aeropuerto de Murcia		4,664			
Spain	6,087,733	271,420	5,632,048	263,102	7.9%
Elqui	225,513		216,075		4.4%
Los Lagos	236,087		226,206		4.4%
Rutas del Pacífico	184,888		176,849		4.5%
Red Vial Litoral Central	36,667		35,040		4.6%
Vespucio Sur	130,293		124,392		4.7%
Triangulo do Sol	80,825	1,837	57,087	7,468	28.0%
Acceso Nororiental	102,960	51,455		79,671	93.8%
Autopista del Valle		3,154		3,390	-7.0%
Autopista del Sol		9,891		461	2045.6%
America	997,233	66,337	835,649	90,990	14.8%
N6 Galway - Ballisnaloe		31,003			
M50 Dublín		16,945			
Ireland		47,948			
TOTAL	7,084,966	385,705	6,467,697	354,092	9.5%

TESTA

As at March 31 2008, Testa's income was €68.0 million. As turnover for 2007 includes €1.9 million received from a client as a result of the early cancellation of his rental contract, the comparable growth of the turnover figure has been 2.4% with rental income increasing 2.7%.

The following table details the change in rental income:

RENTAL PERFORMANCE	March 2008	March 2007	% Var 08/07
Net Rental Income (Thds Euros)	66,183	64,454	2.7%
Average Occupied Surface (m2)	1,529,668	1,516,769	0.9%
Average Rent (€/m2/month)	14.4	14.2	1.8%
Average Rebttable Surface (m2)	1,545,432	1,543,000	0.2%
Average Occupancy Rate (%)	99.0	98.3	0.7%

No significant assets sales took place in the first quarter of 2008 or during the same period last year.

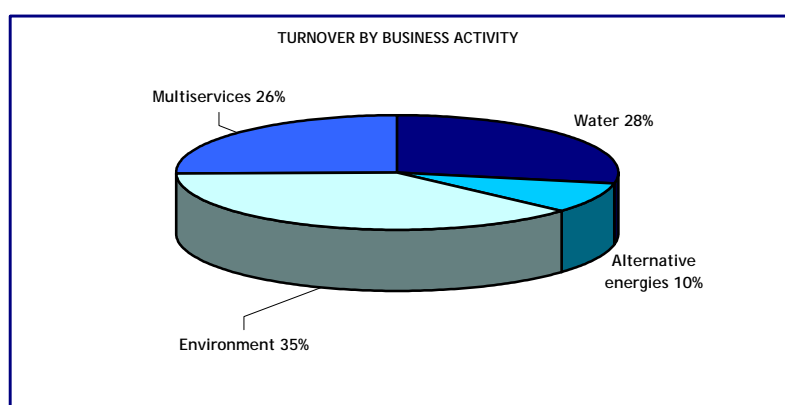
The increase in the average leasable area is due primarily to office buildings.

As at March 31 2008 projects under construction amounted to €374.9 million, the most significant one being SyV Tower, a peculiar multipurpose building located at Madrid's financial district and entailing an investment of €322.4 million. In addition, €29.2 million correspond to various awarded housing development projects in the Community of Madrid, aimed at the youth market under the scheme of renting with an option to buy currently in different stages of development, €12.4 million correspond to a pre-rented elderly home, among others. In total, projects in progress entail 202,467 square meters.

VALORIZA

As at March 31 2008, Valoriza registered €180.9 million, a significant increase of 32.9% compared with the €136.2 million in the same period in 2007. This increase is due to the implementation of new projects, especially in the area of multiservices (integral property maintenance) and environment.

The following chart breaks down income by business area:



- **Environment:**

The environmental business provided an income of €63.6 million, entailing a 11.8% increase with respect to 2007. The increasing presence of SyV group in this sector was due to concessions awarded

for recycling and waste evaluation (urban, sludge, container) and access to other types of services (cleaning, parking meters, etc.)

The most significant business activities currently in operation are:

- Solid waste treatment: 40 Waste Treatment Facilities. Significant presence in Madrid, Valencia, Jerez, Tenerife and the Island of Madeira. Total treatment: 3.8 million metric tons/year.
- Municipal Services:
 - Street cleaning and urban solid waste collection: (most important cities: Parla, Boadilla del Monte, Majadahonda and Moratalaz in Madrid, Cádiz, Lérica, Soria, etc.)
 - Gardening and tree maintenance: more than 300,000 trees
 - Servicing of surface regulated parking: more than 60,000 parking spaces
- Waste water treatment Plant (treatment of 550,000 m³/day) and sludge treatment (670,000 metric tons/year).

During the first quarter of 2008, several projects have been awarded such as the Aranda de Duero Composting of Organic Waste Plant (Burgos) for €7.0 million.

- **Water:**

Water management provided an income of €51.5 million, a 42.2% increase compared with the €36.3 million recorded in the same period last year. Valoriza Agua in Spain and AGS in Brazil and Portugal manage the following:

- Supply to 2.6 million inhabitants in said three countries.
- Management of 1,000,000 customers in Spain, Portugal and Brazil.
- Demand exceeding 180 Hm³.

Sadyt, SyV's subsidiary specializing in water technology has built a waste water plant for Cítricos de Andévalo, a citrus-producing factory with state-of-the-art technology employed to remove 99% of organic and solid contamination providing high quality water for irrigation. The plant is fully compliant with current reuse and chemical spill legislation and has an average installed capacity of 1,000 m³/day. Additionally, it uses the leading water treatment technology of membrane bioreactor (MBR), a landmark in the Spanish food sector. The plant will also house a reverse osmosis facility for the use of high quality water at the factory.

During the first quarter of 2008, Valoriza Agua was awarded the drinking water service concession of Almadén (Ciudad Real) for the next 20 years for €28.5 million.

- **Multiservices:**

In Multiservices, income grew a significant 42.1% to €47.4 million against €33.3 million in the first quarter of 2007. Valoriza Facilities, specializing in property maintenance and management, posted €34.4 million in turnover.

- **Energy:**

Income from the alternative energy business was €18.4 million, up 89.7% with respect to the previous year (€9.7 million).

Valoriza Energía specializes in the development, construction and operation of projects involving energy efficiency and renewable energy. It has built over 80 Cogeneration Plants for private clients with an installed capacity of over 800MW.

Lastly, it is worth noting the awarding during the first quarter of the Portalegre Forestry Biomass Thermoelectric Plant (Portugal) for Hidurbe totalling €93.2 million.

IV. BOARD RESOLUTIONS

DIVIDEND DISTRIBUTION

- On January 11 2008, 2007, the third interim dividend against fiscal year 2007 in the amount of 0.15 euros per share was paid. This distribution was declared at the Board of Directors meeting held on December 5, 2007.
- At its meeting on March 12, 2008, the Board of Directors declared the payment of a dividend in the amount of 0.15 euros per share. This dividend was the last one pertaining to fiscal year 2007, following its approval at the General Shareholders' Meeting entailing a total dividend for 2007 results of €0.60 per share, a 20% increase with respect to the figure for the previous year. Payment was made on April 8, 2008.

OTHER RESOLUTIONS

- The Board of Directors of Sacyr Vallhermoso, S.A. and Itínere Infraestructuras, S.A. signed the Framework Agreement between Sacyr Vallhermoso, S.A. and Itínere Infraestructuras, S.A. establishing the terms of their partnership.

V. STOCK PERFORMANCE

	March 2008	March 2007	% Var 07/06
Market price at closing (euros per share)	22.00	41.94	-47.54%
High of the year	26.90	50.00	-46.20%
Low of the year	17.37	36.23	-52.05%
Market Capitalization at closing (Thds Euros)	6,261,997	11,937,643	-47.54%
Trading Volume (Thds Euros)	947,360	1,489,003	-36.38%
Average Trading Volume (Number of Shares)	728,269	532,443	36.78%
Liquidity	%	100	100
Number of Shares (Thousands)	284,636	284,636	
Share Nominal Value	1 EURO	1 EURO	



VI. SHAREHOLDER STRUCTURE

According to the information registered on the Spanish Stock Exchange Commission (CNMW) as at March 31, Sacyr Vallehermoso S.A's Directors hold and/or represent the following number of shares in the Company:

	%
Actividades Inmobiliarias y Agrícolas, S.A. (1)	
Mr. Luis del Rivero Asensio (1)	13.75%
Prilomi, S.L.(2)	
Prilou, S.L. (2)	13.50%
Torreal, S.A. (3)	
Nueva Compañía de Inversiones, S.A. (3)	9.00%
Mr. Manuel Manrique Cecilia (4)	9.13%
Participaciones Agrupadas, S.R.L.	8.00%
Mr. Demetrio Carceller Arce (5)	6.05%
Sofip, Sociedade Gestora de Participações Sociais, S.A (6)	5.09%
Mutua Madrileña Automovilista	5.01%
Mr. José Luis Méndez López (7)	5.00%
Caixanova	3.50%
Mr. Juan Miguel Sanjuán Jover (8)	3.48%
Mr. Francisco Javier Pérez Gracia	0.05%
Mr. Matias Cortés Domínguez	0.00%

TOTAL BOARD OF DIRECTORS

81.57%

Mr. Luis del Rivero Asensio has an indirect holding through Actividades Inmobiliarias y Agrícolas, S.A. (represented by Mr. (1) Víctor Guillamón Melendreras) which holds a 6.06% and through Rimefor Nuevo Milenio, S.L., with a 7.69% holding. Mr. Luis del Rivero Asensio has stake of 100% and 61.89% respectively.

(2) Prilou, S.L., represented by Mr. Jose Manuel Loureda Mantiñán, has a direct holding of 8.4% and a 5% indirect holding through Prilomi, S.L., represented by Mr. Jose Manuel Loureda López.

(3) Directors representing Grupo Abelló.

(4) Manuel Manrique Cecilia has an indirect holding through Cymofag, S.L., with a stake of 9.13% and in which D. Manuel Manrique has a 100% holding.

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

(6) Represented at the Board of Directors by Mr. Diogo Alvez Diniz Vaz Guedes

(7) Directors representing Corporación Caixa Galicia, S.A .

(8) Indirect stake through S.G.T, S.A., in which Mr. Juan Miguel Sanjuán Jover holds 49.73%.