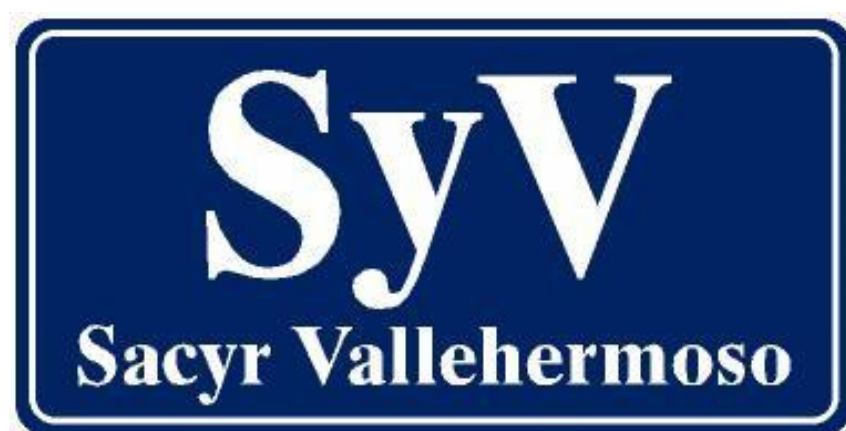


SACYR VALLEHERMOSO

First Quarter Results 2004



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I. HIGHLIGHTS

OPERATING DATA		March		%	
		2003	2004	Change	
<u>CONSTRUCTION - SACYR</u>					
ORDER BOOK	Euros Mn €	2,683	2,971	10.7%	
	Months of Activity	21.4	19.8	-7.6%	
	Domestic/Total	In %	57.5	59.5	3.6%
<u>HOUSING DEVELOPMENT - VALLEHERMOSO</u>					
HOUSING	Committed sales	N° houses	771	949	23.1%
		Euros thds €	178,125	221,398	24.3%
LAND	Committed sales	Euros thds €	1,531	2,704	76.6%
LAND RESERVE (End of quarter): TOTAL		Thds m ²	2,750	3,598	30.8%
	Housing	%	88.0	91.0	3.4%
<u>CONCESSIONS - ITINERE</u>					
ORDER BOOK		Euros thds €	12,998	33,612	158.6%
<u>RENTAL PROPERTY - TESTA</u>					
RENTAL INCOME		Euros thds €	42,802	44,597	4.2%
NET SURFACE (End of quarter)		Thds m ²	1,437.8	1,396.0	-2.9%
OCCUPANCY (End of quarter)		%	94.7	94.5	-0.2%

I. HIGHLIGHTS

ECONOMIC FINANCIAL DATA			March		%
			2003	2004	Change
NET INCOME		Euros thds €	515,787	739,142	43.30%
EBITDA		Euros thds €	131,737	142,572	8.22%
By activity:	Growth	Construction	45,566	37,718	-17.22%
		Housing Development	36,697	20,150	-45.09%
	Recurrent	Concessions	18,806	52,216	177.65%
		Property	32,078	35,022	9.18%
		Services	154	188	21.42%
		Others and Holding	-1,564	-2,721	73.90%
NET ATTRIBUTABLE PROFIT		Euros thds €	113,346	79,361	-29.98%
EPS		€	0.46	0.32	-29.98%
CASH-FLOW		Euros thds €	144,560	123,086	-14.85%
Equity (as of end of period)		Euros thds €	1,175,810	1,374,257	16.88%
CORPORATE DEBT		Euros thds €	814,718	1,000,525	22.81%
% Over Total Financial Debt		%	22.14%	15.12%	-31.67%

II. FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS				Change
(Thds Euros)	Mar. 03*	Mar. 04	04/03	
Net Income	515,787	739,142	43.3%	
Other Income	109,519	137,276	25.3%	
Total Income	625,306	876,417	40.2%	
External and Operating expenses**	(493,569)	(733,845)	48.7%	
Gross Operating Profit	131,737	142,572	8.2%	
Depreciation	(16,138)	(27,229)	68.7%	
Reversion Fund	(1,866)	(8,163)	337.5%	
Trade Provisions	(3,727)	(6,371)	70.9%	
Net Operating Profit	110,006	100,810	-8.4%	
Financial Results	(26,083)	(16,987)	-34.9%	
Results from equity accounted subsidiaries	540	327	-39.4%	
Financial Provisions	(7,898)	(208)	-97.4%	
Goodwill	(1,585)	(1,754)	10.7%	
Ordinary Profit	74,979	82,188	9.6%	
Net Extraordinary Results	61,946	30,919	-50.1%	
PROFIT BEFORE TAXES	136,925	113,107	-17.4%	
Corporate Tax	(22,003)	(25,028)	13.7%	
TOTAL PROFIT	114,922	88,079	-23.4%	
Minorities	(1,576)	(8,718)	453.2%	
NET ATTRIBUTABLE PROFIT	113,346	79,361	-30.0%	

**Includes Supplies

*Pro-forma Sacyr Vallehermoso

ANALYSIS OF RESULTS

TURNOVER

The consolidated profit and loss account for the first quarter 2004 for the SyV Group, created in May 2003, is compared with the pro forma figures for the SyV for the same period 2003, so the bases for comparison are completely homogeneous. However, it is worth mentioning the effects of two corporate events in 2004:

- The agreement reached in December 2003 whereby SyV will purchase most of the capital of the Portuguese construction and services group Somague in 2004. This means that it has been included through global consolidation in 2004, while in 2003 Somague's contribution was included through proportional consolidation in line with the group's percentage economic and political holding in the company, which was 29.69%.

- The acquisition of 50% of the capital of ENA, a public service transport infrastructure concession group. The formalities of the deal were carried out last October and it is included through global consolidation in the infrastructure

concession area in the 2004 figures, since the group effectively controls its management.

The 43.3% sharp rise in turnover to €739.1 million is largely due to the effect of the aforementioned corporate transactions. The greater contribution from the concession area stands out, which is a combination of the acquisition of Ena and the positive growth in traffic and price increases, which enabled this activity to achieve a growth of 174.9% in sales to €71.4 million.

Construction and services had positive organic growth, meanwhile, housing development and property shown a performance in line with their targets for the period.

There was notable growth in Sacyr-Somague's construction business, with a 19.8% L-f-L expansion to €451.2 million. This performance was balanced among its various geographical areas, though more intense in Sacyr's business in Spain, with a 28.2% rise in income to €279.8 million. This is explained by the long length of the works portfolio existing at the start of the financial year. Somague had income of €171.4 million, with 8.2% growth at a comparable consolidation perimeter, despite the temporary period of low activity in the Portuguese market. The service activity saw a considerable 61% increase to €13.2 million, as a result of putting various alternative energy projects into operation and opening new expressway service areas in recent months.

It is important to point out that the fall in sales under development, down 8.1% to €161.4 million, is entirely due to the seasonality of the annual production schedule recorded in the first quarter. Moreover, activity performance, measured by contracted sales, met a comfortably 24.3% rise up to €221.4 million at the end of the period, with a rise of a 23.1% in the number of units sold up to 949 houses.

Lastly, Testa's property business saw a 2.7% rise in income to €45.4 million, thanks to rent reviews, which more than offset the 2.9% fall in surface area under operation due to the rotation of assets carried out last year and the fact that the inclusion of new rental assets will start to take place in the second quarter of the year.

The change in turnover by businesses was as follows:

TURNOVER by business area (Thds Euros)	March		% Change
	2003	2004	03/04
Construction	265,255	451,228	70.1%
-Sacyr	218,217	279,833	28.2%
-Somague	47,038	171,395	264.4%
Vallehermoso	175,673	161,377	-8.1%
Itinere	25,986	71,439	174.9%
Testa	44,197	45,413	2.7%
Valoriza	8,220	13,234	61.0%
Others	-3,544	-3,549	0.1%
TOTAL	515,787	739,142	43.3%

The geographical distribution of turnover was largely domestic, with Spanish income accounting for 71.6% of the total. The foreign countries where the group does the most business are Portugal, through Somague, and Chile, which mainly includes the concessions owned and under operation in that country together with the works carried out on them.

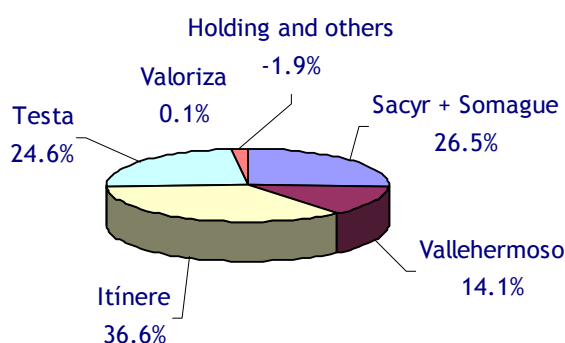
TURNOVER by geographical area (Thds Euros)	March		% Change
	2003	2004	03/04
Spain	437,064	529,010	21.0%
Chile	28,368	35,433	24.9%
Portugal	47,038	171,395	264.4%
EEUU	3,317	3,303	-0.4%
TOTAL	515,787	739,142	43.3%

GROSS OPERATING PROFIT

The group's gross operating profit of €142.6 million was 8.2% up on the same period in the previous financial year. This was due to the lower contribution of various businesses during the period, explained by the seasonality of construction and development, and founded the basis for the increase in the operating surplus in the areas that are most stable and have the highest operating margin: concessions and property.

The contribution of the property businesses (infrastructure concessions and property rental) together with services contributed 61.3% of the total with €87.4 million, while in 2003 its contribution was just 38.7% with €51.0 million. This growth in its share is due to the heavy investment made in these two areas throughout 2003, which have made it possible to boost the robustness and quality of the group's operating cash flow.

GROSS OPERATING PROFIT BY ACTIVITY



Growth businesses and others (construction, housing development and holdings) accounted for 38.7%, contributing €55.1 million to consolidated operating profit, while in 2003 the same businesses contributed €80.7 million, equivalent to 61.3% of the gross operating profit to date.

It is important to stress the seasonality of the margins in the construction business in the first quarter last year and those for development business in 2004, which together have produced operating profit 41% lower than in the same period last

year. In construction this is due to the effect of recording the income from certain works with a very high margin, which averaged out at more usual levels over the last financial year as a whole. Similarly, the housing development business has had a margin below regular levels but in line with its targets, because of the inclusion of several developments with a lower contribution than that forecasted for the average of the developments in progress, and will return to normal levels over the year as a higher volume of sales is made and levels of operating profit similar to those for 2003 as a whole are seen.

FINANCIAL RESULTS AND AMORTIZATION OF GOODWILL

Net financial profits performed very well in 2004, with a 34.9% fall to €17.0 million, still more so if one bears in mind the volume of outside financing for the investment made in 2003, especially in concessions. This change was the result of both a fall in the average cost of debt, the positive effect of the €41.2 million profit from the securities portfolio, generated by the sale in March of 100% of a property company that owns a portfolio of residential units that has more than offset a negative exchange rate charge of €8.7 million from toll road concessions in Chile. Capitalized and deferred financial expenses, from infrastructure concessions under development and under operation, amounted to € 0.15 million and €13.8 million, respectively.

The financial provisions balance improved in 2004, as no provision was made like the €7.5 million provision at the end of March 2003, caused by the depreciation of Testa's holding in the listed company Maag Holding.

Amortization of goodwill in 2004 produced a charge of €1.7 million, similar to that carried out in 2003, since the higher market value assigned in the acquisition of companies, such as Ena in concessions, has been recognized as a higher value of included assets, as a result of the detailed identification of the value to be generated in the future and the high stability of its income enabled by the fact it runs public service concessions.

ORDINARY PROFIT

The growing contribution of the net operating profit coming from different business areas, after servicing debt funding its assets, rose a 9.6% compared to 2003 up to €82.2 million at the end of March.

EXTRAORDINARY PROFITS

Extraordinary profits, worth €30.9 million, were 50.1% lower than the year before and mainly came from the sale of a plot with a very low historic cost by the Testa group, as part of the rotation and positioning process inherent to the business. The lower contribution from extraordinary profits and the abovementioned temporarily low contribution of the construction and development businesses during the period made total profit before tax €113.1 million, 17.4% lower than the same period in 2003.

The sharp rise in the tax payable in the period due to using up the tax credits available in the property business in the first half of 2003, together with the higher

shares of minor shareholders in the profit of group companies (Somague and ENA) left attributable profit of €79.4 million, 30.0% lower than in 2003.

INCOME ORDER

The portfolio of assured future income in the various business areas in March 2004 amounted to €42,455.6 million, a 2.2% more than in December 2003, with an implied operating margin, according to the margin obtained in the last year, of €26,571.3 million. This large volume of future income is mainly due to Itinere, with amounted to 79.2% of the total, whose long guaranteed concession periods allow highly foreseeable and certain income and a high degree of specific outside financing used for each project.

ORDER BOOK	(Thds Euro)		
March 2004	Order Book	% Ebitda*	O.Book Ebitda
Sacyr (Order Book)	2,033,127	8.5%	171,815
Somague (Order Book)	3,377,506	5.3%	178,023
Itinere (Concessional Income)	33,612,053	73.0%	24,526,383
Testa (Lease contracts to maturity)	1,957,100	77.2%	1,510,103
Vallehermoso (Pre-sales Book)	784,932	20.8%	163,482
Valoriza (Income Order)	690,940	3.1%	21,494
TOTAL	42,455,631	62.6%	26,571,301

*Ebitda margin as of end of the period

** Income portfolio corresponding to 2003.

II. FINANCIAL STATEMENTS:

CONSOLIDATED BALANCE SHEET				Change
(Thds Euros)		Mar. 03*	Mar. 04	04/03
ASSETS				
Uncalled Share Capital		0	0	0
Fixed assets		3,537,908	6,856,745	3,318,837
Goodwill in Consolidation		108,375	83,293	(25,082)
Deferred expenses		360,432	578,949	218,516
Current assets		2,626,202	4,126,600	1,500,398
TOTAL ASSETS/LIABILITIES		6,632,918	11,645,587	5,012,669
TOTAL ASSETS/LIABILITIES				
Equity		1,175,810	1,374,257	198,446
Minorities Interests		36,010	744,931	708,921
Badwill		13,879	612	(13,266)
Accruals		54,220	145,454	91,234
Provisions for contingencies and credit expenses		311,447	580,893	269,446
Long term creditors		3,220,523	5,475,590	2,255,067
Short term creditors		1,821,028	3,323,850	1,502,822

*Pro-forma Sacyr Vallehermoso

DEVELOPMENT OF THE BALANCE SHEET

As considered in the profit and loss account, the balance sheet of SyV group in 2004, compares with the 2003 pro forma balance sheet on that date for the Sacyr Vallehermoso group, created on May 29 last year.

The expansion shown on the balance sheet, €5,012.7 million, with growth of 75.6%, is mainly due to the following factors:

- The inclusion of Somague through global consolidation, rather than the proportional consolidation carried out in 2003, meaning a €578.2 million higher contribution to the balance sheet.
- The acquisition of the concession group Ena, which contributed €2,981 million in new assets/liabilities.
- The increase of Vallehermoso's investment in land and product in progress, an increase of €490.4 million, and the accounts receivable and other current assets worth €420.3 million, due to the expected expansion in business and the delivery of homes in the coming months.

The make-up and movement under the main headings on the balance sheet are shown below.

FIXED ASSETS

The balance on March 31, 2004 breaks down as follows:

FIXED ASSETS (Thds Euros)	March		Change
	2003	2004	04/03
Start Up Expenses	4,705	14,414	9,709
Net Intangible Fixed Assets	447,551	472,096	24,545
Net Tangible Fixed Assets	2,877,784	6,009,560	3,131,776
Financial Assets & LT debtors	198,450	356,637	158,187
Own shares of the controlling company	9,418	4,038	-5,380
TOTAL	3,537,908	6,856,745	3,318,837

The intangible fixed assets include the hire purchase of 12 properties from the Endesa group for €385 million in February 2003, as well as other assets for rental under a long-term concession worth an extra €74.1 million.

The most significant entries under the tangible fixed assets were leased land and real estate at €1,686.6 million, and investment in turnpikes and other toll roads at €4,232.0 million, €4,195.6 million of which are roads in operation and €36.4 million are works in progress. The rest is machinery, technical facilities and other fixed assets. The balance of total cumulative depreciation is €417.7 million. During the financial year 2004, the investments in progress in both leased real estate and turnpike concessions have been continued, without there having been significant additional changes to the amount.

The financial fixed assets heading includes holdings consolidated using the equity consolidation method worth €138.7 million, which includes Guadalmetro, the concession company for line 1 of the new Seville subway with €23.9 (P) million of attributable investment and €12.2 million for the investment in the Valle Chacabuco expressway in Santiago de Chile. This heading also includes other holdings in the securities portfolio worth €100.9 million. The latter most notably includes MAAG holding with a balance of €38.5 million on March 31, 2004. Other credits worth €113.6 million are also included, which include the effect of the deferred tax of concession companies.

CURRENT ASSETS

The change in current assets is set out below:

CURRENT ASSETS (Thds Euros)	March		Change
	2003	2004	04/03
Inventories	1,475,828	2,012,538	536,710
Debtors	996,352	1,859,412	863,060
Cash & ST financial Investments	152,487	254,650	102,164
Other Current Assets	1,536	0	-1,536
TOTAL	2,626,202	4,126,600	1,500,398

Current assets as a whole grew by €1,500.4 million, 57.1% up on the same period in 2003. This is basically due to the following:

1- The aforementioned effect of including the Somague group through global integration, with an additional contribution of €294.7 million in the construction business in the accounts receivable balance.

- An increase in stock, mainly caused by the increase in stock in the residential development business worth €490.4 million, due to purchases of land and works in progress for new developments (the acceleration in sales expected for 2004 as a whole over 2003 requires greater investment in working capital).

- The €420.3 million increase in accounts receivable in the development business as a result of the €22.1% year-on-year rise in recorded sales and the non-renewal of Vallehermoso's factoring agreements as from January 2004, which had an assigned balance of €176.5 million in March 2003.

EQUITY

The €198.4 million increase in capital and reserves during the period can be explained by a combination of two main factors; the increase brought about by the attributable profit of €300.4 million accumulated between March 2003 and the same period in 2004, on the one hand, and the dividends paid in the same period worth a total of €96.0 million, together with adjustments to the value of holdings in subsidiaries outside the Eurozone on the other.

The stock capital is represented by 245.81 million certificates 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, Itinere's concessions and Vallehermoso's housing development projects.

As far as the kind of instrument is concerned, bank debt predominates with a 77.7% share of the total and with regards to the terms, long-term debt accounted for 75.5% of the total. At the end of the period fixed-interest debt amounted to 52.3% of the total, and was mainly concentrated in areas with more recurring business and assets held on the balance sheet for longer (concessions and rental property).

The group's debt on March 31, 2004 breaks down as follows:

FINANCIAL DEBT (Thds Euros)	SyV Group		Related to Intensive Cap. Activities	Total
	Corporate Debt	Structured Debt		
Long term	510,375	122,854	4,363,282	4,996,511
Short term	490,150	18,642	1,112,140	1,620,932
TOTAL	1,000,525	141,496	5,475,422	6,617,443

The amount of debt financing capital intensive activities (concessions, property and housing development) was €5,475.5 million, a 82.7% of the total.

Among this activities it is important to highlight the amount of debt committed to project financing, which was €2,777.2 million in March, 41.7% of the group's total. This finance is linked to specific business involving transport infrastructure concessions, toll roads, which provides great security and stability to the revenues and cash flow generated by the operations. It is also significant the weighting of the debt portfolio that finances the property business, in the form of mortgages and hire purchase contracts, is also relevant. These total €1,298.3 million, and are used to finance assets under operation. According to the last available valuation by an independent expert, in December 2003, the property assets have a market value of €2,737 million. Therefore, the debt is just 47.4% of such value.

Lastly, the development business, with debt of €1,399.8 million in March, finances the inventory shown on Vallehermoso's balance sheet with a book value of €1,858.4 million. On the same date, the contracted housing pending delivery to customers amounted to €784.9 million.

Structured debt on other activities amounted to €141.5 million, of which is noteworthy to highlight €66.6 million in Sacyr, linked to financing of public construction payment at works completion (german method in Spain) and €30.6 million related to environmental project financing in services area, Valoriza.

Finally, corporate group debt, a 15.1% of the total at the end of March, was €1,000.5 million, compared with €1,374.3 million of shareholders funds at the same date and with a relative weight a 31.7% lower than the same period last year.

III. DEVELOPMENT OF THE BUSINESS AREAS

CONSOLIDATED PROFIT AND LOSS AS OF March 31st 2004									
(Thds Euros)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustements	TOTAL
Net Income	279,833	71,439	161,377	45,413	13,234	171,395	56	(3,605)	739,142
Other Income	2,818	6,466	124,104	303	68	2,935	5,443	(4,862)	137,276
Total Income	282,651	77,905	285,481	45,716	13,302	174,330	5,499	(8,467)	876,417
External and Operating expenses*	(256,504)	(25,689)	(265,331)	(10,694)	(13,114)	(162,759)	(8,821)	9,069	(733,845)
Gross Operating Profit	26,147	52,216	20,150	35,022	188	11,571	(3,322)	601	142,572
Depreciation	(3,643)	(10,651)	(46)	(7,353)	(423)	(3,224)	(1,502)	(387)	(27,229)
Reversion Fund	0	(8,163)	0	0	0	0	0	0	(8,163)
Trade Provisions	(7,785)	11	389	(162)	(19)	(335)	1,531	0	(6,371)
Net Operating Profit	14,719	33,412	20,493	27,507	(255)	8,013	(3,294)	214	100,810
Financial Results	2,823	(30,496)	(7,745)	28,769	(299)	(3,266)	59,256	(66,029)	(16,987)
Results from equity accounted subsidiaries	(11)	130	27	126	0	55	0	0	327
Financial Assets Provisions	(3)	0	0	0	(62)	(144)	0	0	(208)
Goodwill	(44)	(62)	0	0	(66)	(1,318)	0	(264)	(1,754)
Ordinary Profit	17,484	2,985	12,775	56,402	(682)	3,339	55,962	(66,079)	82,188
Net Extraordinary Results	(134)	1,131	(20)	29,794	(138)	(860)	1,147	0	30,919
PROFIT BEFORE TAXES	17,350	4,116	12,755	86,196	(820)	2,480	57,110	(66,079)	113,107
Corporate Tax	(5,981)	(1,775)	(4,409)	(15,063)	316	(1,202)	3,085	0	(25,028)
TOTAL PROFIT	11,369	2,340	8,346	71,133	(504)	1,277	60,195	(66,079)	88,079
Minorities	(155)	(7,162)	28	0	16	(242)	0	(1,202)	(8,718)
NET ATTRIBUTABLE PROFIT	11,214	(4,822)	8,374	71,133	(488)	1,035	60,195	(67,280)	79,361

*Includes operating expenses and other expenses

CONSOLIDATED PROFIT AND LOSS AS OF March 31st 2003*									
(Thds Euros)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustements	TOTAL
Net Income	218,217	25,986	175,673	44,197	8,220	47,038	5,857	(9,401)	515,787
Other Income	23,286	12,471	72,409	124	1,731	2,849	1,140	(4,491)	109,519
Total Income	241,503	38,457	248,081	44,322	9,951	49,887	6,997	(13,892)	625,306
External and Operating expenses**	(199,658)	(19,651)	(211,385)	(12,244)	(9,796)	(46,166)	(7,873)	13,204	(493,569)
Gross Operating Profit	41,845	18,806	36,697	32,078	154	3,721	(876)	(688)	131,737
Depreciation	(2,554)	(4,107)	(36)	(6,758)	(184)	(1,358)	(858)	(283)	(16,138)
Reversion Fund	0	(1,866)	0	0	0	0	0	0	(1,866)
Trade Provisions	(3,742)	0	(200)	(91)	(144)	1	136	314	(3,727)
Net Operating Profit	35,549	12,833	36,461	25,229	(174)	2,364	(1,598)	(658)	110,006
Financial Results	(2,761)	(4,929)	(5,313)	(11,324)	(59)	(978)	12,109	(12,827)	(26,083)
Results from equity accounted subsidiaries	(33)	304	274	0	(71)	0	0	66	540
Financial Assets Provisions	482	0	0	0	0	0	0	(8,380)	(7,898)
Goodwill	(66)	(1,146)	0	0	(103)	(285)	0	15	(1,585)
Ordinary Profit	33,170	7,062	31,422	13,904	(407)	1,101	10,511	(21,784)	74,979
Net Extraordinary Results	(748)	(449)	(90)	57,234	(122)	(258)	(57)	6,435	61,946
PROFIT BEFORE TAXES	32,422	6,613	31,332	71,138	(529)	843	10,454	(15,349)	136,925
Corporate Tax	(13,612)	858	(10,706)	(92)	148	(519)	1,882	38	(22,003)
TOTAL PROFIT	18,810	7,472	20,626	71,046	(381)	324	12,336	(15,311)	114,922
Minorities	(405)	(603)	0	0	(54)	(43)	0	(471)	(1,576)
NET ATTRIBUTABLE PROFIT	18,405	6,869	20,626	71,046	(436)	282	12,336	(15,782)	113,346

* Pro forma data

**Includes operating expenses and other expenses

CONSOLIDATED BALANCE SHEET As of March 31st 2004									
(Thds €)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustements	TOTAL
FIXED ASSETS	466,826	4,682,591	156,973	2,321,692	67,660	318,465	1,525,662	(2,020,882)	7,518,987
Tangible	40,896	4,123,869	2,888	1,601,287	43,262	98,429	3,584	95,345	6,009,560
Intangible	60,345	855	756	398,413	6,518	557	4,652	0	472,096
Financial and Other	365,107	557,187	153,329	321,993	17,207	140,923	1,517,426	(2,119,134)	954,038
Goodwill	478	680	0	0	672	78,555	0	2,907	83,293
CURRENT ASSETS	680,233	209,866	2,640,450	52,906	37,705	503,905	126,620	(125,085)	4,126,600
Stocks	81,366	2,056	1,858,436	117	4,023	47,188	1,493	17,858	2,012,538
Debtors	525,126	80,053	776,299	43,762	29,409	419,182	73,333	(87,752)	1,859,412
Others	73,741	127,756	5,715	9,026	4,273	37,534	51,794	(55,190)	254,650
ASSETS = LIABILITIES	1,147,059	4,892,456	2,797,423	2,374,598	105,365	822,370	1,652,282	(2,145,966)	11,645,587
LONG TERM FUNDS	513,997	4,422,083	1,411,641	2,271,260	70,241	407,917	1,223,041	(1,998,443)	8,321,737
Equity	327,748	243,204	352,422	992,273	25,103	160,961	701,979	(1,429,434)	1,374,257
Long term creditors	26,202	1,741,921	371,683	40,201	12,844	94,712	232,415	(569,009)	1,950,969
Long term interest bearing debt	160,046	2,436,957	687,537	1,238,786	32,294	152,245	288,647	0	4,996,511
CURRENT LIABILITIES	633,062	470,373	1,385,781	103,338	35,124	414,453	429,241	(147,524)	3,323,850
Short term creditors	601,376	130,069	673,490	43,795	25,713	262,218	113,780	(147,524)	1,702,918
Short term interest bearing debt	31,686	340,304	712,292	59,544	9,411	152,235	315,461	0	1,620,932

THE SACYR GROUP

The Sacyr Group's income, including the income from owning 100% of Somague, amounted to €451.2 million with 70.1% growth. If one uses the same integration perimeter for Somague as in 2003, 100%, growth was a notable 19.8%, due to the strong expansion in the works portfolio at the end of the financial year.

The combined net profit of the construction area (Sacyr + Somague) amounted to €12.2 million, lower than the €19.3 million in 2003, but it is not comparable due to the effect of the high non-recurring operating margin in the first quarter of last year, which was 17.2% compared to 8.4% in the same period in 2004. In fact, the latter is in line with that generated in 2003 and is in line with the level of profitability expected for the current financial year.

It is worth mentioning that the higher consolidation perimeter for Somague in 2004 (100%) is due to the agreement reached on December 11 with the majority shareholders of the largest Portuguese construction and service company, Somague, to bring the company into the Sacyr Vallehermoso group, which was already a Somague shareholder with a stake of 29.69%. Sacyr Vallehermoso will carry out an increase in capital in June in order to perform this transaction and will then make a takeover bid on the Portuguese market for the remaining 6.03% of Somague's capital.

The aim of this deal is to improve the group's competitive position in the construction sector in countries such as Portugal and Brazil, where major infrastructure projects are being developed, while expanding the business portfolio for the rest of the group's business, due to Somague's presence in infrastructure concessions, property and services (mainly water and alternative energies).

At the close of March 2004, the works portfolio amounted to €2,971.0 million, equivalent to 19.8 months' business. The increase over 2003, in comparable terms (Somague at 100%), is due to the good and counterbalanced performance of contracting during the period.

The breakdown of the Order Book is as follows:

ORDER BOOK (Mn Euros)	March		% Change 04/03
	2003	2004	
Spain	1,542.4	1,768.5	14.7%
Portugal	1,000.0	937.9	-6.2%
Other Countries	141.0	264.6	87.7%
TOTAL	2,683.4	2,971.1	10.7%

The portfolio is still mainly domestic, with Spanish works accounting for 59.5% of the total and, despite the sharp rise in works carried out in 2003, the portfolio grew by 10.7%.

The sustained performance of the high portfolio level, with 19.8 months of activity, was due to the good levels of contracted volumes for the period. The works

awarded during the first quarter 2004 amounted to €432.4 million and those won by the Sacyr subgroup were €354.3 million, 81.9% of the total.

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

MAIN CONTRACTS AWARDED	
(Thds Euros)	March 04
Houses awarded Vallehermoso	61,320
Subsidiced houses in Parla	40,407
West Valdemoro Houses	11,535
Utrera Hospital	7,716
Remodelling of ETS Eng. Chemistry	6,988
Other Building	6,189
Building	134,155
AVE Carballiño-O Rixo Lalin	115,753
Conducción Júcar Vinalopo VII Strecht	22,427
Metro Line 9 in Barcelona	15,291
Variante de Lluçmajor	11,052
Baix Llobregat Strecht 1	9,734
Bahía de Alcudia Water treatment plant	9,417
Chinchilla de Montearagón water supplier	6,159
Civil Work	220,152
Other Civil Work	30,319
New Fatima Basilica	16,100
Carregado Termoelectric Plant	7,300
Auchan Puazn Amadora	7,000
Porto do Funchal west access	6,141
San Vicente Medical Centre	5,855
Rio Fresno Urbanisation	5,200
Others Somague	30,472
Somague	78,068
Total	432,375

The main contracts awarded notably included the following:

- AVE high-speed railway works for the stretch between Galicia and Portugal on the Carballiño- O Rixo Lalín stretch, worth €115.7 million.
- Construction of 712 homes in Parla for €40.4 million.
- Supervising stretch VII Júcar Vinalopó for €22.4 million.
- Housing development for the Vallehermoso Group worth a total of €61.3 million.

The contracts that Sacyr generated for Vallehermoso, which amounted to 14.2% of the total in March, are in line with SyV's aim to bring out and take advantage of the synergies existing in the group's various subsidiaries. The aim of this is to increase the internal profit retained through progressive growth, up to a certain degree of performance, of the various business' construction needs, mainly the concession and housing development businesses.

VALLEHERMOSO

Vallehermoso's sales to March 2004 amounted to €161.4 million, an 8.1% fall. This was entirely due to the seasonal effect of recording development in accordance with the aims of the annual budget and should consistently improve as the financial year progresses up to the business' forecast growth rates for the year as a whole.

Contracted residential sales were €160.7 million and the rest, €0.7 million, came from the sale of other products and services.

The operating margin on sales in March was 12.5%, compared to the 20.9% achieved in 2003. That is due to several developments being recorded in the first period of the year, including one assessed price development in Barcelona and another in Valladolid, with a low margin compared to the average forecast for the financial year.

Contracted residential sales have consistently risen over the period, having reached €221.4 million, a growth of 24.3% over 2003. This increase has largely been due to the number of units sold, 23.1% higher than in the first quarter 2003. On March 31, there were contracted sales yet to be recorded worth €784.9 million, a 2.4% more than in 2003.

The change in contracted sales and the operating margin of the residential and land product in the first quarter of the years in progress is shown below:

CONTRACTED SALES (Thds Euros)	March 2003		March 2004	
	Sales	Margin*	Sales	Margin*
LAND	1,531	0	2,704	2,353
DEVELOPMENT	178,125	38,507	221,398	54,996
OTHER PRODUCTS	0	0	0	0
TOTAL GROUP	179,656	38,507	224,102	57,349

*Direct margin (only includes direct operating costs)

The amount of investment made is particularly noteworthy, with €165.9 million investment in buying land up until March, equivalent to 1,698 homes. The breakdown of land purchases by the various geographical areas is as follows:

<u>Location</u>	<u>Product Equivalent</u>	<u>% Over the Total</u>
. Centre	237 homes	14.0%
. East	233 homes	13.7%
. North	401 homes	23.6%
. Northeast	573 homes	33.8%
. Canary Islands	114 homes	6.7%
. South	140 homes	8.2%
TOTAL	1,698 homes	

Reserves of land for the residential product thus amounted to €3.3 million m2 in March, which is the equivalent of a total of 21,500 homes and an assured period of

business of 4.7 years. This periods means a significant 35.3% growth in volume respect of that existed at march 2003 and is equivalent to a 34.2% rise in the number of houses in the land bank since the same date. This policy shores up the development of the business in the long term, as there is a broad, geographically diversified portfolio with a suitable degree of urban development.

ITINERE

Itínere's concession business performed very well with turnover of €71.4 million, 174.9% up on 2003. This growth was mainly due to the inclusion of the Ena group in October 2003 and, to a lesser extent, the good performance of traffic in the various concessions and the inclusion of new stretches.

The daily traffic intensity recorded in the first quarter grew in the concessions as a whole. The Spain-based concessions continued to grow faster than the economy in general. Growth on the most important routes was particularly notable. Audasa, with 20,661 vehicles/day, saw its year-on-year traffic grow by 4.8%, together with the impact of the increase in the length of its concession at the end of the year 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 8% and 5.8% respectively, while Avasa's traffic volume grew by 6.1% over the period. Again, Aunor and Euroglosa M-45 reached the highest traffic levels since they opened, with growth well over 10% in both cases compared to the same period of the previous year.

The business in Chile, where the concessions had a high level of guaranteed income as part of the deal, has confirmed the improvement in traffic levels in 2003, in line with the progressive economic recovery. Noteworthy aspects include the 5.7% increase in the Rutas del Pacífico concession, which connects the two main cities in the country and includes the opening of the last stretch of the concession (Viña del Mar-Quilpué, 36 km) in the second half of 2003. Meanwhile, the concessions at the two ends of the Pan-American route (Los Lagos and El Elquí) respectively had a 6.1% and 2.4% increase in the number of vehicles.

ADT	March		% Change
	2003	2004	04/03
Y-O-Y CHANGE			
SPAIN			
Avasa	12,233	12,981	6.1%
Aunor	8,824	9,988	13.2%
M-45	64,097	74,793	16.7%
Aucalsa	7,599	8,205	8.0%
Audasa	19,710	20,661	4.8%
Audenasa	14,263	15,093	5.8%
Autoestradas Galicia I	11,069	11,709	5.8%
Autoestradas Galicia II	6,460	7,028	8.8%
Chile			
R-5 Los Lagos	3,709	3,935	6.1%
R-5 El Elqui	3,004	3,076	2.4%
Rutas del Pacífico	14,680	15,519	5.7%

With regards to the new concessions contracted during the first quarter of the year, it is notable that a consortium in which Itinere has a 35% share was the only company short-listed to develop and manage a road concession in Costa Rica. This concession is 58 km long, runs between San Ramón and San Jose, the capital, and the operating term is 25 years. It involves doubling the size of and improving the existing road, with total investment of \$232 million.

The business' portfolio of recurring income amounted to €33,612.1 million in March, 158.6% more than last December, by which time the acquisition of Ena had come fully into effect. In addition, 89.1% of it was in Spain, which reinforces its secure and stable geographic profile.

ORDER BOOK (Mn Euros)	March		% Change
	2003	2004	04/03
Spain	7,847.4	29,970.5	281.9%
Chile	5,150.7	3,641.5	-29.3%
TOTAL	12,998.1	33,612.1	158.6%

In the same way, the increase in fixed assets over the first quarter 2003 is the result of including the concessions included in the ENA subgroup. The investment in expressways amounted to €4,232 million, with €36.4 million in progress, largely due to the performance of works on the Santiago de Chile beltway, Americo Vespucio Sur and, to a lesser extent, the concessions of Autopista Valle Chacabuco (acceso nororiental) and the last stretch of Red Vial Litoral Central, the two latter being in the metropolitan area of Chile's capital.

INVESTMENTS (Thds Euros)	March 04	
	In Operation	Under Construction
AVASA	659,888	349
AUTOV. NOROESTE	43,629	
AUTOP. ASTUR LEONESA	683,734	
AUTOESTRADAS DE GALICIA	138,114	
AUTOP. DEL ATLÁNTICO	1,702,321	
AUTOP. DE NAVARRA	338,800	2,808
Spain	3,566,486	3,157
S.C.DEL ELQUI	208,345	
S.C.LOS LAGOS	218,041	
S.C. RUTAS P.	169,776	
S.C.LITORAL C.	32,924	
S.C.VESPUICIO SUR	0	33,265
Chile	629,086	33,265
TOTAL	4,195,572	33,422

Finally, the fall to -4.8 million in net profit registered in the first quarter of the year is due to the combination of several factors. Firstly, a strong increase in the operating results (+177.6%) and reversely €8.7 million of negative exchange rate differences stemmed from the Chilean Peso depreciation against the dollar (financing currency in some concessions), together with larger financial expenses assumed by the acquisition of ENA group. This results recorded will improve along the year and should allow to reach a positive balance for 2004 as a whole, once seasonal traffic levels will improve in the stronger period of June-August in Spanish concessions.

TESTA

The income earned by Testa during the period was €45.4 million, 2.7% more than in 2003. The net profit of €71.1 million was similar to the €71.0 million recorded last year. In this period took place the regularization of the tax cost after fully using up the tax losses, which were offset the previous year. Profit before tax rose 21.2% to €86.2 million, thanks to the combination of higher income and no financial provisions being charged in the first quarter 2003.

Income growth was due to the 4.6% rise in the average rentable surface area together with a very slight fall in the occupancy rate and average prices, which will recover slightly as the fully pre-rented assets under development and refurbishment come into operation.

The change in the factors that explain the change in rental income is shown below:

Rental Performance	March		% Change
	2003	2004	04/03
Net Rental Income (Thds Euros)	42,802	44,597	4.2%
Average Occupied Surface (M ²)	1,279,596	1,338,187	4.6%
Average Rent (€/M ² /month)	11.15	11.11	-0.4%
Land Lettable Surface (M ²)	1,353,212	1,417,983	4.8%
Average Occupancy Rate (%)	94.6	94.4	-0.2%

It is important to highlight the start of refurbishment of two office buildings in Madrid since the second half of last year with an above-ground surface area of 32,491 m², which have been completely pre-rented to two large tenants. Adjusted for this fact, the occupancy rate for the whole of the assets under operation would have been 97.3% in March.

Investment in progress, which totaled €74.9 million at the end of the first quarter, includes €36.4 million made during the period, of which €25.8 million was in shopping malls and a further €5.2 million in six retirement homes, which are in varying stages of development.

The change in the factors that explain the change in rental income is shown below:

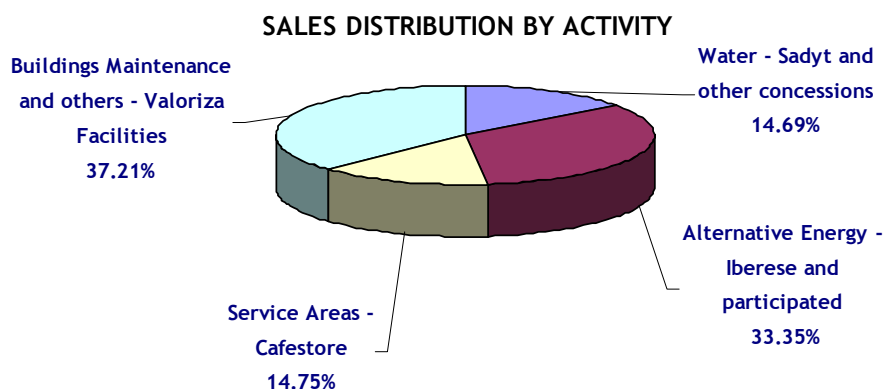
PROPERTY (Thds Euros)	SALES		GROSS PROFIT	
	2003	2004	2003	2004
Land Sales (Meco)	0	36,157	0	29,264
Princesa 3	58,193	0	46,050	0
E. J. Millas 2	12,727	0	10,049	0
Others	7,187	433	6,532	400
TOTAL	78,107	36,590	62,631	29,664

Until March the main property asset sold was a plot in the Meco area, located in the northeast of Madrid region, worth €36.1 million. Since the asset had been owned by the group for a long time it provided a high margin of €29.2 million.

In addition, on March 31, 100% of a company owning 380 properties, mostly residential properties in Madrid, was sold for a price of €47.6 Million. These properties, which are subject to frozen rental contracts, allow financial resources to be freed up together with a capital gain worth €41.2 million.

VALORIZA

SyV's growing service business has been grouped together in Valoriza, which achieved an income of €13.2 million in March 2004, a 60.97% more than in 2003. Its main current business areas are as follows: facilities management, energy, water management and expressway service areas.



The alternative energy business, Iberese, stands out for its size and potential. It accounted for 33.4% of turnover in the first quarter and Sadyt, one of the companies with the greatest tradition and historic portfolio in the desalination business, contributed 14.7% of the area's total sales.

Two new projects were contracted in the alternative energy area during the period, which are located in the south of Spain and based on generating electricity by treatment and burning of dried agricultural sludge. At the end of March it has a

total of 7 plants in its portfolio, which will add up to more than 100 MW of installed power once the contracts recently awarded come into operation.

In the water cycle business, Sadyt, as part of the UTE GEIDA joint venture, was awarded a contract in March for turnkey development and operation of the seawater desalination plant in Skikda, Algeria. This plant will raise Sadyt's installed desalination capacity to more than 180,000 m³/day with a total of 7 plants, 4 in operation and 3 under development, as well as other facilities for purification and other water treatments.

Cafestore opened 10 new service areas in the first quarter, 2 in Galicia and 8 in the Madrid region. This means a total of 17 business sites, to which additions are expected during the year in accordance with the expansion plan, enabling it to become the third-largest roadside catering operator in Spain.

Lastly, Valoriza Facilities, a specialist in maintenance and management of all kinds of real estate, had a turnover of €4.4 million in the first quarter, which it expects to notably increase during the year. This growth is based on the contracting generated, which with 18% growth, enabled it to generate a portfolio of 168 customers at the end of March.

IV. BOARD RESOLUTIONS

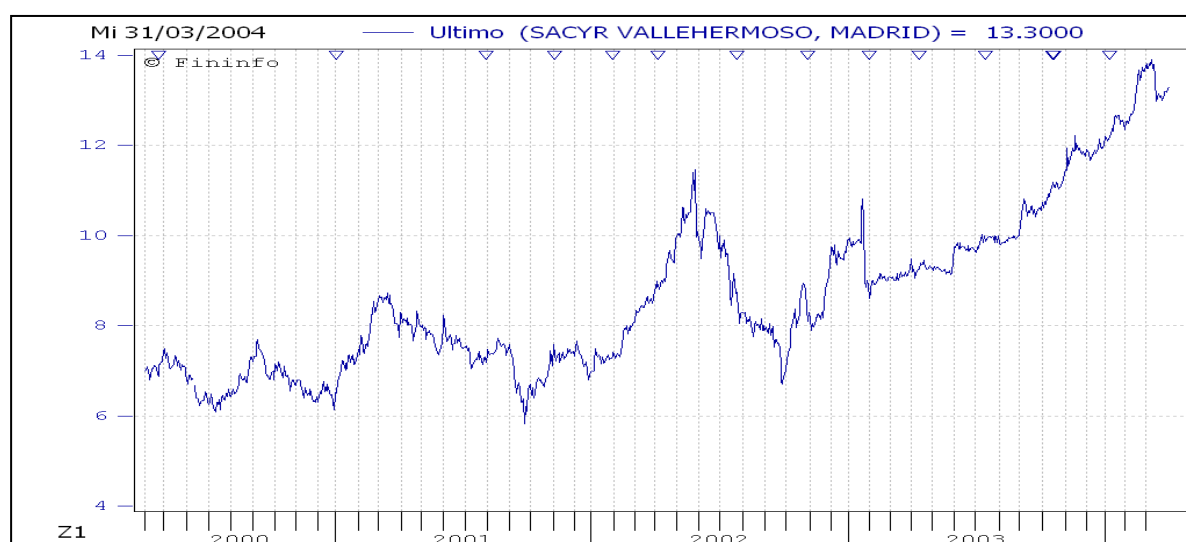
DISTRIBUTION OF DIVIDENDS: On January 9, 2004, the third interim dividend for the financial year 2003 of €0.075 per share was paid, as resolved by the Board of Directors meeting held on December 11, 2003.

CHANGES TO THE BOARD OF DIRECTORS: In its meeting on, February 11, 2004, the Board of Directors of Sacyr Vallehermoso, S.A. resolved to accept the resignation tendered by Mr. José Ramón Calderón Ramos as member of the Board of Directors, which represented Almarfe S.L, owner of a 6.3% capital of SyV.

V. STOCK MARKET DEVELOPMENT

	March		% Change 04 / 03
	2003	2004	
Closing Stock Price (euros p.s.)	9.49	13.30	40.1%
Market Capitalization (Mn Euros)	1,468,711	3,269,273	122.6%
EPS (Y-o-Y EPS / N° Shares)*	Euros 0.46	0.32	-30.0%
CFPS (Y-o-Y EPS / N° Shares)*	Euros 0.55	0.50	-9.0%
Trading Volumen (Thds Euros)	1,409,084	508,244	-63.9%
Frecuency of trading	% 100	100	
N° of Shares (Thds)	154,764	245,811	58.8%
Share Nominal Value	1 EURO	1 EURO	

*2003 Pro forma data



VI. SHAREHOLDING STRUCTURE

SHAREHOLDING STRUCTURE

According to the information registered in the Spanish Stock Exchange Commission at March 31st, Sacyr Vallehermoso, S. A. directors holds and/or represent the following number of shares in the company:

	Nº shares	%
Mr. Antonio Basagoiti García Tuñón (1)	1,000	0.00%
Mr. Vicente Benedito Francés	53,103	0.02%
Mr. Demetrio Carceller Arce (2)	18,000	0.01%
Corporacion Caixa Galicia	5,776,908	2,35%
Mr. Matias Cortés Domínguez	100	0.00%
Torreal, S.A (3)	22,072,569	8.98
Nueva Compañía de Inversiones, S.A (3)	22,072,574	8.98%
Mr. Luis Fernando del Rivero Asensio (4)	33,016,715	13.43%
Participaciones Agrupadas, S.R.L.	15,605,674	6.35
Mr. Pedro Gamero del Castillo y Bayo	100	0.00%
Mr. Francisco Javier Gayo Pozo	5,005,806	2.04%
Mr. José Manuel Loureda Mantiñán	29,971,078	12.19%
Cymofag, S.L (5)	17,207,343	7.00%
Mr. Juan Miguel Sanjuan Jover	9,046,110	3.68%
TOTAL Board of Directors	137,774,511	56.05%

(1) Director representing BSCH.

(2) Director representing Disa Corporación Petrolífera, Atlantic Petrogas and Renta Insular Canaria

(3) Directors representing Abelló Group.

(4) 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%.

(5) Director represented by Mr. Manuel Manrique, who holds a significant stake at Cymofag,S.L.