



- Board of Directors
- Management Committee
- Good Corporate Governance





- Board of Directors

COMPOSITION

In 2003 the Board of Directors was restructured as a result of the merger and at the end of the year comprised the following members:

CHAIRMAN:

Mr. José Manuel Loureda Mantiñán

Born in 1939. Civil engineering degree from the Madrid Escuela Técnica Superior. Executive company director.

He owns 21,433 shares directly and 29,949,645 shares indirectly through Prilou, S.L., representing 12.19% of the Sacyr Vallehermoso, S.A.'s share capital.

1ST DEPUTY CHAIRMAN AND MANAGING DIRECTOR:

Mr. Luis Fernando del Rivero Asensio

Born in 1949, he has a degree in Civil Engineering from the Escuela Técnica Superior in Santander. Executive company director.

He owns 100 shares directly and 33,016,615 shares indirectly through Actividades Inmobiliarias y Agrícolas, S.A. (13,158,505 shares) and Rimefor Nuevo Milenio, S.L. (19,858,110 shares), representing 13.43% of share capital.

2ND DEPUTY CHAIRMAN:

Nueva Compañía de Inversiones, S.A.

Represented by Mr. Juan Abelló Gallo, in his capacity as a proprietary director. He was born in 1941. He has a degree in Pharmacy and a PhD and is a member of the Real Academia de Farmacia. He is also a company director of Banco Santander Central Hispano, S.A., a shareholder of Compañía Vinícola del Norte de España, S.A. and the Chairman of Torreal, S.A.

Nueva Compañía de Inversiones, S.A. owns an indirect equity holding of 22,072,569 shares through Torreal, S.A. and Torreal Sociedad de Capital Riesgo, S.A., plus 5 direct shares, representing 8.98% of the Company's share capital.

COMPANY DIRECTORS:

Mr. Antonio Basagoiti García-Tuñón

Proprietary company director, representing Banco Santander Central Hispano. He was born in

1942 and has a degree in Law from Madrid's Universidad Complutense. He is the Chairman of Unión Fenosa, Deputy Chairman of FAES Farma and a Company Director of Banco Santander Central Hispano, S.A., Compañía Española de Petróleos, S.A. (Cepsa) and Pescanova, S.A.

He directly holds 1,000 shares. According to the bank itself, BSCH owns 7,612,134 shares, representing 3.1% of share capital.

Mr. Vicente Benedito Francés

Executive company director, in his capacity as Sacyr Vallehermoso's General Manager of Internal Resources. He was born in 1948 and has a degree in Law from the Universidad de Valencia, a Diploma in Agricultural Law and in Real Property Law. He has a Master's degree in Foreign Trade. He is on several Advisory Boards of educational institutions.

With 53,103 shares, he owns 0.02% of share capital.

Mr. José Ramón Calderón Ramos

Proprietary company director, representing Almarfe, S.L., a company owned by Fernando Martín Álvarez, who owns a direct and indirect stake of 6.296% with 15,476,414 shares. He was born in 1951, has a degree in Law from the Universidad de Navarra. He is a member of the Boards of Directors of Salobre, S.A., Ediciones Periodísticas, S.L., Corporación La Voz de Galicia, S.A., Diario de León, S.A., Real Madrid Club de Fútbol, Marsh, S.A. and Guy Carpenter, S.A.

Mr. Demetrio Carceller Arce

Born in 1962, he has a degree in Economic Science and Business Studies from CUNEF. He is a proprietary company director in representation of Disa Corporación Petrolífera, S.A., of which he is Chairman, of Atlántica Petrogás, S.A. and Renta Insular Canaria. He is also the Executive Chairman of Sociedad Anónima Damm and of Corporación Económica Damm, S.A., as well as the Managing Director of Compañía Española de Petróleos, S.A. (Cepsa).

He holds a direct and indirect equity holding of 18,000 shares, representing 0.01% of share capital.



Members of the Board of Directors

Corporación Caixa Galicia, S.A.

Represented by Mr. José Luis Méndez López, born in 1945. He has a degree in Economic Science and Business Studies from Madrid's Universidad Complutense, is General Manager of Caixa Galicia and the Chairman of Corporación Caixa Galicia in his capacity as proprietary company director. José Luis Méndez is also the Chairman of Ence and of Ahorro Corporación Financiera and Deputy Chairman of Unión Fenosa and Caser, S.A. and a Director of other companies, including Pescanova, S.A. Prosegur, S.A. and CECA.

As of 31 December 2003, Corporación Caixa Galicia, S.A. had 3,687,660 direct shares, representing 1.5% of share capital.

Mr. Matías Cortés Domínguez

An independent company director, born in 1938, he has a degree in Law from Granada University and a PhD in Law from the University of Bologna (Italy). He is Professor of Financial and Fiscal Law at Madrid's Universidad Complutense and at the Universidad Autónoma de Madrid and Professor of Economics and

Finance at the Granada Faculty of Law. Chairman of the law firm Cortés Abogados and a Company Director of Prisa, S.A.

Cymofag, S.L.

Represented by Mr. Manuel Manrique Cecilia, an executive company director in his capacity as Chairman of Sacyr, S.A.U., the construction company belonging to the Sacyr Vallehermoso group. He was born in 1954 and is a civil engineer.

He owns 17,207,343 shares, representing 7.00% of share capital.

Mr. Pedro Gamero del Castillo y Bayo

Born in 1942, he has a degree in Law from Madrid's Universidad Complutense and belonged to the Spanish Diplomatic Corps between 1968 and 1978. He is an Executive Director in his capacity as Chairman of Testa Inmuebles en Renta, S.A, the Sacyr Vallehermoso Group's property-owning company. He is also the Chairman of the European Property Federation and the Asociación de Inmobiliarias Españolas con Patrimonios en Alquiler (ASIPA).

Mr. Francisco Javier Gayo Pozo

Born in 1951, he has a degree in Civil Engineering from the Universidad Politécnica de Madrid. He is an Executive Director in his capacity as the General Manager of Civil Works at Sacyr, S.A.U.

He has a direct holding of 2,000 shares and an indirect stake through Faherga, S.L. and Marloja Inversiones, S.L., companies which he controls and which own 4,439,765 and 564,042 shares respectively. He thus represents 2.04% of share capital.

Participaciones Agrupadas, S.R.L.

Represented by Mr. Ignacio Ezquiaga Dominguez. Born in 1961, he has a PhD in Economic Science and Business Studies. He is Assistant General Manager of Caja Murcia, Deputy Chairman of Gestión Tributaria Territorial and is a Company Director of Corporación Caja Murcia.

Participaciones Agrupadas S.L. directly owns 14,826,926 shares, representative of 6.032% of share capital and is the company through which Caixa de Aforros de Vigo, Ourense e Pontevedra (Caixa Nova), Montes de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga and Antequera (Unicaja), Caja de Ahorros de Murcia and Caja de Ahorros de Avila have channelled their equity holding in Sacyr Vallehermoso, S.A.

Mr. Juan Miguel Sanjuán Jover

Born in 1945, he has a degree in Civil Engineering from the Madrid Escuela Técnica Superior de Ingenieros and has a Diploma in Economic Science from the UNED. He is the Executive Chairman of the Satocan Group, a construction company based in the Canary Islands, and of the Circulo de Empresarios de Gran Canaria and is a Company Director of the Fundación Universitaria de Las Palmas. With 9,046,110 shares (3.68% of capital) through S.G.T., S.A., he is a proprietary director.

COMPOSITION OF THE BOARD OF DIRECTORS AS OF 31 DE

NAME	REPRESENTATIVE
Antonio Basagoiti García-Tuñón	
Vicente Benedito Francés	
José Ramón Calderón Ramos	
Demetrio Carceller Arce	
Corporación Caixa Galicia, S.A.	José Luis Méndez López
Matías Cortés Domínguez	
Cymofag, S.L.	Manuel Manrique Cecilia
Luis Fernando del Rivero Asensio	
Pedro Gamero del Castillo y Bayo	
Francisco Javier Gayo Pozo	
José Manuel Loureda Mantiñán	
Nueva Compañía de Inversiones, S.A.	Juan Abelló Gallo
Participaciones Agrupadas, S.R.L.	Ignacio Ezquiaga Domínguez
Juan Miguel Sanjuán Jover	
Torreal, S.A.	Pedro del Corro García-Lomas

TOTAL DIRECT AND INDIRECT HOLDING OWNED BY COMPANY DIRECTORS

- (1) Nueva Compañía de Inversiones, S.A. has an indirect stake of 22,072,569
- (2) Mr. Luis del Rivero Asensio has an indirect holding of 33,016,615 shares
- (3) Banco Santander Central Hispano has a holding of 7,612,134 shares,
- (4) Almarfe, S.L. has 15,476,414 shares, 6.296% of share capital.

Torreal, S.A.

Represented by Mr. Pedro del Corro García-Lomas, who was born in 1957 and has a degree in Economic Science and Business Studies from ICADE and a degree in Law from the Universidad de Deusto. He is a Company Director and General Manager of Torreal, S.A., Chairman of the Instituto Sectorial de Promoción y Gestión de Empresas (INSSEC), Chairman of Dominion, S.A., Deputy Chairman of Sufi, S.A. and a Company Director of Inova, VEO TV, Worldbest Cigars, Lanetro and Arbarin SIMC.

EMBER 2003

TYPE	IN REPRESENTATION OF	SHARES			%
		DIRECT	INDIRECT	TOTAL	
Proprietary	Banco Santander Central Hispano, S.A.	1,000	⁽³⁾	1,000	0.0
Executive		53,103		53,103	0.0
Proprietary	Almarfe, S.L.	20,100	⁽⁴⁾	20,100	0.0
Proprietary	Disa Corporación Petrolífera, S.A.,	3,000	15,000	18,000	0.0
Proprietary		3,687,660		3,687,660	1.5
Independent		100		100	0.0
Executive		17,207,343		17,207,343	7.0
Executive		100	33,016,615 ⁽²⁾	33,016,715	13.4
Executive		100		100	0.0
Executive		2,000	5,003,806	5,005,806	2.0
Executive		21,433	29,949,645	29,971,078	12.2
Proprietary		5	⁽¹⁾	5	0.0
Proprietary		14,826,926		14,826,926	6.0
Proprietary			9,046,110	9,046,110	3.7
Proprietary		17,270,416	4,802,153 ⁽¹⁾	22,072,569	9.0
		53,093,286	81,833,329	134,926,615	54.8

shares through Torreal, S.A. and Torreal Sociedad de Capital Riesgo, S.A.

through Actividades Inmobiliarias y Agrícolas, S.A. (13,158,505 shares) and Rimefor Nuevo Milenio, S.L. (19,858,110 shares).

representing 3.1% of capital.

SECRETARY (NON-DIRECTOR):

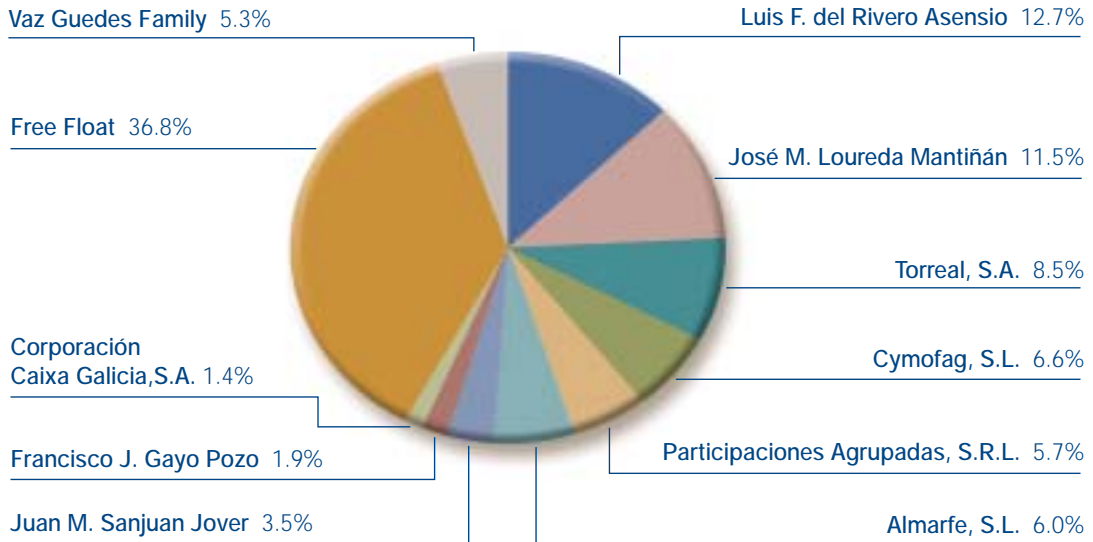
Ms. Marta Silva de Lapuerta

Born in 1969, she has a degree in Law and is a public prosecutor. She has worked as a public prosecutor in the High Court of Catalunya, the Court of Auditors, the Ministry of Finance and the Ministry of Economy.

VICE-SECRETARY AND LEGAL ADVISOR (NON-DIRECTOR):

Mr. Antonio Murillo Gallo

OWNERSHIP STRUCTURE AFTER THE INTEGRATION OF SOMAGUE



INTEGRATION OF SOMAGUE

At its meeting on 14 December 2003, the Company's Board of Directors passed a resolution to integrate the Portuguese firm Somague in order to reinforce Sacyr Vallehermoso's construction and services businesses. To this end, a rights issue is to be conducted, eliminating preferential subscription rights and increasing capital by a total of 13,850,948 new shares, which will be fully subscribed by the Vaz Guedes family. The Vaz Guedes family will pay for the shares with 16,776,607 Somague shares, each with a par value of Euros 5,00. These shares represent 64.28% of Somague's share capital and voting rights. The Somague shares contributed by the Vaz Guedes family imply that it will own 5.334% of Sacyr Vallehermoso.

For the purposes of the capital increase referred to above, each Somague share has been valued at Euros 9.8 and each Sacyr Vallehermoso share at Euros 11.87.

The Vaz Guedes family will have two representatives on the Company's Board of Directors. One of them will be appointed Deputy Chairman and a member of the Company's Executive Committee, and also Chairman of Somague's Board of Directors and Executive Committee.



Dragón Stadium. Oporto. Somague

BOARD COMMITTEES

In compliance with its regulations, the Board has the following committees:

SECRETARY (NON-MEMBER):

Ms. Marta Silva de Lapuerta.

BOARD COMMITTEES AS OF 31 DECEMBER 2003

NAME	EXECUTIVE COMMITTEE	APPOINTMENTS AND REMUNERATION COMMITTEE	AUDIT COMMITTEE
Antonio Basagoiti García-Tuñón		Chairman	
Demetrio Carceller Arce	Member	Member	
Matias Cortés Domínguez		Member	
Cymofag, S.L.	Member		
Luis Fernando del Rivero Asensio	Member		
José Manuel Loureda Mantiñán	Chairman		
Nueva Compañía de Inversiones, S.A.	Member		
Participaciones Agrupadas, S.R.L.	Member		Member
Juan Miguel Sanjuán Jover			Member
Torreal, S.A.			Chairman

REMUNERATION

The amount paid in respect of salaries, per diem or remuneration of any kind to the members of the Board of Directors in 2003, including those who came off the Board during the year, aggregated globally by payment item, is as follows:

REMUNERATION (Euros)

DIRECTORS' FEES

Per Diem

Board of Directors	539,089.6
Executive Committee	112,738.5
Audit Committee	34,207.8
Appointments and Remuneration Committee	33,943.7
Directors' Supplement	456,800.0
TOTAL FEES	1,176,779.5

REMUNERATION OF COMPANY DIRECTORS IN RESPONSIBILITY POSTS AT ANY OF THE GROUP COMPANIES

Salaries

Fixed Remuneration	2,803,327.0
Variable Remuneration	2,415,265.0
Settlement of Stock Options	256,360.1
Severance Payments	1,530,450.0
TOTAL REMUNERATION	7,005,402.1

TOTAL	8,182,181.6
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The remuneration to be paid to the Board of Vallehermoso, S.A. was approved at its meeting on 29 January 2003 and based on the recommendations of the Appointments and Remuneration Committee.

The remuneration consisted of an amount in respect of per diem and a supplement to be paid at the end of the year as a share in profits.

The amounts corresponding to each member varied.

At the meeting of Sacyr Vallehermoso, S.A.'s Board of Directors on 5 June 2003, which was the Company's first Board meeting after the merger, it was agreed that Board and Committee remuneration should be reduced with respect to the payments of previous years and that remuneration should be fixed and the same for all members alike.

The amounts paid to Company Directors as from the said date are as follows:

- For performing the functions of Company Director: Euros 5,000 per session.

- For performing the functions of member of the Executive Committee: Euros 3,333 per session.
- For occupying the post of member of the Audit or Appointments and Remuneration Committee: Euros 1,667 per session.

During 2003, the Board and its committees met on the following occasions:

- The Board of Directors had 14 meetings;
- The Executive Committee 10;
- The Audit Committee 9 and
- The Appointments and Remuneration Committee 8.

Severance payments corresponding to Mr. Cuevas, Mr. Novela and Mr. Gómez-Hall totalled Euros 1,530,450 and the stock options they held were settled for the amount of Euros 256,360.12.



Pedredo Viaduct. Cantabria-La Meseta Dual Carriageway. Corrales Stretch

The payments made to the members of the Board and its respective Committees were as follows:

COMPANY DIRECTORS' GROSS REMUNERATION IN 2003 (Euros)

DIRECTOR	BOARD	COMMITTEE			DIRECTORS' SUPPLEMENT	TOTAL
		EXECUTIVE	AUDIT	REMUNERATION		
José Manuel Loureda Mantiñán	28,006	14,356	0	0	0	42,363
Luis Fernando del Rivero Asensio	37,775	19,472	0	4,092	27,381	88,721
Antonio Basagoiti García-Tuñón	37,025	0	0	10,759	45,643	93,427
Vicente Benedito Francés	26,503	0	0	1,667	25,869	54,039
Demetrio Carceller Arce	34,018	14,356	0	6,667	0	55,042
José Ramón Calderón Ramos	37,025	0	0	0	0	37,025
Matías Cortés Domínguez	37,025	0	0	10,759	25,869	73,653
Pedro Gamero del Castillo y Bayo	37,025	5,115	0	0	46,939	89,079
Francisco Javier Gayo Pozo	26,503	0	0	0	0	26,503
Juan Miguel Sanjuán Jover	26,503	0	8,333	0	0	34,836
Corporación Caixa Galicia, S.A. (J. L. Méndez)	20,000	0	0	0	0	20,000
Cymofag, S.L. (M. Manrique)	15,000	10,000	0	0	0	25,000
Nueva Compañía de Inversiones, S.A. (J. Abelló)	5,000	0	0	0	0	5,000
Participaciones Agrupadas, S.R.L. (I. Ezquiaga)	26,503	14,356	8,333	0	0	49,193
Torreal, S.A. (P. del Corro)	5,000	0	0	0	27,381	32,381
Francisco Javier Pérez Gracia (Left 29/1/03)	3,006	1,023	1,023	0	27,381	32,433
Rafael del Pozo García (Left 30/4/03)	9,018	0	0	0	0	9,018
José M ^a . Cuevas Salvador (Left 5/6/03)	24,049	5,115	0	0	69,938	99,103
Emilio Novela Berlin (Left 5/6/03)	18,031	5,115	0	0	70,409	93,555
Juan Fernando Gómez Hall (Left 5/6/03)	10,522	0	0	0	44,347	54,869
Antonio Hoyos González (Left 5/6/03)	10,522	0	4,092	0	45,643	60,257
Manuel Manrique Cecilia (Left 30/07/03)	11,503	4,356	0	0	0	15,859
Juan Abelló Gallo (Left 9/12/03)	21,503	14,356	0	0	0	35,859
Pedro del Corro García-Lomas (Left 9/12/03)	32,025	5,115	12,426	0	0	49,566
TOTAL	539,090	112,738	34,208	33,944	456,800	1,176,779

The annual remuneration paid to the Executive Company Directors of Sacyr Vallehermoso, S.A. for their executive functions was as follows:

ANNUAL REMUNERATION OF EXECUTIVE DIRECTORS (Euros)

NAME	FIXED	VARIABLE	TOTAL
José Manuel Loureda Mantiñán	553,224	387,257	940,481
Luis Fernando del Rivero Asensio	495,166	346,616	841,782
Manuel Manrique Cecilia	412,482	289,217	701,699
Francisco Javier Gayo Pozo	306,866	214,806	521,672
Vicente Benedito Francés	240,471	189,530	430,001
Pedro Gamero del Castillo y Bayo	160,544	92,903	253,447
Directors leaving the Board in 2003	634,575	894,936	1,529,511
TOTAL	2,803,327	2,415,265	5,218,592

Apart from those mentioned above, no other payments are made to Company Directors and the Company has no obligations in respect of pensions or life assurance, with the exception of those deriving from the Company's Collective Labour Agreement for other employees.

No credits or loans have been extended to members of the Board. At 31 December 2003, there

was one loan to one of the Company Directors outstanding. This came from commitments acquired in 1996 and the conditions of the loan were the same as for any other employee. This Euros 54, 491.75 loan was written off in February 2004.

Lastly, there are currently no stock option schemes that might affect Company Directors.





Muntadas I Building. Barcelona

- **Management Committee**

The decisions adopted by the Board of Directors and, in the event, by the Executive Committee, are enforced by the Management Committee. This committee includes the business units which manage and run the activities of the sector to which they belong and in the region where they are located, the priority being to meet the quality and profitability targets set, and the corporate services shared by the whole group. The task of these corporate services is to offer all the companies in the Group administrative, legal, financial and technological support, develop communication and provide investor relations services, while encouraging good corporate governance practices, etc., following strict quality and efficiency principles.

The business units are represented by the Chairmen and/or Managing Directors of the companies which effectively conduct the activity, while the central services are represented by General Managements and the Secretary General, all of which report to the Managing Director and Chairman of Sacyr Vallehermoso.



Paseo de Gracia 56, Barcelona

MANAGEMENT COMMITTEE

NAME	POST	MISSION
José Manuel Loureda Mantiñán	Chairman of Sacyr Vallehermoso	
Luis Fernando del Rivero Asensio	Managing Director of Sacyr Vallehermoso	
José Luis Hervás Martín	Chairman of Valoriza	The development of services complementary to the core businesses
Manuel Manrique Cecilia	Chairman of Sacyr	The construction business
Rafael del Pozo García	Managing Director of Vallehermoso	Residential development
José Ángel Presmanes Rubio	Chairman of Itinere	Management of portfolio of motorway contracts and promoting its development
Fernando Rodríguez-Avial Llardent	Managing Director of Testa	Managing property for lease and the development of new products
Vicente Benedito Francés	General Manager of Resources	Includes the legal activity related to the businesses, technological and organizational support and Human Resources
Francisco Javier Pérez Gracia	Corporate General Manager	Development and planning of finance policy and administrative support
Ana de Pro Gonzalo	General Manager of Communication and Institutional Relations	Development of communication and investor relations
Marta Silva de Lapuerta	Secretary to the Board	Management of corporate legal activity and promotion of good Governance practices
Jose Antonio Guío de Prada	Recruitment Manager	Drawing up and controlling bids and works contracting



Observation Tower. Lisbon. Somague

- **Good Corporate Governance**

In business year 2003, the company gradually adapted its internal regulations to the obligations of Good Corporate Governance.

On 26 March 2003, the Board passed a new Regulation of the Board of Directors to replace the one passed on 26 June 2000.

The General Meeting held on 3 April 2003 approved an amendment to the company by-laws to include the regulation of the Audit Committee in Article 15(2), thus complying with the obligation established in Act 44/2002 on the Reform of the Financial System.

At its meeting on 30 July, the Board passed a new Internal Rule of Conduct which amended the previous Rule of 26 June 2000, in order to adapt it to what is established in Act 44/2002 in respect of the protection of privileged information.

Sacyr Vallehermoso, S.A. has updated the contents of its website to comply with Act 26/2003, of 17 July, on Transparency.

Additionally, applying the mandates of the said Act, the Annual Good Corporate Governance Report

will be available to shareholders from the day the General Meeting is announced.

Lastly, Regulations for the Meeting will be submitted for approval at the General Meeting, together with the by-law amendments required so that votes and the delegation of votes can be effected by electronic means or through other forms of correspondence.

INFORMATION ON THE GOVERNANCE RULES APPLIED BY THE COMPANY

The basic principles governing the actions of the Board of Directors are efficiency, transparency and responsibility, with the prime object of increasing the company's value in the interest of shareholders, always respecting the legislation in force and generally accepted values and principles of conduct.

The governance rules for Sacyr Vallehermoso, S.A. are to be found in its Company By-laws, in the Regulation of its Board of Directors, in the Internal Rule of Conduct and in the Regulations for the General Meeting.

The Regulation of the Board aims to determine the principles for the actions of the company's governing body, the basic rules for its organization and functioning and the rules of conduct for its members and the company's senior management.

The Internal Rule of Conduct, applicable to the members of the Board of Directors, to management and the rest of the company's staff who, because of their work, post or functions, have access to events, decisions and information that could significantly influence the price of the company's shares, complements the Regulation described above and explains the duties and obligations in relation to conduct in organized markets and, particularly, with regard to the use of privileged information and treasury stock transactions.

At the next General Meeting, the Regulations for the General Shareholders' Meeting of Sacyr Vallehermoso will be submitted for approval. The purpose of these Regulations is to increase the transparency that should govern the preparation and organization of the Meeting, to define the ways in which shareholders' voting rights can be exercised at the meeting and to bring all the rules as regards the General Meeting together in one text so that the way in which the Meeting functions is clear.

SyV