



Fostering constructive ideas



05 Q1 Results and strategic development

June, 2005

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Q1 Results

Highlights

Business Areas

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Strategic Development

Strategic Development by Area

04/07 Forecast

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Q1 Results

Highlights

Areas of Business

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Strategic Development

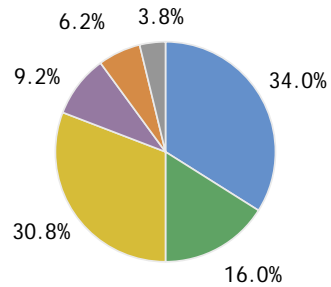
Strategic Development by Area

04/07 Forecast

(Mn Euros)	MARCH		% Change
	2005	2004	05/04
Net Sales	817.5	744.4	9.8%
Other Income	209.5	139.8	49.9%
TOTAL INCOME	1,027.0	884.2	16.1%
Eternal and operating expenses	(827.1)	(739.5)	11.8%
GROSS OPERATING PROFIT	199.9	144.7	38.1%
Depreciation	(48.6)	(46.8)	3.7%
Trade Provisions	(8.3)	(6.4)	30.9%
NET OPERATING PROFIT	143.0	91.5	56.2%
Financial Results	88.6	(20.1)	
Translation and forex differences	(2.2)	(8.6)	(74.4%)
Results from equity accounted subsidiaries	(1.5)	(0.8)	94.5%
Provisions for financial investments	(1.4)	0.0	
Results from sales of non current assets	0.7	30.0	(97.6%)
Other profit and losses	(0.4)	0.9	(146.2%)
PROFIT BEFORE TAXES	226.9	93.0	143.9%
Corporate Tax	(80.9)	(20.4)	296.1%
Minorities	(1.6)	(4.4)	(64.4%)
NET ATTRIBUTABLE PROFIT	144.4	68.2	111.7%

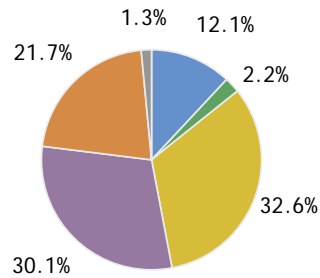
Q1 2005

Net Sales



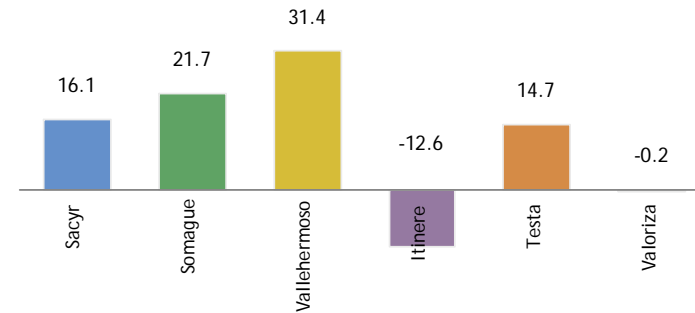
Total = €17.5 Mn

EBITDA



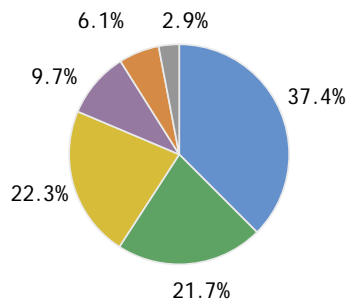
Total = €199.9 Mn

NET PROFIT

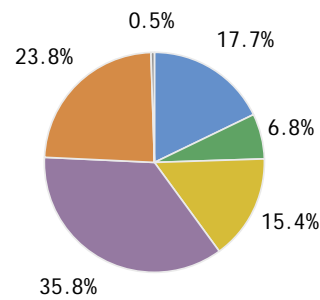


Total = €144.4 Mn

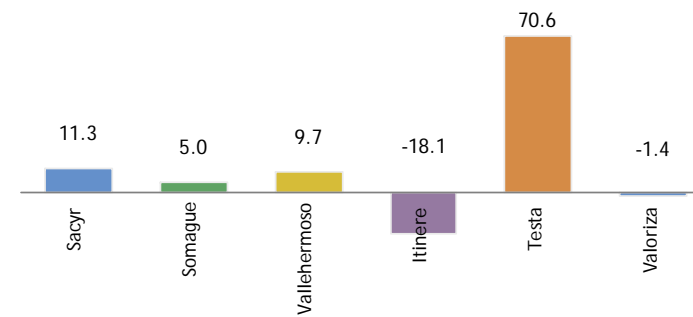
Q1 2004



Total = €74.4 Mn



Total = €144.7 Mn



Total = €68.2 Mn

■ Sacyr ■ Somague ■ Vallehermoso ■ Itinere ■ Testa ■ Valoriza

(Mn Euros)	MARCH		%Change
	2005	2004	05/04
Construction SACYR-SOMAGUE			
-Order Book	3,761	2,971	26.6%
<i>Months of activity</i>	26.1	20.2	29.4%
Housing Development VALLEHERMOSO			
-Committed Sales	293	221	32.4%
<i>Nº houses</i>	965	949	1.7%
-Order Book	1,809	1,582	14.3%
-Land Reserve (m²)	4,237	3,598	17.7%
<i>% Housing</i>	92%	91%	1.1%
Concessions ITINERE			
-Income Order	49,281	33,612	46.6%
Property TESTA			
-Rentals	54	45	19.0%
-Net Surface (m²)	1,384	1,396	(0.9)%
<i>% Occupancy</i>	96.1%	94.5%	1.7%
-Income Order	2,271	1,957	16.0%
Services VALORIZA			
-Income Order	3,838	3,115	23.2%

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Q1 Results

Highlights

Business Areas

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Strategic Development

Strategic Development by Area

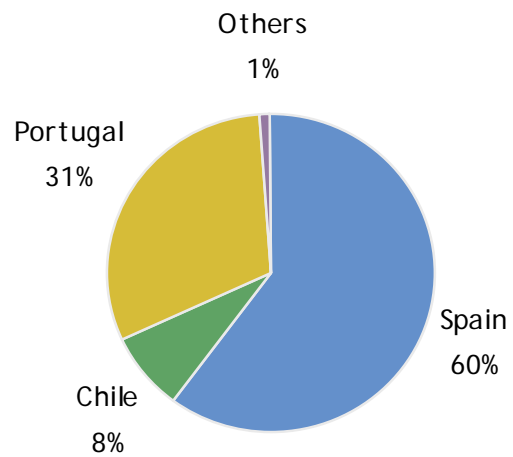
04/07 Forecast

Construction SACYR-SOMAGUE (Mn Euros)	MARCH		% Change 05/04
	2005	2004	
Net Sales	432.8	442.3	(2.1%)
EBITDA	28.9	36.2	(20.2%)
<i>EBITDA/Net Sales</i>	<i>6.7%</i>	<i>8.2%</i>	<i>(18.4%)</i>
EBIT	19.1	21.8	(12.6%)
<i>EBIT/Net Sales</i>	<i>4.4%</i>	<i>4.9%</i>	<i>(10.7%)</i>
NET PROFIT	37.8	16.3	132.2%
<i>NET PROFIT/Net Sales</i>	<i>8.7%</i>	<i>3.7%</i>	<i>137.3%</i>
CASH FLOW	47.8	30.8	55.2%

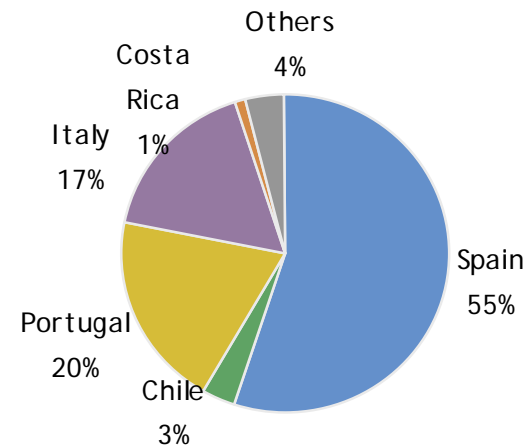
Construction SACYR (Mn Euros)	MARCH		% Change
	2005	2004	05/04
Net Sales	294.3	279.8	5.2%
EBITDA	24.5	26.1	(6.3%)
<i>EBITDA/Net Sales</i>	<i>8.3%</i>	<i>9.3%</i>	<i>(11.0%)</i>
EBIT	17.7	14.7	20.0%
<i>EBIT/Net Sales</i>	<i>6.0%</i>	<i>5.3%</i>	<i>14.1%</i>
NET PROFIT	16.1	11.3	42.6%
<i>NET PROFIT/Net Sales</i>	<i>5.5%</i>	<i>4.0%</i>	<i>35.5%</i>
CASH FLOW	23.0	22.7	1.3%

Construction SOMAGUE (Mn Euros)	MARCH		% Change
	2005	2004	05/04
Net Sales	138.4	162.4	(14.8%)
EBITDA	4.4	10.1	(56.1%)
<i>EBITDA/Net Sales</i>	<i>3.2%</i>	<i>6.2%</i>	<i>(48.5%)</i>
EBIT	1.4	7.1	(80.3)%
<i>EBIT/Net Sales</i>	<i>1.0%</i>	<i>4.4%</i>	<i>(76.9%)</i>
NET PROFIT	21.7	5.0	334.0%
<i>NET PROFIT/Net Sales</i>	<i>15.7%</i>	<i>3.1%</i>	<i>409.3%</i>
CASH FLOW	24.8	8.1	206.2%

Net Sales by geographical area



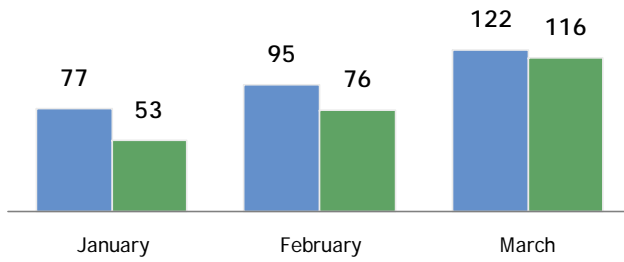
Order Book by geographical area



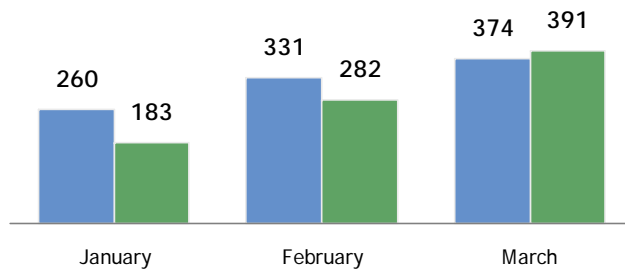
26.1 MONTHS OF GUARANTEED ACTIVITY

Housing development VALLEHERMOSO (Mn Euros)	MARCH		% Change
	2005	2004	05/04
Net Sales	266.3	166.7	59.8%
EBITDA	66.2	22.7	191.9%
<i>EBITDA/Net Sales</i>	<i>24.8%</i>	<i>13.6%</i>	<i>82.7%</i>
EBIT	61.2	23.0	166.0%
<i>EBIT/Net Sales</i>	<i>23.0%</i>	<i>13.8%</i>	<i>66.5%</i>
NET PROFIT	31.4	9.7	223.7%
<i>NET PROFIT/Net Sales</i>	<i>11.8%</i>	<i>5.8%</i>	<i>102.6%</i>
CASH FLOW	37.2	9.4	295.7%

Committed Sales (Mn Euros)

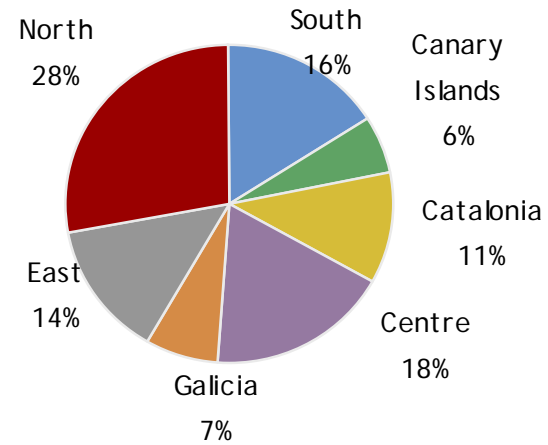


Committed Sales (Units)



■ 2005 ■ 2004

**Land purchase
by geographical area**

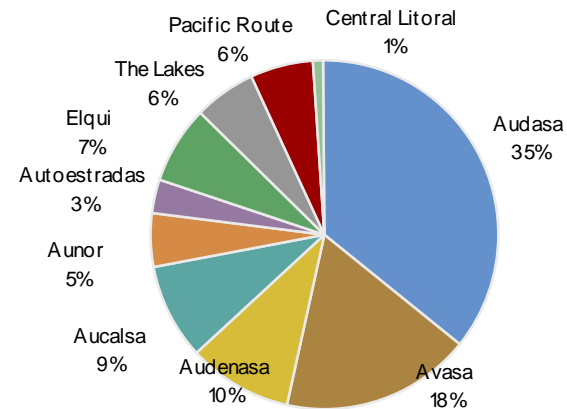


Concessions ITINERE (Mn Euros)	MARCH		% Change
	2005	2004	05/04
Net Sales	79.6	72.6	9.6%
EBITDA	61.0	52.8	15.5%
<i>EBITDA/Net Sales</i>	<i>76.6%</i>	<i>72.7%</i>	<i>5.4%</i>
EBIT	29.4	23.0	28.2%
<i>EBIT/Net Sales</i>	<i>37.0%</i>	<i>31.6%</i>	<i>17.0%</i>
NET PROFIT	(12.6)	(18.1)	30.7%
<i>NET PROFIT/Net Sales</i>	<i>(15.8%)</i>	<i>(25.0%)</i>	<i>(36.8%)</i>
CASH FLOW	19.5	11.9	63.9%

Project	Contracting Authority	Filing Date mm-dd-yy
Scut Isla Azores	Azores Autonomous Region	PRE-QUALIFIED
M3 Clonee-Kells Toll Highway	Ministry of Public Works - Ireland	PRE-QUALIFIED
Santiago-Brión Highway	Galician Government	01-20-05
Salnés Highway	Galician Government	01-24-05
AS-18 Highway	Principality of Asturias	02-28-05
CV-35 Highway	Valencia Government	11-03-05
Parla Tram	Region of Madrid	04-14-05
Ibiza Airport Access Road	Government of the Balearic Islands	04-29-05
Barbanza Highway	Galician Government	05-09-05
Plaza Elíptica Transport Hub	Region of Madrid	AWARDED
Kalotina-Bourgass Toll Highway	Republic of Bulgaria	AWARDED

(Mn Euros)	MARCH 05		
	Net Sales	EBITDA	Traffic growth
Audasa	27.8	23.1	3.6%
Avasa	13.7	11.1	5.4%
Audenasa	7.6	5.8	5.7%
Aucalsa	6.7	4.0	8.5%
Aunor	3.9	3.3	6.1%
Autoestradas	2.4	0.9	6.0%
Spain	62.1	48.2	5.0%
Elqui	5.7	2.9	4.7%
The Lakes	4.6	2.2	4.0%
Pacific Route	4.6	3.9	1.0%
Central Litoral	0.7	0.5	*
Chile	15.6	9.5	3.2%
TOTAL	77.7	57.7	4.6%

Toll income by concessionaire



* Non comparable data due to opening of new tranches

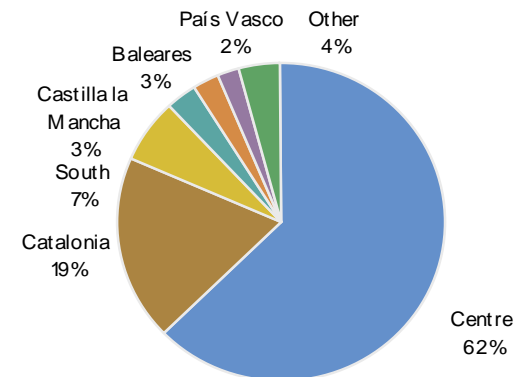
Property TESTA (Mn Euros)	MARCH		% Change
	2005	2004	05/04
Net Sales	54.0	45.4	19.0%
EBITDA	44.1	35.1	25.8%
<i>EBITDA/Net Sales</i>	<i>81.6%</i>	<i>77.2%</i>	<i>5.7%</i>
EBIT	36.4	27.6	32.0%
<i>EBIT/Net Sales</i>	<i>67.3%</i>	<i>60.7%</i>	<i>10.9%</i>
NET PROFIT	14.7	70.6	(79.2%)
<i>NET PROFIT/Net Sales</i>	<i>27.1%</i>	<i>155.4%</i>	<i>(82.6%)</i>
CASH FLOW	22.4	78.2	(71.4%)

Project	M ² o/surface	Invest.(Mn Euros)	Starting year
Josefa Valcarcel 48	19,551	65.4	2006
SyV Tower	19,500	155.7	2008
Offices	39,051	221.1	
Itaroa	37,776	75.0	2005
Porto Pí Terraces	7,000	11.3	2005
Commercial	44,776	86.3	
SyV Tower	33,200	190.3	2008
Hotels	33,200	190.3	
Alameda de Osuna	9,318	17.0	2005
Houses	9,318	17.0	
Villajoyosa	17,259	23.8	2008
Les Corts	11,298	19.3	2005
Juan Llorens	6,470	14.1	2007
Sagrada Familia	6,000	12.7	2006
Consejo de Ciento	5,907	10.3	2006
Los Madrazo	5,843	10.6	2005
Elderly people home	52,777	90.8	
TOTAL	179,122	605.5	

**Parla and Coslada
Hospitals awarded in
Q2 under concession**

Product	MARCH 05		
	Rentals (Mn Euros)	€/m ² /year	% Ocup.
Oficces	33.6	270.5	93.4%
Retail	9.3	278.2	97.2%
Hotels	5.1	307.6	100%
Industrial	2.5	48.0	99.9%
Houses	2.4	100.6	96.7%
Elderly people homes	0.9	127.8	100%
Parking	0.2	15.7	100%
TOTAL	54.0	199.6	96.1%

Rentals by geographical area



Services VALORIZA (Mn Euros)	MARCH		% Change
	2005	2004	05/04
Net Sales	32.9	22.0	49.9%
EBITDA	2.6	0.7	295.5%
<i>EBITDA/Net Sales</i>	<i>8.0%</i>	<i>3.0%</i>	<i>163.8%</i>
EBIT	1.2	(0.7)	271.8%
<i>EBIT/Net Sales</i>	<i>3.7%</i>	<i>(3.2%)</i>	<i>214.6%</i>
NET PROFIT	(0.2)	(1.4)	88.6%
<i>NET PROFIT/Net Sales</i>	<i>(0.5%)</i>	<i>(6.6%)</i>	<i>92.4%</i>
CASH FLOW	1.3	0.5	158.9%

➔ **Acquisitions/Divestments:**

- **Environment: 100% of Sufi for €142 million.**
- **Water Distribution: 33% of Emalsa, water distributor for Las Palmas/Santa Brígida cities, €93.9 million (€60 million cash in balance sheet).**
- **Alternative Energies: sale of 100% of Finerge for €149 million due to its financial opportunity (€1.9 million in capital gains).**

➔ **Rationale:**

- **Strategic: The acquisition generates an excellent platform for growth.**
- **Operational: It provides access to run businesses where Valoriza was not involved in (urban waste and environmental services management) and strengthens our position in water and alternative energies.**

➔ **2005 Forecast. These acquisitions will supports to:**

- **Turnover to reach €380 million (sales 05/04 > 300%)**
- **EBITDA margin target > 10%**



Business size to double in one year

EBITDA ROBUST INCREASE WITH IMPROVED MARGINS

Q1/05

€199.9 Mill.

24.5%

Q1/04

€144.7 Mill. (+38.1%)

19.4% (+25.8)

Net Results DOUBLED

Q1/05

€144.4 Mill.

Q1/04

€68.2 Mill. (+111.7%)

Sustained growth and improved margins

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Q1 Results

Highlights

Areas of business

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Strategic Development

Strategic Development by Area

04/07 Forecast

Target: Consolidate a construction company leader in profitability with a weight of around 60% in civil works and 40% in building.

- ➔ **Strengthen international presence through local players: Chile ➔ Sacyr Chile, Portugal ➔ Somague and Italy ➔ SIS.**
- ➔ **Solid trackrecord in turnover (CAGR 2001-2004: 21.5%).**

In Civil Works

- ➔ **Sustained growth, increasing market share and developing new markets.**
- ➔ **New Infrastructure Plan in Spain (06/20) with 241,000 Mn Euros to be invested.**
- ➔ **Expansion as construction provider for our concessions unit: Ireland, Greece, Costa Rica, Mexico and Brazil.**

In Building

- ➔ **The group will carry out 80% of the residential building developed by Vallehermoso.**
- ➔ **Growing in external clients once has been consolidated the entire delegations network opened in 2004 (market share below 1% Vs. 4% in civil works).**

Target: Increase market share (0.7% in 2004) in a highly fragmented market.

Positioning in urban or buildable land with a timeline for urban development (3/10 years).

- **Maintain a reserve equivalent to 5 years of sales (4.5 – 5 Mn m2).**
- **Cost of land equivalent to 35% - 45% of sale price.**

First residence

- ➔ **Target sales of 5,000 – 5,500 units per year.**
- ➔ **Type: 80-unit per development: Flats of 100/125 m2 surface.**
- ➔ **Present in cities of more than 100,000 inhabitants.**

Second Residence

- ➔ **Sales objective of 500 – 1,000 units per year.**
- ➔ **Clients focus:**
 - **Domestic: Large projects, with low-density, services and leisure supply combined.**
 - **E.U.: Mediterranean and south atlantic coast: transport infrastructure are essential (airports, train, etc.), with a balanced range of services, health care, leisure/golf. 1st line beach is not a must.**

Target: Geographical expansion and corporate actions.

- ➔ **Consolidate and increase domestic presence in tollroads and expand into new geographic areas:**
 - **Countries such as Italy, Greece or Ireland, with new projects on the boards.**
 - **Emerging nations with solid financial systems and low political risk such as Chile, Costa Rica, Brazil and Mexico, with an adequate selection of local partners.**
 - **Opportunities in European eastern countries.**

- ➔ **Increase exposure to other transportation infrastructure concessions such as airports, ports, rail systems, etc.**

- ➔ **Create value with new concessions (target: 2 by year) and corporate actions.**

- ➔ **Reinforce the fitting of new operation systems with greater induced traffic (free-flow) and customer loyalty (payment systems, discounts, etc).**

Target: Consolidate leading position in Spanish market, providing recurrent earnings and generate capital gains on assets.

➔ **Increase letting surface in next 4 years:**

New products development	M2
Offices	50,497
Shopping Centers	7,000
Hotels	37,259
Other Products	62,095
TOTAL	156,851

- ➔ **Maintain an asset turnover policy to set average portfolio age at 20 years.**
- ➔ **Enter into new products under concession such as hospitals and rental homes backed by the regional and Central administrations new plans and taxation rules.**
- ➔ **Increase third parties property management (real estate funds).**

Target: Expansion where we have an active role (alternative energies and water) and get into new areas (environmental and multiservices).

Integration of service activities from Somague group into Valoriza in 2005 to increase its visibility and geographical synergies.

Water Cycle

- ➔ Strategy is aimed at strengthening the organic growth combined with acquisitions.

Alternative Energies

- ➔ In cogeneration and biomass, through Iberese, developing more than 100MW of capacity under management. Target to reach 400 MW.

Environmental

- ➔ Incipient presence in Portugal. Main areas of interests are collection and treatment of waste, with the potential acquisition of companies in Spain and bidding for new contracts as a way of expansion.

Multiservices

- ➔ Expansion of existing activities: Gardening and landscaping (highways network controlled by SyV) and integral facilities (owned property portfolio).

SyV expects to start operations in businesses such as: airport handling, cleaning and others. For the implementation in this areas, acquisitions of specialized companies are considered an option.

Investments forecasted for next 3 years of Mn €600

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Q1 Results

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Areas of business

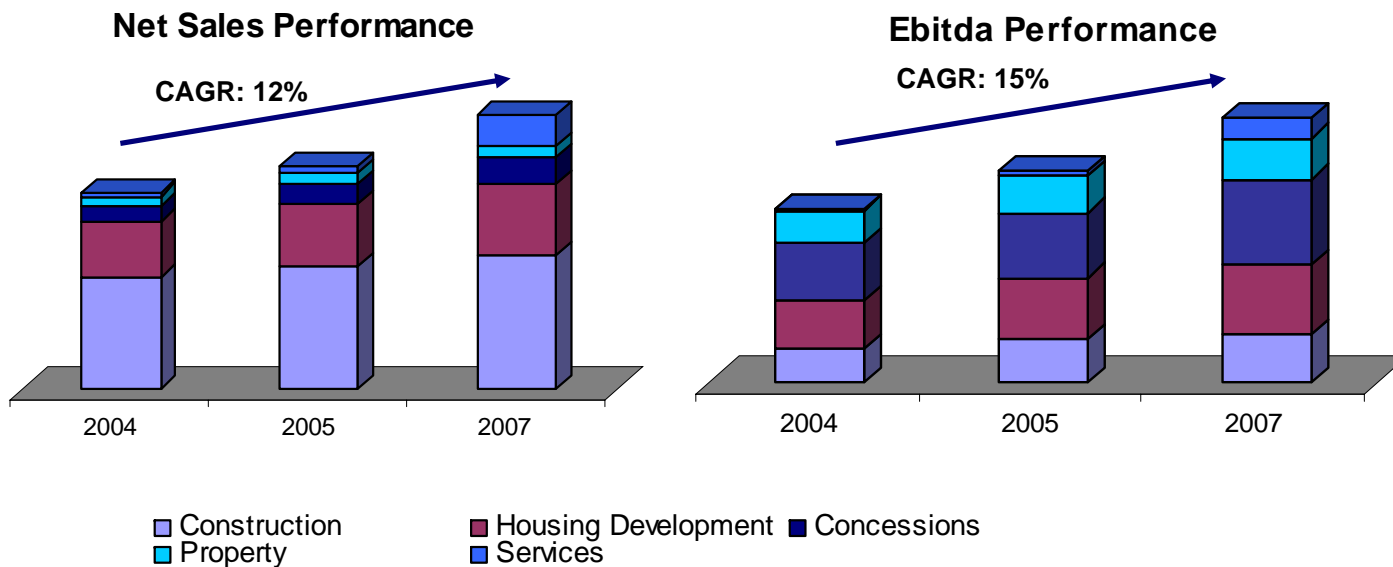
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Strategic Development

Strategic Development by Areas

04/07 Forecast

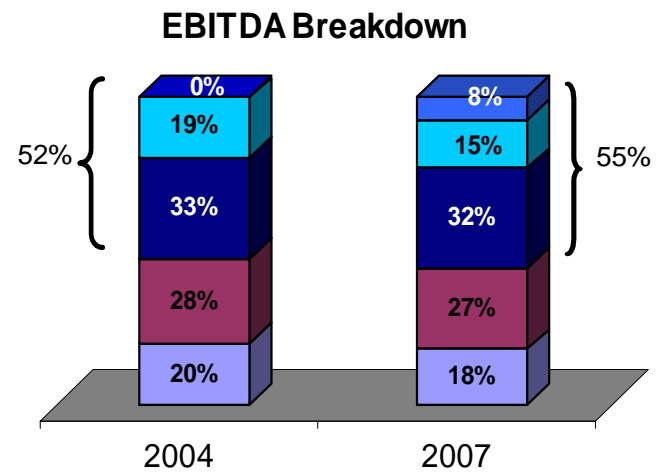
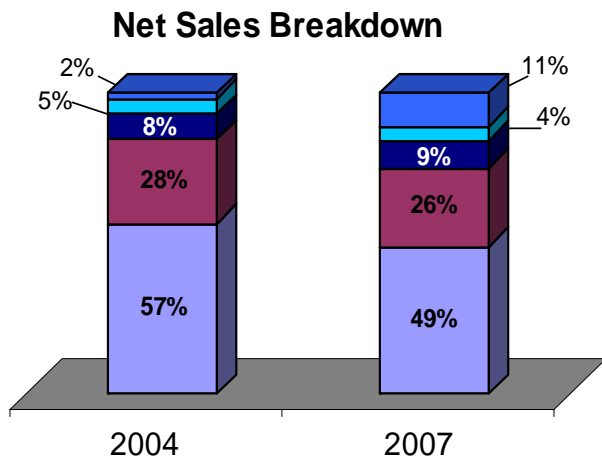
2004-2007 Performance by Area



Sales and operating profit growth expected higher than 10% (cagr) due to:

- ✓ Organic growth strategy in all the activities.
- ✓ Focus on activities with high operating margins (concessions).
- ✓ Development of new areas (services).

2004-2007 Performance by Area



■ Construction
■ Concessions
■ Services

■ Housing Development
■ Property

Investment effort in recurrent activities (concessions, rental property and services) makes the importance of these areas to grow in the future.



Fostering constructive ideas



June, 2005