

The background of the slide is a photograph of a high-speed train, likely a Spanish Renfe train, moving from left to right. The train is white with blue and grey accents. It is on a track that runs under a concrete viaduct with a metal railing. The landscape in the background is hazy and shows some fields and distant hills.

2003 Results and 2004 Outlook

March 2004

I. Highlights

- Financial and economic data

II. Financial Statements

- Profit and Loss Account
- Highlights and operating data
- Balance sheet and financing structure
- Dividends

III. Business Areas

IV. 2004 Outlook

I Highlights: Sacyr Vallehermoso Financial and Economic Data



		December		% Change 03/02
		2002	2003	
Net Income	Mn €	2,064	3,334	61.5%
EBITDA	Mn €	454	577	27.1%
Net Attributable Profit	Mn €	331	334	1.0%
CASH-FLOW	Mn €	397	465	17.3%
DPS	€	0.30	0.42	40.0%
Equity (as of end of period)	Mn €	1,080	1,312	21.5%
Total assets	Mn €	6,117	11,345	85.5%
Net Financial Debt	Mn €	3,340	6,368	90.7%
Project Finance		909	2,695	196.7%
Mortgages, hire purchases		1,496	2,673	78.7%
Others and Holding		934	999	7.0%

II Financial Statements: Profit & Loss Account 2003



CONSOLIDATED PROFIT AND LOSS (Mn Euros)	December		% Change 03/02
	2002 *	2003	
Net Income	2,064	3,334	61.5%
Other Income	152	79	-47.8%
Total Income	2,216	3,413	54.0%
External and Operating expenses**	(1,762)	(2,836)	61.0%
Gross Operating Profit	454	577	27.1%
Depreciation	(54)	(92)	70.7%
Reversion Fund	(9)	(17)	97.1%
Trade Provisions	7	(16)	-349.2%
Net Operating Profit	398	451	13.5%
Financial Results	(108)	(106)	-2.0%
Results from equity accounted subsidiaries	5	(3)	-158.0%
Financial Provisions	(11)	(9)	-13.0%
Goodwill	1	8	438.8%
Ordinary Profit	285	341	19.7%
Net Extraordinary Results	122	128	4.9%
PROFIT BEFORE TAXES	407	469	15.3%
Corporate Tax	(73)	(111)	52.5%
TOTAL PROFIT	334	357	7.1%
Minorities	(3)	(23)	806.2%
NET ATTRIBUTABLE PROFIT	331	334	1.0%

*SyV

** includes Operating expenses and other expenses.

II Financial Statements: Operating Margins

- **PBT/ Net Income: 14.1%**
- **N. Profit/ Net Income: 10.0%**
- **EBITDA / Net Income: 17.3%**
- **Cash flow / Net Income: 14.0%**

II Financial Statements: 2003 P&L

Activities Breakdown

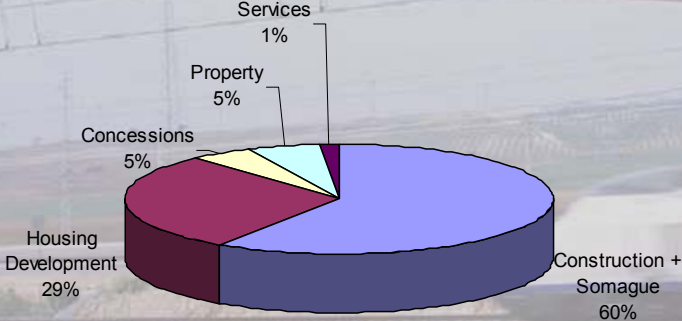
TURNOVER by business area (Mn €)	December		% Change
	2002	2003	03/02
Construction	800	1,109	38.6%
Housing Development	679	969	42.7%
Concessions	128	159	24.5%
Property	144	182	26,3%
Services	50	48	-3.0%
Somague	228	877	284.5%
Holding	35	-10	-129,0%
TOTAL	2,064	3,334	61.5%

EBITDA (Mn €)	December		% Change
	2002	2003	03/02
Construction	86	94	8.9%
Housing Development	163	202	23.6%
Concessions	83	116	39.1%
Property	103	140	36.5%
Services	0	2	N/M
Somague	11	46	327.9%
Holding	8	-23	N/M
TOTAL	454	577	27.1%

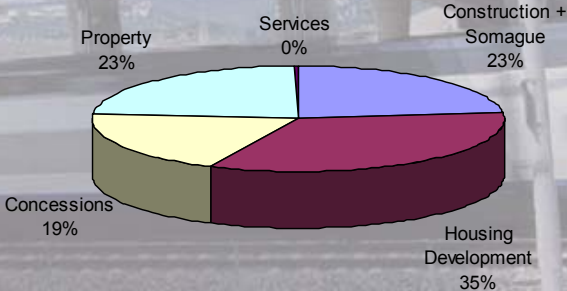
II Financial Statements: 2003 P&L Activities Breakdown

In 2003 recurrent areas were a 11% of total sales but its contribution to cash flow generation of the group amounted to 42%

Net Income:



Ebitda:



II Financial Statements: 2003 P&L

Income Order: High stability of income generation

ORDER BOOK		December 2003	
(Mn Euros)	Order Book	% Ebitda*	O.Book Ebitda
Sacyr (Order Book)	2,125	8.5%	180
Somague (Order Book)	587	5.3%	31
Itinere (Concessional Income)	32,789	73.0%	23,926
Testa (Lease contracts to maturity)	1,807	77.2%	1,394
Vallehermoso (Pre-sales Book)	700	20.8%	146
TOTAL	38,008	67.6%	25,676

*Ebitda margin as of end of the period

Base of estimates:

- ✓ Construction: Order backlog as of end of the period.
- ✓ Itinere: Income estimates according Economic and Financial Plan agreed for each concession.
- ✓ Testa: Rental Income for lease contracts up to their maturity.
- ✓ Development: Stock of committed sales as of end of the period.

II Financial Statements Operating data



		December		% Change 03/02
		2002	2003	
* SACYR ORDER BOOK:(*)	Mn €	1,932	2,712	40.3%
* VALLEHERMOSO LAND RESERVE (End of quarter): TOTAL	Committed sales Mn €	835	902	7.9%
	Thds m ⁺	2,660	3,213	20.8%
* ITINERE INCOME PORTFOLIO	Mn €	11,314	32,789	189.8%
* TESTA NET SURFACE (End of quarter)	Thds m ⁺	1,284	1,429	11.3%
OCCUPANCY under Mgmt. (End of quarter)	%	94.7	96.5	1.9%

(*)Somague contributes at 29.69% in 2002 and at 100% in 2003

II Financial Statements: 2003 Balance Sheet

CONSOLIDATED BALANCE SHEET (Mn Euros)	Dec. 02*	Dec. 03	Change 03/02
ASSETS			
Uncalled Share Capital	3	0	(3)
Fixed assets	3,226	6,719	3,493
Goodwill in Consolidation	110	80	(30)
Deferred expenses	266	590	324
Current assets	2,512	3,956	1,444
TOTAL ASSETS/LIABILITIES	6,117	11,345	5,228
LIABILITIES			
Equity	1,080	1,312	232
Minorities Interests	37	736	699
Badwill	14	1	(13)
Accruals	40	140	100
Provisions for contingencies and credit expenses	312	572	260
Long term creditors	2,845	4,991	2,146
Short term creditors	1,789	3,593	1,804

*Pro-forma Sacyr Vallehermoso

II Financial Statements: 2003 Balance Sheet

Capital employed by business area

Fixed Assets	December 03	
	(Mn Euros)	In %
Construction*	428	5.8%
Concessions	4,619	62.5%
Housing development	239	3.2%
Property	2,216	30.0%
Services	59	0.8%
Holding and Others	-172	-2.3%
TOTAL	7,389	100.0%

*Including Somague

✓ Infrastructure concession business and property contributes with a 92.5% of the total and are associated to long term contracts and clients.

II Financial Statements: 2003 Balance Sheet

Financial Debt

Debt by activities Mn.Euros	Debt		Change 03/02	% over total 03	% guaranteed over/total	HIGHLIGHTS
	2003	2002				
HOLDING	553	665	-112	8.7%	80.4%	<ul style="list-style-type: none"> • 250 Mn. Euros . Commercial paper • 104 Mn. Euros. Debentures (expiration date 2006) • 199 Mn. Euros. Loans.
CONSTRUCTION	138	587	-449	2.2%	29.5%	<ul style="list-style-type: none"> • 57 Mn. Euros. Project Finance by german method (41% over total debt) • 30 Mn. Euros. Operating hire purchase (22% over total debt) • 51 Mn. Euros. Sacyr Chile and Cavosa ´s debt.
CONCESSIONS	2,739	507	2,232	43.0%	79.7%	<ul style="list-style-type: none"> • 2,695 Mn. Euros, Project Finance (99% over total debt) • 1,802 Mn. Euros, debt in ENA & ENAITINERE ´s Balance Sheet • 44 Mn. Euros, a 1.6% over the total, is corporate debt.
SERVICES	42	5	37	0.7%	33.8%	<ul style="list-style-type: none"> • 23 Mn. Euros , Project Finance (55% over total debt) • 19 Mn. Euros is corporate debt.
PROPERTY	1,277	840	437	20.1%	59.6%	<ul style="list-style-type: none"> • 1,189 Mn. Euros. Mortgages and hire purchase (93.1%). Average expiration date: 14 years. • 72 Mn. Euros. Long-term hire purchase financial interests. • 16 Mn. Euros Corporate debt (1.2% over total debt)
HOUSING DEVELOPMENT	1,396	656	740	21.9%	0.0%	<ul style="list-style-type: none"> • 1,195 Mn. Euros. Housing projects debt (86% over total debt) • 201 Mn. Euros. Other mortgages and Leasing
SOMAGUE	223	80	143	3.5%	0.0%	<ul style="list-style-type: none"> • 100% Corporate Debt
TOTAL SyV	6,368	3,340	3,028	100%	53.9%	

II Financial Statements: 2003 Balance Sheet

Financial Debt

Group Highlights:

✓ 43% of the Group's debt is linked to project finance (concessions), another 18.7% is backed on mortgages of rented buildings (property) and 18.8% is matched to housing projects (housing development), being the remaining 19.5% corporate debt and other financing.

Business Areas:

✓ Sacyr's corporate debt is equivalent to supplier's commercial paper discount.

✓ Market value of property assets (as of dec.03) is 2.14 times its debt.

✓ Book value of housing development inventories amounts to 121% of its total debt.

✓ Valoriza's debt is mainly linked to the start up in concessions of urban services and alternative energies.

II Dividends



DIVIDENDS PAYMENTS AND 2003 PROPOSAL

	2003	2002	% Change
Gross dividend payment p.s	0.42	0.30	40.0%
Ordinary	0.30	0.30	0.0%
Extraordinary*	0.12	0	N/M
TOTAL GROSS (Mn Euro)	103.24	46.43	56.8
Pay-out (Mn Euro)	31.00%	22.35%	38.7%

*Due to merger and creation of Sacyr Vallehermoso

III Business Areas

Construction: Sacyr (ex-Somague)

(Mn €)	2002	2003
Sales	800.1	1,109
EBITDA	86.1	93.7
Net Profit*	174.1	71.6
Order Book	1,635	2,124
Months of activity	24.5	23.0
Domestic	91.5%	86.6%

Significant order book growth in 2003 (30%), with 23 months of guaranteed activity

*Strong extraordinary results of 123.6 Mn Euros in 2002 due to sale of Iberpistas and Prosacyr.

✓ **Main projects awarded:**

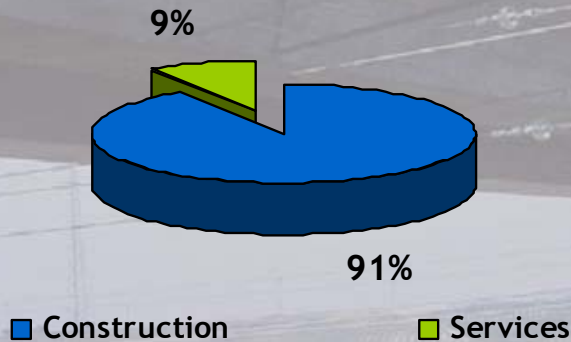
- Northeast access to Santiago de Chile (€ 108.9 Mn.)
 - Line 1 of Sevilla subway (€ 121.9 Mn.)
 - High Speed Train Line: Pajares tunnel (€ 72.2 Mn.)
 - “Don Quijote” Airport, Ciudad Real (€ 63.4 Mn.)
- ✓ Activity focus on civil works, which amounted to 77% of the total.
- ✓ Stringent accounting criteria (Work executed pending certification).
- ✓ Solid base for future growth: Somague control acquisition, Domestic Infrastructure Plan and housing development order backlog.

III Business Areas

Construction: Somague



NET INCOME BY ACTIVITY 2003



In December 2003 SyV agreed control acquisition of Somague, one of the main players in the construction and privatised market of public services in Portugal

- ✓ Growing development of new business areas in water distribution, wind power energy and toll road concessions.
- ✓ The acquisition will be completed in 2004 and will allow to consolidate the presence in the Iberian peninsula, opening of new markets and products and with a marked complementary with all areas of activity.

III Business Areas

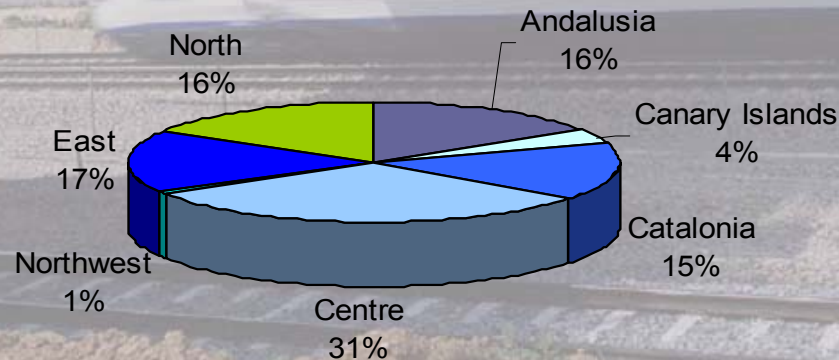
Development: Vallehermoso

(Mn €)	2002	2003
Sales	679.3	969.5
EBITDA	163.4	201.9
Net Income	89.8	111.5
Committed Housing Sales	835.4	901.6
Reserved Land (Thds m ²)	2,660	3,213
Inventories	1,303	1,695

Vallehermoso reached a land bank reserve of 3.2 Mn of m², with a book cost of 451 Eur/m², equivalent to 17,566 houses, which ensures 4.6 years of activity

2003: 901.6 Mn Euros of pre-sales, a rise of 7.9%.

WELL DIVERSIFIED GEOGRAPHIC DISTRIBUTION



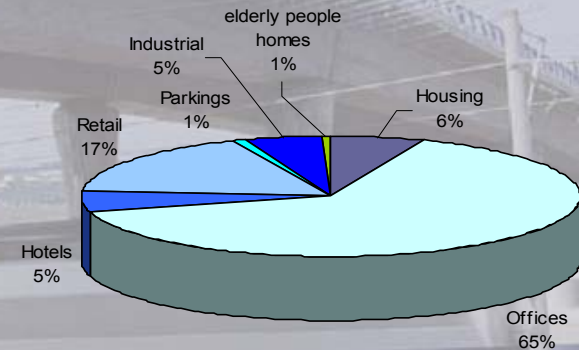
III Business Areas

Property: Testa

(Mn €)	2002	2003
Sales	143.8	181.6
EBITDA	102.6	140.1
Net Income	140.6	161.7
Property Sales	191.5	183.0
Average Net profitability	7.02%	7.25%
Lettable Surface (Thds m ²)	1,284	1,429

High quality of assets, clients and long life contracts supported a 8.3% L-f-L growth of income in 2003.

Income by use :



- ✓ Significant growth of lettable surface to 1.43 Mn m², a 11.3% more than in 2002.
- ✓ Business expansion based on long term secured income and entrance into operation of new assets in 2004 (elderly people homes and hotels, 100% pre let).
- ✓ Market capitalization of 1,624 Mn Euros at 27th of February.

III Business Areas

Property: Testa - High Quality clients

✓ Blue Chip Clients: Endesa, Indra, Amena, Roche, Kraft, Uría & Menéndez Law Cabinet, Logista, Cepsa, Hewlett Packard, Nationale Nederlanden, Ferrero, DKV Previaisa, Infinity, Honda Cars, Black & Decker, Conforama, Levi Strauss, Habitat, Air France, TBWA, Baan Ibérica, Dunlop, Epson, Intercom, Fortis Bank, Burberry, Pelikan... etc.

✓ Surface in m2 by region:

▪ Centre:	964,846	67.5%
▪ North:	290,207	20.3%
▪ South:	64,713	4.5%
▪ East:	28,074	2%
▪ Others:	81,337	5.7%
TOTAL	1,429,177	100%

✓ Others includes an office building in Miami (EEUU) that has a total surface of 81,337 m²

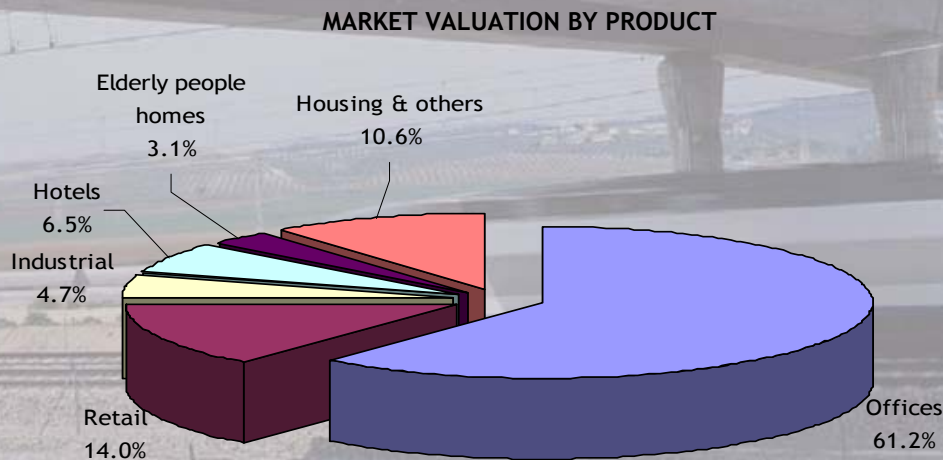
✓ Testa also holds a 20.25% stake in the Swiss Property company Maag Holdings Ltd. with more than 360,000 m² of lettable surface, mainly offices in CBD.

III Business Areas

Property: Testa - 2003 Assets valuation



TOTAL PROPERTY ASSETS	2002	2003	% Change
Assets in Operation	2,243	2,562	14.2%
Other Assets: Work in progress and Land	194	175	-9.8%
TOTAL ASSETS	2,437	2,737	12.3%



✓ Assets value was 2,737 Mn Euros at December 03 (C.B. R. Ellis), a 12.3% more than in 2002. Equity at closing was 921 Mn Euros (+12.3% Vs. 2002).

III Business Areas

Concessions: Itinere



(Mn €)	2002	2003
Sales	127.7	158.9
EBITDA	83.4	116.0
Net Income	25.7	42.4
Order Book	11,314	32,789
Domestic over / total	58.1%	91.6%
Total Investment on Highways	1,169	4,202

2003 was the year of the full consolidation of Itinere as 2nd operator of the Spanish market (participation in 2,619 Km*), after the acquisition of Ena last October

- ✓ Participation in 24 concession companies*, 91.6% of future income portfolio is located in Spain.
- ✓ Opening of new tranches in 2003 : Red vial Litoral Central and Fene-Ferrol access in Audasa. Two new awardings (Line 1 Sevilla subway and Santiago northeast access).
- ✓ Considerable traffic growth (ADT: Audasa: 5.4%, Aucalsa: 4.6%, Avasa:3.9%, Rutas Pacifico:14%).

*Somague concessions included

Consolidated activity with high margins and strong potential for new contracts

III Business Areas

Services: Valoriza



(Mn €)	2002	2003
Sales	49.8	48.3
EBITDA	0.03	1.5
Net Income	1.5	-1,4

Valoriza groups the incipient presence in 4 main fields: alternative energies, water, facilities management and road services.

✓ Significant growth potential in 2004:

- Start up of new electric plants (biomass).
- Foundation of Valoriza Facilities to reinforce activity in buildings integral facility management.
- Expansion in road service areas with initiation of operations of 12 new units expected for 2004.

✓ Consolidation of Somague operations will foster development of new areas of activity and new geographic areas penetration.

IV 2004 Outlook

Competitive framework



SECTORIAL PERSPECTIVES

	2004 (e)	2003 (p)	2002
Domestic Construction GDP (Change)	3.0%	3.7%	4.7%
Public Investment (Gross Capital Formation)	3.6%	3.5%	3.4%
Housing Price (Change)	8-10%	15-17%	10-15%
Housing Starts (n° of units)	550,000	600,000	500,000
Affordability effort	40%	35%	31%
Office Rental Prices (Change)	(5%)	(13%)	(19%)
Initial Yields			
Offices	6.0%	6.0%	6.0-6.5%
Shopping Malls	6.0-7.5%	6.5-7.5%	6.5-7.5%

IV 2004 Outlook

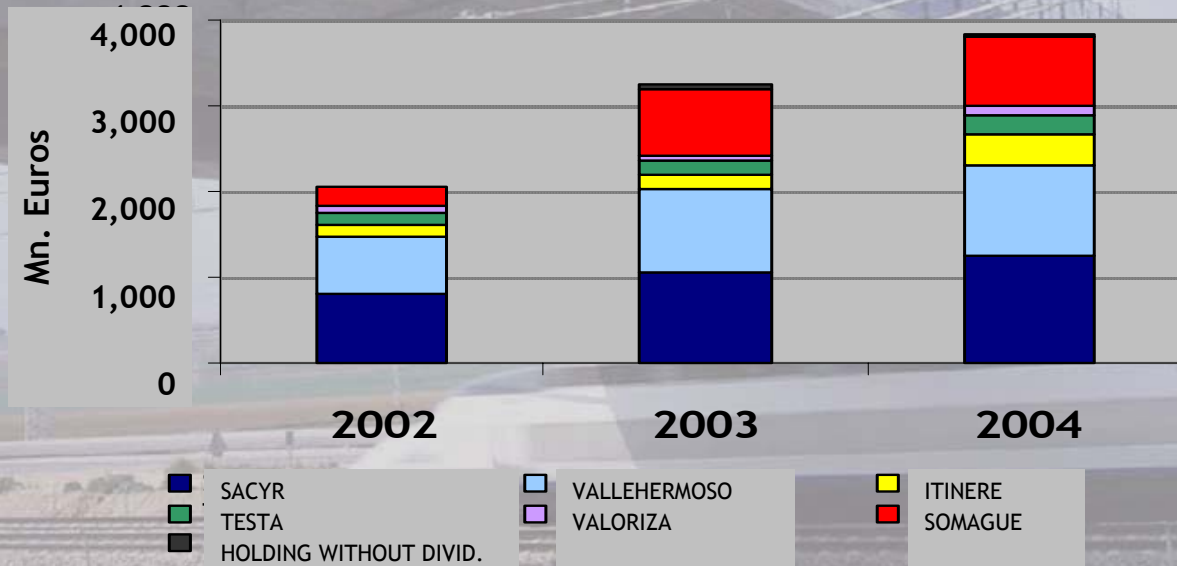
Key Variables



- ✓ Sales growth of more than 10% due to organic expansion in all of the activities and corporate actions in construction (Somague) and concessions (Ena).
- ✓ Rising operating profit based on:
 - Growth of operating margins due to larger contribution of infrastructure concessions business.
 - Expansion of sales in all of the areas of the group.
- ✓ Ordinary profit growth will allow to offset the reduction of extraordinary results from property assets turnover.

IV 2004 Outlook

Income performance by business area



IV 2004 Outlook

Counterbalanced operating cash generation

Significant growth, up to 50% of the total of the cash generation from recurrent activities (concessions, property and services)

Ebitda Distribution

