

# SACYR

## Financial Report

Third Quarter 2012



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For more information, please contact:

**Investor Relations Office**

**Tel: 91 545 50 00**

**relacionesinversores@sacyr.com**

**Pº Castellana, 83-85**

**28046**

**Madrid**

NOTE: The financial information presented in this document has been prepared in accordance with International Financial Reporting Standards. This information is not audited and may be modified in the future.

## I. CONSOLIDATED INCOME STATEMENT

STATEMENT OF INCOME (Thousands of Euros)	SEPTEMBER		% Chg 12/11	3Q 2012	3Q 2011	3Q Chg. 12/11
	2012	2011				
<b>Turnover</b>	<b>2,649,634</b>	<b>3,027,009</b>	<b>-12.5%</b>	<b>908,230</b>	<b>865,522</b>	<b>-3.0%</b>
Other Sales	130,696	215,424	-39.3%	35,349	26,583	-44.3%
<b>Total Income</b>	<b>2,780,329</b>	<b>3,242,433</b>	<b>-14.3%</b>	<b>943,578</b>	<b>892,106</b>	<b>-5.6%</b>
External and Operating Expenses	-2,380,848	-2,821,167	-15.6%	-807,845	-774,811	-6.4%
<b>GROSS OPERATING PROFIT</b>	<b>399,481</b>	<b>421,266</b>	<b>-5.2%</b>	<b>135,734</b>	<b>117,294</b>	<b>-0.9%</b>
Depreciation	-137,892	-132,572	4.0%	-48,104	-44,564	12.2%
Trade Provisions	-38,860	-8,999	331.8%	6,156	-54,822	n.s.
<b>NET OPERATING PROFIT</b>	<b>222,729</b>	<b>279,696</b>	<b>-20.4%</b>	<b>93,786</b>	<b>17,908</b>	<b>16.1%</b>
Financial results	-319,370	-398,192	-19.8%	-103,578	-100,686	-173.5%
Forex results	-55	2,225	ns	-1,452	1,715	n.s.
Results from equity accounted subsidiaries	-832,375	198,608	-519.1%	34,363	-903,689	-17.3%
Provisions for financial investments	-718	-621	ns	-224	-198	-20.6%
Change in value of financial instruments	-1,200	128	ns	-893	-396	-480.1%
Results from sales of non current assets	2,995	-5,252	ns	-341	3,325	n.s.
<b>PROFIT BEFORE TAXES</b>	<b>-927,993</b>	<b>76,591</b>	<b>-1311.6%</b>	<b>21,660</b>	<b>-982,022</b>	<b>n.s.</b>
Corporate Tax	219,451	39,369	457.4%	6,004	215,972	-78.9%
<b>PROFIT FOR CONTINUING ACTIVITIES</b>	<b>-708,541</b>	<b>115,960</b>	<b>-711.0%</b>	<b>27,664</b>	<b>-766,050</b>	<b>88.1%</b>
RESULTS FOR COMPANIES WITH DISCONTINUOUS ACTIVITIES	11,148	2,926	ns	0	0	0.0%
				<b>7,519</b>	<b>3,628</b>	<b>324.5%</b>
<b>CONSOLIDATE RESULTS</b>	<b>-697,394</b>	<b>118,886</b>	<b>-686.6%</b>	<b>35,183</b>	<b>-762,421</b>	<b>113.5%</b>
Minorities	-4,011	1,299	ns	-1,270	-932	545.0%
<b>NET ATTRIBUTABLE PROFIT</b>	<b>-701,405</b>	<b>120,185</b>	<b>-683.6%</b>	<b>33,913</b>	<b>-763,353</b>	<b>108.3%</b>
<b>EBITDA Margin</b>	<b>15.1%</b>	<b>13.9%</b>				

- Sacyr's businesses performed well in the third quarter of 2012.** Revenue was 3% lower than in 3Q11, but EBITDA performed better, down only 1% thanks to strict control over operating costs. With the good performance in the third quarter, the cumulative decline in revenue eased from 17% in 1H12 to 12% in 9M12 and the cumulative decline in EBITDA from 7% to 5%, respectively.
- Operating profit** rose 16% year-on-year in 3Q12, with **net profit amounting to €34 million**, double the figure for 3Q11.
- Operating margins in the core businesses and consolidated margins were strengthened:** the consolidated EBITDA margin was 15.1% at 30 September, with wider margins at the various businesses.
- Intense activity in **international contracting** continued to produce results. The third quarter featured major contract wins in Panama and Angola, as well as one in Togo, thereby adding a new market for Sacyr. After the end of the reporting period, the Chilean Ministry of Public Works awarded Sacyr a tender for a hospital in Antofagasta and a construction and concession contract for the La Serena-Ovalle motorway. In addition, Sacyr Chile won a contract to upgrade a stretch of the Costanera Norte motorway.

- **Net corporate debt in the first nine months of 2012 decreased by 15%** thanks to the debt control policy.

## REVENUE AND EBITDA

Revenue in the first nine months of 2012 amounted to €2,650 million, with growth in all areas except Development and Construction, the areas hit hardest by the slowdown in domestic activity.

Revenue in the third quarter was €908 million, higher than in the first and second quarters and just 3% lower than in the third quarter last year, compared to year-on-year decreases of 16% and 18% in 1Q12 and 2Q12, respectively. All businesses reported higher revenue in 3Q12 except Construction, held back by the economic downturn in Spain and Portugal.

EBITDA also fared well, amounting to €399 million in 9M12. This left an EBITDA margin of 15.1%, which is well above the 13.9% of 9M11 and underscores the profitability of the Group's core businesses.

As in previous quarters, the decline in revenue did not impact EBITDA directly as Sacyr continues to keep a close eye on contracting margins and comply strictly with the cost-control plan. To illustrate, EBITDA in 3Q12 amounted to €136 million, which is broadly in line with the year-ago figure despite lower revenue.

The breakdown of revenue by business area is as follows:

REVENUE (Thousands of Euros)	SEPTEMBER		% Chg. 12/11	3Q 2012	3Q 2011	% Chg 3Q 12/11
	2012	2011				
Construction (Sacyr - Somague)	1,454,852	1,945,442	-25.2%	452,356	596,060	-24.1%
Services (Valoriza)	835,704	720,645	16.0%	306,770	227,320	35.0%
Concessions (Sacyr Concesiones)	192,942	369,311	13.7% (*)	67,759	102,118	21.1%
Rental Property (Testa)	188,304	185,445	1.5%	62,723	62,116	1.0%
Housing Development (Vallehermoso)	114,602	130,161	-12.0%	65,347	32,610	100.4%
Holding and adjustments	-136,771	-323,994		-46,726	-83,671	
<b>REVENUE</b>	<b>2,649,634</b>	<b>3,027,009</b>	<b>-12.5%</b>	<b>908,230</b>	<b>936,554</b>	<b>-3.0%</b>

(\*) Revenue growth, excluding revenue from construction.

EBITDA (Thousands of Euros)	SEPTEMBER		% Chg. 12/11	3Q 2012	3Q 2011	% Chg 3Q 12/11
	2012	2011				
Construction (Sacyr - Somague)	77,584	110,687	-29.9%	21,823	34,111	-36.0%
Services (Valoriza)	124,217	123,979	0.2%	41,138	41,814	-1.6%
Concessions (Sacyr Concesiones)	72,738	68,431	6.3%	29,669	25,239	17.6%
Rental Property (Testa)	167,594	148,158	13.1%	48,915	49,992	-2.2%
Housing Development (Vallehermoso)	-26,599	-14,943	-78.0%	-10,525	-8,864	-18.8%
Holding and adjustments	-16,053	-15,047		4,714	-5,303	
<b>EBITDA</b>	<b>399,481</b>	<b>421,266</b>	<b>-5.2%</b>	<b>135,734</b>	<b>136,989</b>	<b>-0.9%</b>
<b>EBITDA Margin (%)</b>	<b>15.1%</b>	<b>13.9%</b>				

- Revenue from the **Construction** business through 30 September was €1,455 million, with international revenue accounting for 51%. Revenue was lower in Spain and Portugal, although this was partly offset by a 2% increase in revenue from the other countries where Sacyr operates. The construction backlog ended the period at €5,889 million, of which 78% relates to projects abroad. The third quarter featured major contract wins in Panama and Angola, as well as one in a new market, Togo. This high order book guarantees the future performance of this business.
- Growth in the **Services** activity remained strong, with 9M12 revenue up 16% year-on-year. Growth was particularly strong in the Water business (+55%), thanks to the start of construction of the desalination plant in Ashdod (Israel) and the enlargement of the Perth (Australia) water desalination plant.
- **Concession** revenue rose 14%, driven mainly by the opening of the Vallenar-Caldera motorway (Chile) in the third quarter last year and the hospital on Terceira Island (Azores).
- Revenue growth in the **Rental Property** business remained around 1.5%, thanks to stable and recurring revenue despite a smaller leasable area following the sale of a building in Barcelona in 2012. Like-for-like rental revenue (i.e. same leasable area) grew 3%.
- Lastly, in the **Housing Development** business, 223 homes were delivered for €63 million, land worth €48 million was sold and revenue from rendering of services amounted to €4 million. This business performed especially well in the third quarter, with revenue of €65 million.

The year-on-year performance of EBTIDA was affected mostly by the Housing Development business. Seasonal factors have also skewed comparisons between periods in the Services business, mainly due to high electricity prices in 2011.

Margins in the other business areas remained largely unchanged compared to 9M11 despite the worsening macroeconomic and financial environment. EBITDA margins were 5.3% in the **Construction business**, 15% in the **Services business** and 63% in the **Concessions business**. Meanwhile, in the **Housing Development business**, the EBITDA margin, excluding asset turnover, remained stable at 79%.

## INTERNATIONAL ACTIVITY

Revenue from International activity accounted for 40% of Sacyr's total revenue in 9M12, a sharp 36% increase from 9M11. This share of international revenue is increasing and should continue to do so going forward given the large international component of the backlog.

The economic downturn in Spain and Portugal caused combined revenue from these markets to fall 23% year-on-year in 3Q12 (-18% in Spain and -46% in Portugal), while combined revenue from the rest of the markets where Sacyr operates was 20% higher. This growth was driven mainly by the operations in Panama, Angola, Israel, Australia, Algeria, Brazil and Bolivia.

REVENUE (Thousands of Euros)	SEPTEMBER		% Chg. 12/11
	2012	2011	
Spain	1,578,581	1,936,748	-18.5%
Portugal	194,027	361,500	-46.3%
Other countries	877,026	728,761	20.3%
<b>REVENUE</b>	<b>2,649,634</b>	<b>3,027,009</b>	<b>-12.5%</b>
<b>INTERNATIONAL</b>	<b>40.4%</b>	<b>36.0%</b>	

Quarter-on-quarter comparisons are skewed by the impact from work on the Vallenar-Caldera motorway in Chile and desalination plants in Israel and Perth in 2011, as well as changes in consolidation criteria for the interest in SIS in Italy, with 49% of its revenue now consolidated instead of 100% previously.

By geographical area, 22% of international revenue was generated in Panama (expansion work on the Canal); 22% in Angola (construction work carried out by Somague and services rendered by Valoriza); 18% in Portugal; 10% in Italy (construction work carried out by SIS); 8% in Australia (contribution of Valoriza Water), 7% in Chile (construction for the concessions awarded); 5% in Israel (also owing to the water business). The remaining 8% relates mainly to activities in Ireland, Costa Rica, Cape Verde, Brazil, Algeria and Bolivia, and to the rental of properties run by Testa in Miami and Paris.

## FINANCIAL RESULTS

Net finance expense was €319 million compared with €398 million in 9M11 (a 20% decrease), owing to a reduction in the Group's borrowings, lower fees and other financing costs, partially offset by higher interest rates and benchmark margins. The average interest rate on Group debt rose from 3.63% at 30 September 2011 to 4.00% at 30 September 2012.

## SHARE OF PROFIT/(LOSS) FROM COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

Therefore, this heading in the income statement includes a loss of €832 million from our stake in Repsol, of which €185 million relates to our share of Repsol's €1,796 million of 9M12 net profit and €1,017 million to the writedown to fair value of the stake made following the impairment test.

Sacyr recognised €211 million in this connection at 30 September 2011.

## REVENUE BACKLOG

The revenue backlog at 30 September 2012 stood at €39,878 million, comprising mostly recurring activities: concessions and services businesses, which represent 50% and 30% of the total, respectively, not to mention the large construction backlog relating to international contract wins. Implied operating income from the backlog amounts to €16,803 million.

BACKLOG (Thousands of Euros)	SEPTEMBER		
	Revenue	% Ebitda(1)	Ebitda
Construction (Sacyr - Somague)	5,889,102	5.8%	340,546
Housing Development (Vallehermoso)	34,550		
Concessions (Sacyr Concesiones)	19,858,888	65.4%	12,996,537
Rental Property (Testa)	2,294,480	79.8%	1,830,872
Services (Valoriza)	11,800,694	16.7%	1,975,323
<b>BACKLOG</b>	<b>39,877,714</b>	<b>42.1%</b>	<b>16,802,731</b>

(1) EBITDA margin at 31 December 2011. For Valoriza, weighted average margins on activities are used.

The change in consolidation of our subsidiary in Italy, SIS, from full to proportionate consolidation, and of Autovia del Arlanzón, to the equity method, explain the decrease in the total backlog in 3Q12. Like-for-like, however, the backlog is similar to the end of 2011, thanks to an appropriate replacement rate.

The backlog at 30 September does not include three important contracts awarded recently by the Chilean Ministry of Public Works: the construction and operation of the Antofagasta hospital for €200 million, the construction of the La Serena–Ovalle stretch of Ruta 43 for €175 million, and the upgrade of the Costanera Norte motorway for €33 million.

## INTERNATIONAL BACKLOG

<b>BACKLOG</b> (Thousands of Euros)	<b>SEPTEMBER</b> <b>2012</b>	<b>DECEMBER</b> <b>2011*</b>	<b>% Chg.</b> <b>9M 2012</b>
Abroad	<b>21,481,821</b>	22,092,890	-2.8%
Spain	<b>18,395,893</b>	19,054,303	-3.5%
<b>BACKLOG</b>	<b>39,877,714</b>	<b>41,147,193</b>	<b>-3.1%</b>
% International	54%	54%	0.2 pp

\* Restated for changes in consolidation scope

International activities represented 54% of the total backlog.

- International activities account for 78% of the construction backlog; this is due to intensive public tendering activity outside of Spain and contract wins in Chile, Italy, Panama, Israel, Angola, Cape Verde, Colombia, Togo and other countries.
- In the Concessions business, the international backlog represents 64% of the total and was generated by the Group's concessions in Chile, Italy, Costa Rica, Portugal and Ireland.
- The international backlog of Valoriza stands at 33% of this division's total, with a presence in Israel, Algeria, Australia, Brazil, Portugal, Bolivia and other countries, and consists mainly of water and industrial projects.



## II. CONSOLIDATED BALANCE SHEET

<b>BALANCE SHEET</b> (Thousands of Euros)	<b>September</b> <b>2012</b>	<b>December</b> <b>2011</b>	<b>Chg.</b> <b>9M 2012</b>
<b>NON CURRENT ASSETS</b>	<b>9,974,341</b>	<b>10,795,321</b>	<b>-820,980</b>
Intangible Assets	11,168	14,982	-3,815
Real Estate Investments	2,554,552	2,623,606	-69,054
Concessions Investments	1,481,793	1,594,395	-112,602
Fixed Assets	569,381	604,369	-34,988
Financial Assets	5,213,961	5,800,562	-586,601
Other non Current Assets	2,830	13,217	-10,387
Goodwill	140,656	144,190	-3,534
<b>CURRENT ASSETS</b>	<b>5,558,071</b>	<b>5,915,024</b>	<b>-356,953</b>
Non current assets held for sale	279,309	319,793	-40,484
Inventories	2,182,489	2,322,000	-139,511
Accounts Receivable	2,382,620	2,423,711	-41,091
Financial Assets	201,864	265,100	-63,236
Cash	511,789	584,420	-72,631
<b>ASSETS = LIABILITIES</b>	<b>15,532,412</b>	<b>16,710,345</b>	<b>-1,177,934</b>
<b>EQUITY</b>	<b>1,835,846</b>	<b>2,548,286</b>	<b>-712,440</b>
Shareholder's Equity	1,778,788	2,500,934	-722,146
Minority Interests	57,057	47,352	9,705
<b>NON CURRENT LIABILITIES</b>	<b>7,772,841</b>	<b>8,295,615</b>	<b>-522,774</b>
Financial Debt	6,736,111	7,265,169	-529,058
Financial Instruments at fair value	252,208	241,295	10,913
Provisions	147,207	156,791	-9,584
Other non current Liabilities	637,314	632,359	4,954
<b>CURRENT LIABILITIES</b>	<b>5,923,725</b>	<b>5,866,445</b>	<b>57,280</b>
Liabilities associated with the non current assets held for sale	0	0	0
Financial Debt	2,680,814	2,314,971	365,843
Financial Instruments at fair value	21,691	17,086	4,605
Trade Accounts Payable	2,473,950	2,810,867	-336,916
Operating Provisions	243,732	203,007	40,725
Other current liabilities	503,538	520,514	-16,976

The change in the balance sheet in the first nine months of 2012 was the write-down of the value of the interest in Repsol in June, which explains the decrease in non-current financial assets.

## **NON-CURRENT ASSETS**

- At 30 September the Group has investments net of accumulated depreciation of €1,117 million in concession projects in operation (primarily motorways) and €365 million in projects under development. In addition, “Non-current financial assets” includes €1,013 million invested in the concessions having no demand-related risk, and “Current financial assets” includes €117 million of such investments.
- “Investment properties” includes €2,555 million of leased properties, mainly related to the Rental Property business. The year-on-year difference is largely due to the sale of an office building in Barcelona, which generated a gain for Sacyr of €12 million.
- “Property, plant and equipment” amounted to a net €569 million and includes investments in power generation and cogeneration plants, water and sewage networks, and other service-related products, in addition to machinery, plant and other assets. Accumulated depreciation in the year amounted to €523 million.
- “Financial assets” includes investments in associates amounting to €2,752 million, mainly in Repsol (€2,599 million) and in Sacyr Concesiones’ concessionaire companies. As mentioned above, the item also includes a €1,013 million non-current receivable on concession assets resulting from the application of IFRIC 12. In addition, this item includes €1,132 million of deferred tax assets.

## **CURRENT ASSETS**

“Current assets” at 30 September 2012 totalled €5,558 million, of which €279 million relate to “Non-current assets classified as held for sale” (including the SyV Group’s 15.5% stake in Itinere).

The most significant current asset items are inventories (€2,182 million), which mainly relate to Vallehermoso’s property development business, and trade and other receivables (€2,383 million). The reduction in “Inventories” in 9M12 was due to the disposals carried out.

## EQUITY

Total equity at 30 September 2012 stood at €1,836 million, of which 97% (or €1,779 million) is attributable to equity holders of Sacyr and €57 million to non-controlling interests in the Group.

Shareholders at the General Shareholders' Meeting held on 21 June 2012 resolved to carry out a capital increase with a charge to reserves amounting to €21.1 million through the issuance of 21 million shares with a par value of €1 each, to be distributed free-of-charge to company shareholders, in the proportion of 1 new share for every 20.

The new shares were admitted to trading on 23 July 2012. As a result, share capital at 30 September 2012 consisted of 443.7 million shares with a par value of €1 each.

## BORROWINGS

The Sacyr Vallehermoso Group's net borrowings at 30 September 2012 stood at €8,821 million, The breakdown is as follows:

NET DEBT (Million of Euros)	SEPTEMBER 2012	Type of debt			Maturity			
		Structured*	Linked to contracts and works	Corporate	2012	2013	2014	2015 and +
Testa	2,375	2,375			-29	692	517	1,195
Sacyr Concesiones	1,384	1,384			-95	46	45	1,388
Vallehermoso	1,306			1,306	54	34	29	1,190
Sacyr Construcción + Somague	228	56		172	-103	205	7	118
Valoriza	421	279		142	-56	103	62	313
Repsol	2,393			2,393	20	0	0	2,373
Stake in Itinere	253			253	101	6	16	131
<b>Corporate</b>	<b>273</b>			<b>273</b>	<b>-6</b>	<b>65</b>	<b>189</b>	<b>25</b>
<b>SUBTOTAL</b>	<b>8,633</b>	<b>4,093</b>		<b>4,267</b>	<b>273</b>	<b>-115</b>	<b>1,151</b>	<b>865</b>
Convertible bonds	188				2	0	0	186
<b>TOTAL NET BORROWINGS</b>	<b>8,821</b>	<b>4,093</b>		<b>4,267</b>	<b>273</b>	<b>-112</b>	<b>1,151</b>	<b>865</b>

\* Project finance, mortgages and leasing

- At 30 September 2012, the Group's consolidated net **corporate** debt amounted to €273 million, 15% lower than the €322 million at 31 December 2011.
- Debt used to finance infrastructure **concessions** amounted to €1,384 million. This consists of debt related to financing very-long-term projects guaranteed with the cash flows generated by the concessions. In the third quarter, this increased by €143 million, with €75 million relating to the inclusion of the interest in Autovía del Arlanzón, which at 30 June was classified as held for sale.
- Debt in the **Rental Property** business; i.e., mortgage loans and leases, stood at €2,375 million. This debt is used to finance rental properties in operation or under construction, which at 31 December 2011 were appraised by an independent expert at €4,073 million.

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The debt of the rental property business is serviced with the cash flows generated from rentals, which is made possible by the buildings' high occupancy rates.

- In the **Housing Development** business, the net debt of €1,306 million relates to financing of inventories on Vallehermoso's balance sheet, for a carrying amount of €1,567 million and with a value at 31 December 2011 of €2,184 million, according to an appraisal by an independent expert. This debt was refinanced in 2010 with a structure that makes it possible to avoid diverting resources from the rest of the Group.
- At 30 September 2012, the balance on the bank loan used to finance our 9.7% stake in **Repsol** stood at €2,393 million. The terms of the loan include an interest rate of Euribor+350bp and maturity in 2015. Dividends received from Repsol are used to service this debt.
- Structured debt at **Valoriza**, which had a balance at 30 September 2012 of €421 million, mainly related to financing of water, renewable energy and environmental services projects, and is repaid with cash flows.
- The balance on the debt associated with the **Construction** business stood at €228 million, and included financing of working capital and structured financing of projects on which payment was deferred.
- Lastly, debt associated with the SyV's Group's holding in **Itínere** amounts to €253 million and will be repaid with proceeds from the sale of the stake.

### III. PERFORMANCE BY BUSINESS AREA

CONSOLIDATED INCOME STATEMENT AS OF SEPTEMBER 2012									
(Thousands of Euros)	Sacyr Construcción	Somague	Sacyr Concesiones	Vallehermoso	Testa	Valoriza	Holding	Adjustments	TOTAL
<b>Turnover</b>	<b>1,068,317</b>	<b>386,535</b>	<b>192,942</b>	<b>114,602</b>	<b>188,304</b>	<b>835,704</b>	<b>21,099</b>	<b>-157,870</b>	<b>2,649,634</b>
Other Sales	59,516	20,957	4,523	2,317	24,149	25,263	18,006	-24,037	130,696
<b>Total Income</b>	<b>1,127,834</b>	<b>407,493</b>	<b>197,466</b>	<b>116,919</b>	<b>212,453</b>	<b>860,967</b>	<b>39,105</b>	<b>-181,907</b>	<b>2,780,329</b>
External and Operating Expenses	-1,074,041	-383,701	-124,728	-143,518	-44,859	-736,750	-45,698	172,446	-2,380,848
<b>GROSS OPERATING PROFIT</b>	<b>53,793</b>	<b>23,791</b>	<b>72,738</b>	<b>-26,599</b>	<b>167,594</b>	<b>124,217</b>	<b>-6,593</b>	<b>-9,460</b>	<b>399,481</b>
Depreciation	-34,624	-8,057	-16,981	-1,855	-32,876	-41,061	-1,566	-872	-137,892
Trade Provisions	6,097	1,582	-2,402	11,524	-271	-5,185	-50,216	11	-38,860
<b>NET OPERATING PROFIT</b>	<b>25,266</b>	<b>17,316</b>	<b>53,356</b>	<b>-16,929</b>	<b>134,447</b>	<b>77,970</b>	<b>-58,375</b>	<b>-10,321</b>	<b>222,729</b>
Financial results	14,682	-9,468	-78,386	-39,214	-26,312	-27,321	-81,600	-71,751	-319,370
Adjustment in exchange rates	135	0	-51	0	0	0	-210	71	-55
Results from equity accounted subsidiaries	503	447	-2,099	-19	-12	1,557	-832,135	-618	-832,375
Provisions for financial investments	0	-13	-312	-245	0	-35	-593,566	593,453	-718
Change in value of financial instruments at fair value	0	0	-1,182	0	0	0	0	-18	-1,200
Results from sales of non current assets	3,200	0	44	-107	-54	-92	0	3	2,995
<b>PROFIT BEFORE TAXES</b>	<b>43,786</b>	<b>8,282</b>	<b>-28,630</b>	<b>-56,513</b>	<b>108,069</b>	<b>52,080</b>	<b>-1,565,886</b>	<b>510,819</b>	<b>-927,993</b>
Corporate Tax	-8,098	-3,885	7,001	15,433	-30,656	-17,348	256,454	551	219,451
<b>PROFIT FOR CONTINUING ACTIVITIES</b>	<b>35,689</b>	<b>4,397</b>	<b>-21,629</b>	<b>-41,081</b>	<b>77,414</b>	<b>34,732</b>	<b>-1,309,433</b>	<b>511,370</b>	<b>-708,541</b>
<b>PROFIT FOR DISCONTINUING ACTIVITIES</b>	<b>0</b>	<b>0</b>	<b>9,964</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,183</b>	<b>11,148</b>
<b>CONSOLIDATE RESULTS</b>	<b>35,689</b>	<b>4,397</b>	<b>-11,665</b>	<b>-41,081</b>	<b>77,414</b>	<b>34,732</b>	<b>-1,309,433</b>	<b>512,553</b>	<b>-697,394</b>
Minorities	-628	-130	552	-1,815	-1	-1,737	0	-253	-4,011
<b>NET ATTRIBUTABLE PROFIT</b>	<b>35,061</b>	<b>4,266</b>	<b>-11,113</b>	<b>-42,895</b>	<b>77,413</b>	<b>32,995</b>	<b>-1,309,433</b>	<b>512,300</b>	<b>-701,405</b>

<b>CONSOLIDATED INCOME STATEMENT AS OF SEPTEMBER 2011</b>									
<b>(Thousands of Euros)</b>	<b>Sacyr Construcción</b>	<b>Somague</b>	<b>Sacyr Concesiones</b>	<b>Vallehermoso</b>	<b>Testa</b>	<b>Valoriza</b>	<b>Holding</b>	<b>Adjustments</b>	<b>TOTAL</b>
<b>Turnover</b>	<b>1,425,749</b>	<b>519,693</b>	<b>369,311</b>	<b>130,161</b>	<b>185,445</b>	<b>720,645</b>	<b>24,696</b>	<b>-348,690</b>	<b>3,027,009</b>
Other Sales	147,498	25,319	4,790	4,241	3,700	39,608	16,220	-25,951	215,424
<b>Total Income</b>	<b>1,573,247</b>	<b>545,012</b>	<b>374,101</b>	<b>134,402</b>	<b>189,145</b>	<b>760,252</b>	<b>40,916</b>	<b>-374,642</b>	<b>3,242,433</b>
External and Operating Expenses	-1,489,102	-518,470	-305,669	-149,345	-40,986	-636,273	-50,471	369,150	-2,821,167
<b>GROSS OPERATING PROFIT</b>	<b>84,145</b>	<b>26,542</b>	<b>68,431</b>	<b>-14,943</b>	<b>148,158</b>	<b>123,979</b>	<b>-9,556</b>	<b>-5,491</b>	<b>421,266</b>
Depreciation	-27,226	-8,392	-13,270	-1,897	-33,385	-38,910	-2,256	-7,235	-132,572
Trade Provisions	2,200	-922	-2,367	-1,311	-1,859	-4,839	100	0	-8,999
<b>NET OPERATING PROFIT</b>	<b>59,119</b>	<b>17,227</b>	<b>52,794</b>	<b>-18,151</b>	<b>112,914</b>	<b>80,230</b>	<b>-11,712</b>	<b>-12,726</b>	<b>279,696</b>
Financial results	7,517	-9,366	-61,164	-36,326	-35,980	-31,514	-136,213	-95,145	-398,192
Adjustment in exchange rates	188	1,851	187	0	0	43	-45	0	2,225
Results from equity accounted subsidiaries	-376	225	-4,177	-60	0	2,114	210,618	-9,737	198,608
Provisions for financial investments	0	-29	0	-217	0	-15	-360	0	-621
Change in value of financial instruments at fair value	0	0	149	0	0	-21	0	0	128
Results from sales of non current assets	-1,969	0	29	-22	0	-3,302	11	0	-5,252
<b>PROFIT BEFORE TAXES</b>	<b>64,479</b>	<b>9,908</b>	<b>-12,182</b>	<b>-54,776</b>	<b>76,934</b>	<b>47,535</b>	<b>62,301</b>	<b>-117,608</b>	<b>76,591</b>
Corporate Tax	-20,303	-4,293	1,550	13,504	-23,726	-13,360	82,783	3,214	39,369
<b>PROFIT FOR CONTINUING ACTIVITIES</b>	<b>44,176</b>	<b>5,616</b>	<b>-10,632</b>	<b>-41,273</b>	<b>53,208</b>	<b>34,175</b>	<b>145,084</b>	<b>-114,394</b>	<b>115,960</b>
<b>PROFIT FOR DISCONTINUING ACTIVITIES</b>	<b>0</b>	<b>0</b>	<b>-13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,117</b>	<b>-97,179</b>	<b>2,926</b>
<b>CONSOLIDATE RESULTS</b>	<b>44,176</b>	<b>5,616</b>	<b>-10,645</b>	<b>-41,273</b>	<b>53,208</b>	<b>34,175</b>	<b>245,201</b>	<b>-211,572</b>	<b>118,886</b>
Minorities	449	-32	3,713	-734	-1	-1,988	0	-108	1,299
<b>NET ATTRIBUTABLE PROFIT</b>	<b>44,625</b>	<b>5,584</b>	<b>-6,931</b>	<b>-42,007</b>	<b>53,207</b>	<b>32,188</b>	<b>245,201</b>	<b>-211,681</b>	<b>120,185</b>

<b>CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 2012</b>									
(Thousands of Euros)	Sacyr Construcción	Somague	Sacyr Concesiones	Vallehermoso	Testa	Valoriza	Holding	Adjustments	TOTAL
<b>NON CURRENT ASSETS</b>	<b>359,062</b>	<b>156,428</b>	<b>2,117,514</b>	<b>98,396</b>	<b>3,820,865</b>	<b>1,020,120</b>	<b>7,418,748</b>	<b>-5,016,792</b>	<b>9,974,341</b>
Intangible Assets	282	337	105	0	0	9,721	723	0	11,168
Real Estate Investments	0	0	0	49,763	2,724,235	0	0	-219,446	2,554,552
Concessions Investments	82,418	1,422	857,834	0	122,444	406,272	0	11,403	1,481,793
Fixed Assets	176,988	77,605	5,227	2,191	0	302,564	4,793	14	569,381
Financial Assets	99,374	53,194	1,253,568	44,987	974,187	184,182	7,413,233	-4,808,763	5,213,961
Other non Current Assets	0	595	780	1,455	0	0	0	0	2,830
Goodwill	0	23,275	0	0	0	117,381	0	0	140,656
<b>CURRENT ASSETS</b>	<b>2,646,620</b>	<b>680,995</b>	<b>639,511</b>	<b>1,648,888</b>	<b>108,382</b>	<b>648,507</b>	<b>596,486</b>	<b>-1,411,318</b>	<b>5,558,071</b>
Non current assets held for sale	0	0	279,309	0	0	0	0	0	279,309
Inventories	298,770	44,804	239	1,567,125	0	15,436	360	255,756	2,182,489
Accounts Receivable	1,466,573	576,985	101,211	63,356	40,615	513,704	467,925	-847,748	2,382,620
Financial Assets	739,578	1,418	165,758	3,860	4,855	22,724	85,005	-821,333	201,864
Cash	141,699	57,789	92,995	14,548	62,912	96,643	43,196	2,007	511,789
<b>ASSETS = LIABILITIES</b>	<b>3,005,681</b>	<b>837,424</b>	<b>2,757,025</b>	<b>1,747,284</b>	<b>3,929,247</b>	<b>1,668,627</b>	<b>8,015,234</b>	<b>-6,428,110</b>	<b>15,532,412</b>
<b>Equity</b>	<b>727,213</b>	<b>158,580</b>	<b>16,012</b>	<b>-33,912</b>	<b>1,364,827</b>	<b>384,807</b>	<b>1,133,332</b>	<b>-1,915,014</b>	<b>1,835,846</b>
Shareholder's Equity	719,301	158,187	-1,462	-40,352	1,364,773	361,845	1,133,332	-1,916,836	1,778,788
Minority Interests	7,912	393	17,474	6,440	55	22,962	0	1,822	57,057
<b>NON CURRENT LIABILITIES</b>	<b>276,317</b>	<b>55,795</b>	<b>2,228,148</b>	<b>660,955</b>	<b>1,812,512</b>	<b>553,900</b>	<b>5,028,597</b>	<b>-2,843,382</b>	<b>7,772,841</b>
Financial Debt	85,312	34,176	1,213,945	379,660	1,735,568	349,595	2,904,267	33,586	6,736,111
Financial Instruments at fair value	0	0	201,862	0	13,180	36,213	0	954	252,208
Provisions	4,451	5,961	27,370	49,653	8,875	49,102	1,715	81	147,207
Other non current Liabilities	186,554	15,657	784,971	231,641	54,889	118,990	2,122,614	-2,878,003	637,314
<b>CURRENT LIABILITIES</b>	<b>2,002,152</b>	<b>623,049</b>	<b>512,865</b>	<b>1,120,241</b>	<b>751,908</b>	<b>729,919</b>	<b>1,853,306</b>	<b>-1,669,715</b>	<b>5,923,725</b>
Liabilities associated with the non current assets held for sale	0	0	0	0	0	0	0	0	0
Financial Debt	174,086	158,918	265,270	944,858	702,594	187,804	246,222	1,063	2,680,814
Financial instruments at fair value	0	0	14,334	0	3,759	3,500	0	99	21,691
Trade Accounts Payable	1,506,636	382,052	154,887	152,932	11,412	255,012	66,757	-55,739	2,473,950
Operating Provisions	73,017	19,971	4	4,437	381	18,707	127,216	0	243,732
Other current liabilities	248,413	62,108	78,370	18,014	33,762	264,896	1,413,111	-1,615,137	503,538



**CONSOLIDATED BALANCE SHEET AS OF DECEMBER 2011**

(Thousands of Euros)	Sacyr Construcción	Somague	Sacyr Concesiones	Vallehermoso	Testa	Valoriza	Holding	Adjustments	TOTAL
<b>NON CURRENT ASSETS</b>	<b>362,872</b>	<b>168,663</b>	<b>2,245,983</b>	<b>101,700</b>	<b>3,769,082</b>	<b>1,043,107</b>	<b>8,539,277</b>	<b>-5,435,364</b>	<b>10,795,321</b>
Intangible Assets	382	521	138	0	0	12,853	1,089	0	14,982
Real Estate Investments	0	0	0	51,876	2,782,420	0	0	-210,690	2,623,606
Concessions Investments	78,458	1,576	995,306	0	111,980	407,074	0	0	1,594,395
Fixed Assets	183,344	81,926	5,647	2,272	0	325,482	5,685	13	604,369
Financial Assets	100,689	57,243	1,244,111	46,508	874,682	169,513	8,532,504	-5,224,687	5,800,562
Other non Current Assets	0	595	780	1,044	0	10,798	0	0	13,217
Goodwill	0	26,802	0	0	0	117,388	0	0	144,190
<b>CURRENT ASSETS</b>	<b>2,804,969</b>	<b>688,776</b>	<b>629,739</b>	<b>1,735,462</b>	<b>154,432</b>	<b>720,963</b>	<b>785,730</b>	<b>-1,605,048</b>	<b>5,915,024</b>
Non current assets held for sale	0	0	319,793	0	0	0	0	0	319,793
Inventories	358,063	39,840	265	1,657,132	0	9,623	997	256,080	2,322,000
Accounts Receivable	1,484,859	556,350	98,427	49,424	26,056	608,471	457,577	-857,454	2,423,711
Financial Assets	789,185	3,994	128,197	7,371	1,546	25,806	313,368	-1,004,367	265,100
Cash	172,862	88,591	83,057	21,535	126,830	77,064	13,788	693	584,420
<b>ASSETS = LIABILITIES</b>	<b>3,167,841</b>	<b>857,439</b>	<b>2,875,723</b>	<b>1,837,162</b>	<b>3,923,514</b>	<b>1,764,071</b>	<b>9,325,008</b>	<b>-7,040,412</b>	<b>16,710,345</b>
<b>Equity</b>	<b>745,792</b>	<b>157,766</b>	<b>51,779</b>	<b>4,552</b>	<b>1,297,665</b>	<b>374,394</b>	<b>2,015,147</b>	<b>-2,098,808</b>	<b>2,548,286</b>
Shareholder's Equity	731,519	157,439	54,312	-74	1,297,609	347,365	2,015,147	-2,102,382	2,500,934
Minority Interests	14,273	327	-2,533	4,626	56	27,029	0	3,574	47,352
<b>NON CURRENT LIABILITIES</b>	<b>219,425</b>	<b>76,132</b>	<b>2,137,596</b>	<b>635,704</b>	<b>2,465,114</b>	<b>509,633</b>	<b>5,303,173</b>	<b>-3,051,163</b>	<b>8,295,615</b>
Financial Debt	62,509	51,457	1,123,814	340,447	2,401,681	340,719	2,889,773	54,769	7,265,169
Financial Instruments at fair value	0	0	201,010	0	11,944	28,341	0	0	241,295
Provisions	4,451	8,129	24,249	65,344	9,329	43,549	1,715	27	156,791
Other non current Liabilities	152,465	16,547	788,523	229,913	42,160	97,024	2,411,685	-3,105,958	632,359
<b>CURRENT LIABILITIES</b>	<b>2,202,624</b>	<b>623,540</b>	<b>686,348</b>	<b>1,196,907</b>	<b>160,735</b>	<b>880,044</b>	<b>1,929,687</b>	<b>-1,813,440</b>	<b>5,866,445</b>
Liabilities associated with the non current assets held for sale	0	0	0	0	0	0	0	0	0
Financial Debt	207,722	126,546	345,475	989,506	138,903	225,458	315,519	-34,159	2,314,971
Financial instruments at fair value	0	0	11,721	0	1,878	3,487	0	0	17,086
Trade Accounts Payable	1,661,888	411,811	244,743	155,145	8,944	211,857	0	116,479	2,810,867
Operating Provisions	85,641	22,377	0	0	625	17,364	111,469	-34,469	203,007
Other current liabilities	247,374	62,805	84,409	52,256	10,385	421,877	1,502,699	-1,861,290	520,514



## SACYR CONSTRUCCIÓN / SOMAGUE

- The Construction business (Sacyr and Somague) is still being affected by slowdown in activity in Spain owing to the smaller number of public contracts put out to tender.
- The trend in international revenue (+2%) has softened the impact of declining activity in Spain (-32%) and Portugal (-58%), although a comparison of the first nine months is distorted by the different start-up timing of work each year.
- Despite the reduction in revenue, the EBITDA margin remains at 5.3%, upholding this area's objective of defending profitability despite the forecast decline in turnover.
- The backlog ensures 36 months of activity at the current rate of revenue.
- Contracts won abroad comprise 78% of the construction backlog, which helped to offset the slowdown in Spain. Civil engineering work comprises 88% of the construction backlog, non-residential construction 9% and residential construction the remaining 3%.
- The international backlog is set to increase in the fourth quarter thanks to major contract wins in Chile in October and November: the Antofagasta hospital, with expected investment of €200 million, the construction of the La Serena–Ovalle stretch of Ruta 43 for €175 million, and the upgrade of the La Costanera exit of the Norte motorway in Santiago de Chile for €33 million.

(Thousands of Euros)	SEPTEMBER		% Chg. 12/11
	2012	2011	
Revenue	1,454,852	1,945,442	-25.2%
<b>International</b>	<b>744,989</b>	896,296	-16.9%
Spain	709,863	1,049,146	-32.3%
Portugal	119,635	284,069	-57.9%
Other countries	625,354	612,227	2.1%
<b>% International</b>	<b>51%</b>	46%	
<b>EBITDA</b>	<b>77,584</b>	110,687	-29.9%
<b>NET ATTRIBUTABLE PROFIT</b>	<b>39,327</b>	50,209	-21.7%
<b>EBITDA Margin</b>	<b>5.3%</b>	5.7%	

  

(Thousands of Euros)	SEPTEMBER	DECEMBER	Chg. 9M 2012
	2012	2011	
<b>BACKLOG</b>	<b>5,889,102</b>	6,680,720	-11.8%
International	4,593,207	5,138,947	-10.6%
<b>International backlog %</b>	<b>78%</b>	77%	1.4%

\* Restated for changes in consolidation scope

<b>Months of activity</b>	<b>39</b>	33
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## INTERNATIONAL CONTRACTING

Sacyr Construcción and Somague continue to work hard on achieving organic growth for the Group's international business. The third quarter featured major contract wins in Panama and Angola, as well as one in Togo, thereby adding a new market for Sacyr.

- In Lomé, the capital of **Togo**, we won a contract to design and build a container terminal at the Port of Lomé, for an attributable amount of €54 million. The terminal will be located west of the existing port and will help expand Togo's maritime industry, while boosting competition on regional maritime expeditions and the area's logistics market.
- In **Panama**, Minera Panamá awarded us the contract to build the port infrastructure required to operate a copper mine in Punta Rincón for €32 million.

- Other contract wins in the third quarter include the enlargement of the Rabo de Peixe fishing port in Ilha de Sao Miguel, construction of the physical medicine centre at the Américo Boavida hospital in Angola and the Beco do Balao home in Angola.

These contracts come in addition to those won in the first half of 2012, which included:

- The Instituto Nacional de Vías de **Colombia** (Invias) awarded Sacyr an important contract to construct a stretch of the Cali-Buenaventura motorway (Playa Larga to Cisneros) at a cost of €103 million.
- Somague is to carry out the finishing and completion works on the International Arrivals and Departure Terminal and control tower of Catumbela airport in **Angola** for €41 million. It will also undertake other work involving electrical installations, air navigation systems and equipment for €43 million.
- Somague will also build the Vila Prudente underground station in Sao Paulo (**Brazil**) for €35 million. The contract, awarded by Companhia Metropolitana de São Paulo, includes the construction of a bus terminal with connections to the underground line, a technical building and external fittings.
- Construction of the first stage of Portugal Telecom's data centre in Covilha (**Portugal**). Total investment in the project will reach €90 million.
- Infrastructure work at the **Angola** University campus, for €33 million.
- Refurbishment and expansion of the headquarters of Sonangol Distribuidora, in Luanda, **Angola**, for €10 million.

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## DOMESTIC CONTRACTING

In the third quarter of 2012, contracts won by Sacyr Construcción include the upgrade of the Agüimes – Santa Lucía stretch of the GC-1 motorway in Las Palmas, remodelling of the Physical Education and Sports Science Faculty of Granada University, remodelling to adapt the Cacaolat's new plant and adaptation of an industrial warehouse in the industrial part of the Barcelona free trade zone to house postal logistics services. These contracts come in addition to those won in the first half of 2012, which included:

- The Transport Department of the Basque Regional Government, by way of its public body ETS, has awarded the Temporary Joint Venture led by Sacyr Construcción the construction project for the Altza station (San Sebastián underground system). The project is scheduled to take 31 months and has a budget of €34 million. The new section between Herrera and Altza is 1,040 metres long, including 830 metres of tunnel. The new Altza station will be constructed 28 metres underground and will have two lobbies and two access-ways.
- The construction of the Campobecerros-Portocamba stretch of the Madrid-Galicia high-speed railway line, awarded by ADIF, with a total budget of €71 million, including €50 million for the Group.
- Construction of the new Autzagane stretch of the Amorebieta-Muxika radial motorway for €53 million. Execution of the contract is scheduled to last 28 months.
- The construction of a cruise-ship dock as part of the programme to expand the Port of Valencia, for €10 million.
- The construction of a residential building in Hospitalet, for €10 million.
- The construction of a new industrial building for manufacturing and distributing cardboard products and packaging material for Cartonajes La Unión, in Madrid, for €9 million.
- The Port Authority of Algeciras Bay has awarded the €5 million contract to expand and improve the main road at the Port of Algeciras (Cadiz) to a Temporary Joint Venture led by Sacyr Construcción. The work consists of expanding and improving the main road to increase its capacity and divide the traffic in problematic sections, as well as re-zone certain areas in order to enhance the flow and safety of traffic near the Strait of Gibraltar.
- The construction work of the Ibermutuamur integrated services centre, in Oviedo, for €5 million.

- The construction of an underground car park in the Pedralbes district of Barcelona, for a total of €4 million.

## VALORIZA

Valoriza's Services business continues to grow strongly. Revenue through 30 September 2012 amounted to €836 million, 16% more than in 9M11. Revenue in the third quarter rose 35% year-on-year.

EBITDA was €124 million in the nine-month period, with wide operating margins of around 15% thanks to the business mix and the selective analysis of tenders. Year-on-year growth was largely held back by two seasonal factors:

- The price range of cogeneration plants: in 2011, the spread between electricity sales prices and gas purchase prices was particularly favourable. As a result, the margin obtained by the business through September was slightly lower, but sustainable.
- The increase in revenue is partly due to the construction of desalination plants, above all the plant in Israel and the enlargement of the plant in Australia, which contribute more to EBITDA during their ramp-up phase.

The breakdown of revenue and the contribution to EBITDA by the main business areas are as follows:

REVENUE (Thousands of Euros)	SEPTEMBER		% Chg 12/11
	2012	2011	
Water	273,487	176,962	54.5%
Alternative energies	142,574	127,566	11.8%
Environment	224,393	243,011	-7.7%
Multi-services	195,179	173,243	12.7%
Central	71	-137	
<b>TOTAL</b>	<b>835,704</b>	<b>720,645</b>	<b>16.0%</b>

EBITDA (Thousands of Euros)	SEPTEMBER		% Chg 12/11
	2012	2011	
Water	33,417	32,046	4.3%
Alternative energies	41,045	41,271	-0.5%
Environment	35,102	38,031	-7.7%
Multi-services	12,666	11,207	13.0%
Central	1,987	1,424	
<b>TOTAL</b>	<b>124,217</b>	<b>123,980</b>	<b>0.2%</b>

As mentioned in previous quarters, revenue from the Environment business declined owing to the cancellation of contracts with certain local entities, leaving the margin on this activity broadly unchanged.

## CONTRACTING

The creation of **Sacyr Industrial** is a key highlight of the group's future strategy. Forming part of the Services business, this company was created by combining certain of Valoriza's existing assets with new alliances to penetrate the construction, for electricity, chemical, gas and oil sectors. This new company will give rise to a new business that will contribute to the Group's sustained growth. Sacyr Industrial will meet the current demand of strong global industrial groups, with experience in engineering but also a customer centric focus to develop energy projects.

Offers and studies are being prepared for a range of plants for the oil and gas, waste processing, conventional and renewable energy generation, cogeneration and the electricity line and substation infrastructure sectors in Spain and abroad (Peru, Bolivia, Panama, Colombia, Chile, countries in eastern Europe and Australia).

- In 2012, Sacyr Industrial won its first contract in Bolivia to install a wellhead and build a gas pipeline in the area of Caipipendi. The total amount of the awarded contract is €41 million.

Three major **water** management contracts have also been won:

- Somague Ambiente, specialising in environmental services, was awarded a €300 million public **water supply and sanitation services contract in the city of Votorantim, Sao Paulo, Brazil**. The contract, which runs for 30 years, is the largest ever signed for a concession in the State of Sao Paulo since the new sanitation law came into force. The municipality of Votorantim has a population of 110,000 and is located in central Sao Paulo, 100 kilometres from the state capital. The contract includes the construction, operation and maintenance of all plants required for water production and distribution.
- The state company, Canal de Isabel II, awarded the Group a contract to construct the **Pelayos de la Presa (Madrid) water treatment plant** for €14 million. The new plant will have the capacity to treat water for supply of up to 115,000 people from municipalities in the south-west region of the Autonomous Community of Madrid, namely Pelayos de la Presa, San Martín de Valdeiglesias, Rozas de Puerto Real, Cadalso de los Vidrios and Cenicientos.

- Valoriza Agua has been awarded the 25-year **end-to-end water cycle management concession in Valdáliga (Cantabria)** for a total of €10 million. The company will distribute 0.4 Hm<sup>3</sup> of water a year to a population of nearly 2,400.

Valoriza has also won major **environmental services** contracts, including:

- The first integrated mobility contracts in Spain for the Madrid towns of Valdemoro and Galapagar for a combined amount of €50 million. In Galapagar, the Sacyr subsidiary will offer the town's regulated parking service (S.E.R. in Spanish), encompassing a towing service, the installation of supplementary sanction-related elements for improved road safety (speed-control points), technical assistance and collaboration in the recovery of parking fines and sanctions generated by traffic infractions. The contract runs for 10 years and is worth €9 million. In Valdemoro, Valoriza will also carry out certain S.E.R. services : towing service and sanction management. This contract runs for 25 years and is worth €41 million.
- A 10-year contract to perform street cleaning and solid urban waste collection services in Majadahonda for €62 million; a maintenance contract for green areas and trees in Madrid for €11 million and one in Seville for €6 million; various contracts for building maintenance and cleaning for more than €40 million; and others for road conservation amounting to €15 million.
- Valoriza Servicios Medioambientales also won a contract to operate and maintain the La Paloma biomethanisation plant in Madrid. This 14-year concession is worth €57 million and may be extended for a further two years.
- Valoriza Servicios Medioambientales will carry out urgent street cleaning services in Madrid, for €8.5 million a year. For the first time, this service will use the latest high-tech machinery powered by clean, sustainable energy sources using hybrid and compressed natural gas vehicles. This will help reduce atmospheric and noise emissions and increase efficiency, resulting in lower electricity and water consumption while offering greater performance and efficiency.

In the **Multi-services** business we would note the following contracts:

- The Murcia Health Service has awarded Valoriza Facilities the cleaning services contract for the buildings and facilities of the "Virgen de la Arrixaca" General University Hospital in El Palmar (Murcia) for €17.6 million over two years, extendable for an additional two-year period.

- Valoriza Conservación has renewed its maintenance contract for Autopista A-1 “Autovía del Arlanzón” for €58 million and the 15-year concession.
- Various airport cleaning and maintenance contracts were awarded for the Palma de Mallorca and Vigo airports, as well as other motorway maintenance contracts for €15 million.

## TESTA

As always, Testa’s income statement for the period ended 30 September 2012 reflects the stability of the Sacyr Vallehermoso Group’s Rental Property division. Testa reported revenue in the first nine months of 2012 of €188 million, up 1.5% from 9M11.

Of this amount, €185 million related to rental income on investment properties in operation and the remaining €3 million to property management services.

(Thousands of Euros)	SEPTEMBER		% Chg 12/11
	2012	2011	
<b>Revenue</b>	<b>188,304</b>	185,445	1.5%
<b>EBITDA</b>	<b>167,594</b>	148,158	13.1%
<b>EBIT</b>	<b>134,447</b>	112,914	19.1%
<b>NET PROFIT</b>	<b>77,413</b>	53,207	45.5%
<b>EBITDA margin (*)</b>	<b>78.7%</b>	79.9%	-1.2 pp
LEASABLE AREA (thousands of m <sup>2</sup> )	<b>1,523</b>	1,532	-0.6%
OCCUPANCY RATE IN TERMS OF RENTALS	<b>96.6%</b>	97.3%	-0.8%

(\*) Excluding positive results obtained by the sale of assets in 2012

Revenue growth fed through to an increase in EBITDA to €168 million, including a €19.4 million gain on the disposal of rental properties. The EBITDA margin was steady at around 79%.

The strong operating performance and the gain on the turnover of properties drove a 45% increase in Testa’s net profit in the first six months of the year.

Details of revenue by product are provided below. Had the leasable surface area remained unchanged, growth would have been 2.6% (4.1% for offices).



Thousands of Euros	Gross Revenue		
	30/9/2012	30/9/2011	%
<b>Rental buildings</b>	<b>184,739</b>	181,305	<b>1.9%</b>
Offices	124,762	121,654	2.6%
Hotels	21,784	21,318	2.2%
Shopping centres	19,197	18,334	4.7%
Housing	9,808	10,206	-3.9%
Industrial	6,510	7,390	-11.9%
Senior citizens' homes	1,394	1,379	1.1%
Car parks	886	879	0.8%
Mixed use	397	145	100.0%
<b>Revenue from services</b>	<b>3,565</b>	4,140	<b>-13.9%</b>
<b>REVENUE</b>	<b>188,304</b>	185,445	<b>1.5%</b>

Leasable area at 30 September 2012 stood at 1,523 thousand m<sup>2</sup>, while the occupancy rate was close to 100%.

## SACYR CONCESIONES

Concession revenue advanced 14% year-on-year in 9M12. This increase is due to the contribution of revenue from concessions which have entered into service since 30 September 2011:

- The “Vallenar-Caldera” (Chile) motorway, which opened in November 2011 (and which, therefore, did not contribute revenue in the first nine months of 2011).
- The Hospital del Santo Espíritu, on Terceira Island in the Azores, with an investment in construction of €62 million and a contract for the management of non-healthcare services for 30 years, which entered into operation in 2012.
- The Braga Hospital (Portugal) with an investment in construction of €120 million and a contract for the management of non-healthcare services for 30 years, which entered into operation in May 2011.

(Thousands of Euros)	SEPTEMBER 2012	SEPTEMBER 2011	% Chg 12/11
Revenue	192,942	369,311	-47.8%
<b>Concession revenue</b>	<b>115,461</b>	101,505	13.7%
Construction revenue*	77,481	267,806	-71.1%
<b>EBITDA</b>	<b>72,738</b>	68,431	6.3%
<b>EBIT</b>	<b>53,356</b>	<b>52,794</b>	1.1%
<b>NET PROFIT</b>	<b>(11,113)</b>	(6,931)	-60.3%
<b>EBITDA margin</b>	<b>63.0%</b>	<b>67.4%</b>	-441.9%

\*Includes the construction work carried out by the concessionaire in application of IFRIC 12, which has no impact on EBITDA, as revenues from the construction matched the related costs

(Thousands of Euros)	SEPTEMBER 2012	DECEMBER 2011	Chg 9M 12
<b>BACKLOG</b>	<b>19,858,888</b>	19,896,850	-0.2%
Km of concessions	1,891	1,891	0.0%

\*\* 2011 restated by change in consolidation scope

Traffic on the Group's motorways was affected by the economic slowdown and the hike in fuel prices. Traffic was higher on the international concessions, while those in Spain and Portugal showed some resistance, falling by just 3% on average.

(Thousand of euros)	Revenue to 30 September			ADT through September		
	2012	2011	Chg. (%)	2012	2011	Chg. (%)
HOSPITAL DE COSLADA	10,437	10,571	-1.3%	-	-	-
HOSPITAL DE PARLA	9,690	9,850	-1.6%	-	-	-
VIASTUR	4,853	4,944	-1.8%	21,654	22,566	-4.0%
INTERCAMBIADOR DE MONCLOA	4,807	4,638	3.6%	-	-	-
AUTOVÍA DEL TURIA	4,533	4,163	8.9%	35,879	36,577	-1.9%
AUTOVÍA DEL ERESMA	4,224	4,315	-2.1%	6,624	6,945	-4.6%
AUTOVÍA DEL ARLANZÓN	3,491	-	-	22,884	22,902	-0.1%
AUTOVÍA DEL BARBANZA	3,378	3,385	-0.2%	12,627	13,078	-3.5%
AUTOVÍA NOROESTE C.A.R.M.	2,916	2,676	8.9%	10,477	11,094	-5.6%
PALMA MANACOR	2,596	2,630	-1.3%	20,518	21,253	-3.5%
INTERCAMBIADOR DE PLAZA ELÍPTICA	2,455	2,440	0.6%	-	-	-
NEOPISTAS	1,185	1,309	-9.4%	-	-	-
SACYR CONCESIONES	979	4,958	-80.3%	-	-	-
<b>Spain</b>	<b>55,543</b>	<b>55,877</b>	<b>-0.6%</b>			
AUTOPISTAS DEL SOL (San José - Caldera)	10,063	10,100	-0.4%	32,086	26,545	20.9%
SYV CONCESIONES COSTA RICA	177	150	18.1%	-	-	-
<b>Costa Rica</b>	<b>10,240</b>	<b>10,250</b>	<b>-0.1%</b>			
M-50 CONCESSION LTD	7,264	8,390	-13.4%	110,707	108,165	2.4%
N6 CONCESSION LTD	5,134	4,414	16.3%	9,367	9,401	-0.4%
SACYR CONCESSIONS - IRLANDA	502	810	-38.0%	-	-	-
N6 OPERATIONS	175	171	2.3%	-	-	-
<b>Ireland</b>	<b>13,075</b>	<b>13,786</b>	<b>-5.2%</b>			
HOSPITAL BRAGA	7,017	5,475	28.2%	-	-	-
AUTOESTRADAS DO MARÃO	4,528	8,303	-45.5%	13,241	13,911	-4.8%
HOSPITAL DE VILA FRANCA	2,762	282	879.4%	-	-	-
HOSPITAL AZORES	2,470	878	181.3%	-	-	-
ESCALA PARQUE	1,090	535	103.9%	-	-	-
TUNEL DO MARAO	344	-	-	-	-	-
SOMAGUE CONCESSOES - PORTUGAL	72	37	96.6%	-	-	-
<b>Portugal</b>	<b>18,283</b>	<b>15,510</b>	<b>17.9%</b>			
VALLES DEL DESIERTO - VALLENAR CALDERA	14,343	6,082	135.8%	4,749	4,568	3.9%
SACYR OPERACIÓN Y SERVICIOS	1,857	-	-	-	-	-
VALLES DEL BIO BIO - CONCEPCIÓN CABRERO	1,283	-	-	-	-	-
SACYR CONCESIONES CHILE	600	-	-	-	-	-
RUTAS DEL DESIERTO - ACCESOS A IQUIQE	238	-	-	-	-	-
<b>Chile</b>	<b>18,321</b>	<b>6,082</b>	<b>201.3%</b>	<b>4,749</b>	<b>4,568</b>	<b>3.9%</b>
<b>Concessions revenue</b>	<b>115,462</b>	<b>101,504</b>	<b>13.7%</b>	<b>300,812</b>	<b>292,436</b>	<b>2.9%</b>
Construction revenue	77,480	267,806	-71.1%			
<b>TOTAL</b>	<b>192,942</b>	<b>369,311</b>	<b>-47.8%</b>			

In July, Sacyr Concesiones completed the sale of 45% of the Arlanzón motorway to the Marguerite Fund for total amount of €107 million. The group has retained a 55% stake.

Sacyr Concesiones has arranged the financing of the Ruta del Algarrobo concessionaire, which holds the concession for the La Serena – Vallenar motorway in Chile, for €273 million with Corpbanca and Banco Estado, and has paid 40% of the concessionaire's capital (€20 million).

In June, Sacyr Concesiones finalised the refinancing of the concessionaire Valles del Desierto, S. A. of Chile, in which it holds a 60% stake. The company successfully refinanced its debt under better terms and obtained an additional amount of approximately €40 million.

Sacyr Concesiones had a portfolio of 34 concessions in six countries at 30 September 2012. Of these, 22 are motorway concessions, 16 in the EU (Spain, 11; Portugal, 2; Ireland, 2, Italy 1) and 6 in South and Central America (Chile: 4; Costa Rica, 2). It also holds 12 concessions for other assets, namely: three hospitals in Madrid, three hospitals in Portugal, two transport hubs in Madrid, two underground

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lines (one in Seville and one in Tenerife), one airport in Murcia, and one motorway service area company.

Recurring revenue amounted to €19,859 million at 30 September 2012. This is slightly lower than at the end of the first half due to the change in the consolidation scope of the Italian subsidiary, SIS, which is now consolidated using proportionate rather than full consolidation. Of this amount, 64% is from outside of Spain.

In the fourth quarter the backlog will increase by €1,680 million thanks to two major contract wins in Chile that were not included at 30 September:

- The construction and 15-year concession for the management of non-health services of the Antofagasta Hospital in Chile, which has 671 beds, for a total investment of €290 million.
  
- The construction and management of the 86km-long La Serena - Ovalle stretch of the Ruta 43 motorway, for an investment of €220 million.

## VALLEHERMOSO

- Vallehermoso's revenue through 30 September 2012 amounted to €115 million, of which €63 million relates to housing sales, with 223 property deeds signed, €48 million to land sales and €4 million to service revenue.
- Revenue was less than the €130 million in the first nine months of 2011, as a result of the gradual reduction in the stock of unsold houses and sluggish demand in the sector. That said, revenue in the third quarter was stronger than in the first and second this year. In the third quarter this year, 72 homes were delivered and land worth €44 million was sold.

REVENUE (Thousands of Euros)	SEPTEMBER		% Chg 12/11
	2012	2011	
Housing	<b>62,554</b>	123,819	-49.5%
Land	<b>48,011</b>	1,353	
<b>Total housing and land</b>	110,565	125,172	-11.7%
Rendering of services	<b>4,037</b>	<b>4,989</b>	-19.1%
<b>TOTAL REVENUE</b>	<b>114,602</b>	<b>130,161</b>	-12.0%

At 30 September 2012, Vallehermoso had a stock of 1,018 unsold homes, of which 44 were pending delivery.

## VI. STOCK MARKET PERFORMANCE

SACYR	SEPTEMBER		% Chg 12/11
	2012	2011	
Market Price at closing (euros per share)	1.67	4.23	-60.49%
High share price	4.04	9.60	-57.91%
Low share price	1.02	3.87	-73.64%
Market Capitalization at closing (Thousands of euros)	741,470	1,787,169	-58.51%
Average Trading Volume (Thousands of euros)	1,175,664	2,357,864	-50.14%
Average Daily Trading Volume (Number of shares)	3,284,038	1,829,464	79.51%
Liquidity (%)	100	100	
Number of shares (Thousands)	443,728	422,598	
Share Nominal Value	1 EURO	1 EURO	

## VII. SHAREHOLDER STRUCTURE

The owners of significant stakes in Sacyr Vallehermoso, S.A., as of the date of this report, are as follows:

<b>SHAREHOLDERS</b>	<b>%Total</b>
<b>D. Manuel Manrique Cecilia</b>	<b>6.04%</b>
Cymofag, S.L.	6.04%
<b>DISA . Demetrio Carceller Arce</b>	<b>13.06%</b>
<b>D. Juan Abelló Gallo</b>	<b>9.62%</b>
Nueva Compañía de Inversiones Austral B.V.	9.62%
<b>D. José Manuel Loureda Mantiñán</b>	<b>12.39%</b>
Prilou, S.L.	7.12%
Prilomi, S.L.	5.27%
<b>Participaciones Agrupadas, S.L</b>	<b>7.70%</b>
<b>NCG Banco, S.A.</b>	<b>6.24%</b>
<b>Beta Asociados, S.L.</b>	<b>5.34%</b>
<b>Grupo Corporativo Fuertes, S.L</b>	<b>4.07%</b>
<b>Grupo Satocán, S.A.</b>	<b>2.88%</b>
<b>D. Diogo Alvez Diniz Vaz Guedes</b>	<b>0.38%</b>
<b>TOTAL SIGNIFICANT SHAREHOLDERS</b>	<b>67.72%</b>