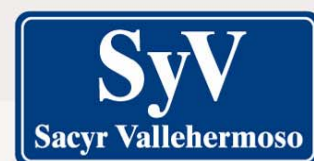


Financial Report
2006



Third Quarter

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I. HIGHLIGHTS

OPERATING DATA (Million €)	September 2006	September 2005	% Change 06/05
CONSTRUCTION - SACYR/SOMAGUE			
ORDER BOOK	5,590	4,634	20.6%
<i>Months of Activity</i>	26.3	27.1	(3.0%)
HOUSING DEVELOPMENT - VALLEHERMOSO			
COMMITTED SALES	1,008	931	8.2%
<i>N. houses</i>	3,331	3,093	7.7%
ORDER BOOK	2,247	2,089	7.6%
<i>LAND RESERVE (Thousand m2)</i>	5,720	4,610	24.1%
<i>% Housing</i>	92.0%	91.0%	1.1%
CONCESSIONS - ITINERE			
ORDER BOOK	54,635	51,016	7.1%
PROPERTY - TESTA			
ASSETS VALUE (31 December + T. Adriá + Brickell)	4,132	3,100	33.3%
<i>NET SURFACE (Thousand Square metres)</i>	1,544	1,418	8.9%
<i>OCCUPANCY</i>	97.9%	96.1%	0.7%
ORDER BOOK	4,117	3,699	11.3%
SERVICES - VALORIZA			
ORDER BOOK	9,793	6,394	53.2%

I. HIGHLIGHTS

ECONOMIC FINANCIAL DATA (Million €)	September 2006	September 2005	% Change 06/05
NET SALES	3,293	2,616	25.9%
EBITDA	740	589	25.7%
Construction (Sacyr – Somague)	130	100	30.3%
Housing development (Vallehermoso)	200	132	51.4%
Concessions (Itinere)	249	220	13.2%
Property (Testa)	138	125	10.8%
Services (Valoriza)	42	21	101.2%
Holding and Adjustments	(20)	(9)	n/a
ORDINARY NET ATTRIBUTABLE PROFIT *	262	114	130.4%
Non ordinary		187	n/a
NET ATTRIBUTABLE PROFIT	262	300	(12.7%)
MARKET CAPITALIZATION			
Number of outstanding shares	284,636	274,471	3.7%
EQUITY	2,098	1,581	32.7%
NET CORPORATE DEBT	2,530	998	153.6%

* The ordinary net benefit reaches €262 million and grows a 130.4% once have been eliminated the effect of the extraordinary results of 2005 due to:

- The shares/ELS shares and the collection of BBVA dividends amounting to €102.8 million after taxes,
- The sale in the service area of wind assets placed in Portugal amounting to €83.8 million

II. STATEMENT OF INCOME

CONSOLIDATED PROFIT AND LOSS (Thousands €)	September 2006	September 2005	% Change 06/05
Net amount of the business turnover	3,292,888	2,615,944	25.9%
Other income	131,371	111,686	17.6%
Total operating income	3,424,260	2,727,629	25.5%
External and operating expenses	(2,684,429)	(2,139,041)	25.5%
GROSS OPERATING PROFIT	739,830	588,588	25.7%
Depreciation	(190,647)	(165,640)	15.1%
Trade Provisions	20,282	(19,800)	n/a
NET OPERATING PROFIT	569,466	403,148	41.3%
Financial Results	(246,485)	(36,120)	582.4%
Financial expenses	9,494	(6,288)	n/a
Results from equity accounted subsidiaries	13,521	(7,907)	n/a
Provisions for Financial Investments	(480)	(1,787)	(73.1%)
Change in Value of Financial Instruments	12,019	(1,765)	n/a
Change in Value of Assets	(309)	(855)	(63.8%)
Results from sales of non current assets	13,156	96,769	(86.4%)
Result before taxes	370,380	445,195	(16.8%)
Corporate tax	(93,702)	(133,245)	(29.7%)
TOTAL PROFIT	276,678	311,949	(11.3%)
Minorities	(14,410)	(11,537)	24.9%
NET ATTRIBUTABLE PROFIT	262,268	300,412	(12.7%)

ANALYSIS OF RESULTS

- As of 30 September the Group business total sales amounted to €3,292.9million, with an increase of 25.9% with respect to 2005.
- The EBITDA has been of €739.8million, a 25.7% over the one of 2005, which places the margin of sales in 22.5%, the highest in the sector in Spain and Europe
- The net operating profit grows a 41.3% up to €569.5million
- The ordinary net benefit amounts to €262.3 million and grows a 130.4% once eliminated the effect of the extraordinary results of 2005 per the sale of the shares/ELS and the charge of BBVA dividends which amount to €102.8 million after taxes and per the sale in the service area of wind assets located in Portugal which amounts to €83, 8 million after taxes.

The third term result does not include the financial result, consolidated through the equity method, of our stake in the French constructor Eiffage from June to September. They are only included the results from March to June, date of the last publication of Eiffage results. If was included the estimation of analyst consensus for the third term results (€20 million) the net benefit would reach €282.3million.

BUSINESS TURNOVER

At the end of the third term the Group business turnover amounts to €3,292.9million, with an increase of 25.9% with respect to the exercise 2005.

Per activities areas the evolution is the following:

BUSINESS TURNOVER (€thousands)	September 2006	September 2005	% Chg 06/05
Construction	1,914,096	1,539,096	24.4%
Sacyr	1,432,640	1,062,376	34.9%
Somague	481,456	476,721	1.0%
Housing Development (Vallehermoso)	794,278	600,949	32.2%
Concessions (Itinere)	310,167	272,755	13.7%
Property (Testa)	183,247	156,609	17.0%
Services (Valoriza)	357,991	244,575	46.4%
Holding and adjustments	(266,891)	(198,040)	
BUSINESS TURNOVER	3,292,888	2,615,944	25.9%

- In the area of construction, the activity in Portugal has been slightly recovered with respect to the first term and its light growth is more than compensated with the notable increase of 34.9% in the rest of the markets where the Group operates, especially Spain. The high order book, which amounts to €5,590.1million at the end of the third term, guarantees important activity growths in the future.
- The total of the contracted sales, which reflect the evolution of the commercial activity of the period in Vallehermoso, reaches €1,007.5million, with a total of 3,331 sold houses as of 30 September 2006, which means an increase of 8.2% with respect to the same period of the previous year.
- In the concessions area the growth of 13.7% in the incomes responds to the favourable evolution of the traffic in the motorway concessions of the Group together with the tariffs increases.
- In equity, Testa has increased its earnings a 17.0% up to €183.2million. This evolution is the result of the combination of the growth in the average occupation degree of 1.1%, the rise of 9.3% in the average unitary income of the order book of rent and an increase of a 6.9% in the average rental surface of the period, with the entrance in exploitation of the new buildings, among them Adriá Tower (Paris) and 1401 Brickell (Miami)
- The services activity registered and extremely important increase of 46.4% until reaching €358.0 as a consequence of the organic growth of Valoriza activity, specially the activities of Water and Multiservices. Besides, they influence the incorporations in the Group of Sufi, bought in the second term of 2005 exercise and the City council Company Empresa Municipal de Aguas de Tenerife (Emmasa), awarded in December 2005.

Per geographic areas a 77.2% of the turnover figure was generated in Spain, a 15.7% corresponded to Portugal due to Somague building activity and the services one of Valoriza. The resting 7.1% mostly refers to the activity in Chile, which gathers the income of concessions in exploitation together with the works carried out for them. Throughout the year, the renting of the new buildings which Testa has bought in Miami and Paris are increasing its weight since they have been incorporated in the first term.

BUSINESS TURNOVER (€thousands)	September 2006	September 2005	% Chg 06/05
Spain	2,543,348	1,900,062	33.9%
Chile	124,595	122,207	2.0%
Portugal	517,336	522,172	(0.9%)
Other countries	107,609	71,503	50.5%
BUSINESS TURNOVER	3,292,888	2,615,944	25.9%

GROSS OPERATING PROFIT (EBITDA)

The gross operating profit of the Group grew a 25.7% with respect to the same period of the previous exercise, reaching €739.8million.

- The growing businesses (construction, housing promotion) and holding provide a 42.0% of the consolidated operative result, with €310.8million, a 39.3% over 2005.
- The recurrent businesses (infrastructures concessions, rental property and services) with €429.0million represent a 58.0% of the total EBITDA, with an increase on 17.4% in the current year.

GROSS OPERATING PROFIT (€Thousands)	September 2006	September 2005	% Change 06/05
Construction (Sacyr - Somague)	130,386	100,079	30.3%
Housing development (Vallehermoso)	200,128	132,160	51.4%
Holding and adjustments	(19,673)	(9,147)	
Growth activities	310,841	223,092	39.3%
Concessions (Itinere)	249,271	220,202	13.2%
Property (Testa)	137,988	124,555	10.8%
Services (Valoriza)	41,731	20,740	101.2%
Recurrent activities	428,990	365,496	17.4%
EBITDA	739,830	588,588	25.7%

DEPRECIATIONS

The endowment of depreciations – technical and of reversible assets – reached €190.3million, with an increase of a 17.6% due to the expansion of the concession business and the one of services.

Itinere activity account for a 57.0% of the total depreciations of the Group SyV (€108.4million) and Testa's activity a 16.0% (€30.4million)

FINANCIAL RESULTS

The financial expenses amounted to €246.5million in opposition to the €36.1million of 2005. This is mainly due to the positive impact on the previous exercise of €148.6 million generated per the sales of derivatives and group BBVA shares in February.

NET PROFIT

The total result before taxes amounts to €370.4 million. This is due to the following facts: Once eliminated the extraordinary results per the sale of shares/ELS and per BBVA dividends earnings amounting to €102.8 million after taxes; the results of the sale of wind assets in Portugal carried out in the service area amounting to €83.8 million after taxes, both facts taking place in 2005, the ordinary net benefit grows a 130.4%.

In this figure it is not included the positive effect of our stake in Eiffage through the equity method since June to September, only including the results from March to June, date of the last publication of Eiffage results. If the estimation of the analysts' consensus was included for the third term results (€20 million) the net profit would amount to €282.3.

INCOME ORDER BOOK

The order book of future incomes reaches €76,382.6 million and is basically supported by Itinere, with a 71.5% of the total. The implicit operative result of the mentioned book reaches €48,443.1 million.

The order book has increased in 12.6% respecting September 2005, and is pointed out:

- The inclusion of the contract for the construction of the bridge over Messina Strait and the motorway Salerno-Reggio Calabria
- The new toll motorways (Málaga, Barbanza and Eresma) and Moncloa transport hub, under concession regime, awarded since the third term of 2005.
- The incorporation in the rental property the rents coming from the new purchased building in Paris
- The incorporation of Emmasa and Emalsa, at the services area.

ORDER BOOK (Thousands €)	September 2006		
	Income	% Ebitda*	Ebitda
Sacyr (Order Book)	4,834,505	8.0%	386,760
Somague (Order Book)	755,582	4.4%	33,246
Vallehermoso (Pre-sales Book)	2,247,400	22.2%	498,923
Itinere (Concessional Income)	54,635,207	79.1%	43,216,449
Testa (Lease contracts to maturity)	4,117,358	78.7%	3,240,361
Valoriza (Income Order)	9,792,589	10.9%	1,067,392
ORDER BOOK	76,382,641	63.4%	48,443,131

*EBITDA margin as for December 2005

II. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET (Thousands €)	September	September	Change
	2006	2005	06/05
Non current assets	11,433,678	8,096,651	3,337,028
Intangible Assets	272,156	199,242	72,914
Real Estate Investments	2,644,301	1,938,293	706,008
Investment in Highways	4,230,244	3,889,621	340,623
Fixed Assets	913,701	779,536	134,164
Financial Assets	2,995,968	1,050,774	1,945,194
Other non current assets	29,668	26,229	3,439
Goodwill	347,640	212,955	134,685
Current Assets	6,733,831	5,687,904	1,045,926
Inventories	4,166,169	3,624,393	541,776
Accounts Receivable	1,512,430	1,632,788	(120,358)
Financial Assets	474,456	168,740	305,716
Cash	580,775	261,984	318,791
TOTAL ASSETS / LIABILITIES	18,167,509	13,784,555	4,382,954
Equity	2,294,235	1,845,497	448,738
Shareholder's Equity	2,097,981	1,581,432	516,550
Minority Interests	196,254	264,065	(67,811)
Non Current Liabilities	10,397,210	7,726,801	2,670,409
Financial Debt	9,362,739	6,561,714	2,801,025
Financial Instruments at fair value	33,901	86,234	(52,333)
Provisions	50,588	47,300	3,288
Other non current Liabilities	949,982	1,031,553	(81,572)
Current Liabilities	5,476,064	4,212,257	1,263,807
Financial Debt	2,764,604	1,850,575	914,029
Trade Accounts Payable	2,114,253	1,908,131	206,122
Operating Provisions	131,182	77,318	53,864
Other current liabilities	466,025	376,233	89,792

EVOLUTION OF THE BALANCE

The balance has increased in €4,382.9 million, with a growth of a 31.8% with respect to the exercise before, which is mainly due to the purchase of stake in the French constructor Eiffage and the activity in the business areas.

- **Investments in non-current assets:**
 - Concessions under construction, which mean €340.6 million of new assets.
 - Purchase of 8.6% of Itinere from Corporación Caixa Galicia for €119.7 million.
 - Purchase of the Group Sufi and Emmansa, which are mostly the reason for the expansion of €278.5 million in services balance.
 - Concerning property, the purchase of the new building in Brickell Avenue (Miami) and the Tour Adriá in Paris is the main reason for the increase of €706.0 million in Real-State investments.

- **Investments in current assets:**
 - The increase of investments in land for current housing and product promotion with €490.5 million aiming to guarantee the activity increase predicted for the future.

As of 30 September 2006 the three recurrent activities of the Group (concessions, rental property and services) added a total of €9,587.6 million of assets, equivalent to the 52.8% of the total of the Group SyV.

Next it is detailed the composition and movement in the main headings of the balance sheet.

NON CURRENT ASSETS

In non-current assets the most significant entry is that concerning concession projects with €4,230.2 million; from these, the volume of motorways and other developing roads amounted to €153.0 million and €100.6 million corresponded to other concessions projects.

The Real-State assets include properties in operation for €2,644.3 million. Besides, the intangible assets include those dedicated to their exploitation by rent under long-term concession regime for an additional amount of €122.5 million. At the end of the period were kept investments under way in renting properties amounting to €284.5 million, in cogeneration Plants and electric generation, water and clean-up networks and other projects amounting to €141.3 and some other €248.2 million in land for future developments under the head of Tangible Fixed Assets.

The Tangible Fixed Assets includes, beside the work in progress in rental properties and properties of the service activity – machinery, technical installations and other fixed assets. The amount of the accrued depreciation totals €273.8 million.

The non-current financial assets include the equity accounted shares amounting to €1,997.3 million, among which highlights the one corresponding to the investment in the French constructor Eiffage. Besides, in this head are included €418.5 million mostly corresponding to the grants for the exploitation of Itinere's different concessions which make use of the mentioned benefits. The rest basically corresponds to amounts charged by the Group companies.

CURRENT ASSETS

As a whole the current assets amount to €6,733.8 million with a growth of 18.4% compared with the same period in 2005. This is mainly due to the goods increase produced in the expansion of housing promotion activity caused by land purchase and works in progress of new promotions.

EQUITY

At the end of the year's third term the equity reached €2,294 million, with an increase of 24.3% over the year before; a 91.4 of the total (with €2,098.0million) corresponded to SyV's equity and €196.2 corresponded to the Group' minority shareholders

In June 2006 it was carried out a capital increase released with charge to reserves of 10,165,579 shares with a nominal price of €1. Thus, at 30 September 2006 the social equity is represented by 284.6 million of shares, with €1 of nominal value.

FINANCIAL DEBT

At the end of the third term of the year the corporative net indebtedness amounts to €2,529.9million, which is equivalent to 22.3% of the total indebtedness of the period. For its part the amount of the net debt for intensive activities in capital amounted to €8,335.9 million, a 75.3% of the total.

The net debt of the Group as of 30 September 2006 is broken out:

NET FINANCIAL DEBT (Millones de Euros)	September 2006	September 2005	% Change 06/05
Corporate Debt	2,530	998	153,,6%
Intensive capital activities	8,336	6,800	22.6%
Testa	1,890	1,306	44.7%
Itinere	3,608	3,179	13.5%
Vallehermoso	2,838	2,315	22,6%
Others	206	184	12.0%
NET FINANCIAL DEBT	11,072	7,982	38.7%

- Among the activities intensive in capital are significantly pointed out the debt weight affecting to transport concessions, which reached 3,607.8 million the last September. This means a 32.6% of the Group total and the 65.7% of the book value of motorway investments, which amounted to €5,484.2 million at the end of the third term. This financing is linked to specific activities concerning public services, toll motorways, conferring great stability and visibility on incomes and cash flow generated by its exploitation.

- In the field of renting property the debt is materialised in mortgage loans and leasing contracts for an amount of 1,889.6 million, which finance operating assets and assets in course. Thus, according to the last evaluation of cash assets by an independent expert, as of December 2005 (adding Adría Tower and Brickell Building, recently acquired in Paris and Miami respectively) the debt only means a 45.7% of the mentioned value.

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- As for the activity of promotion, with a net debt of €2,838.4million, it is used to finance the goods appearing in Vallehermoso balance sheet per an accounting amount of €3,898.8 million.
 - Lastly, the debt caused by other business mostly corresponds to the financing of projects and environmental concessions in Valoriza.

The financial instruments at a reasonable value reached a value of €33.9 million and were applied in operations concerning the cover of long-term debt assumed for the financing of activities of concessions and rental properties.

III. EVOLUTION OF BUSINESS AREAS

CONSOLIDATED PROFIT AND LOSS AS OF SEPTEMBER 2006									
(Thousands €)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	TOTAL
Net Sales	1,432,640	310,167	794,278	183,247	357,991	481,456	4,614	(271,505)	3,292,888
Other Sales	16,104	26,632	1,322	748	34,623	15,122	31,622	5,199	131,371
Total Income	1,448,744	336,799	795,599	183,995	392,614	496,578	36,236	(266,306)	3,424,260
External and Operating Expenses	(1,341,244)	(87,527)	(595,472)	(46,008)	(350,883)	(473,692)	(55,630)	266,027	(2,684,429)
GROSS OPERATING PROFIT	107,501	249,271	200,128	137,988	41,731	22,885	(19,394)	(279)	739,830
Depreciation	(21,531)	(108,417)	(1,921)	(30,414)	(13,898)	(9,259)	(2,134)	(3,073)	(190,647)
Trade Provisions	800	(1,636)	19,550	(225)	(1,323)	(4,079)	7,196	0	20,282
NET OPERATING PROFIT	86,770	139,219	217,757	107,348	26,509	9,547	(14,333)	(3,352)	569,466
Financial results	19,166	(133,871)	(11,152)	(49,790)	(6,415)	(5,276)	92,489	(151,637)	(246,485)
Forex results	(295)	9,413	0	(1,106)	(98)	1,580	(0)	0	9,494
Results from equity accounted subsidiaries	24	(9,119)	(942)	(141)	857	2,524	0	20,318	13,521
Provisions for financial investments	0	0	0	0	(480)	(0)	0	0	(480)
Change in value of financial instruments	0	10,282	0	1,407	0	0	330	0	12,019
Change in value of assets	(314)	0	0	0	0	0	0	5	(309)
Results from sales of non current liabilities	(662)	6,309	193	6,998	317	0	0	0	13,156
PROFIT BEFORE TAXES	104,690	22,233	205,855	64,717	20,691	8,375	78,486	(134,667)	370,380
Corporate Tax	(33,437)	(6,514)	(73,702)	(19,477)	(3,932)	(2,427)	45,662	126	(93,702)
TOTAL PROFIT	71,253	15,719	132,153	45,240	16,759	5,947	124,149	(134,541)	276,678
Minorities	(693)	(11,675)	147	(89)	(710)	(599)	0	(791)	(14,410)
NET ATTRIBUTABLE PROFIT	70,560	4,044	132,300	45,151	16,049	5,349	124,149	(135,332)	262,268

CONSOLIDATED PROFIT AND LOSS AS OF SEPTEMBER 2005									TOTAL
(Thousands €)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	
Net Sales	1,062,376	272,755	600,949	156,609	244,575	476,721	693	(198,733)	2,615,944
Other Sales	13,492	27,076	2,677	3,242	24,139	10,307	22,353	8,401	111,686
Total Income	1,075,867	299,830	603,626	159,851	268,714	487,027	23,046	(190,332)	2,727,629
External and Operating Expenses	(996,825)	(79,629)	(471,466)	(35,295)	(247,974)	(465,990)	(32,311)	190,450	(2,139,041)
GROSS OPERATING PROFIT	79,042	220,202	132,160	124,555	20,740	21,037	(9,266)	118	588,588
Depreciation	(11,290)	(98,816)	(246)	(23,598)	(13,738)	(10,175)	(2,532)	(5,246)	(165,640)
Trade Provisions	(9,285)	(1,607)	(6,068)	(207)	(1,000)	(1,805)	0	172	(19,800)
NET OPERATING PROFIT	58,467	119,779	125,845	100,750	6,002	9,058	(11,797)	(4,956)	403,148
Financial results	14,515	(115,732)	(23,283)	(36,940)	(6,407)	(2,832)	244,261	(109,702)	(36,120)
Forex results	131	(7,666)	0	1,540	(136)	(157)	(0)	(0)	(6,288)
Results from equity accounted subsidiaries	22	(9,151)	(344)	83	1,540	(57)	0	(0)	(7,907)
Provisions for financial investments	0	538	(1,650)	0	(86)	0	(589)	0	(1,787)
Change in value of financial instruments	0	(2,354)	0	0	0	0	589	0	(1,765)
Change in value of assets	(329)	0	0	0	(607)	0	0	81	(855)
Results from sales of non current liabilities	1,489	154	(207)	140	95,424	21,201	0	(21,433)	96,769
PROFIT BEFORE TAXES	74,295	(14,433)	100,363	65,574	95,730	27,212	232,464	(136,010)	445,195
Corporate Tax	(22,023)	2,249	(35,650)	(24,288)	(7,610)	(4,160)	(41,783)	20	(133,245)
TOTAL PROFIT	52,271	(12,185)	64,713	41,286	88,120	23,052	190,681	(135,990)	311,949
Minorities	(482)	(13,623)	98	0	(1,726)	19	0	4,176	(11,537)
NET ATTRIBUTABLE PROFIT	51,790	(25,807)	64,811	41,286	86,394	23,071	190,681	(131,814)	300,412

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 2006									TOTAL
(Thds €)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	
NON CURRENT ASSETS	741,450	5,076,987	238,872	3,089,925	550,046	177,543	3,895,119	(2,336,263)	11,433,678
Intangible Assets	28,345	38,593	12	110,190	35,285	1,526	1,461	56,745	272,156
Real Estate Investments	0	0	59,010	2,475,499	0	0	0	109,792	2,644,301
Highway Investments	53,732	4,129,656	0	43,252	3,604	0	0	(0)	4,230,244
Fixed Assets	86,093	32,861	7,015	353,328	340,172	87,878	6,355	0	913,701
Financial Assets	556,805	859,270	157,473	104,189	46,515	60,673	3,884,441	(2,673,398)	2,995,968
Other non Current Liabilities	16,475	2,931	13,487	3,467	768	0	2,862	(10,323)	29,668
Goodwill	0	13,676	1,875	0	123,702	27,467	0	180,920	347,640
CURRENT ASSETS	1,148,256	289,769	4,132,535	176,940	403,915	527,743	401,519	(346,846)	6,733,831
Inventories	185,473	3,097	3,898,802	29	25,969	53,341	1,057	(1,598)	4,166,169
Accounts Receivable	768,693	139,024	192,608	75,573	250,295	431,032	691	(345,486)	1,512,430
Financial Assets	33,800	4,251	1,973	42	32,785	1,976	399,630	(0)	474,456
Cash	160,290	143,397	39,153	101,296	94,866	41,394	141	238	580,775
ASSETS = LIABILITIES	1,889,705	5,366,756	4,371,407	3,266,865	953,961	705,286	4,296,638	(2,683,109)	18,167,509
	9,587,582	52.8%							
Equity	434,846	395,835	382,239	1,143,249	274,835	141,259	1,127,548	(1,605,576)	2,294,235
Shareholder's Equity	431,667	305,123	379,356	1,076,160	265,371	138,925	1,127,548	(1,626,168)	2,097,981
Minority Interests	3,179	90,712	2,883	67,089	9,464	2,334	0	20,592	196,254
NON CURRENT ASSETS	170,843	4,491,880	1,966,849	1,833,156	329,895	144,159	2,275,668	(815,241)	10,397,210
Financial Debt	107,291	3,445,085	1,753,730	1,772,602	241,188	127,490	1,915,352	(0)	9,362,739
Financial Instruments at fair value	829	25,788	0	5,057	1,922	0	305	0	33,901
Provisions	71	4,384	11,637	3,164	26,930	1,928	2,474	0	50,588
Other non current Liabilities	62,651	1,016,624	201,482	52,332	59,854	14,741	357,537	(815,241)	949,982
CURRENT LIABILITIES	1,284,016	479,041	2,022,319	290,460	349,231	419,868	893,422	(262,293)	5,476,064
Financial Debt	43,584	310,412	1,125,824	218,346	77,243	115,197	873,998	0	2,764,604
Trade Accounts Payable	1,059,847	21,129	677,818	13,107	148,010	197,645	3,185	(6,489)	2,114,253
Operating Provisions	49,953	1,663	40,914	2,436	1,881	21,525	12,810	0	131,182
Other current liabilities	130,631	145,836	177,763	56,571	122,097	85,502	3,429	(255,804)	466,025

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 2005									TOTAL
(Thds €)	Sacyr	Itinere	Vallehermoso	Testa	Valoriza	Somague	Holding	Adjustments	
NON CURRENT ASSETS	488,339	4,841,905	173,809	2,436,737	271,539	188,911	1,869,959	(2,174,549)	8,096,651
Intangible Assets	30,755	36,752	20	113,935	15,348	220	2,213	0	199,242
Real Estate Investments	0	0	0	1,826,773	0	0	0	111,520	1,938,293
Highway Investments	0	3,889,621	0	0	0	0	0	0	3,889,621
Fixed Assets	64,865	35,769	63,331	334,047	186,732	93,719	4,033	(2,960)	779,536
Financial Assets	374,475	854,227	105,739	159,854	43,850	67,506	1,861,039	(2,415,916)	1,050,774
Other non Current Liabilities	18,245	11,838	2,844	2,128	1,934	0	2,675	(13,434)	26,229
Goodwill	0	13,698	1,875	0	23,675	27,467	0	146,240	212,955
CURRENT ASSETS	906,752	257,053	3,697,177	74,858	313,014	596,170	62,610	(219,730)	5,687,904
Inventories	144,325	2,896	3,408,291	59	23,002	46,569	850	(1,598)	3,624,393
Accounts Receivable	643,478	101,585	279,082	52,271	199,077	513,754	61,740	(218,198)	1,632,788
Financial Assets	16,652	132,945	5,879	0	8,940	4,269	0	54	168,740
Cash	102,298	19,627	3,926	22,529	81,994	31,578	20	13	261,984
ASSETS = LIABILITIES	1,395,091	5,098,959	3,870,986	2,511,595	584,553	785,081	1,932,569	(2,394,279)	13,784,555
Equity	396,377	401,853	233,419	1,051,139	145,932	136,045	984,812	(1,504,081)	1,845,497
Shareholder's Equity	393,711	186,020	230,340	1,051,139	135,054	135,632	984,812	(1,535,276)	1,581,432
Minority Interests	2,667	215,833	3,079	0	10,879	413	0	31,195	264,065
NON CURRENT ASSETS	118,189	4,168,305	1,935,043	1,330,164	205,966	154,806	479,294	(664,966)	7,726,801
Financial Debt	96,436	2,947,002	1,580,180	1,272,323	150,230	116,641	398,903	0	6,561,714
Financial Instruments at fair value	0	73,081	0	9,669	1,514	0	1,970	0	86,234
Provisions	2,060	1,748	12,634	3,356	4,554	21,678	1,270	0	47,300
Other non current Liabilities	19,694	1,146,474	342,229	44,816	49,668	16,486	77,152	(664,966)	1,031,553
CURRENT LIABILITIES	880,525	528,801	1,702,524	96,529	232,655	494,231	468,463	(191,469)	4,212,257
Financial Debt	21,478	384,465	744,597	55,984	54,040	171,818	418,194	0	1,850,575
Trade Accounts Payable	726,017	30,664	815,700	14,703	95,475	233,551	3,204	(11,183)	1,908,131
Operating Provisions	39,107	1,636	22,493	2,500	1,143	0	10,440	0	77,318
Other current liabilities	93,923	112,036	119,735	23,341	81,996	88,862	36,625	(180,285)	376,233

III. EVOLUTION OF THE BUSINESS AREAS

SACYR/SOMAGUE

The net incomes of the area reached €1,914.1 million, a 24.4% over the last exercise. The most important component of the business, Sacyr, paid in €1,432.6 million, with an outstanding increase of a 34.9% over the last year and a weight of 75.0% of the total. In spite of the situation of low activity going through by the Portugal market, Somague incomes were €481.5.

The order book has significantly increased and in September amounted to €5,590 million, which is equivalent to 26 months of activity. Concerning 2005, the mentioned increase has been of 20.6%.

A 94.4% of the order book is sited in the UE, with a 54.7% corresponding to Spain, 27.7% to Italy and 12.0% to Portugal. The resting 5.6% in other countries mostly comes from projects of infrastructures concessions in Chile and Costa Rica.

Among the main contracts obtained in the first nine months of 2006 the most significant ones are:

- Award to SIS, the Group Italian subsidiary, of the modernising works for adapting a 31 km stretch of the old motorway Salerno-Reggio Calabria to a first-level motorway per €407.4 million.
- Construction of the motorway AP-46 Alto de Las Pedrizas-Málaga with an investment of €367.1 million.
- Contract for implantation of vacant possession of the trolley system in Palermo, with an amount of €96 million. The award has been conferred to the consortium of which SIS takes part.
- Construction of the new shadow motorway between the towns of Padrón and Santa Uxía de Ribeira, the motorway of Barbanza in A Coruña, amounting to €78.5.
- Construction of the new transport hub in the district of Moncloa, Madrid, amounting to €69.0 million.
- Works for the construction of the Eresma motorway, between Cuéllar and Segovia amounting to €65.0 million.
- Construction of the motorway San José-Caldera, in Costa Rica, amounting to €47.5 million.
- Works of construction of the Desalination Plant of Águilas amounting to €36.6 million
- Edification of 500 houses in the housing estate Vista Hermosa, in the Línea de la Concepción, for an amount of €38.7 million.
- Works for the construction of Casa Mar Auditorium Centre in the city of Vigo, for an amount of €38.7 million.
- Finishing Works of the Basilica of Fatima amounting to €28.5 million.

VALLEHERMOSO

Vallehermoso's income as of 30 September 2006 has reached €794.3 million, which represents an increase of 32.2% over the previous year. The sales corresponding to the residential product were €702.0 million; €82.5 m due to the land sale and the resting €9.7 m due to incomes per services.

For its part, the EBITDA has also experienced an important increase of 51.4% up to reaching €200.1, reaching a margin over sales of 25.2%.

The contracted residential sales reach €1,007.5 million, with a growth of 8.2% with respect to 2005, with an increase of the sold units of 7.7% up to reaching 3,331 houses. At the end of the third term there were contracted sales pending being accounted per an amount of €2,247.4 million, a 7.6% over the previous exercise.

During the first nine months of 2006 Vallehermoso has purchased land to develop more than 8,800 houses.

At the end of the period, the land reserve of Vallehermoso reached 21.7 m2 million, equivalent to 5.7 million of building m2, which mean more than 40,000 houses.

ITINERE

The concessions business of Itinere registered an income of €310.2 million, 13.7% more than in 2005.

The gross operating profit grew 13.2% up to reaching 249.3 million, which allows reaching an operative margin of 80.4%.

The average traffic increase has still been over the economy in general, with a very positive evolution both in concessions in Spain and Chile.

(€ million)	September 2006		September 2005		% Change 06/05	
Spain	Income	ADT	Income	ADT	Income	ADT
Audasa	103.8	23,302	96.1	22,263	8.0%	4.7%
Avasa	53.3	14,484	49.6	13,936	7.3%	3.9%
Audenasá	29.3	17,284	27.4	16,854	6.9%	2.6%
Aucalsa	28.0	9,937	25.3	9,367	10.9%	6.1%
Aunor	10.6	11,714	10.3	10,988	3.1%	6.6%
Autoestradas Galicia	9.7	10,890	8.8	10,293	11.0%	5.8%
Chile						
El Elqui	10.7	3,709	9.1	3,486	17.6%	6.4%
Los Lagos	9.6	7,409	7.9	6,894	21.3%	7.5%
Rutas del Pacífico	15.7	18,070	12.6	16,468	24.6%	9.7%
Red Vial Litoral Central	1.8	2,019	1.3	1,955	37.6%	3.3%
Vespucio Sur	7.6	45,356	n/a	n/a	n/a	n/a
Brazil						
Triangulo do Sol	22.5	5,835	17.6	5,704	28.1%	2.3%

During the first nine months of 2006 the Group Itinere has awarded the following concessions:

- Concession for the construction, maintenance and exploitation for 30 years of the shadow toll motorway between Padrón and Santa Uxía de Ribeira, commonly know as Barbanza Motorway, in A Coruña. Barbanza motorway will have a total length of 40 km and the awardness amount is €105 million.

- Concession of the construction, maintenance and exploitation for 35 year of the shadow toll motorway between Cuéllar and Segovia, with an length of 48.5 km and includes the construction of three viaducts, per an amount of €105 million.
- Concession for the construction and exploitation of the stretch San José-Caldera of the Autopista del Sol, per an amount of €145 million.
- Concession for the construction and exploitation of the transport Hub of the district of Moncloa in Madrid per an amount of €100 million.
- Concession for the construction, maintenance and exploitation of the motorway AP-46 Alto de Las Pedrizas-Málaga. The awarded consortium is formed by Itinere (70%) and Sacyr (10%) which are respectively subsidiaries of infrastructures and construction from the Group SyV and by GEA 21 (20%). The awardness is for 36 years extendable to 40 and the investment for the functioning the motorway will amount to €367.1 million, including expropriations.

With these awards Itinere reaches an order book of 32 concessions of transport infrastructures, distributed among the UE with 22 (Spain:19; Portugal:3), America with 10 (Chile:6; Brazil: 1 and Costa Rica:2) and 1in Bulgaria

The order book of the activity recurrent income amounted to €54,635.2 million, 7.1% over the year before. 89.4% of the order book was placed in Spain.

At the end of the period the gross investment in motorways amounted to €5,484.2. From them €153.2 are in progress and mostly correspond to the works for the concession Autopista Nororiente placed in the urban area of Chile together with the two shadow toll motorways in Spain (Viasur and Turia Motorway) and the two transport hub in Madrid (Plaza Elíptica and Moncloa)

INVESTMENT (€Thousand)	September 2006		September 2005		% Change 06/05
	In operation	Under construction	In operation	Under construction	
Audasa	2,296,920		2,083,862		10.2%
Avasa	668,297		665,124		0.5%
Audenasa	432,948	381	397,873		8.9%
Aucalsa	787,579		749,118		5.1%
Aunor	96,954	129	96,954		0.1%
Autoestradas de Galicia	170,818		158,595		7.7%
Viasur		51,598		3,369	1,431.6%
Autovia del Turia		33,585		1,349	2,389.6%
Intercambiador de la Plaza Elíptica		14,918			
Intercambiador de Moncloa		2,456			
Autovia del Eresma		4,017			
Autopista del Barbanza		2,615			
España	4,453,516	109,699	4,151,526	4,718	9.8%
Elqui	229,460		244,187		(6.0%)
Los Lagos	240,219		255,637		(6.0%)
Rutas del Pacífico	188,152		199,441		(5.7%)
Red Vial Litoral Central	37,174		39,559		(6.0%)
Vespucio Sur	129,937			134,282	(3.2%)
Acceso Nororiente		36,098		30,911	16.8%
Triangulo do Sol	52,596	4,517	50,280		13.6%
Autopista del Valle		2,877		327	673.4%
Autopista del Sol		9			
América	877,538	43,501	789,104	165,565	(3.5%)
TOTAL	5,331,054	153,200	4,940,630	170,283	13.4%

TESTA

The incomes reached by Testa in the period concerned were €183.2 million, 17.0% over 2005.

Next there are shown the explicative factors of incomes variation per renting:

Rentals evolutions	September 2006	September 2005	% Change 06/05
Incomes per Rentals (Thousands of Euros)	179,041	156,609	14.3%
Average occupied Surface (M2)	1,442,218	1,348,920	6.9%
Average unitary income (€/M2/mes)	13.79	12.62	9.3%
Average rental surface (M2)	1,477,682	1,396,976	5.8%
Average occupation degree (%)	97.60	96.56	1.1%

The increase of the rental surface is a consequence of the incorporation by purchase of both an office building in Paris, in the area of La Defense, and another one in Miami, with 53,841 and 22,761 square metres respectively. Besides, it is also a consequence of the end of works and beginning of works for the enlargement of the commercial surface in the complex Porto Pi in Palma de Mallorca, two residential homes in Barcelona and Santander with 12,260 and 4,846 square metres together with a flats building in Madrid for its exploitation under renting regime with 9,318 square metres.

During September 2006 leasing right has been conferred through which it had been rented to Endesa a building in Almería, which has meant a profit of € 6.6 million, under the head of Results of Assets Sales. In the first nine months of 2005 they were not performed any significant sale of equity assets.

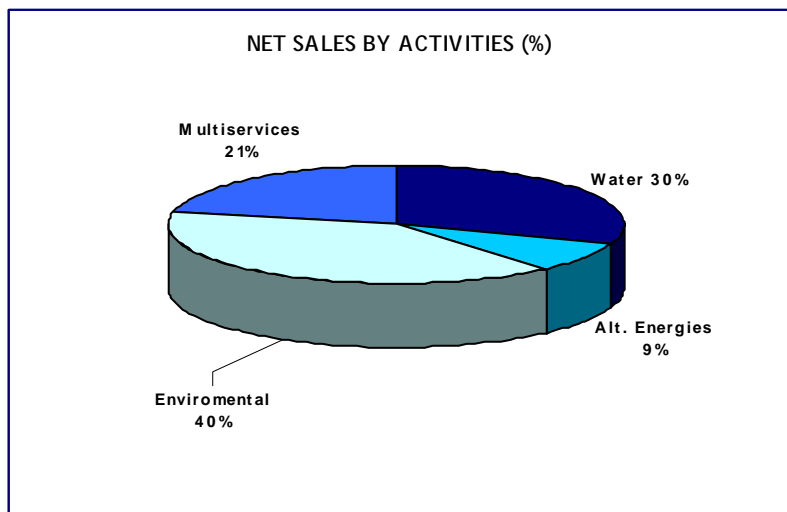
As of 30 September 2006 there were Works in progress for a total of €327.7 million, the most significant one being the Tower SyV, singular building for mixed use placed in the business area of Madrid with an investment of €197.5 million. Besides, they are kept other investment in different buildings, of which €55.3 million correspond to an offices building sited in Madrid, € 43.2 million to two hospitals awarded in Madrid region and some other € 13.9 million for two pre-rented elderly homes under different development degrees. In total, the projects in progress mean 311,440 square metres.

VALORIZA

In 2006 Valoriza reached some incomes of €358.0 million with an strong increase of 46.4% respecting the € 244.6 million in 2005 due to three factors combination:

- The organic growth by the setting in motion of new projects, especially in the area of multiservices (integral maintenance of property) and environment.
- The acquisition of the group Sufi in 2005, specialized in environmental activities, pick-up and solid waste treatment and rendering of other public services.
- The incorporation of the council company of Aguas of Tenerife (EMMASA), purchased last December and in charge of water supply in Santa Cruz de Tenerife.

The breakdown of incomes in the different areas is next:



In the environmental area the purchase of Sufi has permitted to reach some incomes of €142.4 million, which means a growth of 40.4% with respect of 2005. This incorporation has permitted to consolidate the development of Services activity, specially through the concessions conferred in the field of re-use of recycling and evaluation waste (urban, muds and containers) and access to other types of services (clean-up, parking meters....)

In the field of water the incomes were of €108.9 million, with an strong increase with respect of €52.8 million registered in the same period of the exercise before. Emmasa contributed the business turnover with €23.3 million.

In the area of Multiservices the incomes grew 43.4% up to reaching € 77.3 million. Valoriza Facilities, specialised in maintenance and management of every type of properties, has invoiced €41.7 million in this period, with a growth of 60.0% over the same period of the year before. For its part Cafestore, with € 19.7 million, has had a growth in invoicing of 29.6%.

The field of alternative energies, headed by Valoriza Energía and Iberese, represents 8.1% of the invoicing, with €28.9 million.

Lastly, among the awards of the period it is highlighted that for Sacyr Vallehermoso, through its subsidiaries of construction Sacyr and water technology Sadyt with the group Ferrovial, of the tender for the project composition, works performance and operation and maintenance of the desalination plant of Águilas/ Guadalentín, in the province of Murcia. The awardness amount for Sacyr Vallehermoso reaches to €102.9 million and the period for the operation and maintenance of the desalination plant will be of 15 years. The desalination plant of Águilas-Guadalentín will have a capacity of 60 Hm³/year (18,000 m³/day) due to an enlargement of the inlet water and installations for the pre-treatment. This new desalination plant will complement the supply of watering demands in the Southern area of the basin of the river Segura and the towns of Lorca and Águilas. This plant is included in the plan A.G.U.A. of the Ministry of Environment. The instalments include the implantation of renewal energies systems (thermal-sun for the generation of health hot water, air conditioning and photovoltaic sun for electricity production which will cover the needs of inside and outside lighting, green areas watering and air conditioning) and important measures of landscape architectural and environmental integration through the use of ecological materials, sustained technologies, indigenous vegetations, re-use of land and energy efficiency, among others. Besides it will be built a Centre for the Interpretation of the desalination of public use.

Other important awards are that of Sufi for the management of the public service of legal parking in the streets of the area 6 in Madrid, per €74.5 million. The contract will last 11 years with a possibility of

enlargement for 14 years. Sufi has also been awarded the road clean-up and waste pick-up in the city of Cadiz for 10 years, with some yearly incomes of € 13.7 million, thus consolidating its presence in the business of urban solid waste pick-up business and road clean-up, area where it was already present with contracts in Madrid and Lérida. Besides, Sufi has been awarded the service of maintenance of parks and gardens in the city of Cadiz. The term of the awarded service is four years (extendable to two years more) with a total budget of € 9 million. In the award are also included the landscape design of the gardens Puertas la Tierra and the remodelling of the gardens of La Cárcel Real.

On the other hand in September Valoriza Energía has signed an agreement of collaboration with the counsellor of Industry and Environment in the region of Murcia and with Cieza's major, with the aim of developing a pilot experience of pick-up, treatment, transport and storage of 10,000 yearly tons of biomass (woody waste) in the town of Cieza during 2006-2007 campaign. This initiative, called BIOTREAT, will permit the pick-up of rest of pruning from farms where these rests were burnt in the boundaries of the farms themselves, which means imperfect combustions producing a great amount of carbon monoxide. BIOTREAT contributes to use these rests as a source on indigenous and inexhaustible energy. The project will last two years after which the potentiality of available biomass and its economic cost will be evaluated with the aim of building a biomass plant with electricity generation per an amount of € 20 million.

Also in September, it has been awarded to the group of companies formed by Sufy and Hera at 50% the Project composition for the construction and functioning of the modification of the composting plant in Granollers to turn it into an anaerobic digestion plant of FORM (organic fraction of city council waste coming from selective pick-up) per a total amount of € 23.1 million. The plant has a used surface of 18,800 square metres and has a line of biological-mechanical treatment for the treatment of the fraction FORM of 45,000 tons per year.

IV. AGREEMENTS OF THE BOARD

DISTRIBUTION OF DIVIDENDS

- On 13 January 2006 it was put into effect the third dividend on account of the exercise 2005 for an amount of €0.100 gross euros per share, whose distribution has been agreed in the meeting of the Board of Directors, held on 29 November 2005.
- In their meeting on 8 March 2006 the Board of Directors agreed the payment of one dividend for a gross amount of €0,120 per share. This dividend will be the last one corresponding to the exercise 2005 after its approval in the Shareholders General Meeting. The payment came into effect on 12 April 2006.

CHANGES IN THE BOARD OF DIRECTORS

- Sacyr Vallehermoso S.A. Board of Directors, in the meeting held on 11 January 2006, agreed to accept the resignation submitted by Mr. José Seixas de Queiroz Vaz Guedes to the post of director, putting the unanimous recognition of the members on record. Likewise, the Board of Directors accepted the appointment of Mr. Javier Pérez Gracia as member of the Board.
- In the meeting held on 5 May 2006 the Board of Directors accepted the resignation submitted Mr. Vicente Benedito Francés to his post of Director, putting the unanimous recognition of the members on the record.

ENLARGEMENTS OF CAPITAL

- The Shareholders' General Ordinary Meeting held on 5 May 2006 accepted an enlargement of capital, per an amount of € 10,165,579, through the issue of 10,165,579 shares of €1 of nominal value and in the proportion of one new share per every twenty seven shares. The mentioned shares have been admitted to quotation on 10 July 2006.

OTHER AGREEMENTS

- In its meeting of 22 March 2006 Sacyr Vallehermoso S.A. Board of Directors agreed to call for the Shareholders' Ordinary General Meeting, which was held last 5 May 2006. In this same meeting it was approved a modification in the Rules of the Board of Directors, whose entrance into force is conditioned by the approval in the mentioned meeting of the modifications introduced in the Social Statutes of Sacyr Vallehermoso.
- On 4 August 2006, Sacyr Vallehermoso Participaciones, S.L.U. and Telekutxa S.L. presented a public bid of acquisition for the total of Europistas shares, which was accepted by the CNMV on 4 October 2006. The compensation offered is €9.15 per every Europistas' share, which will be completely paid in cash and the effectiveness of the offer is only conditioned to the acquisition of 27% of Europistas social equity. The term for acceptance of the offer will end the next 21 November 2006.

V. STOCK EXCHANGE EVOLUTION

	September 2006	September 2005	% Chg 06/05
Closing stock price (euros p.s)	35.85	22.54	59.02%
High of the year (euros p.s)	38.50	22.68	69.75%
Low of the year (euros p.s)	19.34	11.89	62.66%
Market Cap as of end of the period (Thds euros)	10,204,208	6,417,074	59.02%
Trading volume (Thds euros)	4,706,081	2,523,171	86.51%
Average trading volume (no. Shares)	931,077	820,380	13.49%
Liquidity (shares traded/capital) %	100	100	
Nº of shares (Thds)	284,636	274,471	3.70%
Share Nominal Value	1 EURO	1 EURO	

* Adjusted in 2005 by bonus issue of 1x27 carried out last June.



SHAREHOLDERS' STRUCTURE

According with the information registered in the Spanish Stock Exchange Commission at September 30th. Sacyr Vallehermoso S.A.'s directors hold and/or represent the following number of shares in the Company:

	%
Actividades Inmobiliarias y Agrícolas, S.A. (1)	
Mr. Luis del Rivero Asensio (1)	13,75%
Mr. Demetrio Carceller Arce (2)	0,01%
Corporación Caixa Galicia, S.A.	5,00%
Mr. Matias Cortés Domínguez	0,00%
Mr. Manuel Manrique Cecilia (3)	8,91%
Torreal, S.A. (4)	
Nueva Compañía de Inversiones, S.A. (4)	10,00%
Prilomi, S.L.(5)	
Prilou, S.L. (5)	13,44%
Grupo Satocán, S.A.	3,38%
Participaciones Agrupadas, S.R.L.	8,00%
Mr. Francisco Javier Pérez Gracia	0,05%
Sofip, Sociedade Gestora de Participações Sociais, S.A (6)	5,17%

TOTAL BOARD OF DIRECTORS

67,7%

- Actividades Inmobiliarias y Agrícolas, S.A (represented by Mr. Víctor Guillamón) and Rimefor Nuevo Milenio, S.L. are the companies by which Mr. Luis del Rivero Asensio participates in the Company.
- (1) Actividades Inmobiliarias y Agrícolas, S.A. has a stake of 6.06% and Rimefor Nuevo Milenio, S.L. has a stake of 7.69%. Mr Luis del Rivero holds the 100% Actividades Inmobiliarias y Agrícolas, S.A's equity, and the 61.89% of Rimefor Nuevo Milenio, S.L's equity.
- (2) Proprietary Member representing Disa Corporación Petrolífera, Atlántica Petrogás and Renta Insular Canaria
- (3) Mr. Manuel Manrique Cecilia holds an indirect stake of 8.66% through Cymofag, S.L., in which he holds a stake of 100%.
- (4) Directors representing Abelló Group.
- Prilou, S.L., represented by Mr. Jose Loureda Mantiñán, holds a direct stake of 23,167,243 shares
- (5) and an indirect stake through Prilomi, S.L., represented by Mr. Jose Manuel Loureda López, of 13,723,533 shares.
- (6) Represented in the Board by Mr. Diogo Alvez Diniz Vaz Guedes