



Vallehermoso

Real Estate Development Unit SyV Group

Madrid, 2nd of February 2006




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1. Sacyr Vallehermoso Group
2. Real Estate Development Sector
3. Implemented Strategy since 2003
4. Evolution of the Development Business Unit (2003 – 2005)
5. Results 2005 Financial Year
6. Forecasts 2006 Financial Year / Results 2005

(Approximate Time 15')

The SACYR VALLEHERMOSO Group is structured around 5 activities:

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- **CONSTRUCTION:** Sacyr y Somague in Spain, Portugal, Italy, Chile and Brazil.
- **DEVELOPMENT:** Vallehermoso in Spain and Portugal
- **INFRASTRUCTURE CONCESSIONS:** Itinere with 30 concessions in Spain, Chile, Portugal, Brazil, Costa Rica and Bulgaria
- **PROPERTY:** Testa in Spain and United States
- **SERVICES:** Expands in activities such as integral water management, the environment, energy and multi-services

STOCK MARKET VALUE: 6.000 MILLION EUROS

From 2003 to date

- Stable employment, convenient financing and low interest rates
- Baby boom generations and immigration
- *Spanish real-estate culture*
(Housing: ownership and investment haven)
- New family models: single parents
(2,9 individuals/household in 2003 and 2,5 in 2008)
- Replacement housing. Quality enhancement
- Spain: 1st second-residence European destination

SyV STRATEGIC DECISION

- *Enhance the Group's Real Estate Development Unit, based on:*
 - ✓ *Development vocation with over half a century of experience*
 - ✓ *Extensive network in the Iberian Peninsula*

Hipoteca a 20 años de 180 mil €, con un 4% de interes: 1.084 €/mes

Incremento de tipos del 1%: 90 €/mes

Incremento de tipos del 1%: +2,8 años de hipoteca

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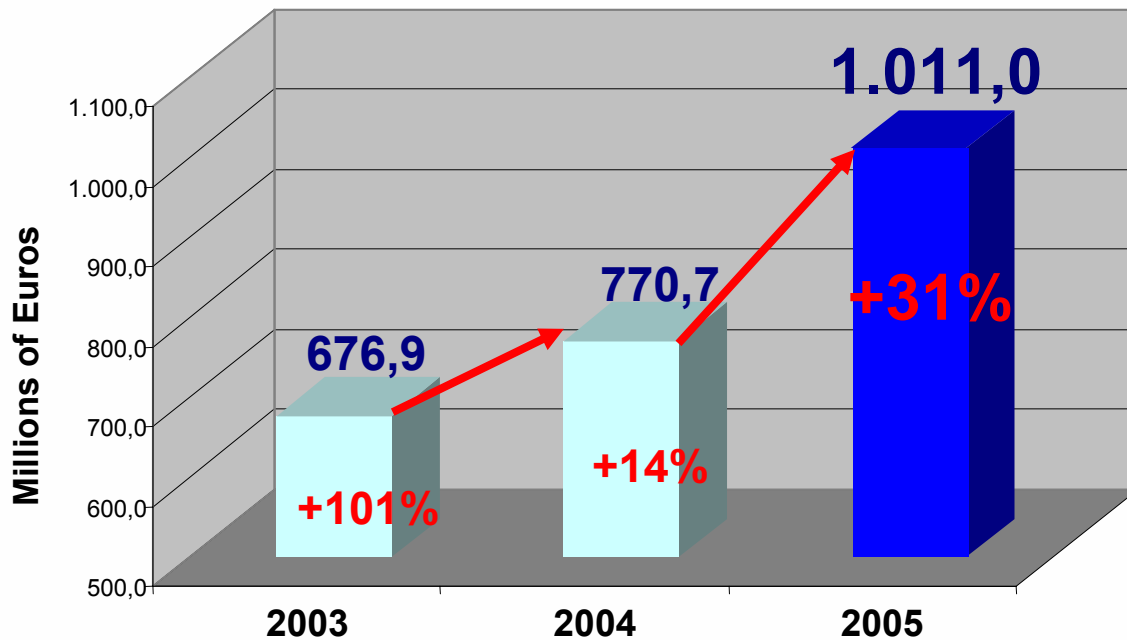
NO. OF HOMES	2004	%	2005	%	2006	%
SECTOR VOLUME	700.000		700.000		650.000	
1st Residence	550.000		550.000		550.000	
2nd Residence	150.000		150.000		100.000	
SALES VALLEHERMOSO	4.368	(+14%)	4.824	(+10%)	5.300	(+12%)
1st Residence	4.368	(+14%)	4.724	(+8%)	5.000	(+6%)
2nd Residence	0	-	100	(+100%)	300	(+200%)
MARKET SHARE	0,6		0,7		0,8	
1st Residence	0,8		0,9		0,9	
2nd Residence	-		-		0,3	

Floor Investment (Millions of Euros)

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2003
2005

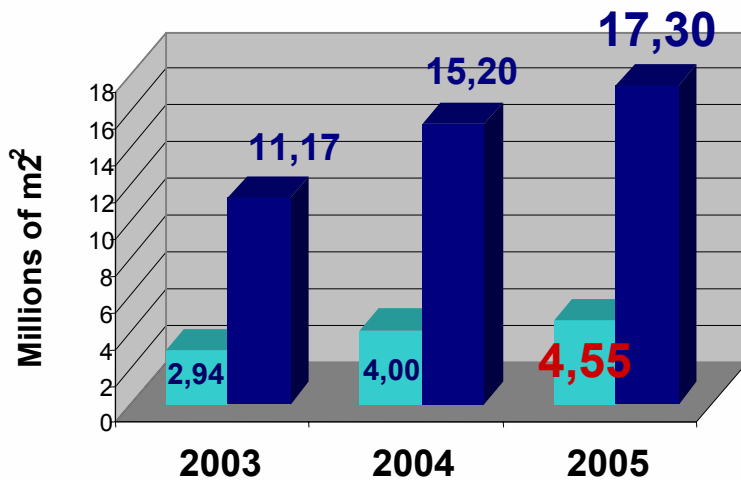


Availability: Floor/Buildable Surface

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2003
2005



Reserves 2005:
 ■ Surface: 17,3 MM m² Floor
 ■ Buildability: 4,55 MM m² Ceiling
 NO. OF HOMES: 30.139

Uses M² Buidable	
Residential	Others
90%	10%

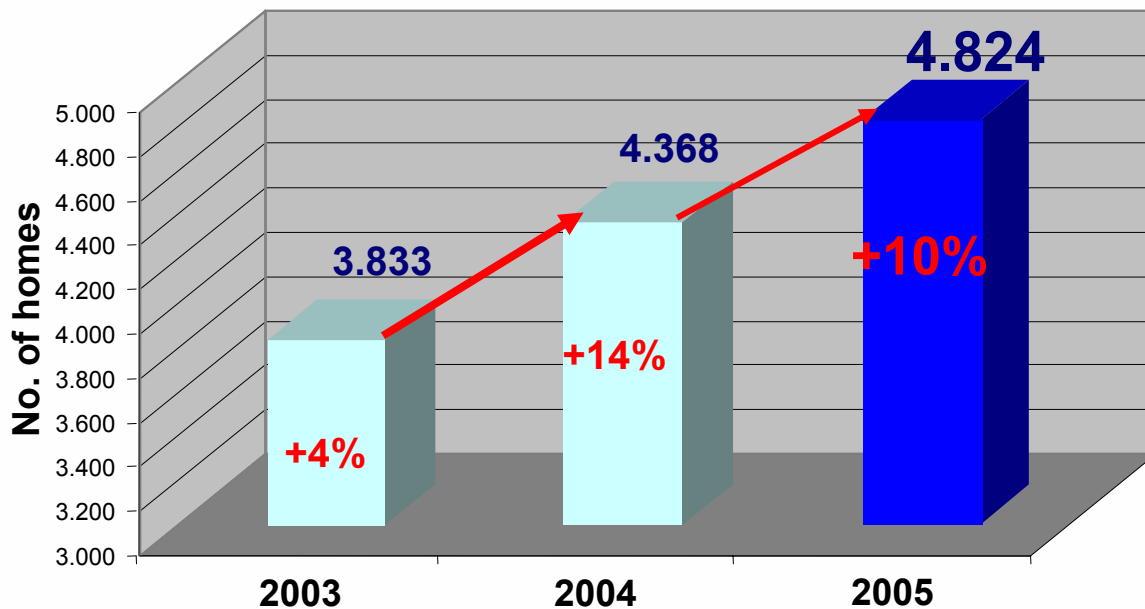
➔ **The Real Estate value of land resides in its buildability**

Home Sales: New Contracts (No.)

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2003
2005

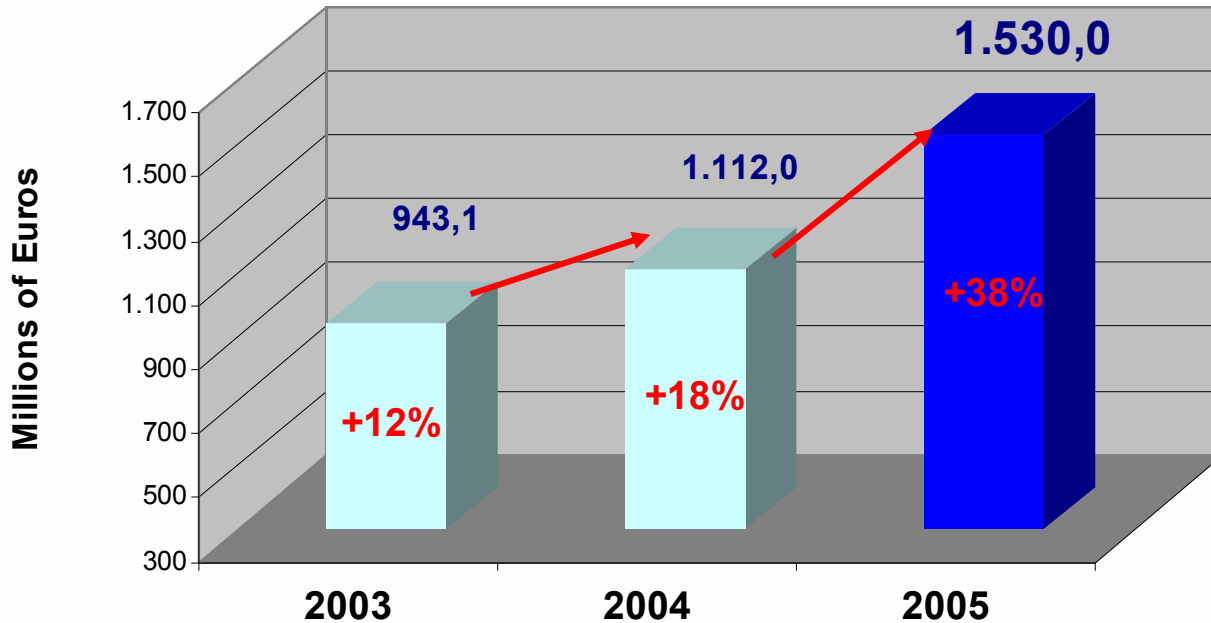


Home Sales: New Contracts (Millions of Euros)

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2003
2005



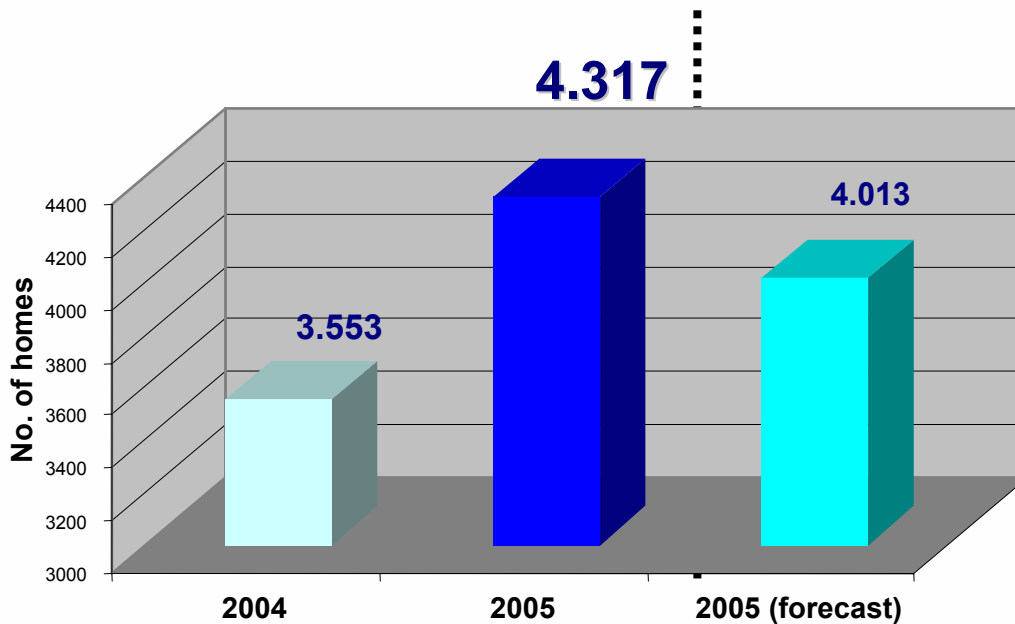
Home Sales (%) > 95%



Homes Delivered (No.)

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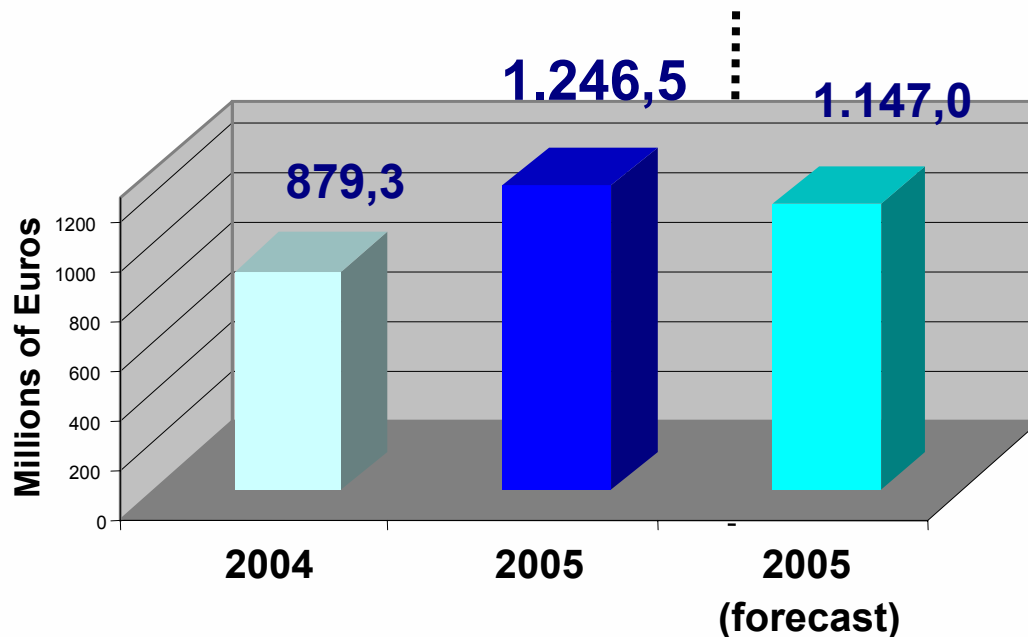
2005
2004



Turnover: Income (Millions of Euros)

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2005
2004



Earnings NIC / NIFF: Accounting of Notarised Deeds
(Product Sold, Constructed and Delivered)

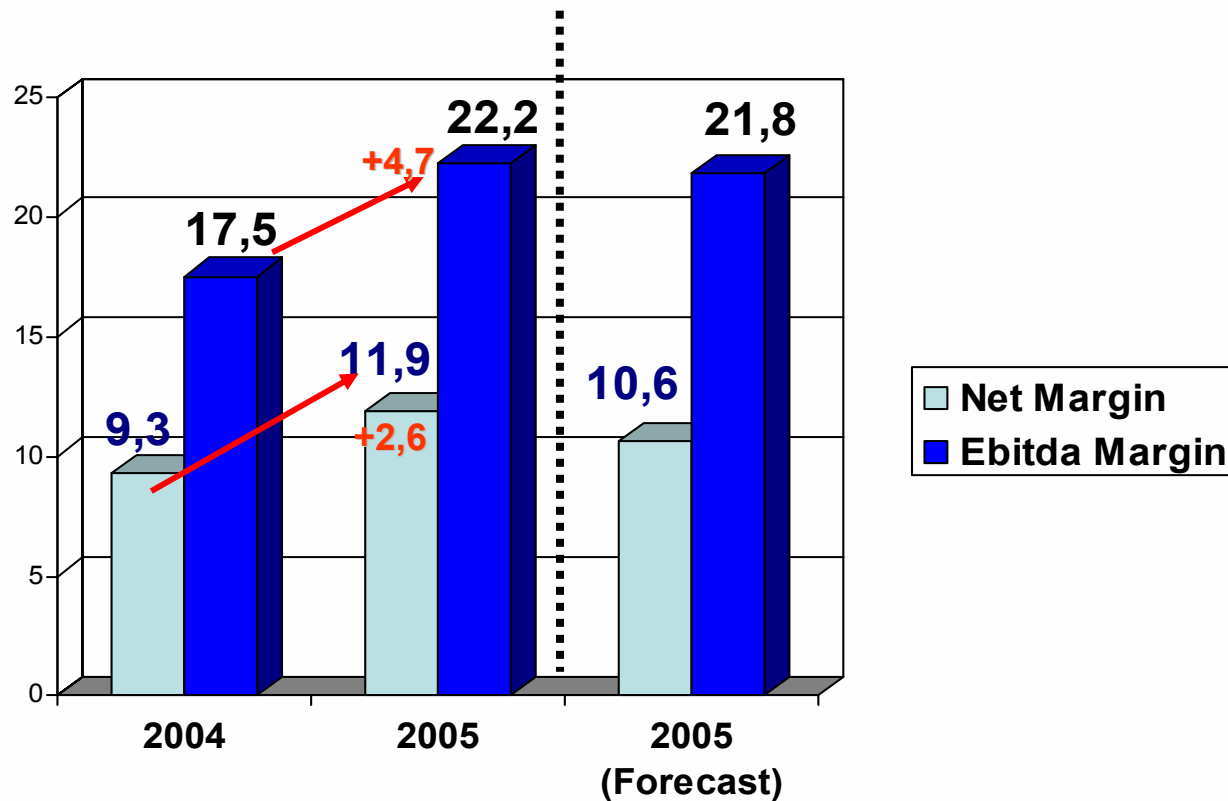


Evolution Net Margin and Ebitda Margin (%)

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2005
2004

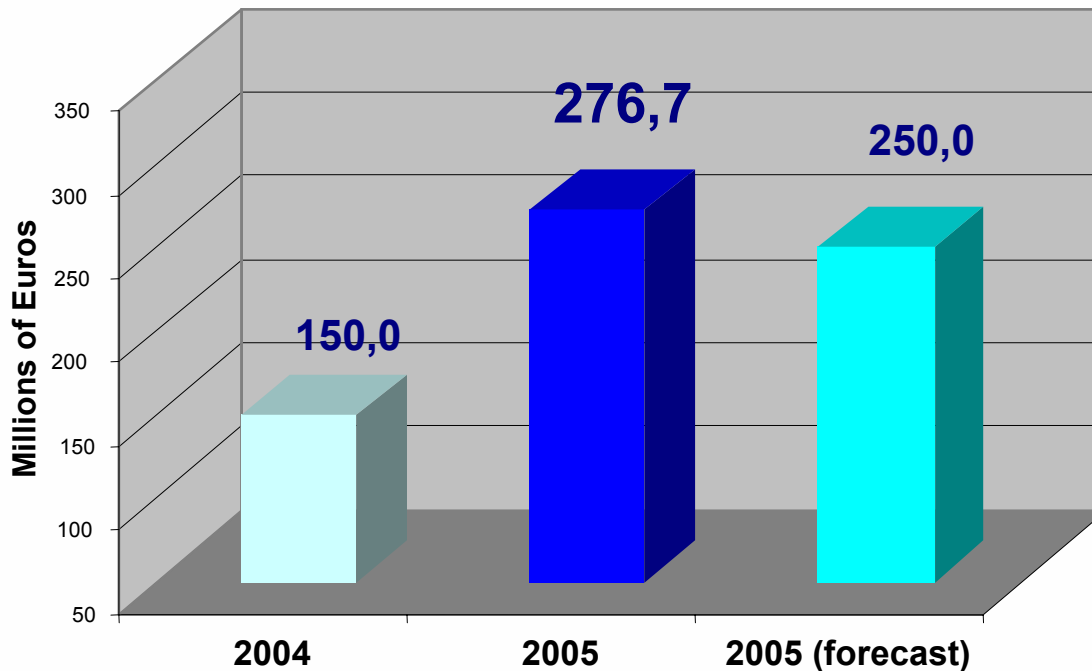


Ebitda (Millions of Euros)

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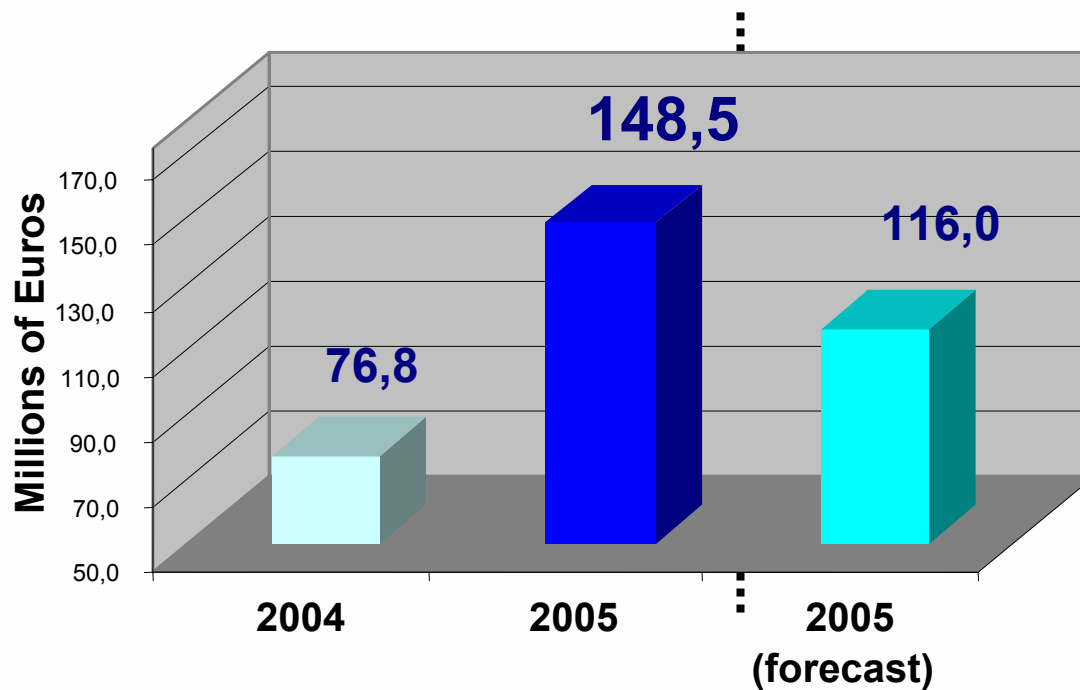
2005
2004



Net Results (Millions of Euros)

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2005
2004



Valuation of Assets (Millions of Euros)

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	2005	2004 *	Var. Abs.	Var. %
Floor	3.387	2.481	906	36,5%
Building under way and others	2.743	1.544	1.199	77,6%
TOTAL	6.130	4.025	2.105	52,3%
UNREALISED CAPITAL GAINS	2.338	1.589	749	47,1%

2005
2004

(*) C.B.R.E. adapted to NIC's

The Sector in 2006

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- Slight deceleration of the activity
- Moderation of price increases
- Gradual interest rate increases

- Confidence in the economy/employment
- Attitude of financial entities

2006

Strategy

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2006

- **Business growth: market share capture (0,6 % ↑ 0,8 %)**
 - ✓ Decrease non-vocational offer
- **Cost management: continuous optimisation**
- **Diversification:**
 - ✓ **Markets:** international demand for second residence
 - ✓ **Segments:** industrial
 - ✓ **Geography:**
 - ✓ Consolidate National Network
 - ✓ Promotion Abroad
- **Client focus:**
 - ✓ **Brand**
 - ✓ **Digital marketing**
 - ✓ **Satisfaction / Client loyalty**

Network: Knowledge and Sector Trends

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2006

REGIONALS	NO. OF OPERATIONS	HOMES PENDING DELIVERY	HOMES FOR SALES	PLANNING STAGE INVENTORY
Centre	113	1.251	1.261	5.676
Andalusia	105	1.107	543	6.095
Catalonia / Balearic Islands	76	1.017	577	2.982
North	158	1.726	1.816	6.071
Galicia	19	118	275	1.447
Canary Islands	35	385	377	1.193
Levante	64	1.376	581	1.983
Murcia	16	169	146	4.380
Portugal	11	55	257	312
TOTAL	597	7.204	5.833	30.139

• 175 points of sale (Locations)

- Operations in more than 50 cities with over 100.000 inhabitants
- Approximate range of influence: 28.000.000 inhabitants

• EVERY 5 DAYS, VALLEHERMOSO LAUNCHES A NEW DEVELOPMENT TO THE MARKET (71 i

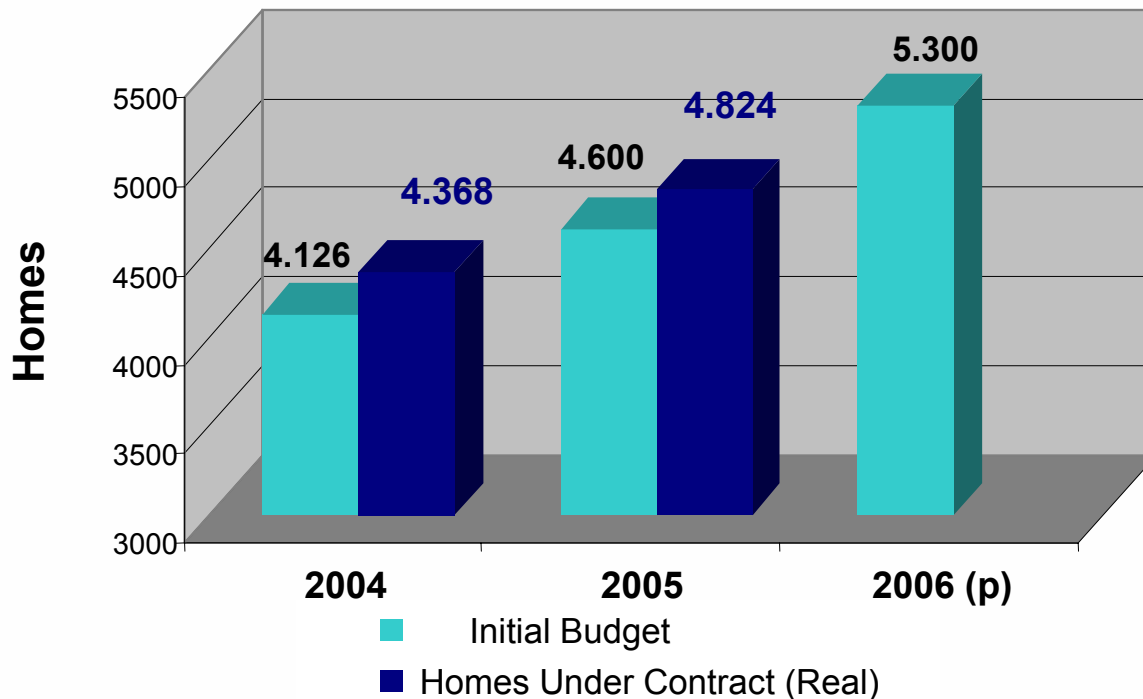


Sales Evolution 2004/2005 - Projection 2006 (No.)

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FORECASTS

2006

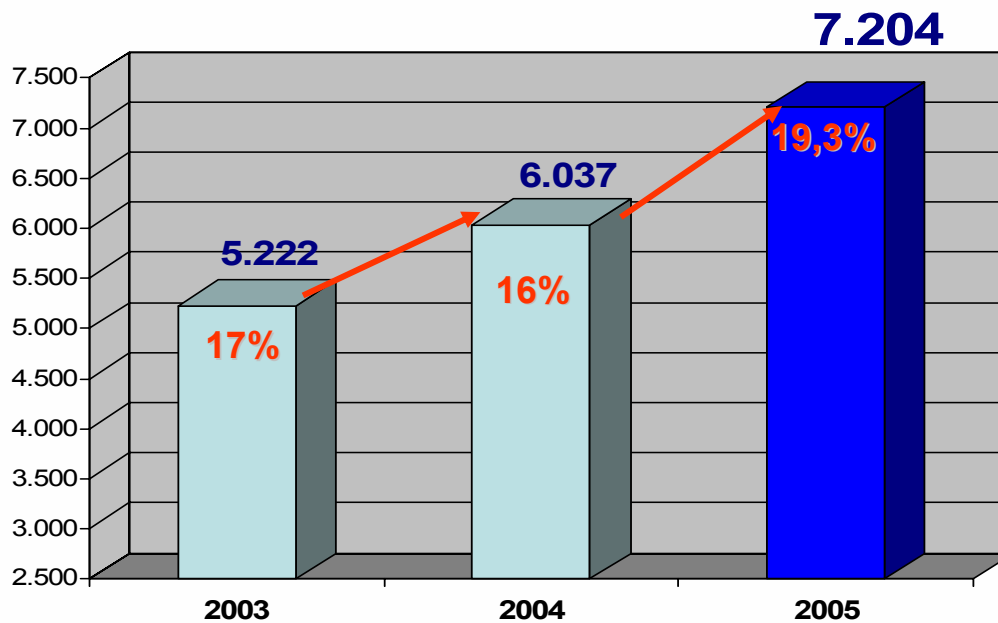


Pre-sales: Sales Pending Delivery (No.)

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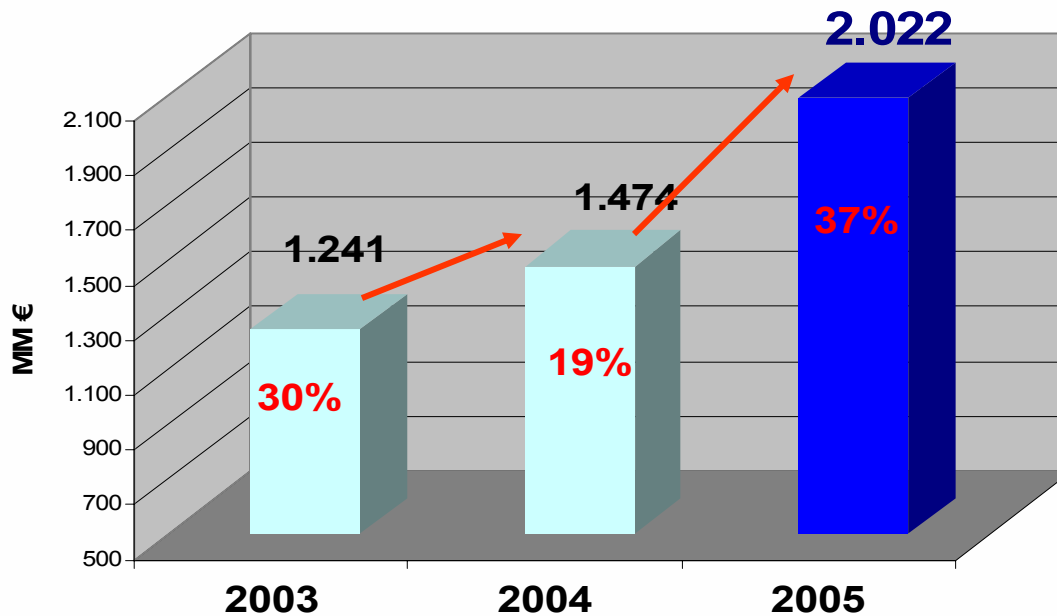
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Pre-sales: Sales Pending Delivery (Millions of Euros)

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Main Data and Projections

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	2006	2005	2004
SALES ACTIVITY			
New Contracts (No.)	5.300	4.824	4.368
New Contracts (Millions of Euros)	1.700	1.530	1.112
INCOME STATEMENT			
Income (Millions of Euros)	1.300	1.242	879
EAT (Millions of Euros)	160,0	148,5	76,8
VALUATION OF ASSETS			
Total Value Assets (Millions of Euros)		6.130	4.025
Unrealised Capital Gains (Millions of Euros)		2.338	1.589
Capital Gains Increase (Millions of Euros)		749	269

2006

• *Pre-sales on 01.01.2006: 7.204 Homes - 2.022 MM€ (Net Margin ~ 12%)*

- **Consolidation of leadership in real estate development, based on a solid brand and our geographical network which provides us with added knowledge on local markets for tailoring quality products to each demand segment.**
- **Excellent Results in the 2005 financial year**
- **Efficient Management, guaranteeing Sustainable Growth in Volumes and Results for the coming financial years.**