INTERIM REPORT
JUNE 30, 2011

Algarve International B.V.

Algarve International B.V.
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Algarve at a glance

Profile of Algarve

The principal activity of Algarve International B.V. is the financing of affiliated companies and enterprises and to borrow, to lend or to raise funds, including the issuance of bonds and debentures and to create security in connection therewith.

Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon, an affiliated company of Algarve International B.V., has been granted the Concession with respect to a shadow road in Southern Portugal, together with other facilities and works constituting a part of the Concession from time to time.

The Company directly lends to Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon.

The Company has raised funds through the issuance of loans and bonds. Citibank N.A. Lisbon has been appointed as 'Security Trustee', the European Investment Bank, Luxembourg as credit party and Syncora Guarantee Inc., New York as 'Guarantor' for respectively the issued loans and bonds.

Algarve International B.V. was founded in 2001 and has been listed with bonds on the Luxembourg Stock Exchange since 2001.

Algarve International B.V. is part of the Ferrovial Group, with Ferrovial SA as the parent company, which is listed on the Madrid Stock Exchange. Ferrovial operates as a manager of transportation infrastructure companies in Spain and internationally. Its construction activities include civil engineering and building activities comprising roads, railways, infrastructure, hydraulic, maritime, hydroelectric, industrial, and environmental works, as well as residential and non-residential building works; and engineering activities, such as road design, civil engineering and construction, and geotechnics, as well as water works, including dams, ports, and pipes. Ferrovial's construction activities also comprise structure pre-stressing; building water, waste treatment, and electricity generation plants; centralized works; design and production of modified bitumen and emulsions; design, planning, and construction of industrial chimneys, piles for bridges, and telecommunications towers; and sliding formwork. In addition, it operates and manages eight airports; and manages 23 toll roads in Spain, Ireland, Portugal, Greece, Chile, Canada, and the United States. Further, Ferrovial is involved in facility management, infrastructure maintenance, airport handling, municipal and waste treatment services, waste management, gardening, and municipal and industrial cleaning services. Ferrovial SA was founded in 1952 and is based in Madrid, Spain.

Report of the Board of Managing Directors

Financial report

Overview of Activities and Business Outlook

During the period under review, the Company recorded a net profit of EUR 233,075.

Financial Analysis

In 2011, the operating income decreased by 3.63% to EUR 7,733,086, compared to EUR 8,013,832 in 2010. The decrease was mainly due to the payment of an instalment from the Guarantee Bonds in the amount of EUR 126,500,000.

The general and administrative expenses decreased by 58.16% to EUR 243,233, compared to EUR 581,444 in 2010. The decrease was mainly due to the payment of the waiver fee to the European Investment Bank.

The total amount of assets was increased by 2.80% to EUR 242,061,107, compared to EUR 235,291,832 in 2010. The increase of the total assets is mainly due to the interest receivable of an instalment to the loan from Euroscut.

Implementation of the MLFF system

The Portuguese Government (hereinafter referred to as the “**Grantor**”) has decided on the implementation of a new management and financial model for the Portuguese motorway infrastructure sector, this affects the SCUT Algarve motorway being maintained and managed by Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon (hereinafter referred to as “**Euroscut**”).

Euroscut has been required to attend meetings with the Grantor concerning the introduction of a real toll collection system to the SCUT Algarve motorway and the later change of the payment mechanism to an availability-based structure.

The Grantor’s requirement, in accordance with the Resolution of the Council of Ministers (*Conselho de Ministros*) number 75/2010 (published in ‘Diário da República’ number 185, 1st Série, of 22 September 2010) (the Resolution), is that a real toll collection system should be introduced in the SCUT Algarve motorway until April 15, 2011 (the “**MLFF System Deadline**”).

The introduction of a real toll collection system naturally requires the installation and operability of all equipment necessary for the collection of real tolls from users of the SCUT Algarve motorway (the “**MLFF System**”) as described in the joint order issued by the Portuguese Ministries of Finance and Public Administration and for Public Works, Transportation and Communications on 18 January 2011 (the “**Joint Order**”).

The Grantor has made it clear that it requires the MLFF System Deadline to be met and that the obligation to construct and install the MLFF System will either be set out in an agreement with the Company or will be the subject of a unilateral order under the Concession Agreement.

The Concessionaire, Vialivre, S.A. and the Grantor executed in January 2011 a Tripartite Agreement pursuant to which Vialivre would carry out the procurement, installation and maintenance of the MLFF System.

The Grantor has not yet executed the instructions in order to start with the collection system.

In order to ensure the protection of Euroscut, to the furthest extent possible, from the risks involved in the installation of such infrastructure, and in relation to its subsequent operation and maintenance, it was signed between Euroscut and Vialivre, S.A an agreement which the parties have agreed that all the risks and obligations inherent to said procurement, installation, maintenance and related obligations of MLFF System will be carried out by Vialivre, S.A.

Such risks and obligations shall remain with Vialivre until the Phase II Effective Date.

Nonetheless, Euroscut needs to be party to the arrangements considering that it is a party to the Concession Agreement, which underlies the whole Project.

Vialivre is a special purpose vehicle, constituted specifically for the purpose of carrying out the procurement, installation, financing and subsequent operation of the MLFF System, and is owned by a majority of the shareholders of Euroscut. As a result, Vialivre benefits from access to the same technical and operational expertise of Euroscut, in particular that of Cintra Infraestructuras, S.A. (Cintra), who has been providing technical analysis of the activities involved in the procurement of the MLFF System.

Number of employees

As per June 30, 2011, Algarve did not have any employees (2010: 0).

Future Developments

The Board of Managing Directors does anticipate that the outstanding Loans and Bonds will be repaid in 13 instalments of which the next one will take place on December 15, 2011. Furthermore there will be no other major changes during the current financial period.

Financial instruments

The Company's financial instruments comprise the bank loan Tranche A, the guaranteed bonds Tranche B and the funding of these amounts to Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon, directly for the group's operations.

The fair value of the Bonds with amortized cost of EUR 101,453,000 has been determined on the basis of its listing on the Luxembourg Stock Exchange. The rate as at June 30, 2011 quotes the Bonds at 117.94 % (2010: 117.94%). The rate has remained unchanged since February 23, 2007 as these bonds have not been traded since said date.

The fair value of the loans granted to an affiliated party is based on the discounted cash flows of future loan repayments and interest payments. The discount rate applied is based on the calculated market rates for the loans obtained and approximates 4.54% for Tranche A and 3.15% for Tranche B as at June 30, 2011.

As a result the net fair value at June 30, 2011 of the loans obtained and granted represents the discounted value of the 0.25% margin between the interest rates on the loans obtained and the interest rates on the loans granted, amounting to approximately EUR 4.5 million.

Report pursuant to Article 5:25d of the Financial Markets Supervision Act in the Netherlands

In the opinion of the Board of Managing Directors, the Interim Accounts as per June 30, 2011 of Algarve International B.V. give a true and fair view of the assets, liabilities, the financial position, and the profit or loss of Algarve International B.V. and give a true and fair view of the financial position as per June 30, 2011, and the course of events during 2011 of Algarve International B.V., whose details are included in the Interim Accounts. The significant risks Algarve International B.V. faces are described in this interim report.

Amsterdam, August 17, 2011

The Board of Managing Directors,

Trust International Management (T.I.M.) B.V., Managing Director A
Management Company Strawinsky B.V., Managing Director A
Europe Management Company B.V., Managing Director A
F.J. Clemente Sanchez, Managing Director B
M.A. Cabrera Morales, Managing Director B
V. Domingues dos Santos, Managing Director B

General Information

Risk management

Authorization level

Managing Directors are bound by clear restrictions regarding representative authorization. Agreements with a value or risk that exceeds a specific amount must be approved by at least one Managing Director A and one Managing Director B together.

Audit Committee

The duties of the Audit Committee are performed by the Supervisory Board, ensuring an independent monitoring of the risk management process from the perspective of its supervisory role. The Supervisory Board focuses on the quality of the internal and external reporting and the functioning of the external auditor.

External audit

The accounts of Algarve International B.V. are audited every six months by an external auditor (Deloitte). These audits take place on the basis of generally accepted auditing standards within the Netherlands.

Advisory roles

The external auditor (Deloitte) does not act in an advisory capacity except where activities relating to the accounts are concerned. Professional advice is provided by third party experts, such as tax advisors, Dutch notaries and Civil-Law lawyers.

Declaration

The Board of Managing Directors believes that the internal risk management and control systems described above provide a reasonable level of assurance that the accounts do not contain any material misstatements and that these systems operated properly during the period under review. The Board of Managing Directors has no indication that these systems will not operate properly during the current period.

Corporate Governance

General

It is very important for Algarve to achieve a good balance between the interests of its various stakeholders. Good entrepreneurship, integrity, openness and transparent management as well as good supervision of the management are the starting points for Algarve's Corporate Governance policy.

Approval by the Annual General Meeting of Shareholders

Algarve complies with the Dutch Corporate Governance Code (hereinafter referred to as the "**Code**"). Algarve's Corporate Governance was approved by the Shareholders on December 29, 2009. The Company's Articles of Association were amended accordingly on January 7, 2010.

Compliance with and observation of the Code

During the first half year of 2011 Algarve complied with its Corporate Governance Code. In particular the Board of Managing Directors deems that the Company has complied with Best practice provision II.3.2 to II.3.4 inclusive and III.6.1 to III.6.3 inclusive. No transactions have taken place in which (potentially) conflicting interest of material substance related to the Board of Managing Directors have played a part. No transactions in the context of Best practice provision III.6.4 have taken place (transactions with shareholders holding a 10% or higher interest in Algarve). Algarve will present every substantial amendment to its Corporate Governance Code to the General Meeting of Shareholders for discussion.

The main points of the Corporate Governance Structure

Algarve applied the majority of the Principles and Provision of the Code, insofar as they are applicable, with the following exception:

<u>Best practice provision III.5</u>

Based on best practice provision III.5 of the Code the Supervisory Board needs to appoint from among its members an audit committee, a remuneration committee and a selection and appointment committee, in case the Supervisory Board consists of more than four members. The function of the committees is to prepare the decision-making of the Supervisory Board. The Supervisory Board decided, after approval from the shareholders on February 8, 2010, not to appoint an audit committee, remuneration committee or selection and appointment committee and therefore best practice provisions III.5.4, III.5.5, III.5.8, III.5.9, III.5.10, III.5.14, V.1.2, V.2.3, V.3.1, V.3.2 and V.3.3 of the Code apply to the entire Supervisory Board.

(expressed in euros)

Interim Accounts

Balance Sheet as at June 30, 2011

(before appropriation of results)

	Notes	6/30/2011	12/31/2010
ASSETS		EUR	EUR
Financial Fixed Assets			
Loan tranches from affiliated companies	(4)	221,562,000	221,562,000
		221,562,000	221,562,000
Current Assets			
Loan tranches from affiliated companies	(4)	9,891,000	9,891,000
Interest receivable loan tranches A and B	(5)	8,417,543	684,456
Prepaid expenses and other receivables		2,975	181,523
Corporate income tax receivable		82,485	3,388
Interest receivable		913	605
Intercompany receivable	(6)	82,759	35,060
Total Receivables		18,477,675	10,796,032
Cash at banks	(7)	2,021,432	2,933,800
Total Current Assets		20,499,107	13,729,832
TOTAL ASSETS		242,061,107	235,291,832
SHAREHOLDER'S EQUITY AND LIABILITIES			
Equity	(8)		
Issued and fully paid up share capital		18,000	18,000
Retained earnings		2,226,938	1,763,546
Net result for the period		233,075	463,392
Total Equity		2,478,013	2,244,938
Non-Current Liabilities			
Loan tranches A and B payable	(9)	221,562,000	221,562,000
Current Liabilities			
Loan tranches A and B payable	(9)	9,891,000	9,891,000
Interest payable loan tranches A and B	(10)	8,103,741	658,928
Accounts payable and accrued expenses	(11)	26,353	27,832
Intercompany payable		0	181,523
Dividend payable		0	725,611
Total Current Liabilities		18,021,094	11,484,894
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		242,061,107	235,291,832

(expressed in euros)

Interim Accounts

Income Statement for the Period ended June 30, 2011

	Notes	6 months to June 2011	6 months to June 2010
		EUR	EUR
Operating Income/(Expenses)			
Interest income loans receivable	(13)	7,733,086	8,013,832
Interest expense loans payable	(14)	(7,444,812)	(7,715,004)
		288,274	298,828
Other Operating Expenses			
General and administrative expenses	(15)	(243,233)	(581,444)
On-charge expenses to Euroscut	(16)	243,233	581,444
		0	0
Financial Income/(Expenses)			
Interest income banks		7,880	3,794
Interest on corporate income tax		1,851	0
		9,731	3,794
Result before corporate income tax		298,005	302,622
Corporate Income tax	(17)	(64,930)	(66,168)
		(64,930)	(66,168)
NET RESULT FOR PERIOD		233,075	236,454

(expressed in euros)

Interim Accounts

Cash flow statement for the period ended June 30, 2011

	Notes	6 months to June 2011		6 months to June 2010	
		EUR	EUR	EUR	EUR
Cash flow from operating activities					
Repayment of loans payable		0		0	
Repayment of loans receivable		0		0	
Interest received loans receivable		0		0	
Interest paid loans payable		0		0	
Corporate income tax paid		(142,176)		(183,154)	
General and administrative expenses	15	(247,686)		(258,857)	
On-charge expenses to Euroscut	16	195,534		195,534	
Subtotal			(194,328)		(246,477)
Cash flow from financing activities					
Interest income banks		7,571		3,541	
Dividend paid		(725,611)		0	
Subtotal			(718,040)		3,541
Cash flow from investment activities		0		0	
Subtotal			0		0
Increase cash and cash equivalents			(912,368)		(242,936)

Movements in cash and cash equivalents

	6 months to June 2011	6 months to June 2010
Cash and cash equivalents at the beginning of the period	2,933,800	2,421,150
Increase cash and cash equivalents	(912,368)	(242,936)
Cash and cash equivalents at the end of the period	**2,021,432**	**2,178,214**

Notes to the Interim Accounts

1 a Group Affiliation and Principal Activities

Algarve International B.V. (hereinafter referred to as the "**Company**" or "**Algarve**"), a private company with limited liability, incorporated on April 23, 2001 and validly existing under the laws of the Netherlands, with its statutory seat in Amsterdam and having its registered offices at Naritaweg 165, Amsterdam, the Netherlands.

b Group structure

The Company is part of the Ferrovial Group, with Ferrovial SA as the parent company, which is listed on the Madrid Stock Exchange. Ferrovial SA was founded in 1952 and is based in Madrid, Spain. The interim statements of the Company are included in the consolidated financial statements of Ferrovial SA. Copies of the consolidated financial statements of Ferrovial SA are available at cost price from the offices of Algarve International B.V.

c Changes in the accounting policies

The accounting policies have not changed in 2011.

d Related-party transactions

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the company are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

e Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

f Basis of Presentation

The interim accounts were prepared in accordance with the Dutch Guideline for Annual Reporting 394, Interim Reports and the requirement 5:25d section 7 of the Financial Markets Supervision Act in the Netherlands, which requires the use of the same accounting standards as those used for the annual report. The interim accounts are denominated in Euro. The balance sheet and income statement include references to the notes.

g Notes to the cash flow statement

The cash flow statement has been prepared applying the direct method. The cash and cash equivalents in the cash flow statement comprise the balance sheet item cash at banks.

2 Accounting Policies

a General
The financial statements have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code. No changes have occurred in the accounting policies as compared to prior period.

b Comparison with prior period
The principles of valuation and determination of result remained unchanged compared to the prior period.

c Financial Fixed Assets
Financial fixed assets are valued at amortized cost. Receivables included in the financial fixed assets are valued at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred.

d Impairment of Non Current Assets
The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognized in the income statement.

The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

e Foreign Currencies
Assets and liabilities denominated in foreign currencies are translated into Euro at rates of exchange applicable at the balance sheet date. Any resulting exchange differences are taken to the income statement. Transactions in foreign currencies are translated at the rates in effect at the dates of transactions.

f Cash and Cash Equivalents
Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

g Non-current Liabilities
Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest in the income statement over the period of the borrowings using the effective interest method.

h Dividends

This annual report contains a balance sheet before profit appropriation (as recommended by the Dutch Accounting Standards Board). Retained earnings (i.e. profit for the year) are recognized as the last item in equity.

i Financial instruments

The Company's financial instruments comprise the guaranteed bonds Tranche A, the bank loan Tranche B and the funding of these amounts to Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon (hereinafter referred to as "**Euroscut**"), directly for the group's operations.

Expenses related to the financial instruments are charged on to Euroscut.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models, making allowance for entity-specific inputs.

j Recognition of Income and Expense

Income and expenses are recognized in the year they are realized, unless stated otherwise.

k Finance income and costs

Interest paid and received

Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognizing interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Changes in financial instruments at fair value

Changes in the value of the following financial instruments are recognized directly through profit or loss:

- Financial assets and liabilities that are held for trading
- Derivatives with an underlying instrument that is quoted in an active market
- Purchased loans, bonds (unless held to maturity) and equity instruments that are quoted in an active market.

Decreases in value of financial instruments at fair value are recognized through profit or loss. Realized increases in the value of financial instruments at fair value initially recognized in equity are taken into profit or loss when the financial instruments are derecognized.

l Corporate income tax

Corporate income tax is calculated by application of the relevant rate to the amount of taxable profit.

3 Financial instruments and risk management

a Price risk

Currency risk

The Company mainly operates in the European Union. The Company has currently no currency risks.

Interest rate and cash flow risk

The Company incurs interest rate risk on interest bearing receivables (in particular those included in financial assets, securities and cash) and on interest bearing non-current and current liabilities (including borrowings).

Where floating-interest loans and receivables are concerned, The Company incurs risk regarding future cash flows. In addition, The Company incurs risks on fixed interest loans and receivables with respect to the fair value due to changes in the market rate of interest. No financial derivatives for interest rate risk are contracted with regard to the receivables.

b Credit risk

The Company only financed Euroscut which means there is a concentrated credit risk. Services are being provided subject to payment deadlines ranging between eight and 30 days. A different payment period may apply to major supplies, in which case additional securities are demanded, including guarantees.

For banks and financial institutions, only independently rated parties with a minimum rating of ‘A’ are accepted.

The Company has issued loans to associates. These counterparties do not have a history of non-performance.

c Liquidity risk

The Company does not use several banks in order to avail itself of a range of overdraft facilities. Where necessary, further securities will be furnished to the bank for available overdraft facilities.

(expressed in euros)

4 Loan Tranches A and B receivable

Tranche A - Loan @ 6.65% to Euroscut	***2011***	***2010***
Facility: EUR 126,500,000 from July 2, 2001 until June 15, 2027 at a rate of 6.65%		
Opening balance	101,453,000	101,453,000
Reclassification current assets	0	0
	101,453,000	101,453,000
Tranche B - Loan @ 6.75% to Euroscut		
Facility: EUR 130,000,000 from July 2, 2001 until December 15, 2025 at a rate of 6.75%	130,000,000	130,000,000
Reclassification current assets	(9,891,000)	(9,891,000)
	120,109,000	120,109,000
	221,562,000	221,562,000

The Company directly lends on for the same amount as the amounts raised as is stated in the Loan agreement to Euroscut. The loan is divided into two tranches:

Tranche A
The issuer lends Euroscut EUR 126,500,000, following the issue of bonds for the same amount. The loan was obtained to finance the construction of motorway stretches. Interest is calculated on the same basis as the bonds at 6.40% p.a. (being 365 days) plus a spread of 0.25% (6.65%). The Company shall repay the Tranche A loan in accordance with the Tranche A Amortization Schedule. The final repayment has been scheduled accordingly on June 15, 2027.

Tranche B
The agreement foresees that the funds which were received from a loan due to the European Investment Bank of EUR 130,000,000 may be ceded to Euroscut. This loan is incurred to finance the construction of road stretches and bears interest at 6.50% p.a. (being 360 days) plus a spread of 0.25% (6.75%) payable in December each year. The Company shall repay the Tranche B loan in accordance with the Tranche B Amortization Schedule. The final repayment has been scheduled accordingly on December 15, 2025. Due to the downgrade of Syncora Guarantee, Inc. the interest has increased by 0.50% as per December 31, 2009, these changes have been reflected in the aforementioned percentages.

Increase of interest
On June 9, 2010, the European Investment Bank ('EIB') sent a letter to the Company with a copy addressed to Cintra Concesiones de Infraestructuras de Transporte, S.A., Syncora Guarantee, Inc. and Citibank N.A., with respect to the Scut Algarve PPP. In the letter the Company was notified that Syncora Guarantee, Inc. (formerly known as: XL Capital Assurance, Inc.) has been downgraded by three approved rating agencies.

(expressed in euros)

Due to the downgrading of Syncora Guarantee, Inc., the EIB has advised that, without altering or affecting the nature, extent, validity or enforceability of the EIB Financial Guarantee, the EIB will waive its rights under the EIB Facility Agreement, exclusively, in relation to the aforementioned downgrades (the "EIB Waiver").

The EIB Waiver is subject to and conditional upon:

a) the Borrower paying to EIB the amount of EUR 350,000 (three hundred and fifty thousand euros) by no later than 10 (ten) Business Days from the date of this letter.

b) the Borrower paying to EIB interest in respect of the Loan at a nominal interest rate equivalent to the Rate of Interest currently applicable in respect of the Loan plus an additional margin of 0.50% (zero point fifty percent) per annum (the EIB Guarantor Default Margin"), with effect from the latest Payment Date, i.e. from December 15, 2009 and, subject to (ii) and (iii) below, until full repayment of the Loan and unconditional payment of all amounts due thereunder.

5 Interest Receivable Loan Tranches A and B

	6/30/2011	***12/31/2010***
Tranche A - Loan 6.65%to Euroscut	3,664,418	318,831
Tranche B – Loan 6.75% to Euroscut	4,753,125	365,625
	8,417,543	684,456

6 Intercompany receivable

	6/30/2011	***12/31/2010***
Euroscut Sociedad Concessionária da Scut do Algarve, S.A., Lisbon	82,759	35,060

7 Cash at Banks

	6/30/2011	***12/31/2010***
Citibank Amsterdam	2,021,432	2,933,800

At June 30, 2011 and December 31, 2010 all cash and cash equivalents are freely available to the Company.

(expressed in euros)

8 Equity

The authorized share capital of the Company is EUR 90,000 divided into 90,000 shares of EUR 1 each. At balance sheet date a total of 18,000 shares were issued and fully paid.

Movements in the equity accounts are as follows:

	12/31/2010	*Changes for the Period*	*Dividend*	*06/30/2011*
Issued and fully paid up share capital	18,000	0	0	18,000
Retained earnings	1,763,546	463,392	0	2,226,938
Net result for the previous year	463,392	(463,392)	0	0
Net result for the period	0	233,075	0	233,075
Total Equity	2,244,938	233,075	0	2,478,013

	12/31/2009	*Changes for the Period*	*Dividend*	*6/30/2010*
Issued and fully paid up share capital	18,000	0	0	18,000
Retained earnings	2,000,000	489,157	0	2,489,157
Net result for the previous year	489,157	(489,157)	0	0
Net result for the period	0	236,454	0	236,454
Total Equity	2,507,157	236,454	0	2,743,611

9 Loan Tranches A and B payable

	6/30/2011	*12/31/2010*
Tranche A - Guaranteed Bonds		
EUR 126,500,000 from July 2, 2001 until June 15, 2027 at a rate of 6.40%		
Opening balance	101,453,000	101,453,000
Reclassification current liabilities	0	0
	101,453,000	101,453,000
Tranche B - European Investment Bank		
Facility: EUR 130,000,000 from July 2, 2001 until December 15, 2025 at a rate of 6.75%	130,000,000	130,000,000
Reclassification current assets	(9,891,000)	(9,891,000)
	120,109,000	120,109,000
	221,562,000	221,562,000

The Company has raised funds through loans and bonds. In relation to these raised funds Citibank N.A. Lisbon has been appointed as 'Security Trustee' for the bonds listed on the Luxembourg Stock Exchange. The European Investment Bank, Luxembourg acts as credit party and Syncora Guarantee Inc., a New York stock insurance company as 'Guarantor' of these loans and bonds.

(expressed in euros)

The loan is divided into two tranches as follows:

Tranche A
The EUR 126,500,000 Guaranteed Bonds of Algarve International B.V. were issued on July 2, 2001. The bonds mature June 15, 2027 and bear annual interest of 6.40% payable in December of each year and capital is repaid over 18 variable instalments. The first instalment had taken place on December 15, 2006 and the last will take place on June 15, 2027. The loan was obtained to finance the construction of motorway stretches. The Bonds are unconditionally and irrevocably guaranteed as to scheduled payments of principal and interest in respect of the Bonds and as to certain additional amounts in respect of withholding taxes of the Netherlands in respect of the Bonds pursuant to a financial guarantee issued by Syncora Guarantee, Inc.

Tranche B
The agreement foresees that the funds which were received from a loan due to the European Investment Bank of EUR 130,000,000 bearing interest at 6.50% p.a. payable in December of each year, may be ceded to Euroscut. This loan is incurred to finance the construction of road stretches.

The EIB loan is unconditionally and irrevocably guaranteed as to scheduled payments of principal and interest and certain amounts in respect of the EIB loan pursuant to a financial guarantee issued by Syncora Guarantee, Inc. Repayment of capital is expected to take place in 15 annual variable amount instalments, with the first one due December 15, 2012 and the last one due December 15, 2025. Due to the downgrade of Syncora Guarantee, Inc., the interest has increased by 0.50% as per December 31, 2009. This increase has been taken into account in these Interim Statements.

Loan tranches repayment schedule	**Term 1 year**	**Term 1-5 year**	**Term > 5 years**
Tranche A - Guaranteed 6.40% Bonds	0	822,250	100,630,750
Tranche B - European Investment Bank	9,891,000	30,536,000	89,573,000

10 Interest payable Loan Tranches A and B

	6/30/2011	***12/31/2010***
Tranche A – Bonds 6.40%	3,526,658	306,845
Tranche B - European Investment Bank 6.50%	4,577,083	352,083
	8,103,741	658,928

11 Accounts payable and accrued expenses

	6/30/2011	***12/31/2010***
Accounts payable	0	1,300
Accrued audit fees	8,925	8,925
Accrued tax advisory fees	4,132	2,500
Accrued accounting fees	2,172	1,534
Accrued legal fees	8,925	11,900
Accrued general expenses	2,199	1,673
	26,353	27,832

(expressed in euros)

12 Fair value financial instruments

The fair value of the Bonds with amortized cost of EUR 101,453,000 has been determined on the basis of its listing at the Luxembourg Stock Exchange. The rate as at June 30, 2011 quotes the Bonds at 117.94% (2010: 117.94%). The rate has remained unchanged since February 23, 2007 as these bonds have not been traded since said date. On the basis that both loans were obtained at the same date, it is assumed that the development in the fair value of the bank loan is of a similar nature.

The fair value of the loans granted to an affiliated party is based on the discounted cash flows of future loan repayments and interest payments. The discount rate applied is based on the calculated market rates for the loans obtained and approximates 4.54% (2010: 4.58% for Tranche A and 3.15% (2010: 3.74%) for Tranche B as at June 30, 2011.

As a result the net fair value at June 30, 2011 of the loans obtained and granted represents the discounted value of the 0.25% margin between the interest rates on the loans obtained and the interest rates on the loans granted, amounting to approximately EUR 4.5 million (2010: 4.6 million).

Instruments receivable	Book value	Fair value
Tranche A Loan balance	101,453,000	122,096,489
Tranche B Loan balance	130,000,000	155,368,690
		277,465,179
Instruments payable		
Tranche A Loan balance @ 117.94%	(101,453,000)	(119,653,668)
Tranche B Loan balance @ 117.94%	(130,000,000)	(153,322,000)
		(272,975,668)
Net Fair Value		4,489,511

Analysis of the bond quote

The rate used to calculate the fair value of the bonds has remained unchanged since February 23, 2007, as these bonds have not been traded since said date. Taking into account the consequences of the worldwide economic downturn it seems likely that the rate has changed in the last three years.

We have made several calculations with different rates of the bond quote to reflect some alternative fair values in these Interim Accounts. The calculations reflect the impact of a significant decrease or increase of the bond quote. The analysis shows that substantial differences in the bond quote have a limited effect on the fair market value.

Bond quotes	**Fair value 0.25% margin**	**Variance to fair value 117.94%**
Bond quote of 100.00%	4.0 million	89%
Bond quote of 110.00%	4.3 million	96%
Bond quote of 117.94%	4.5 million	100%
Bond quote of 120.00%	4.6 million	101%
Bond quote of 130.00%	4.8 million	107%

(expressed in euros)

The issue price of the Bonds was 100 per cent. The Bonds are unconditionally and irrevocably guaranteed as the scheduled payments of principal and interest in respect to the Bonds and as to certain additional amounts in respect to the withholding taxes in the Netherlands in respect of the Bonds pursuant to a financial guaranty issued to XL Capital Assurance, Inc. (currently known as: Syncora Guarantee, Inc.).

In 2001, the bonds have been rated AAA by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. (hereinafter referred to as "**S&P**"). This rating was based solely upon the financial strength of Syncora Guarantee, Inc. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. Although with some intermediary steps, the S&P rating for the Bonds was changed from 'BBB-' to 'Not Rated' on November 18, 2008. Moody's Investor's Service currently rates Syncora Guarantee, Inc. as 'Ca' (developing outlook), as of July 27, 2010.

Syncora has been severely hit by the financial crisis and reported a policyholders' deficit of approximately USD 3.8 billion at March 31, 2009. To remediate its previously reported policyholders' deficit of approximately USD 3.8 billion at March 31, 2009 and reestablish compliance with its regulatory minimum policyholders' surplus requirement of USD 65.0 million, on July 15, 2009, Syncora consummated a master transaction agreement with certain of its financial counterparties to CDS contracts insured by its financial guaranty insurance policies and certain related transactions. For more information, we refer to the Annual Statement for the year ended December 31, 2009 of the condition and affairs of the Syncora Guarantee, Inc., available at http://www.syncora.com.

Algarve does not have the intention to procure the replacing of Syncora by another monoline insurer for the purpose of providing a guarantee in respect to the Bonds, as the risk for an XL Event of Default is being assumed by the Bondholders.

The Group's treasury department was unable to calculate a fair value market value for the Bonds, they have no information available from companies with a similar bond/loan structure as Algarve and the valuation of the bonds by an external valuation specialist would cause a disproportional amount of costs.

13 Interest income loans tranches A and B

	6/30/2011	*6/30/2010*
Tranche A – Loan 6.65% to Euroscut		
Facility: EUR 126,500,000 from July 2, 2001 until		
June 15, 2027 at a rate of 6.65%	3,345,586	3,626,332
Tranche B – Loan 6.75% to Euroscut	4,387,500	4,387,500
Facility: EUR 130,000,000 from July 2, 2001 until		
December 15, 2025 at a rate of 6.75%		
	7,733,086	8,013,832

(expressed in euros)

14 Interest expense loans tranches A and B

	6/30/2011	*6/30/2010*
Tranche A – Guaranteed 6.40% Bonds		
EUR 126,500,000 from July 2, 2001 until		
June 15, 2027 at a rate of 6.40%	3,219,812	3,490,004
Tranche B - European Investment Bank	4,225,000	4,225,000
Facility: EUR 130,000,000 from July 2, 2001 until		
December 15, 2025 at a rate of 6.50%		
	7,444,812	7,715,004

15 General and Administrative Expenses

	6/30/2011	*6/30/2010*
Guarantee expenses (Syncora Guarantee, Inc.)	(195,534)	(195,534)
Waiver fees	0	(350,000)
Audit fees	(13,852)	(6,719)
Management fees	(16,214)	(22,818)
Accounting fees	(7,140)	(7,140)
Tax advisory fees	(6,804)	(3,158)
Bank charges	0	0
General expenses	(1,531)	(985)
Legal & Professional fees	(2,158)	4,910
	(243,233)	(581,444)

Waiver fees

On June 9, 2010, the European Investment Bank (the “EIB”) sent a letter to the Company with a copy addressed to Cintra Concesiones de Infraestructuras de Transporte, S.A., Syncora Guarantee, Inc. and Citibank N.A., with respect to the Scut Algarve PPP. In the letter the Company was notified that Syncora Guarantee, Inc. (formerly known as XL Capital Assurance, Inc.) has been downgraded by three approved rating agencies.

Due to the downgrading of Syncora Guarantee, Inc., the EIB has advised that, without altering or affecting the nature, extent, validity or enforceability of the EIB Financial Guarantee, the EIB will waive its rights under the EIB Facility Agreement, exclusively, in relation to the aforementioned downgrades (the "**EIB Waiver**").

The EIB Waiver is subject to and conditional upon:

a) the Borrower paying to EIB the amount of EUR 350,000 (three hundred and fifty thousand Euros) by no later than 10 (ten) Business Days from the date of this letter.

b) the Borrower paying to EIB interest in respect of the Loan at a nominal interest rate equivalent to the Rate of Interest currently applicable in respect of the Loan plus an additional margin of 0.50% (zero point fifty percent) per annum (the EIB Guarantor Default Margin"), with effect from the latest Payment Date, i.e. from December 15, 2009 and, subject to (ii) and (iii) below, until full repayment of the Loan and unconditional payment of all amounts due there under.

(expressed in euros)

16 On-charge expenses to Euroscut

	6/30/2011	*6/30/2010*
Guarantee expenses (Syncora Guarantee, Inc.)	195,534	195,534
Waiver fees	0	350,000
Audit fees	13,852	6,719
Management fees	16,214	22,818
Accounting fees	7,140	7,140
Tax advisory fees	6,804	3,158
Bank charges	0	0
General expenses	1,531	985
Legal & Professional fees	2,158	(4,910)
	243,233	581,444

Based upon paragraph 7.4 of the July 2, 2001 Loan Agreement between Algarve International B.V. and Euroscut Sociedad Consessionária da Scut do Algarve, S.A. all fees, expenses and other amounts in reference to the financing will be on-charged to the borrower of the loan.

17 Corporate Income Tax

The corporate income tax is based on the fiscal result over the first six months. The applicable tax rates are 20% over the first EUR 200,000 and 25% over the surplus.

	6/30/2011	*6/30/2010*
Corporate income tax	64,930	66,168
	64,930	66,168

18 Auditor's fee

In accordance with Section 2:382a(1) and (2) of the Dutch Civil Code the audit fee for the auditors of Deloitte is as follows:

		6/30/2011	
	Fee Deloitte Accountants B.V.	Fee other Deloitte companies	Total Fee Deloitte
Audit of the interim accounts	8,925	0	8,925
Other audit engagements	0	0	0
Total	8,925	0	8,925

(expressed in euros)

	6/30/2010		
	Fee Deloitte Accountants B.V.	Fee other Deloitte companies	Total Fee Deloitte
Audit of the interim accounts	8,925	0	8,925
Other audit engagements	0	0	0
Total	8,925	0	8,925

19 Directors and Employees

The remuneration of the Board of Managing Directors for the period ended June 30, 2010 and June 30, 2011 is as follows:

	06/30/2011	*06/30/2010*
Trust International Management (T.I.M.) B.V.	467	467
Europe Management Company B.V.	467	467
Management Company Strawinsky B.V.	466	466
F.J. Clemente Sanchez	0	0
M.A. Cabrera Morales	0	0
V. Domingues dos Santos	0	0
Total:	1,400	1,400

There are no options granted and no assets are available to the members of the Board of Managing Directors. There are no loans outstanding to the members of the Board of Managing Directors and no guarantees given on behalf of members of the Board of Managing Directors.

The Company has no employees.

20 Supervisory Board

The remuneration (accrual) of the Supervisory Board is as follows:

	06/30/2011	*06/30/2010*
D. Haarsma, Chairman	2,975	2,975
P. van Maurik	2,975	2,975
Total:	5,950	5,950

There are no options granted and no assets are available to the members of the Supervisory Board. There are no loans outstanding to the members of the Supervisory Board and no guarantees given on behalf of members of the Supervisory Board.

The Board of Managing Directors and the Supervisory Board have signed the interim accounts pursuant to their statutory obligations under Articles 210 of Book 2 of the Dutch Civil Code and Article 5:25d Financial Markets Supervision Act.

Amsterdam, August 17, 2011

The Board of Managing Directors,

Trust International Management (T.I.M.) B.V., Managing Director A
Management Company Strawinsky B.V., Managing Director A
Europe Management Company B.V., Managing Director A
F.J. Clemente Sanchez, Managing Director B
M.A. Cabrera Morales, Managing Director B
V. Domingues dos Santos, Managing Director B

The Supervisory Board,

D. Haarsma, Chairman
P. van Maurik, Member

Supplementary Notes

1 Post Balance Sheet Events

No matters or circumstances of importance have arisen since the end of the financial period which have significantly affected or may significantly affect the operations, the results of those operations or the affairs of the Company. Neither a subsequent event has been identified.

2 Independent Auditor's Report

Reference is made to the independent auditor's report as included hereinafter.

Deloitte.

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Independent auditor's report

To the shareholders of Algarve International B.V.

Report on the interim financial information

We have audited the accompanying interim financial information of Algarve International B.V., Amsterdam, which comprise the balance sheet as at June 30, 2011, the profit and loss account for the 6 month period then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of the interim financial information in accordance with the Dutch Guideline for Annual Reporting 394 on Interim Reports. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the interim financial information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the interim financial information based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the interim financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the interim financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the interim financial information, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the interim financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the interim financial information.

Deloitte.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the interim financial information

In our opinion, the interim financial information give a true and fair view of the financial position of Algarve International B.V. as at June 30, 2011 and of its result for the 6 month period then ended in accordance with the Dutch Guideline for Annual Reporting 394 on Interim Reports.

Amsterdam, August 17, 2011

Deloitte Accountants B.V.

Already signed J. Penon

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This half-yearly report is also available on www.algarveinternational.eu.