

MOTA-ENGIL, SGPS, S.A.

**INTERIM MANAGEMENT REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS - 1Q 2007**



MOTA-ENGIL, SGPS, S.A.
SOCIEDADE ABERTA
CAPITAL SOCIAL: 204 635 695 EUROS
MATRICULADA NA CONSERVATÓRIA DO REGISTO
COMERCIAL DO PORTO COM O N.º 502 399 694
NIPC: 502 399 694

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Highlights

- Revenues increased to € 320 million
- EBITDA and EBIT margins of 17.4% and 9.4%
- Net Income increased to € 2.5 million
- Net debt reached € 1.66 Billion, of which € 962 million of non-recourse debt
- Backlog stood at approximately € 1.5 billion

	thousand euros						
	1Q07	% T	Δ %	1Q06	% T	1Q05 (pro-forma)	% T
Turnover	319.715		18,5%	269.835		261.118	
EBITDA	55.618	17,4%	117,3%	25.594	9,5%	22.630	8,7%
EBIT	30.212	9,4%	133,9%	12.915	4,8%	9.055	3,5%
Net financial income	(25.876)	(8,1%)	(160,1%)	(9.950)	(3,7%)	(5.818)	(2,2%)
Net income from equity method	1.458	0,5%	7,3%	1.358	0,5%	122	0,0%
Income before taxes	5.793	1,8%	34,0%	4.323	1,6%	3.359	1,3%
Net income	3.867	1,2%	42,8%	2.708	1,0%	2.122	0,8%
Attributable to:							
minority interests	1.408	0,4%	57,1%	896	0,3%	438	0,2%
Group	2.460	0,8%	35,7%	1.812	0,7%	1.685	0,6%

The financial information reported was not audited. Pro-forma figures concern the proportional consolidation of MARTIFER GROUP.

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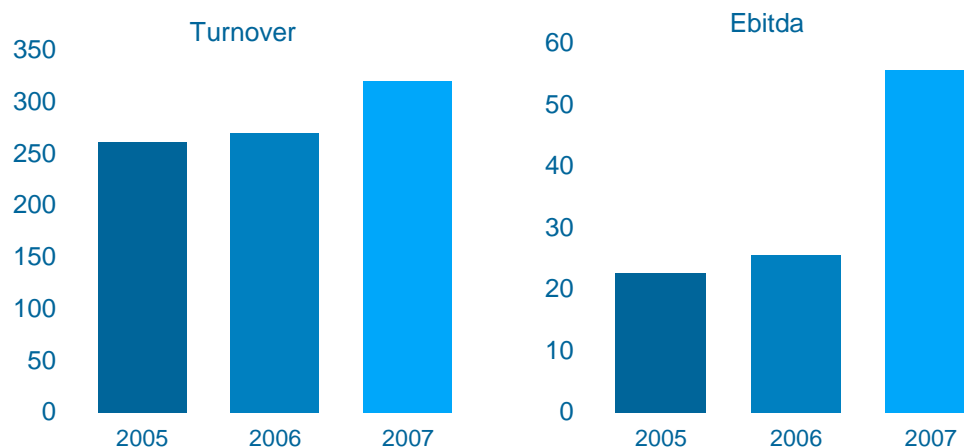
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Major events of the quarter

- Agreement with BES group to acquire the stakes owned by Millennium BCP in the four motorway concessionaires of AENOR GROUP
- Signature of the Grande Lisboa concession contract with LUSOLISBOA-AUTOESTRADAS DA GRANDE LISBOA, SA
- \$ 65 million were received in January 2007 under the agreement signed between the Portuguese and Republic of Angola's States, referring to Angolan State entities debt
- Swap of the stake the GROUP had in SOLS E SOLSUNI for a qualified stake in Pararede
- Reinforced presence in Lisbon's ports terminals through the acquisition of MULTITERMINAL, SA, a company that has a 50% stake in SOTAGUS and a 31.25% stake in LISCONT
- MARTIFER and Suzlon launched a public tender offer for the shares of REpower Systems AG

Consolidated Management Report

Financial Analysis



The GROUP's financial statements were prepared taking into account the change in the consolidation method of the Transport Concessions operations from equity to proportional consolidation following the agreement with BES Group which allows for the joint control of the aforementioned entity.

Revenues in the quarter reached €320 million, up 18.5% as compared to the first quarter of 2006 (€270 million).

Revenues' growth was possible due to the performance of Industry & Energy (119%), Environment & Services (113%), where approximately €27.1 million came from the Logistics segment. It is also worth noting the contribution of €21.8 million from motorway concessionaires.

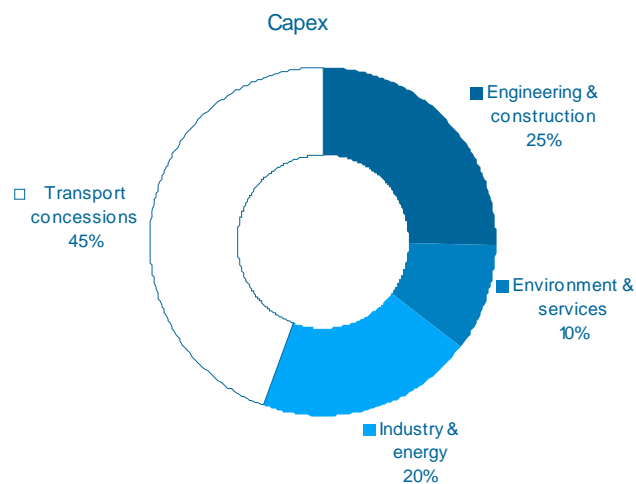
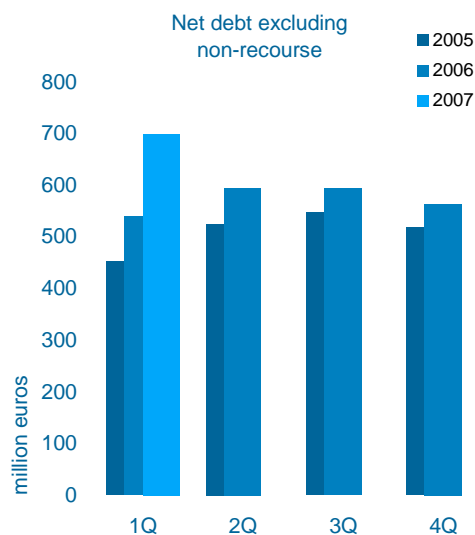
EBITDA reached approximately €56 million (2006: €26 million) producing an EBITDA margin of 17.4 % (2006: 9.5%). This performance was reached on the behalf of both the Transport Concessions division whose contribution was of €20.7 million and the Environment & Services division with the inclusion of TERTIR GROUP and the margin improvement in the urban solid waste management segment.

Also at the EBIT level, the improvement was quite meaningful to €30 million, also showing the ability to capture the synergies created by the GROUP.

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Capital expenditure reached approximately €64 million, €51 million higher than in the same period of last year most of which in tangible assets, mainly in Transport Concessions and Industry & Energy.

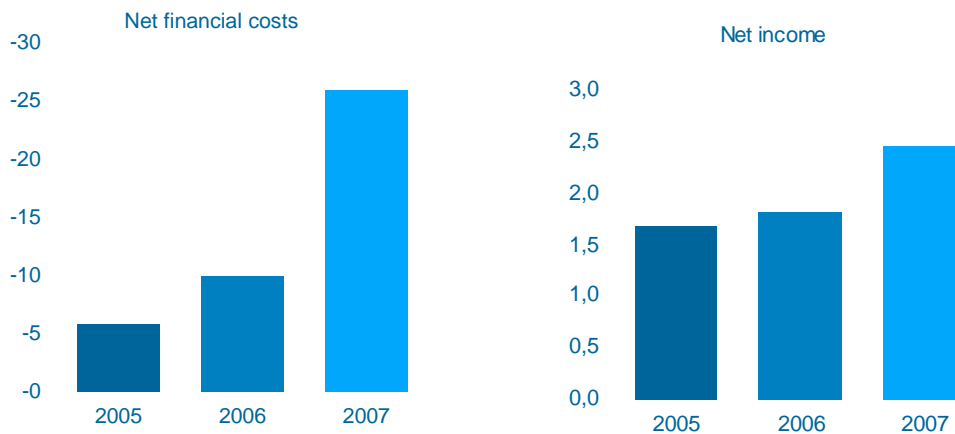
Because of the substantial amount of net non-recourse debt in Transport Concessions, in the first quarter of 2007, with the proportional consolidation of the division, the GROUP presents, for the first time, separate information on recourse (€699 million) and non-recourse debt (€962 million).

The pattern of evolution of recourse debt follows the typical seasonality of the sector, having increased as compared to the same period of 2006. Moreover, the increase of the debt is related to the above mentioned capital expenditure.

As for non-recourse debt, it is almost exclusively related to the Transport Concessions division, mainly AENOR GROUP, which is still in its ramp-up period.

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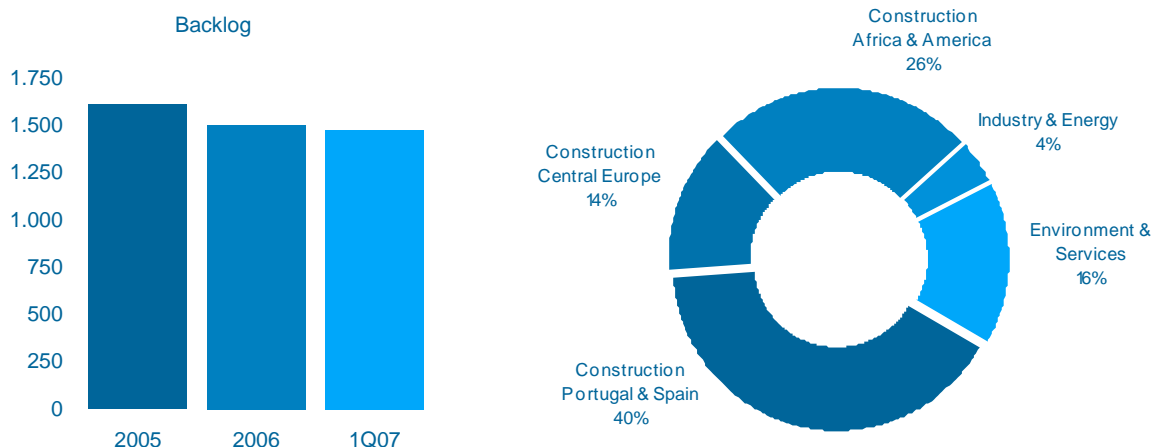
Higher debt level, namely due to the contribution of non-recourse debt from the motorway concessionaires and higher interest rates had a negative impact on net financial expenses that reached € 25.9 million as compared to € 10 million in the same period of the previous year.

Net income reached € 3.9 million, soaring 42.8% year-on-year (€ 2.7 million), € 2.5 million of which attributable to MOTA-ENGIL shareholders.

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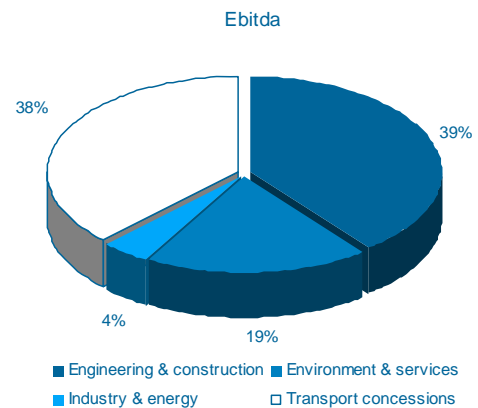
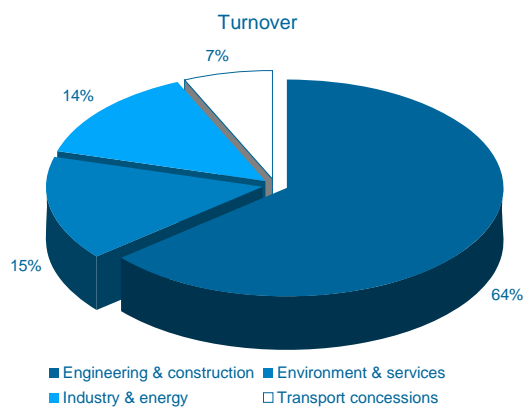


Backlog remained virtually unchanged as compared to December 2006 at € 1.5 billion.

The international business is having a growing role as far as the backlog is concerned, either from well known markets, such as the Angolan, or from new markets as shown by the growing slice of Central European markets (December 2006: 9%; March 2007: 14%).

The growing diversification to new segments in Environment & Services also led the backlog to increase by 8% as compared to the last quarter (December 2006; € 215 million, March 2007: € 232 million).

Business Analysis

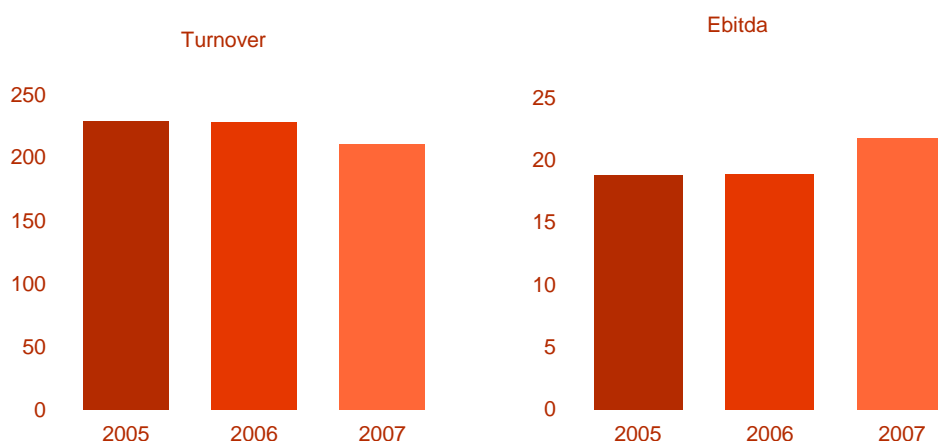


The relative weight of the business areas has been changing following the diversification the GROUP has been pursuing, namely in Environment & Services and Transport Concessions. However, Engineering & Construction still represents more than 60% of GROUP's revenues.

Revenues breakdown in the first quarter of 2007 was the following: Engineering & Construction €211 million (2006: €228 million), Environment & Services: €51 million (2006: €24 million), Industry & Energy €46.1 million (2006: €21.5 million) and Transport Concessions €21.8 million (2006: n.a.).

Following, we will analyse the activity of each business division in the first quarter of 2007.

Engineering & Construction



Revenues in the Engineering & Construction division were of €211 million (2006: €228 million), an 8% drop as compared to the same period of 2006.

In the domestic market, lower revenues came as a result of the contraction of State expenditure. However, the GROUP has been taking measures aiming at reversing this trend, focusing on more specialized segments (railway, hydro and signalling) and stating its interest in major public works that are expected to come to the market such as the new Lisbon Airport or the High Speed Train Railway project.

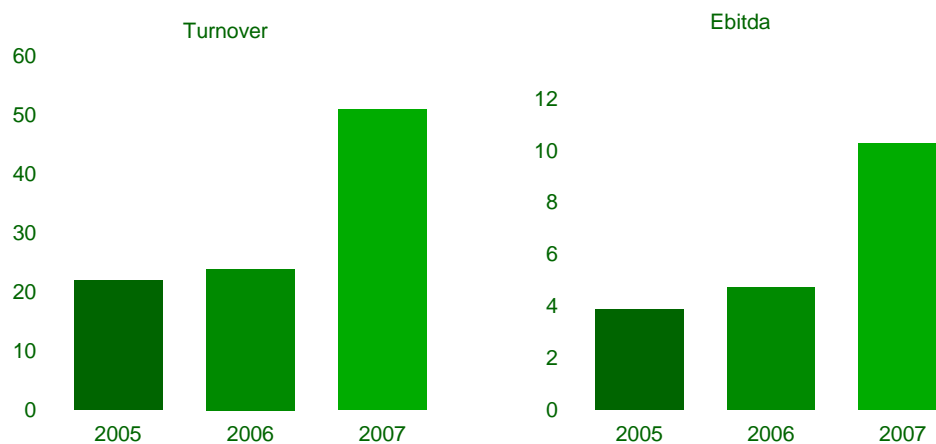
The Angolan market is still positively contributing to turnover with a 22% increase reinforcing the growing involvement of MOTA-ENGIL GROUP in this fast growing country.

Unlike Angola, revenues in America also contributed to the lower revenues of the division (2006: €23 million; 2007: €21.2 million). The US \$ devaluation and lower activity in Peru are the main explanations behind the negative evolution of this segment.

As for Central Europe, the GROUP's decision to increase the investment in the countries it is present and to extend it to new countries bore its fruits, with revenues increasing 53% as compared to the same quarter of 2006.

As far as margins are concerned, the EBITDA margin improved to 10.3% (2006: 8.2%).

Environment & Services



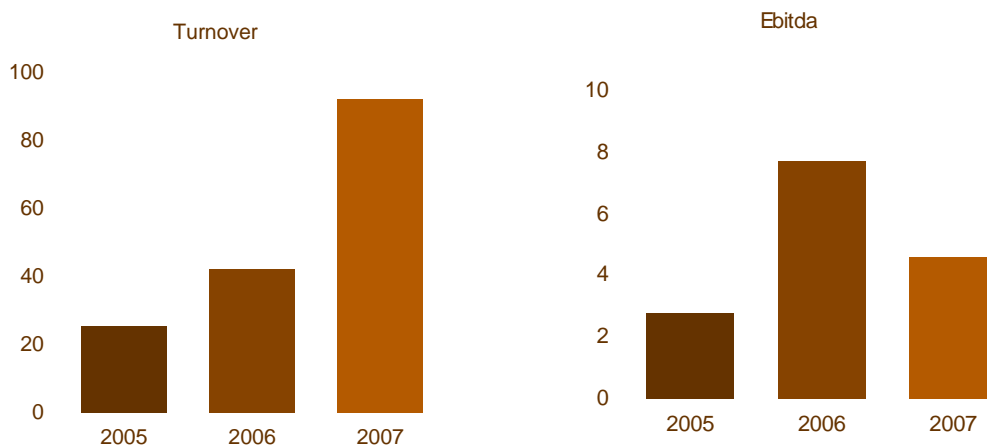
The activity of the Environment & Services division doubled year-on-year. Revenues climbed to €51 million (2006: €24 million).

For the latter figure, the contribution of the €27 million of the Logistics segment was paramount. The acquisition of TERTIR GROUP allowed the division to reach critical mass and know-how in this segment as well as increase the division's visibility and importance within MOTA-ENGIL GROUP.

Urban solid waste management and Water segments also performed rather well. These segments are expected to keep on developing favourably in light of the investment the sector is supposed to attract.

The opposite behaviour was felt in the Multi-Services segment whose revenues declined by 36% (2006: €6.4 million; 2007: €4.1 million). This evolution reflects the impact of the agreement reached with Pararede, SGPS, SA aiming at swapping the stakes in the businesses of Information Technologies and Communication. The aforementioned agreement led to the exclusion of SOLS E SOLSUNI and NETMASTER from the consolidation perimeter and therefore to the decrease of revenues. Although NETMASTER's contribution had not been meaningful, SOLS E SOLSUNI had revenues of €3.4 million in the first quarter of 2006.

Industry & Energy

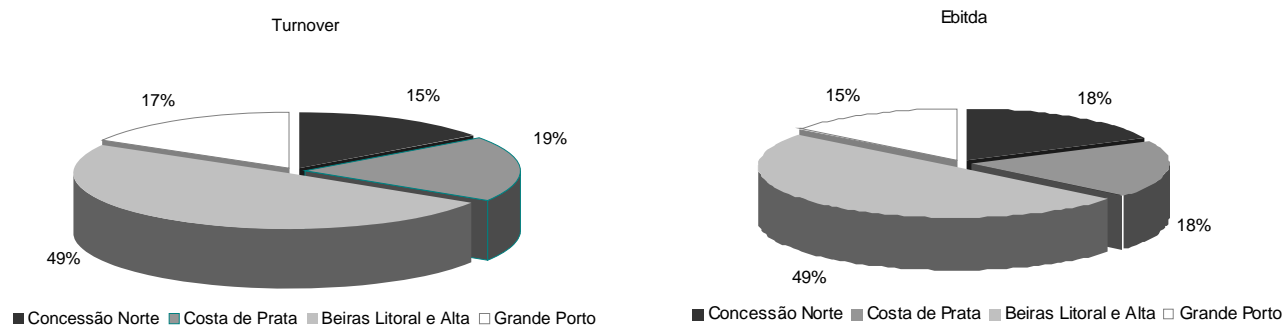


Following the sizable investments done in order to both enter new market segments and to geographically diversify, Industry & Energy division grew dramatically. Revenues more than doubled (119% growth), contributing with €46.1 million (2006: €21.5 million) to GROUP's revenues.

All segments contributed to this performance. However, revenues in the Equipments for energy segment increased from €3.1 million in the first quarter of 2006 to €27.1 million in the first quarter of the current year. It is expected an exponential evolution of this segment because, not only will Martifer develop wind power energy activity, but it does also not exclude investing in other important projects related to solar thermal energy, waves energy and biofuels.

The decrease of EBITDA to €4.6 million (2007: €7.7 million) and EBIT to €2.7 million (2006: €5.6 million) is due to the fact that in 2006 these items were influenced by non-recurring revenues of approximately €3.7 million related to a capital gain with the stake in REpower Systems.

Transport concessions



In the first quarter of 2007, all concessionaires where the GROUP has an interest were in operations.

COSTA DE PRATA concession kept a good level of traffic despite being penalised by the fact that its network is not finished, missing the stretch Estarreja-A25. Traffic will further improve, in the GROUP's view, following the completion of the aforementioned stretch.

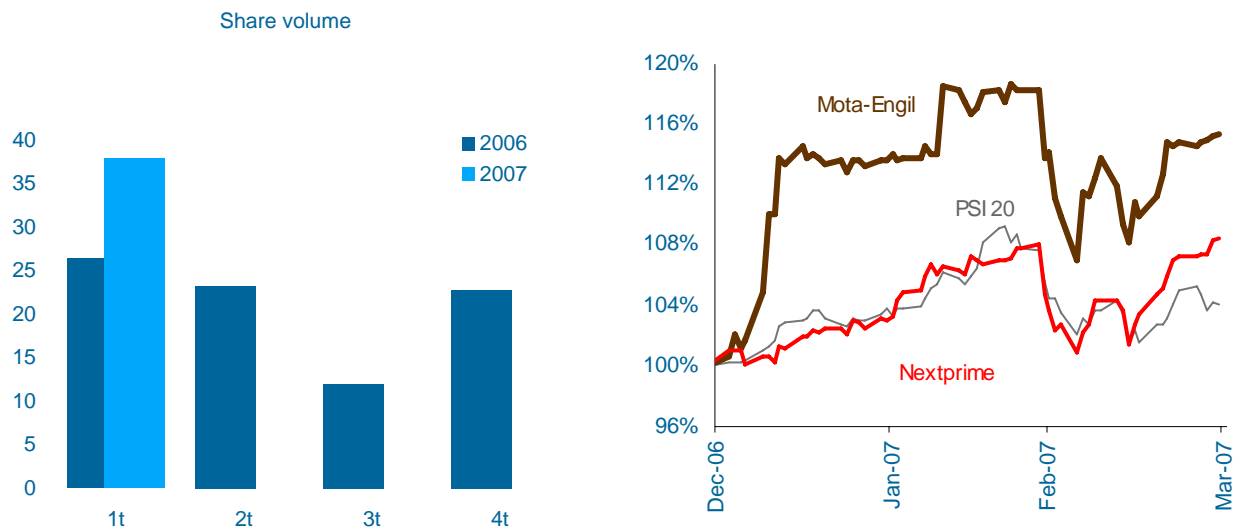
GRANDE PORTO and BEIRAS LITORAL E ALTA concessions started operations in January 2007 therefore there is no basis for comparisons. Notwithstanding, monthly traffic evolution is on the rise.

NORTE concession is in operation since April 2006, showing likewise a positive traffic evolution, above 10% per quarter.

AENOR GROUP led by MOTA-ENGIL continues to show its technical and competition abilities as illustrated by the signature of the GRANDE LISBOA concession contract. The latter network should be totally opened to traffic until 2010, under a real-toll scheme.

Within the scope of the cooperation agreement on transport infrastructures, MOTA-ENGIL and BES groups established an agreement to acquire the stakes Millennium BCP owned in AENOR GROUP's four motorway concessionaires.

Share price behaviour and dividends



MOTA-ENGIL's share price outperformed the main stock indexes, including Euronext Lisbon's PSI 20 Index.

The GROUP's growth, its bet on fast growing new market segments, the ongoing communication effort on the GROUP's value creation are factors that helped explain the stock price performance.

The decision and announcement of the joint tender offer by MARTIFER and Suzlon over REpower Systems AG shares on February 9th was followed by the stock price climb to €6.09, having further rose to a peak of €6.10 euros on February 22nd.

The General Shareholders meeting approved, in accordance with the proposal made by the Board of Directors, to pay a dividend of €0.11 per share, payable from April 30th.

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Porto, May 29th 2007

António Manuel Queirós Vasconcelos da Mota
Chief Executive Officer

Eduardo Jorge de Almeida Rocha
Chief Financial Officer

Interim Consolidated Financial Information

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MOTA-ENGIL, SGPS, S.A.

Consolidated Balance Sheets as at March 31, 2007 & December 31, 2006

	2007	2006
	Euro	Euro
	(not audited)	(audited)
Assets		
Non current		
Goodwill	86.700.041	56.935.679
Intangible fixed assets	4.781.450	3.516.578
Concessions fixed assets	1.113.867.998	25.491.864
Tangible fixed assets	428.470.719	341.797.009
Financial investments under the equity method	33.133.848	81.061.035
Financial investments available for sale	93.417.608	89.358.210
Investment properties	35.664.698	35.537.113
Customers & other debtors	91.856.052	98.172.122
Deferred tax assets	29.268.076	26.872.139
	<u>1.917.160.490</u>	<u>758.741.749</u>
Current		
Stocks	166.512.201	160.500.796
Customers	463.631.482	513.869.238
Other debtors	132.194.066	120.561.275
Other current assets	241.443.831	114.951.961
Derivatives	2.626.802	2.457.191
Cash & cash equivalents	138.952.342	63.909.374
	<u>1.145.360.724</u>	<u>976.249.835</u>
Total Assets	<u><u>3.062.521.214</u></u>	<u><u>1.734.991.584</u></u>
Liabilities		
Non current		
Non recourse debt	1.028.909.891	12.876.506
Recourse debt	550.257.888	479.734.749
Sundry Creditors	139.497.247	67.953.839
Provisions	31.750.609	24.047.700
Other non-current liabilities	4.325.078	4.396.751
Deferred tax liabilities	19.905.711	20.405.792
	<u>1.774.646.424</u>	<u>609.415.337</u>
Current		
Non recourse debt	14.097.636	1.052.302
Recourse debt	207.199.549	134.774.443
Suppliers	293.079.789	323.864.150
Sundry Creditors	141.174.705	177.747.142
Other current liabilities	306.461.625	184.343.413
	<u>962.013.304</u>	<u>821.781.450</u>
Total liabilities	<u><u>2.736.659.728</u></u>	<u><u>1.431.196.787</u></u>
Equity		
Share capital	204.635.695	204.635.695
Reserves	79.388.286	46.104.909
Consolidated net profit for the period	2.459.513	32.205.403
	<u>286.483.494</u>	<u>282.946.007</u>
Equity attributable to the Group		
Minority interests	39.377.992	20.848.790
	<u>325.861.486</u>	<u>303.794.797</u>
Total equity	<u><u>3.062.521.214</u></u>	<u><u>1.734.991.584</u></u>

To be read in conjunction with the Notes to the Consolidated Financial Statements

MOTA-ENGIL, SGPS, S.A.

**Consolidated Profit & Loss Account
for the period ended March 31, 2007 & 2006**

	2007 Euro	2006 Euro
	(not audited)	(not audited)
Sales & provision of services	319.715.250	269.835.364
Other income	34.854.875	17.921.013
Cost of merchandise and of subcontracts	(188.871.394)	(164.647.495)
Gross profit	165.698.731	123.108.882
Third-party supplies & services	(48.530.143)	(42.388.686)
Staff costs	(62.704.073)	(55.992.867)
Other operating income /(costs)	1.153.653	867.162
	55.618.168	25.594.491
Depreciation	(22.621.704)	(12.533.399)
Provisions and impairment losses	(2.784.731)	(146.164)
Operating profit	30.211.733	12.914.928
Financial profit/(loss)	(25.876.333)	(9.949.820)
Gains / (losses) on associate companies	1.457.509	1.357.942
Income tax	(1.925.659)	(1.614.903)
Consolidated net profit for the period	3.867.250	2.708.147
Attributable:		
to minority interests	1.407.737	896.113
to the Group	2.459.513	1.812.034
Earnings per share:		
basic	0,0125	0,0092
diluted	0,0125	0,0092

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