

MOTA-ENGIL, SGPS, S.A.

INTERIM MANAGEMENT REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS - 1Q 2008



## Highlights

- Turnover grew 35% to € 384 million
- EBITDA and EBIT margins of 15.5% and 8.9%
- Net income of € 2.2 million
- Net debt of € 1,792 million, including € 905 of non recourse
- Backlog reached € 2 billion

	thousand euros						
	1Q08	% T	Δ %	1Q07	% T	1Q07	% T
				(pro-forma)			
Turnover	383.632		35,3%	283.623		319.715	
EBITDA	59.393	15,5%	12,6%	52.757	18,6%	55.618	17,4%
EBIT	34.214	8,9%	21,3%	28.206	9,9%	30.212	9,4%
Net financial income	(28.990)	(7,6%)	(14,9%)	(25.228)	(8,9%)	(25.876)	(8,1%)
Net income from equity method	1.141	0,3%	(53,0%)	2.430	0,9%	1.458	0,5%
Income before taxes	6.365	1,7%	17,7%	5.409	1,9%	5.793	1,8%
Net income	4.535	1,2%	17,3%	3.867	1,4%	3.867	1,2%
Attributable to:							
minority interests	2.349	0,6%	66,9%	1.408	0,5%	1.408	0,4%
<b>Group</b>	<b>2.186</b>	<b>0,6%</b>	<b>(11,1%)</b>	<b>2.460</b>	<b>0,9%</b>	<b>2.460</b>	<b>0,8%</b>

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

## Index

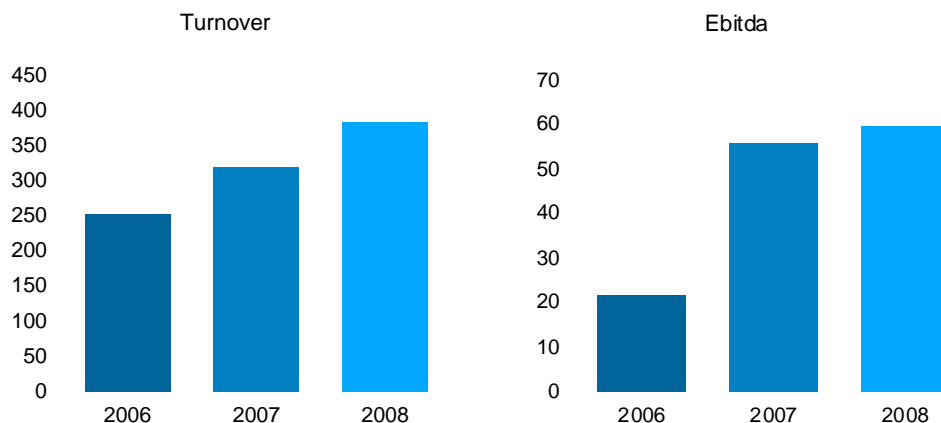
Highlights	2
Major events of the quarter	4
<b>Consolidated Management Report</b>	5
Financial analysis	6
Business analysis	10
Stock price behaviour and dividends	14
<b>Interim Consolidated Financial Information</b>	16
Consolidated Profit & Loss Account	17
Consolidated Balance Sheet	18

## Major events of the quarter

- MOTA-ENGIL was ranked first in the tender for the construction of the pier in the port of Cabinda in Angola, a contract worth US\$ 96 million
- Celebration of the concession contract of "Perote-Bandarilla and Libramiento of Xalapa" motorway in Mexico, a project which involves an investment of € 400 million
- MOTA-ENGIL was pre-qualified for the first section of the D1 motorway concession in Slovakia
- MOTA-ENGIL was pre-qualified in the tender for the construction and operation of motorway M6-III phase in Hungary

## Consolidated Management Report

## Financial analysis



The GROUP'S consolidated financial statements were prepared taking into account the change in the method of consolidation of Industry and Energy business area from proportional to equity consolidation.

Turnover reached € 384 million in the first quarter of 2008, a growth rate of 35% over the same period of last year (2007: € 284 million).

Top line growth in the three divisions explained the turnover above mentioned performance: Engineering & Construction (40%), Environment & Services (22%) and Transport concessions (21%).

In Engineering & Construction, it was the Central Europe segment that most contributed to the growth in turnover (2007: € 33.9 million; 2008: € 72.3 million) followed by the Angolan segment (2007: € 26.9 million; 2008: € 47.8 million).

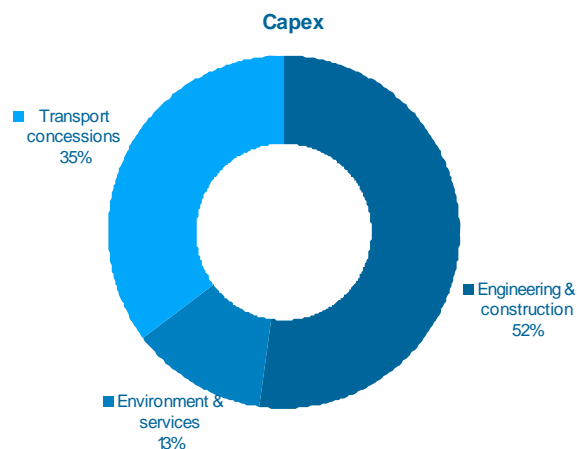
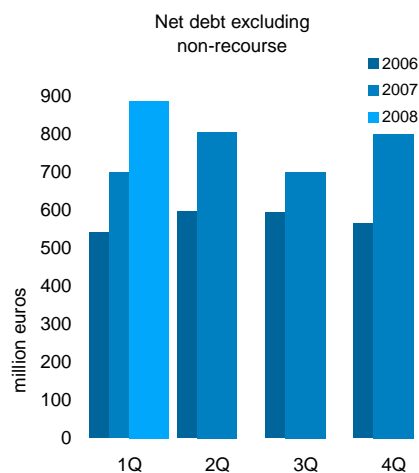
Activity in Poland was the main responsible for the Central Europe segment performance in the quarter.

EBITDA was around € 59.4 million (2007: € 52.8 million) resulting in an EBITDA margin of 15.5% (2007: 18.6%). This growth was due to the contribution of the Transport concessions division with an EBITDA of € 24.1 million compared to € 20.7 million disclosed in the similar period of the previous year and Environment & Services (2008: € 18.1 million; 2007: € 10.3 million).

# INTERIM MANAGEMENT REPORT AND CONSOLIDATED FINANCIAL STATEMENTS - 1Q 2008

MAY 21<sup>ST</sup> 2008

7



Capital expenditure in the first quarter amounted to approximately €87.7 million, an increase of €23.7 million year on year and for the most part made in fixed assets. Transport concessions expected investment and a higher level of capex in Engineering & Construction division were the main contributors.

Capex in Transport concessions can be explained almost entirely by the investment made in the Mexico and *Grande Lisboa* concessions. As regards Engineering & Construction, the increase in capex came as a result of the positive development presented by the backlog.

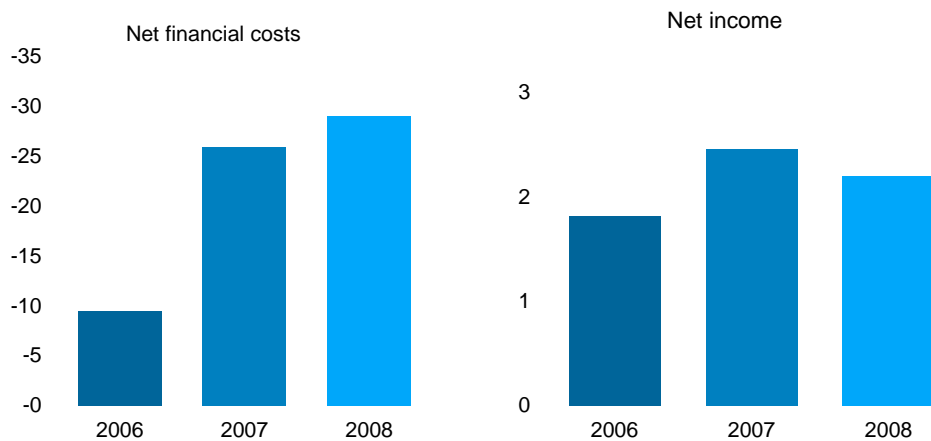
Group's Net debt amounted to €1,792 million of which €886 million of recourse and €905 million of non recourse debt.

Regarding the non recourse debt, it is almost exclusively related to the Transport concessions area (€882 million), the balance coming from Environment & Services (€23 million).

Net debt grew over the same period of last year (2007: total debt €1,662 million), following the behaviour of capital expenditure.

INTERIM MANAGEMENT REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS - 1Q 2008  
MAY 21<sup>ST</sup> 2008

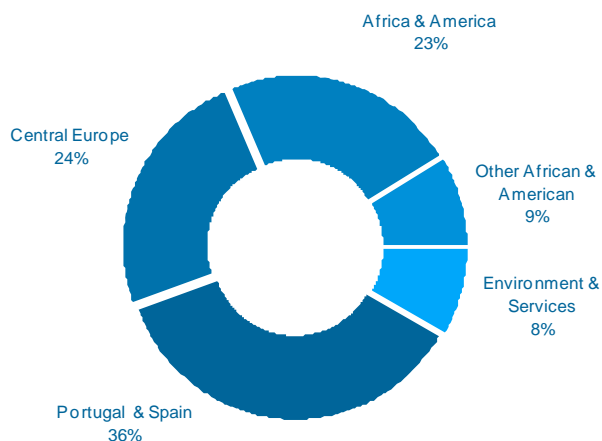
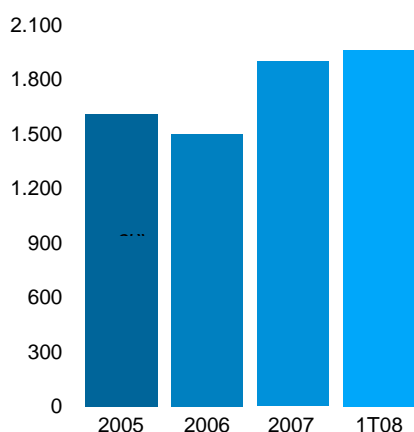
8



The net financial income deteriorated reaching a negative figure of €29 million compared to €25.2 million on the same period of 2007. Besides the increase in debt, interest rates rose in the first quarter of this year also contributing to the deterioration of net financial income.

The net profit attributable to the GROUP reached €2.2 million, compared to €2.5 million in the same period of last year.





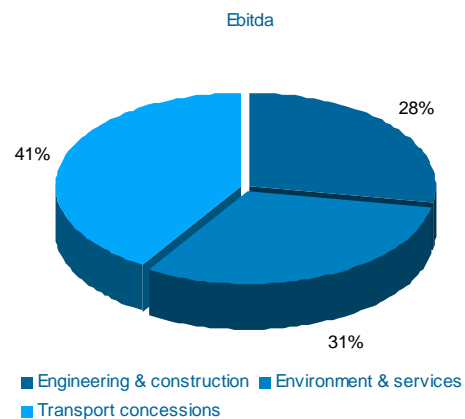
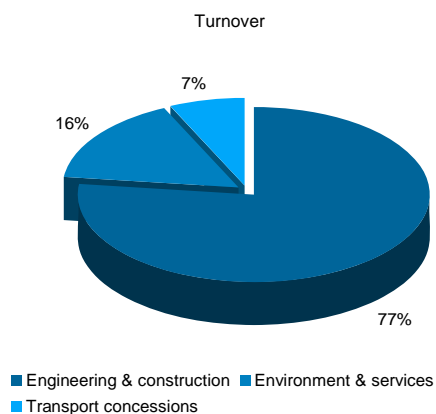
Backlog slightly increased in the first quarter compared to December 2007 to around € 2 billion, which confirms the recovery trend that started last year.

This recovery has been achieved mainly through contracts in international markets which shows the GROUP's strong commitment on internationalisation.

The increasing weight of Central Europe segment in the GROUP's backlog (December 2007:20%; March 2008:24%), put now its contribution very close to the weight of the Angolan market (23%).

It is worth mentioning that in Central Europe it is the increasing activity in Poland that stands out the most.

## Business analysis



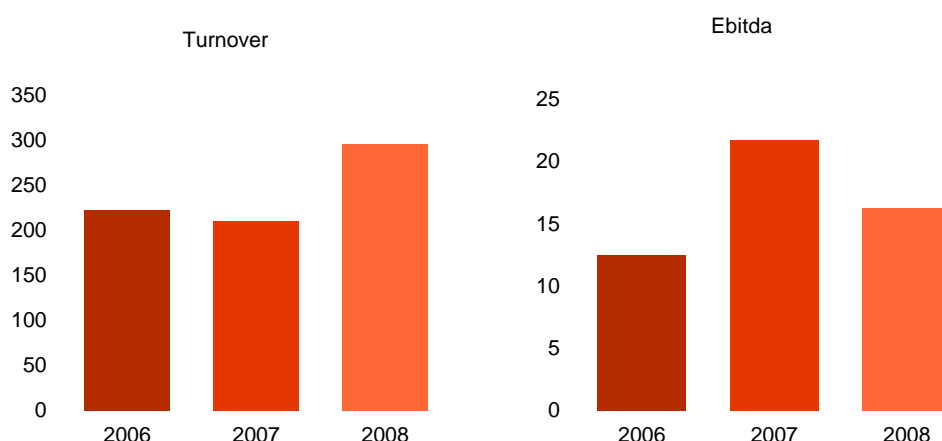
The first quarter of 2008 was relatively unusual since the Engineering & Construction division inverted the trend of losing weight of recent past quarters. By registering its best quarter ever, Engineering & Construction increased its relevance in the activity of the GROUP to 77%.

Each business division increased its contribution to Turnover: Engineering & Construction, € 295.2 million (2007: € 210.8 million), Environment & Services, € 62.1 million (2007: € 51 million) and Transport concessions € 26.4 million (2007: € 21.8 million).

In terms of contribution to the GROUP's operating profitability, the Transport Concessions division, with its excellent operating margins, represents 41% of total EBITDA.

The analysis of each business division's performance follows.

## Engineering & Construction



Turnover of Engineering & Construction division reached €295.2 million in the first quarter of 2008 (2007: €210.8 million), resulting in a growth of 40% over the first quarter of 2007.

Turnover in Portugal grew around 20%, confirming previous expectations of growth for the whole year, already reflecting the backlog improvement since the last months of 2007.

The performance of the Angolan market has been very positive, the GROUP having recorded another quarter of strong activity in this country despite facing increasingly aggressive competition. Given the first quarter of 2007 and despite the depreciation of the U.S. dollar, the contribution of Angolan activity to the turnover grew 77%.

In the other countries of Africa and America we must highlight the shrinking of residential construction in the United States, which, however, is offset by the contribution of Malawi and Mozambique.

In Central Europe, turnover grew outstandingly due to very favourable weather conditions, more than doubling the figure reported in the first quarter of 2007. This result encourages the strategy to grow and strengthen the GROUP's operations in these countries even in a context of still negative operating margins.

EBITDA margin fell from 10.3% in the first quarter of 2007 to 5.5% in the first quarter of 2008. However, in 2007, EBITDA was positively affected by an extraordinary gain related to receivables from the Angolan State. Without this effect the EBITDA margin recorded a positive development in all segments of this division.

## Environment & Services



Turnover in the Environment & Services division grew 22% to €62.1 million (2007: €51 million).

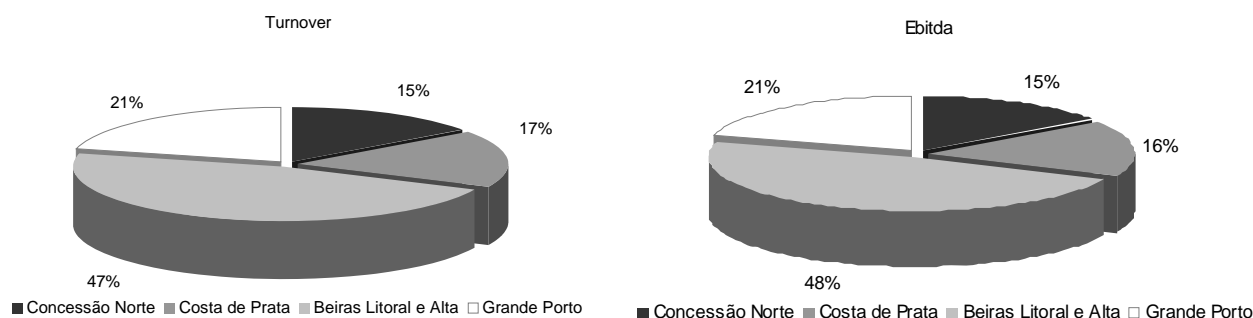
Even without significant contribution from TAKARGO RAIL, the Logistics segment is the most important, having grown 25% in the first quarter of 2008, with the port concessions business outpacing our best expectations.

The Waste segment grew by 16% for which contributed the recent acquisition, by Suma, of NOVAFLEX and its affiliated companies.

In the Water segment, the new concessions of INDAQUA in Matosinhos and Vila do Conde, did not yet have operational contribution, so the reported Turnover growth rate of 10% only referred to the previously consolidated concessions.

The Multi-Services segment turnover remains relatively low but the operational performance in this quarter is the outcome of a strategy of aggressive growth. Indeed, this segment's turnover grew in excess of 74% when compared to the first quarter of 2007.

## Transport concessions



In the first quarter of 2008 all GROUP concessionaires recorded significant increases in traffic and turnover.

COSTA DE PRATA concession experienced an increase in turnover of 7%. The construction of the section between Estarreja and A25 (usually referred to as "Lote 4") is progressing and will enter into operation in 2009. The concession will benefit from the completion of the network and traffic is thus expected to approach the base case scenario.

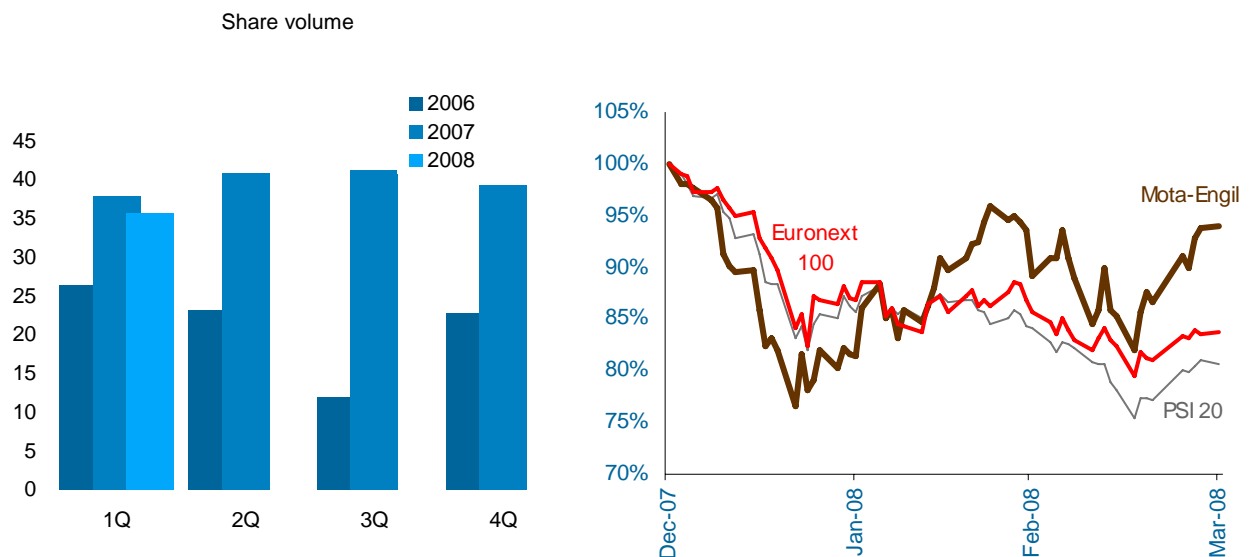
Traffic growth of the GRANDE PORTO and BEIRAS LITORAL E ALTA was very high, however we should point out that the first quarter 2007 figure was quite low as it was the first quarter of operation of these concessions.

Traffic in the NORTE concession is recovering noticeably, with turnover growing 20% when compared with the same period of last year.

In this quarter, MOTA-ENGIL started investing in the Mexican concession recently won by the consortium integrated by MOTA-ENGIL. Construction will last 24 months, between 2008 and 2010, for an investment in the infrastructure of € 180 million. The project involves, in addition, an initial payment to the grantor of € 209 million.

At the same time, the outcome of the tenders for concessions D1 Slovakia, Poland A1, Hungary M6, and in Portugal, Transmontana, Douro Interior and Baixo Alentejo is still pending.

## Share price behaviour and dividends



MOTA-ENGIL'S share price maintained a recovery trend, outperforming the main stock indexes.

The General shareholders meeting held on March 28<sup>th</sup>, 2008 approved the Board's proposal to pay a dividend of 11 cents per share in April 28<sup>th</sup>.

Porto, May 21<sup>st</sup> 2008

Eng. António Manuel Queirós Vasconcelos da Mota  
*Chairman & Chief Executive Officer*

Dr. Eduardo Jorge de Almeida Rocha  
*Chief Financial Officer*

## Interim Consolidated Financial Information



## **MOTA-ENGIL, SGPS, S.A.**

### **Consolidated Profit & Loss Account for the period ended March 31, 2008 & 2007**

	<b>2008 Euro</b>	<b>2007 Euro</b>
Sales & provision of services	383.631.798	319.715.250
Other income	23.744.595	34.854.875
Cost of merchandise and of subcontracts	(210.103.055)	(188.871.394)
Gross profit	197.273.338	165.698.731
Third-party supplies & services	(67.380.333)	(48.530.143)
Staff costs	(70.125.869)	(62.704.073)
Other operating income /(costs)	(374.199)	1.153.653
	59.392.937	55.618.168
Depreciation	(23.797.074)	(22.621.704)
Provisions and impairment losses	(1.382.288)	(2.784.731)
Operating profit	34.213.575	30.211.733
Financial profit/(loss)	(28.990.191)	(25.876.333)
Gains / (losses) on associate companies	1.141.450	1.457.509
Income tax	(1.829.507)	(1.925.659)
Consolidated net profit for the period	4.535.327	3.867.250
Attributable:		
to minority interests	2.349.027	1.407.737
to the Group	2.186.300	2.459.513
Earnings per share:	0,0112	0,0125

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

# MOTA-ENGIL, SGPS, S.A.

## Consolidated Balance Sheets as at March 31, 2008 & December 31, 2007

	2008 Euro	2007 Euro
<b>Assets</b>		
<b>Non current</b>		
Goodwill	182.535.227	157.753.345
Intangible fixed assets	46.373.430	46.971.911
Concessions fixed assets	1.136.085.782	1.125.676.030
Tangible fixed assets	415.463.175	408.688.333
Financial investments under the equity method	115.765.911	154.080.552
Financial investments available for sale	104.436.823	71.161.541
Investment properties	25.965.031	31.338.255
Customers & other debtors	89.164.487	88.865.479
Deferred tax assets	27.785.319	29.987.157
	<u>2.143.575.185</u>	<u>2.114.522.603</u>
<b>Current</b>		
Stocks	168.150.809	167.611.927
Customers	561.651.577	539.343.275
Other debtors	146.571.791	129.520.197
Other current assets	259.556.871	259.836.561
Derivatives	913.845	2.216.804
Cash & cash equivalents non recourse	143.826.926	108.636.558
Cash & cash equivalents with recourse	64.610.388	64.637.726
	<u>1.345.282.207</u>	<u>1.271.803.048</u>
Total Assets	<u><u>3.488.857.392</u></u>	<u><u>3.386.325.651</u></u>
<b>Liabilities</b>		
<b>Non current</b>		
Non recourse debt	1.011.587.371	1.010.984.888
Recourse debt	608.107.543	616.899.892
Sundry Creditors	153.847.792	154.103.037
Provisions	35.621.433	31.726.903
Other non-current liabilities	60.194.849	61.523.686
Deferred tax liabilities	26.254.456	28.440.239
	<u>1.895.613.444</u>	<u>1.903.678.645</u>
<b>Current</b>		
Non recourse debt	37.677.157	40.170.771
Recourse debt	342.769.085	247.519.001
Suppliers	325.243.618	326.289.497
Sundry Creditors	310.619.636	277.179.429
Other current liabilities	224.203.436	204.562.101
	<u>1.240.512.932</u>	<u>1.095.720.799</u>
Total liabilities	<u>3.136.126.376</u>	<u>2.999.399.444</u>
<b>Equity</b>		
Share capital	204.635.695	204.635.695
Reserves	96.868.183	38.371.994
Consolidated net profit for the period	2.186.300	97.538.375
	<u>303.690.178</u>	<u>340.546.064</u>
Equity attributable to the Group		
Minority interests	49.040.838	46.380.143
	<u>352.731.016</u>	<u>386.926.207</u>
Total equity	<u><u>3.488.857.392</u></u>	<u><u>3.386.325.651</u></u>

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

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

EDIFÍCIO MOTA  
RUA DO REGO LAMEIRO, N.º 38  
4300-454 PORTO

RUA MÁRIO DIONÍSIO, N.º 2  
2796-957 LINDA-A-VELHA

TEL: 351 22 5190300  
FAX: 351 22 5190303  
[WWW.MOTA-ENGIL.PT](http://WWW.MOTA-ENGIL.PT)

TEL: 351 21 4158200  
FAX: 351 21 4158688

