

MOTA-ENGIL, SGPS, S.A.

MANAGEMENT REPORT AND FINANCIAL INFORMATION
AS OF THE THIRD QUARTER OF 2008



Highlights

- Turnover rose 39% to € 1,361 million
- EBITDA and EBIT margins of 15.3% and 9.5%, respectively
- Attributable net income of € 14.1 million (excluding Martifer's € 24.8 million capital loss)
- Corporate net debt of € 922 million and non-recourse net debt of € 951 million
- Backlog reached € 2.2 billion

	thousand euros					
	3Q08	% T		3Q07 (pro-forma)	% T	
Turnover	1,360,911		39.0%	979,084		1,063,568
EBITDA	208,248	15.3%	13.9%	182,779	18.7%	189,979
EBIT	129,228	9.5%	15.7%	111,682	11.4%	116,699
Capital gain/loss with stake in Martifer	(10,555)			67,433		67,433
Net financial income	(89,372)	(6.6%)	(1.0%)	(88,502)	(9.0%)	(84,947)
Net income from equity method	7,203	0.5%	(49.0%)	14,110	1.4%	6,113
Income before taxes	36,504	2.7%	(65.1%)	104,723	10.7%	105,298
Net income	22,130	1.6%	(77.5%)	98,539	10.1%	98,539
Attributable to:						
minority interests	7,893	0.6%	22.3%	6,455	0.7%	6,455
Group	14,237	1.0%	(84.5%)	92,084	9.4%	92,084
Group (ex capital gain/loss)	24,792	1.8%	0.6%	24,651	2.5%	24,651

Financial statements herein presented were not audited. Proforma data reflect the equity consolidation method of MARTIFER GROUP.

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Major Events

- The Shareholders General Meeting approved to enlarge the Board of Directors to 14 members. The latter decided to create a Management Committee and appointed Mr. Jorge Coelho as Chief Executive Officer
- The GROUP disclosed its strategic goals:

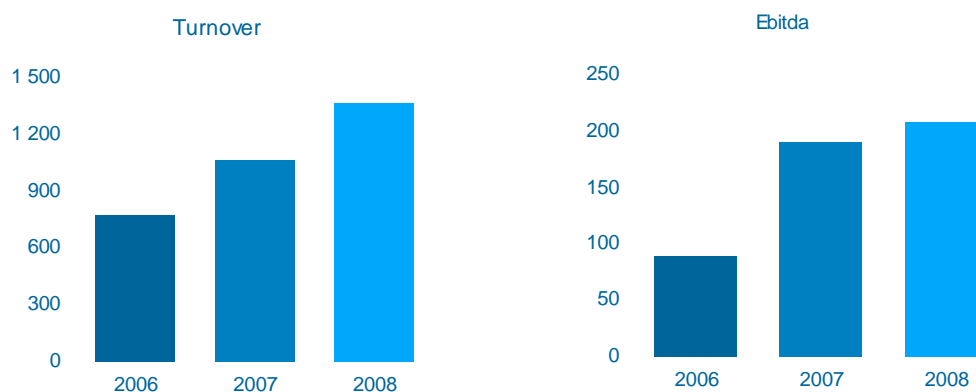


- MOTA-ENGIL announced a partnership with Espírito Santo Concessões, ASCENDI: with approximately € 700 million of assets under management (c. 85% of road concessions in Portugal), more than 1.200 Kms of motorways, of which, more than 1.100 kms in operation, 14 Concessionaires, ongoing projects in 9 countries and sustained activities in 3 countries – Portugal, Spain and Mexico and a capital expenditure plan of € 500 million
- MOTA-ENGIL announced a plan to extend Alcântara Containers Terminal, in Lisbon, a project whose capital expenditure is estimated to be of € 226 million to be spent by its subsidiary LISCONT (Terminal concessionaire) and an extension of the life time of the concession of 27.5 years
- MOTA-ENGIL AMBIENTE E SERVIÇOS (the subsidiary for the Environment & Services businesses) and Banco Privado do Atlântico agreed on a partnership to operate in the Angolan market
- MOTA-ENGIL signed a Memorandum of Understanding with the Government of Malawi for several projects, namely the modernization of the Nsanje port and construction of two hydro plants. It announced awards in excess of € 100 million in the country
- TAKARGO, a subsidiary of MOTA-ENGIL, and Comsa Rail Transport made an agreement to jointly operate cargo railway transportation in the Iberian Peninsula
- MOTA-ENGIL is part of a pre-qualified consortium for the concession of the Ennore port in India, a project that will require an estimated capital expenditure of US\$ 600 million and in another consortium that will be involved in the modernization of the La Guaira port in Venezuela (capital expenditure could reach US\$ 658 million)

- MOTA-ENGIL announced the acquisition of a 24.19% stake in LUSOPONTE. The GROUP will become, following the acquisition, the largest shareholder (38.02%) of the company that holds the concession of the two crossings of the Tagus river until March 2030
- MOTA-ENGIL announced it is the leading entity of the consortium for the High Speed Rail that will bid for the several tenders launched or to be launched by the Portuguese State to establish public-private initiatives (PPI) in the field of high speed rail
- MOTA-ENGIL, through ASCENDI (60% owned by MOTA-ENGIL), was ranked first for the concession Marechal Rondon East, Motorway SP300 in the State of São Paulo, in Brazil (total length of 415 kms and total capital expenditure of approximately €470 million)
- The sub-concession of Douro Interior was awarded to the consortium led by MOTA-ENGIL (the sub-concession expires in 30 years and involves a capital expenditure in construction of approximately €620 million)

Consolidated Management Report

Financial Analysis



Net income reached €22.1 million in the first three quarters of 2008, €14.2 million of which attributable to the GROUP. Net income would have reached €24.8 million in the first nine months of 2008 were not for the capital loss of Martifer, approximately the same figure of the previous year (2007: €24.7 million).

It is worth mentioning that the GROUP's financial statements were produced taking into consideration the change in the consolidation method of Group Martifer, from proportional to equity consolidation as a result of the Initial Public Offering of the above mentioned company and following MOTA-ENGIL GROUP's shareholding dilution from 50% to 37.5%. As a result, the financial statements are pro-forma, thus corresponding to an equity consolidation of Martifer in that year.

Turnover grew 39% in the first nine months of 2008 to €1,361 million (2007: €979 million).

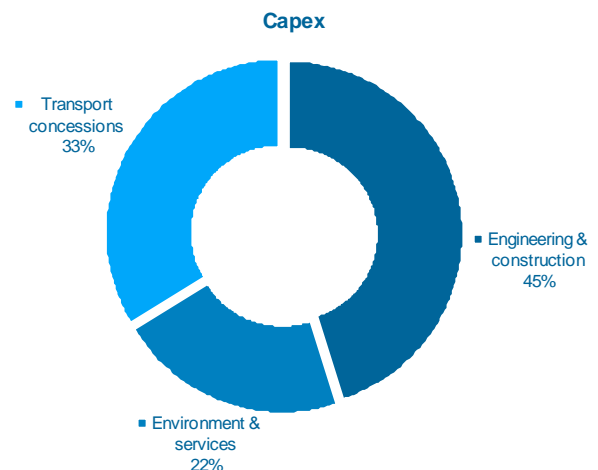
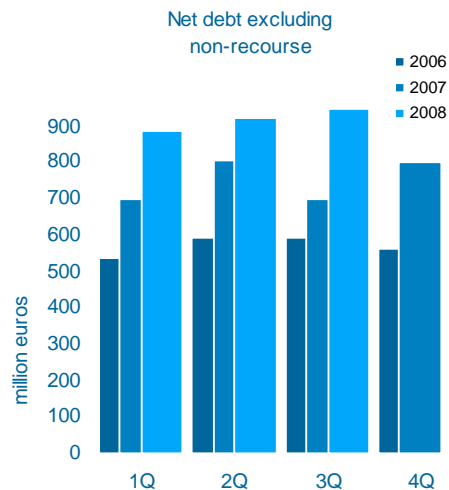
As was already the case in the first half of the year, all divisions grew significantly, mainly Construction with a 47% growth in turnover, year-on-year. Environment & Services' turnover grew 19%, partly due to the incorporation of new companies and businesses. At last, Transport Concessions' turnover grew 7% despite an adverse macro scenario and higher fuel prices that affected traffic.

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EBITDA grew to €208.2 million (2007: €182.8 million) and the margin slipped to 15.3 % (2007: 18.7%).

The aforementioned margin reduction was due to a business mix effect, where the Construction division increased its relative weight as well as margin compression in the latter division.

Net consolidated capital expenditure reached, from January to September, €192.2 million (2007: €165 million), €147.5 million of which in tangible fixed assets (2007: €136 million) and €44.7 million in financial investments (2007: €23 million).

The Construction division absorbed 45% of total capital expenditure, namely due to the substantial acquisitions of equipment. It is worth noting that most of the investment was funnelled to foreign countries, reflecting the execution of the growth strategy in both Central Europe and Africa.

In the Transport Concessions' division, the GROUP has been investing in LusoLisboa concession and in Perote-Xalapa concession, in Mexico. In the former case, the concessionaire is pursuing construction works in accordance with the concession contract. In the case of the latter concession, following the initial investment in order to capitalise the concessionaire, construction works of the 60 kms of motorways started already and will last 24 months.

Capital expenditure in the Environment & Services' division was mainly related to the expansion of the Aveiro port, the construction of a cereals' terminal and the capital expenditure made by the concessionaires of water sewage and distribution of Feira and Matosinhos.

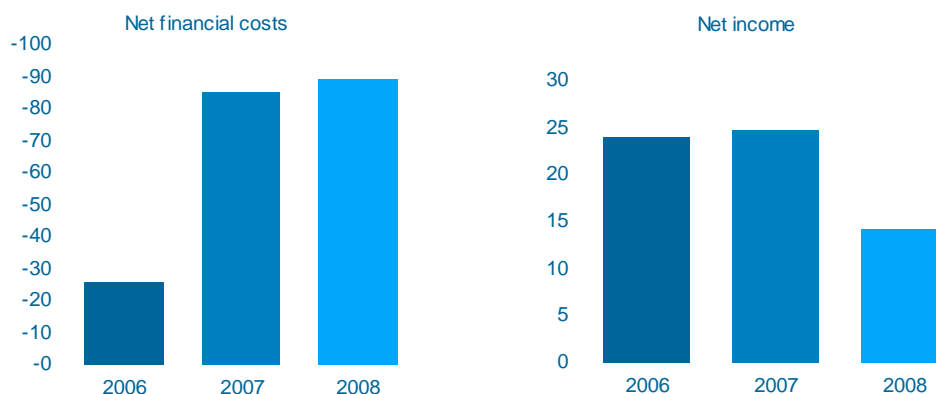
Net debt reached €1,873 million, €950 million of which is non-recourse. As far non-recourse debt is concerned, €914 million related to Transport Concessions and €36 million to Environment & Services.

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Note: Net Income of 2007 without capital gain in Martifer

As a consequence of the high level of capital expenditure of the first nine months of 2008, mainly in the Construction division, net debt (mainly recourse debt) increased. The GROUP managed to raise funds to finance the projects, mainly in foreign markets, that fit its strategy and that present the most attractive profitability, in accordance with its strategic goals.

Despite the significantly higher interest rates and the increase in the stock of debt, net financial expenses only increased by approximately one million euro (2008: € 89.4 million; 2007: € 88.5 million). Net interest charges increased however to € 83.9 million (2007: € 75.4 million).

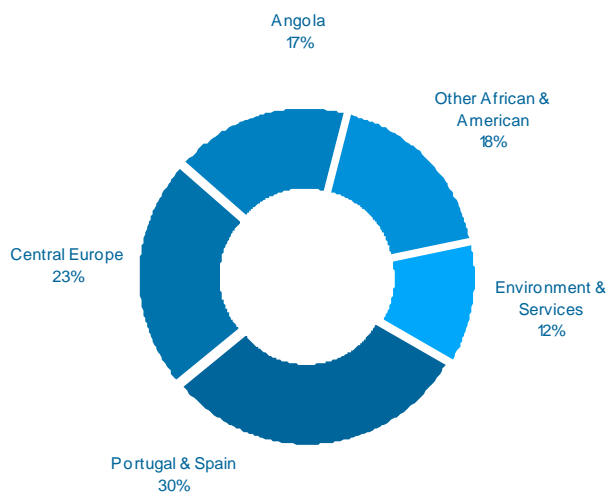
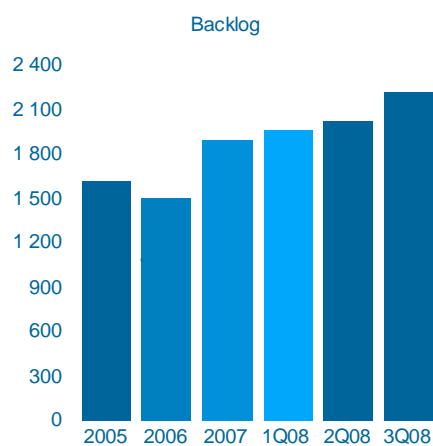
Income from companies consolidated through the equity method was of € 7.2 million as compared to € 14.1 million in 2007 due to Martifer's lower contribution (that included a non-recurring income in 2007).

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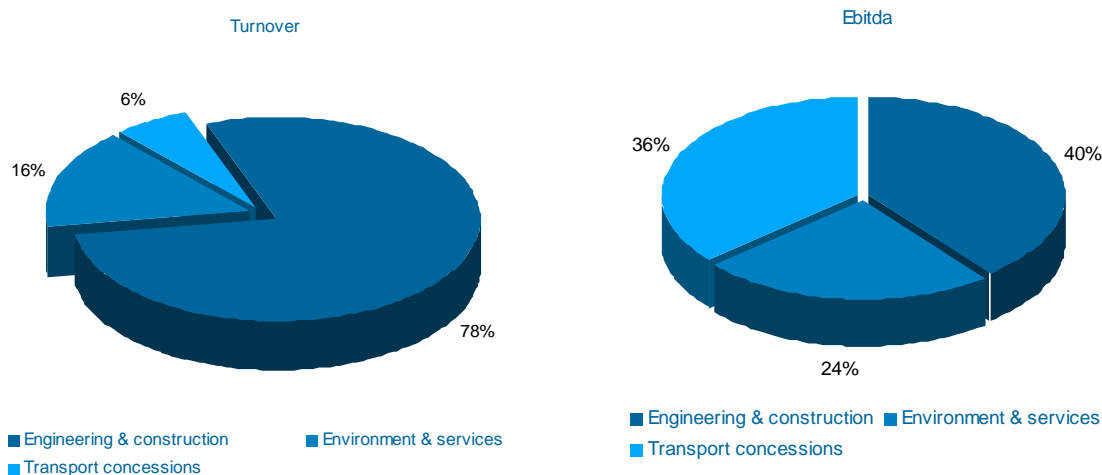
Backlog reached €2.2 billion at the end of the third quarter, €310 million higher than the figure reported as of December 2007.

The above mentioned performance was due to a stronger backlog in foreign markets and in Environment & Services.

Backlog of the Environment & Services division only includes contracts in waste management. The GROUP does not, therefore, include the estimated turnover of water sewage and distribution concessions, port's management or Transport Concessions.

Despite the strong increase in turnover, it is our expectation that the backlog will keep on a similar track as that of the previous quarters in light of the strong demand felt in some markets where the Group has operations and where it aims at replicating its diversification strategy, whenever possible, as the one pursued in Portugal.

Business Analysis



The GROUP's turnover had the following breakdown: Construction, € 1.062.2 million (2007: € 720.6 million), Environment & Services € 214.2 million (2007: € 180.6 million) and Transport Concessions € 83.7 million (2007: € 78.1 million).

Unlike in 2007, the contribution of the Construction division (78%) increased in the first nine months of 2008 due to the significant increase in turnover (+ 47%) as compared to Environment & Services (+ 19%) and Transport Concessions (+ 7%).

As far as EBITDA is concerned, the performance was similar. The Construction division's weight increased to 40% (2007: 37%), Environment & Services (positively affected by the disposal of a land plot not related to the operating activity) had a 24% contribution (2007: 21%). The relative weight of Transport Concessions, 36%, was slightly lower than that of the same period of last year (2007: 38%).

In the following sections we provide a detailed analysis of the performance of each division of the GROUP in the first nine months of 2008.

Engineering & Construction



Turnover of the Construction division climbed 47% year-on-year to €1,062.2 million in the first nine months of 2008 (2007: €720.6 million), confirming the pick up in activity of the first half year.

Growth occurred in all segments though turnover grew more meaningfully in Central Europe and Angola, more than doubling year-on-year.

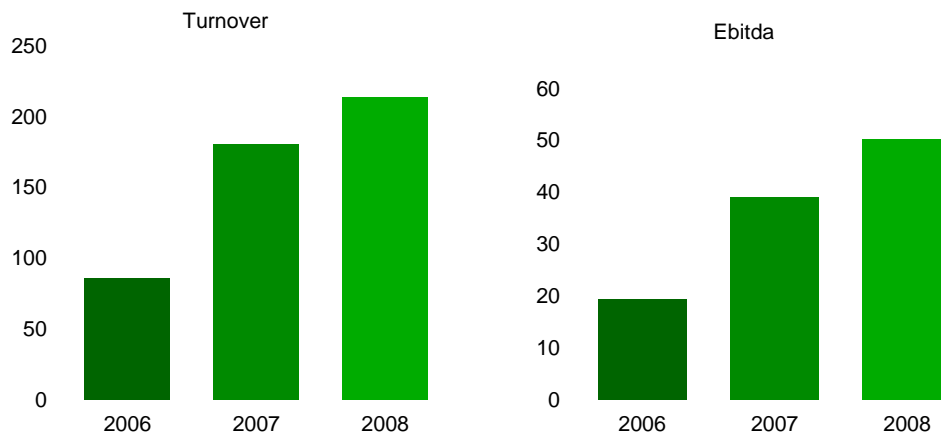
Turnover in Portugal increased 15%, from €438 million to €503.9 million in the above mentioned period, a performance broadly in line with the one reported in the first half of the current year.

Angola's activity keeps on growing at a good pace. MOTA-ENGIL GROUP's presence has been constantly broadened. In the first nine months of the current year, turnover climbed 146% to €211.7 million (2007: €86.1 million).

In Central Europe, the friendlier business environment already mentioned in the first half results report was preserved in the following three months of the current year. Turnover rose by 114% to €308.2 million (2007: €143.8 million).

It is however important to mention that the EBITDA margin was eroded when compared to the same period of 2007 not only because of the non-recurring receivable from Angola accounted in 2007 but also due to an adverse market environment, mainly in Portugal.

Environment & Services



The performance of the Environment & Services division had a positive evolution in the first nine months of the year as was the case in the same period of last year. Turnover reached €214.2 million as compared to €180.6 million in the same period of the previous year (+ 19%).

The logistics segment remained the bigger within the division. Turnover grew 9% year-on-year to €107.2 million. The decision to enter this segment has proven to be very successful and offers good prospects to continue to grow in businesses related to the value chain of logistics.

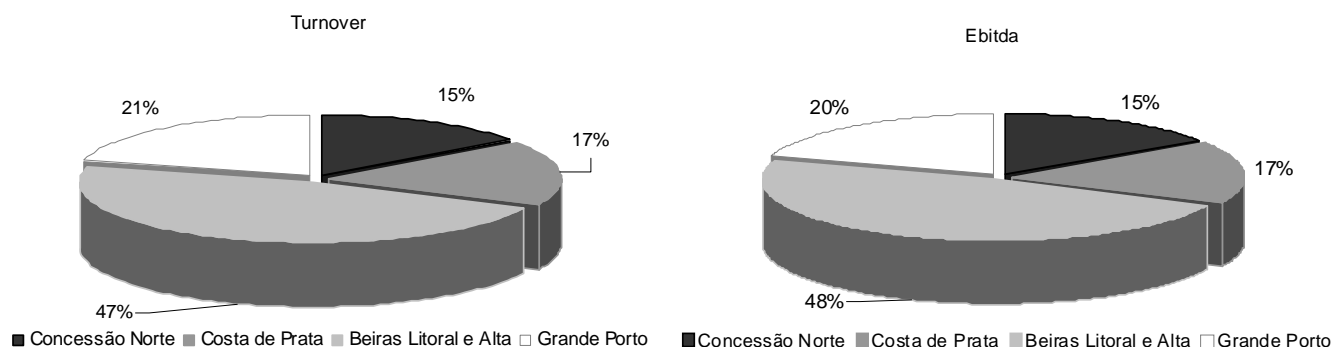
All the other segments of the division had double digit turnover growth rates, also positively affected by the incorporation of new companies.

In the waste management segment, the integration of the NOVAFLEX GROUP reinforced SUMA GROUP's leadership. On the other hand, following the acquisition of TRIU, the GROUP further strengthened its presence in the industrial waste treatment segment.

In the water and sewage segment the main event was that the Matosinhos concession started operations. Because of the size of this concession, the water and sewage segment will become more relevant within the division.

The operating performance was likewise positive. EBITDA was of €50.3 million (2007: €39.1 million) corresponding to an EBITDA margin of 23.5%, an improvement of approximately 200 basis points when compared to 2007 (21.6).

Transport Concessions



The turnover of the Transport Concessions' division reached €83.7 million and EBITDA €75.6 million, corresponding to an EBITDA margin of 90.3%.

In the first nine months of the current year, traffic grew in all concessions as compared to the same period of last year, reflecting that the learning curve effect offset the contraction effect from higher fuel prices and the adverse macro environment.

BEIRAS LITORAL E ALTA remained the concession that most contributed to the division's figures, with a turnover of €110 million in the first nine months of the year, up 4% year-on-year.

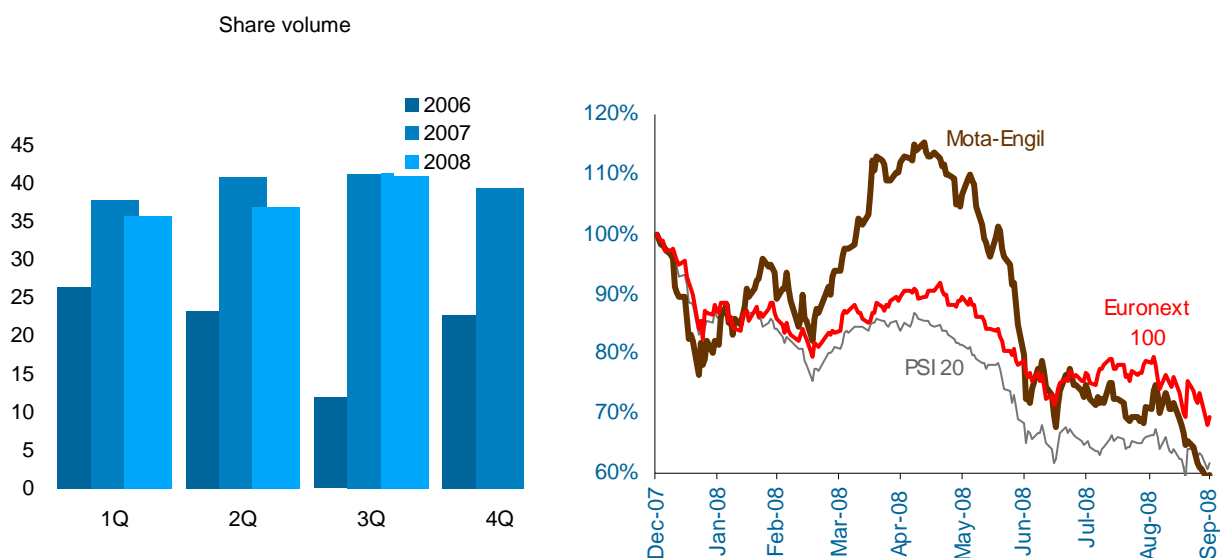
The traffic level of COSTA DE PRATA concession was roughly stable (it only grew 2%) but in line with the GROUP's expectations. The completion of the network that will occur with the construction of the "stretch 4" in 2009, together with the connection with the A17 motorway in Mira, will be of crucial importance to further improve the concession's traffic level.

As expected, traffic recovered in CONCESSÃO DO NORTE, with a 4% increase as compared to the same period of the previous year, leading to a turnover of €36 million.

As far as GRANDE PORTO concession is concerned, turnover was of €48 million, up 18% year-on-year (though only from February to September in 2007).

During the first half of the year, as a result of the partnership between MOTA-ENGIL and Espírito Santo Group, the financial stakes both groups had in this area started to be transferred to ASCENDI.

Stock price performance and dividends



Although MOTA-ENGIL's stock price outperformed most of the main stock indices in the first half of the year, the stock fell heavily during the third quarter in light of the financial crisis that deepened in the referred quarter. The level of turnover in the stock was however quite high.

The General Shareholders' Meeting held in March 28th, 2008 decided, according to the Board of Directors proposal, to pay a dividend per share of €cents 11, payable from April 28th.

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Porto, November 12th, 2008

Jorge Paulo Sacadura Almeida Coelho
Chief Executive Officer

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 September 30, 2008 & 2007**

	2008 Euro	2007 Euro
Sales & provision of services	1 360 910 923	1 063 567 539
Other income	96 175 193	110 962 780
Cost of merchandise and of subcontracts	<u>(748 362 283)</u>	<u>(606 971 076)</u>
Gross profit	708 723 833	567 559 243
Third-party supplies & services	(266 192 799)	(180 896 414)
Staff costs	(229 470 266)	(197 353 419)
Other operating income /(costs)	<u>(4 812 769)</u>	<u>670 082</u>
	208 247 999	189 979 492
Depreciation	(76 352 855)	(68 796 556)
Provisions and impairment losses	<u>(2 666 996)</u>	<u>(4 484 265)</u>
Operating profit	129 228 148	116 698 671
Capital gain/(loss) with Martifer stake	(10 554 787)	67 433 474
Financial profit/(loss)	(89 372 040)	(84 947 082)
Gains / (losses) on associate companies	7 202 805	6 112 783
Income tax	<u>(14 373 930)</u>	<u>(6 758 668)</u>
Consolidated net profit for the period	<u>22 130 196</u>	<u>98 539 178</u>
Attributable:		
to minority interests	7 892 927	6 455 329
to the Group	14 237 269	92 083 849
Earnings per share:	0,0725	0,4704

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

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Consolidated Balance Sheets as at September 30, 2008 & December 31, 2007

	2008 Euro	2007 Euro
Assets		
Non current		
Goodwill	189 336 019	157 753 345
Intangible fixed assets	45 061 346	46 971 911
Concessions fixed assets	1 145 694 623	1 125 676 030
Tangible fixed assets	470 097 947	408 688 333
Financial investments under the equity method	150 511 466	154 080 552
Financial investments available for sale	75 647 713	71 161 541
Investment properties	25 840 186	31 338 255
Customers & other debtors	81 849 863	88 865 479
Deferred tax assets	31 654 803	29 987 157
	<u>2 215 693 966</u>	<u>2 114 522 603</u>
Current		
Stocks	210 856 478	167 611 927
Customers	739 331 013	539 343 275
Other debtors	174 639 595	129 520 197
Other current assets	306 791 214	258 470 870
Derivatives	1 810 241	3 582 495
Cash & cash equivalents non recourse	120 117 478	108 636 558
Cash & cash equivalents with recourse	85 904 296	64 637 726
	<u>1 639 450 315</u>	<u>1 271 803 048</u>
Total Assets	<u><u>3 855 144 281</u></u>	<u><u>3 386 325 651</u></u>
Liabilities		
Non current		
Non recourse debt	933 167 066	1 010 984 888
Recourse debt	628 654 395	616 899 892
Sundry Creditors	195 125 300	154 103 037
Provisions	36 736 623	31 726 903
Other non-current liabilities	54 514 743	61 523 686
Deferred tax liabilities	26 172 859	28 440 239
	<u>1 874 370 986</u>	<u>1 903 678 645</u>
Current		
Non recourse debt	137 441 207	40 170 771
Recourse debt	379 056 388	247 519 001
Suppliers	433 676 662	326 289 497
Sundry Creditors	327 374 300	277 179 429
Other current liabilities	336 484 821	204 562 101
	<u>1 614 033 378</u>	<u>1 095 720 799</u>
Total liabilities	<u><u>3 488 404 364</u></u>	<u><u>2 999 399 444</u></u>
Equity		
Share capital	204 635 695	204 635 695
Reserves	96 538 883	38 371 994
Consolidated net profit for the period	14 237 269	97 538 375
	<u>315 411 847</u>	<u>340 546 064</u>
Equity attributable to the Group		
	<u>51 328 070</u>	<u>46 380 143</u>
Minority interests		
	<u>366 739 917</u>	<u>386 926 207</u>
Total equity	<u><u>3 855 144 281</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 Nº 502 399 694
NIPC: 502 399 694

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