

MOTA-ENGIL, SGPS, S.A.

MANAGEMENT REPORT & CONSOLIDATED FINANCIAL  
INFORMATION AS OF THE 3<sup>rd</sup> QUARTER OF 2009



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

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## Highlights

- Turnover rose 15% to € 1.57 billion
- EBITDA and EBIT margins of 14.1% and 8.2%
- Net attributable income of € 67.9 million
- Corporate net debt of € 1.23 billion and non-recourse debt of € 999 million
- Backlog remained at € 2.6 billion

	thousand euros				
	9M09	% T	Δ	9M08	% T
<b>Turnover</b>	<b>1,567,962</b>		<b>15.2%</b>	<b>1,360,911</b>	
<b>EBITDA</b>	<b>221,446</b>	<b>14.1%</b>	<b>6.3%</b>	<b>208,248</b>	<b>15.3%</b>
<b>EBIT</b>	<b>129,274</b>	<b>8.2%</b>	<b>0.0%</b>	<b>129,228</b>	<b>9.5%</b>
Net financial income	(85,113)	(5.4%)	4.8%	(89,372)	(6.6%)
Net income from equity method	50,620	3.2%	1610.1%	(3,352)	(0.2%)
Income before taxes	94,781	6.0%	159.6%	36,504	2.7%
Net income	75,164	4.8%	239.6%	22,130	1.6%
Attributable to:					
minority interests	7,224	0.5%	(8.5%)	7,893	0.6%
Group	67,941	4.3%	377.2%	14,237	1.0%
Martifer gains/losses	42,860			(7,291)	
<b>Group Net Income (ex Martifer)</b>	<b>25,080</b>	<b>1.6%</b>	<b>16.5%</b>	<b>21,528</b>	<b>1.6%</b>

Non-audited figures.

## Index

<b>Highlights</b>	<b>2</b>
<b>Main achievements</b>	<b>4</b>
<b>Management Report</b>	<b>6</b>
Financial Analysis	7
Business Areas' Analysis	11
Stock Price Performance & Dividends	16
<b>Interim Consolidated Financial Information</b>	<b>17</b>

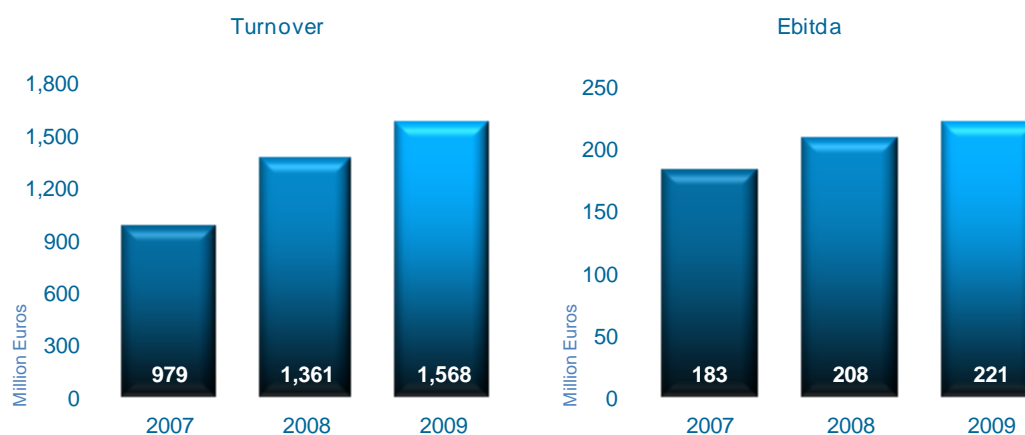
## Main achievements

- Following the completion of the acquisition of a 24.19% stake in LUSOPONTE, MOTA-ENGIL became the largest shareholder of the company with a 38.02% stake. LUSOPONTE has the concession of the two road crossings over the Tagus River until 2030.
- MOTA-ENGIL POLSKA was awarded the construction of a motorway in the city of Skarzyko, 180 kilometres away from Warsaw. The contract is worth € 160 million, of which € 140 million will be performed by MOTA-ENGIL POLSKA. The contract is expected to be finished by December 2010.
- MOTA-ENGIL informed on the award of the Concession of the Paita port, located in the northern area of Peru in the province of Piura, to the consortium 50% owned by Portuguese affiliated companies of Tertir and Translei, in Peru. The total consideration of the project is of US\$ 130 million, with an additional US\$ 120 million to be spent as replacement capital expenditure.
- ASCENDI, the transport infrastructures company where the MOTA-ENGIL GROUP has a 60% stake and the Espírito Santo Group 40%, signed, through a consortium where it has a 19% stake (that will be lowered to 12% following the conclusion of the financing agreements and the start up of the concession period), with the Slovakian State a concession contract for 30 years to execute the project, build, finance, operate and maintain 5 sections of the D1 motorway in Slovakia. The total estimated capital expenditure of the Project is of approximately € 3.3 billion, of which approximately € 2.5 billion will be spent during the construction period. The aforementioned motorway has a total extension of approximately 75 Kms, including 168 bridges with a total length of 33.5 Kms and 4 tunnels with a total length of 7.3 Kms. MOTA-ENGIL ENGENHARIA is part of the construction consortium with a 20% stake.
- ASCENDI signed the concession contract of the Marechal Rondon Leste road in the State of São Paulo, in Brazil. This was the first operation of ASCENDI in the Brazilian market and includes a total investment of approximately € 780 million and a fixed payment of approximately € 184 million to the State of São Paulo, payable during the first 18 months of the contract.
- MOTA-ENGIL informed on the award of the requalification of the Luanda Bay, in Angola, in a partnership between MOTA-ENGIL ENGENHARIA and Soares da Costa (50/50). The contract, with an estimated investment of approximately US\$ 130 million, will last 24 months.

- MOTA-ENGIL informed on a Memorandum of Understanding regarding the incorporation of an Angolan company, MOTA-ENGIL ANGOLA, 51% owned by MOTA-ENGIL ENGENHARIA and 49% by an Angolan Consortium (mainly owned by Sonangol).
- MOTA-ENGIL informed a contract to design and build a highway in Poland was signed by the State of Poland and a consortium made of MOTA-ENGIL POLSKA (that leads it with a 51% stake) and Strabag. The Project includes the design and construction of a highway section of S8, Northeast of Warsaw, between the cities of Jezewo and Bialystok, with a total length of 160 Kms. Construction will last 36 months and will cost PLZ 553 million (approximately € 123 million).

## Management Report

## Financial Analysis



MOTA-ENGIL's net income reached € 32.3 million in the first nine months of 2009, excluding MARTIFER's contribution, € 25.1 million of which attributable to the GROUP, an improvement as compared to the similar period of 2008 (2008: € 21.5 million).

Turnover rose 15% to € 1.57 billion in the aforementioned period (2008: € 1.36 billion). All divisions reported positive figures: 17% for Construction, 11% for Environment & Services and 5% for Transport Concessions. It is worth mentioning that, as was already the case in the previous quarters of this year, turnover of the Environment & Services division was positively affected by the change in the consolidation method of INDAGUA GROUP (previously proportionally consolidated and, following the acquisition of an additional 7.2% stake in INDAGUA – INDÚSTRIA E GESTÃO DE ÁGUAS, S.A. by the end of 2008 that allowed for the control of the aforementioned company, fully consolidated).

A stable EBITDA margin in the Construction division in the first nine months of 2009 (EBITDA margin of 8% in 2008 and 2009), coupled with turnover growth in the segment allowed for a good operating performance (consolidated EBITDA of € 221 million in 2009 as compared to €

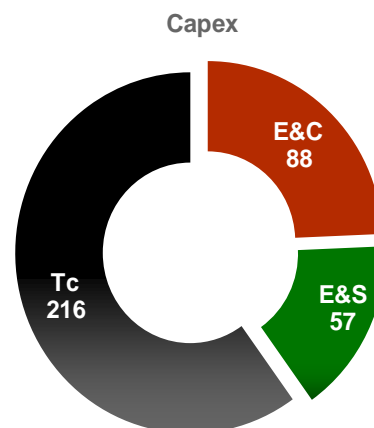
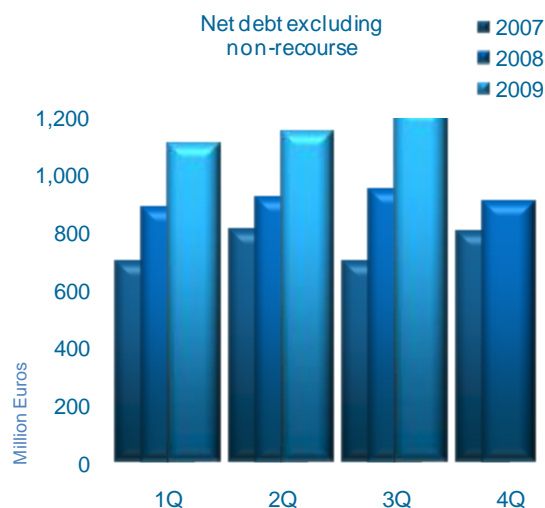
208 million in 2008), despite the fact that other segments were more negatively affected by the economic environment, namely in the Environment & Services division.

# MANAGEMENT REPORT & CONSOLIDATED FINANCIAL INFORMATION

AS OF THE 3<sup>RD</sup> QUARTER OF 2009

NOVEMBER 20<sup>TH</sup>, 2009

8



Net capital expenditure reached € 356 million in the first 9 months of 2009 (2008: € 192 million) including, as previously mentioned in the first quarter and first half year, € 86 million from the acquisition of an additional stake in LUSOPONTE, the remaining investment accounted for in the Transport concessions division (€ 130 million) being related to capital expenditures in motorway concessions (Douro Interior concession: € 44 million, Grande Lisboa concession: € 38 million and Rondon Leste concession, in Brazil, € 24 million).

As for the remaining capital expenditure, totalling € 140 million, about 63% came from the Construction division (€ 88 million), of which € 34 million was replacement capital expenditure.

Capital expenditure in the Environment & Services division was mainly due to the execution of TAKARGO'S business plan, amounting to € 14 million (€ 13 million of which spent in the first half of 2009) and to the water and sewage concessionaires, mainly Matosinhos and Vila do Conde with approximately € 20 million (€ 18 million already spent in the first half year).

Total net debt reached € 2.23 billion, € 999 million of which being non-recourse. Non-recourse debt from the Transport Concessions division reached € 917 million and that from the Environment & Services division, € 88 million. Debt rose year on year (2008: € 1.87 billion) due to higher capital expenditure and working capital deterioration.





**2007:** pro-forma figures and excluding non-recurring capital gain of the Initial Public Offering the MARTIFER shares.

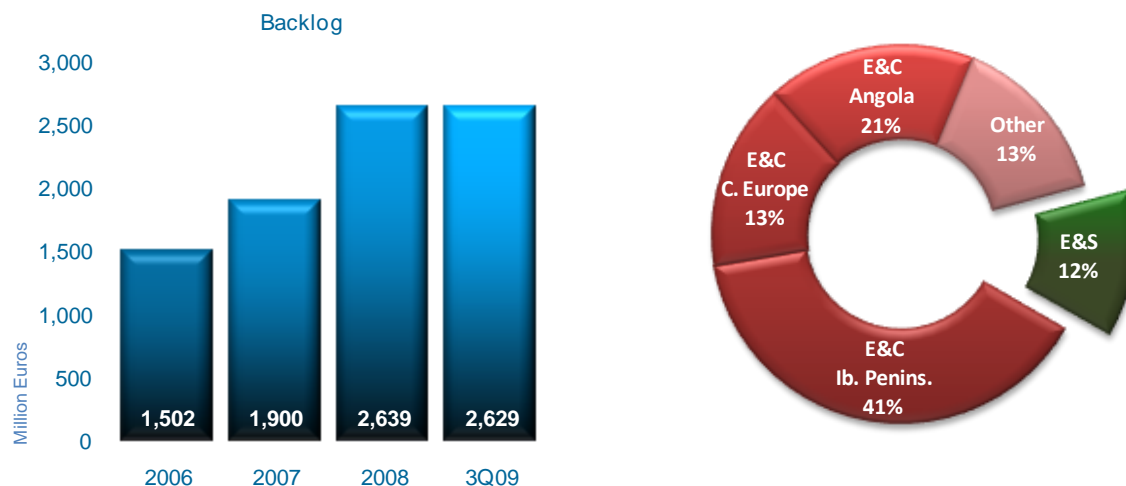
**2008 and 2009:** excluding gains/losses from MARTIFER.

In the first nine months of the current year, net financial expenses were of € 85 million, thus negatively contributing to the GROUP'S bottom line (2008: € 89 million), improving by approximately 5% as compared to the same period of 2008. As was already the case in the previous quarters of the current year, despite the increase in the debt stock, as compared to the same period of 2008, lower interest rates smoothed the negative impact at the net financial expenses level.

Net attributable income to the GROUP reached € 67.9 million in the first nine months of 2009. Excluding MARTIFER'S contribution, net attributable income was of € 25.1 million, as compared to € 21.5 million in the same period of last year.

MANAGEMENT REPORT & CONSOLIDATED FINANCIAL INFORMATION  
AS OF THE 3<sup>RD</sup> QUARTER OF 2009  
NOVEMBER 20<sup>TH</sup>, 2009

10

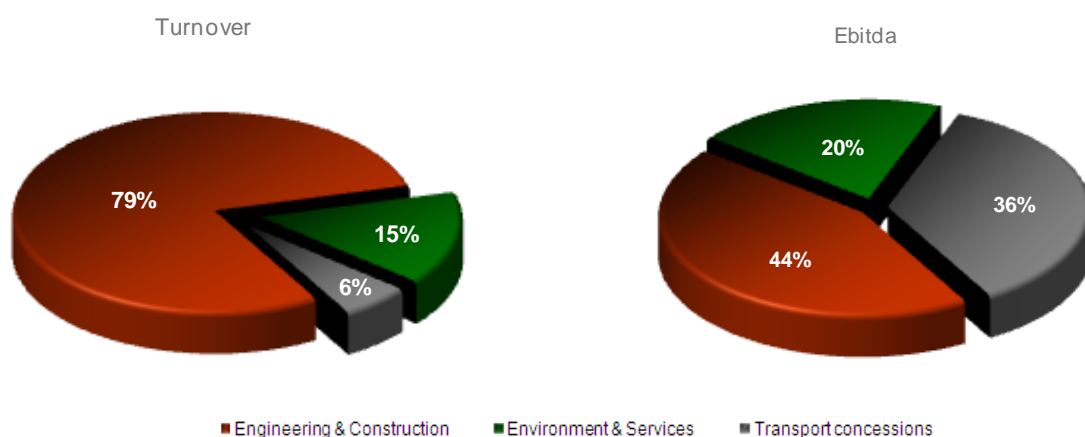


Backlog as of the end of September was of approximately 2.6 billion, roughly unchanged as compared to December 2008.

Backlog of the Environment & Services division only includes contracts in waste and multi-services. The GROUP does not account for as backlog future revenues coming from water and sewage concessions, sea ports concessions or road concessions.

The above mentioned backlog performance should continue to sustain revenues growth. The internationalization strategy pursued, public investment programs aiming at fuelling economic growth, the GROUP's broadening geographical diversification and further cross-selling are the main drivers behind backlog and revenues expansion as expected and previously announced not only for 2009 but also for the following years.

## Business Areas' Analysis



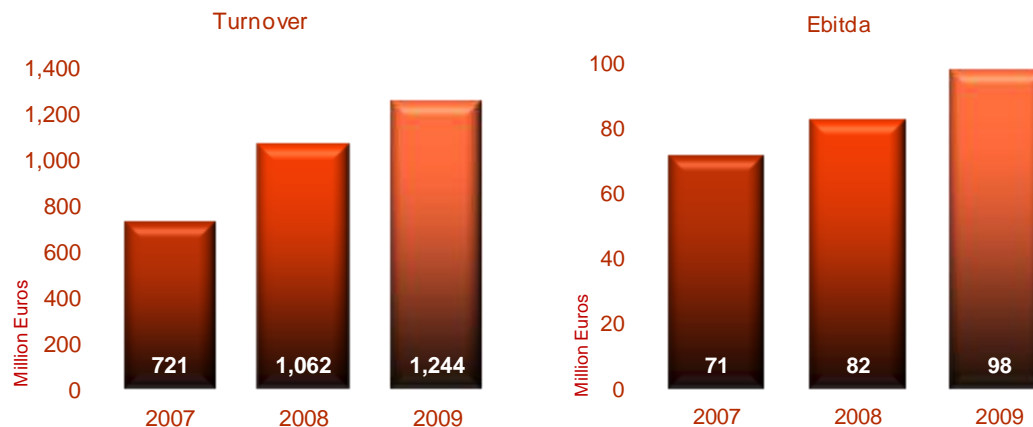
GROUP revenues had the following evolution: Construction € 1.24 billion (2008: € 1.06 billion), Environment & Services € 237.3 million (2008: € 214.2 million) and Transport Concessions € 88.2 million (2008: € 83.7 million).

The mix of revenues has remained roughly unchanged in the last quarters. As for the first nine months of the current year, Construction represented 79% of revenues; Environment & Services 15% and Transport Concessions 6%.

As far as the breakdown of EBITDA is concerned, as had already happened in previous quarters of the current year, the strong performance of the Construction division led to an increase of the weight of this division on the total figure to 44% (2008: 39%). The Environment & Services division contributed with 20% of EBITDA (2008: 24%) and Transport Concessions with 36%, (2008: 36%).

In the following chapters, a detailed analysis of the activity and results for each business area in the first nine months of 2009 is provided.

## Construction



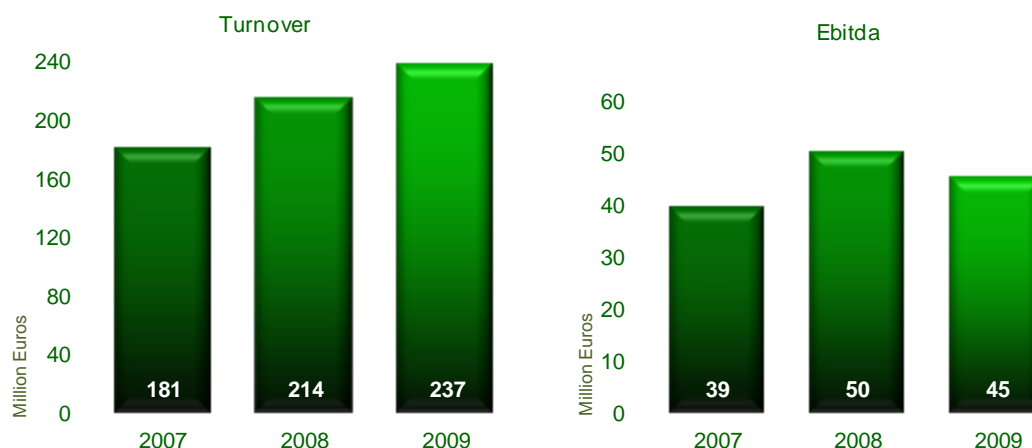
Revenues in the Construction division reached € 1.24 billion (2008: € 1.06 billion), up 17% year on year, in the first nine months of 2009.

This performance was mainly achieved on the back of the contribution of the Portuguese (22% growth) and Angolan operations (43% growth). The Angolan market still grew nicely with revenues reaching € 302 million in the first nine months of 2009 as compared to € 212 million in 2008.

On the other hand, unfavorable conditions in Central Europe since the end of 2008 (economic recession and a negative exchange rate evolution) persisted through the first nine months of the year. GROUP revenues in the region therefore fell 16% to € 226 million (2008: € 270 million).

As far as the operating performance is concerned, it is worth mentioning that the EBITDA margin improved slightly as compared to 2008.

## Environment & Services



Revenues of the Environment & Services division rose approximately 11% to € 237 million in the three quarters ending September 2009 (2008: € 214 million).

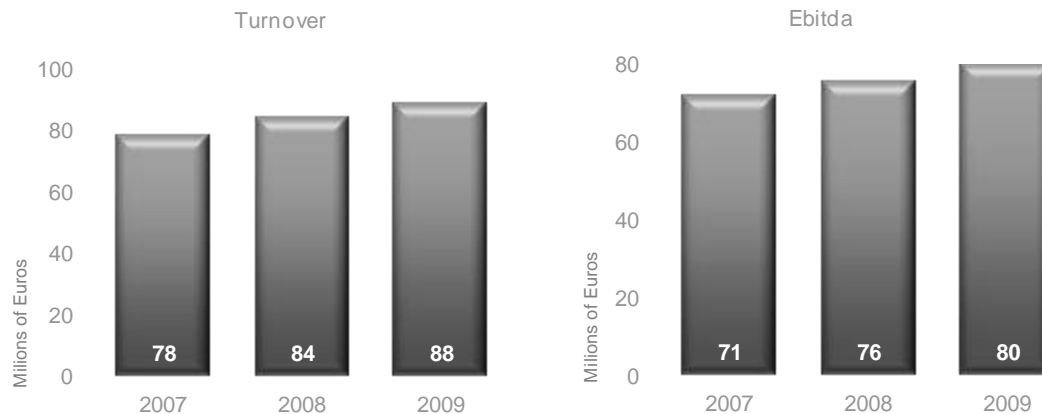
The water and sewage segment was the main contributor to revenues growth (€ 35.5 million in 2009 as compared to € 9.4 million in 2008), mainly because of the start up of the Matosinhos concession and the change in the consolidation method of INDAQUA, from proportional to full consolidation following the acquisition of a stake in the company that allowed for the control of the latter.

The logistics segment was still the largest within the division with revenues dropping 3% year on year (€ 104.2 million in 2009 as compared to € 107.2 million in 2008). This behavior was in line with our expectations for the current year in terms of the ports activity in light of the current economic environment that inevitably leads to a contraction of international trade as well as private consumption and corporate spending.

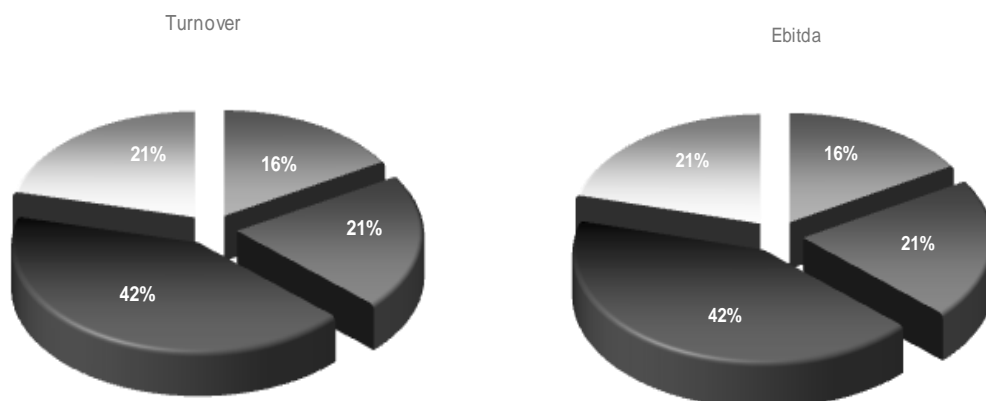
Revenues in the urban solid waste segment fell 3% as compared to 2008 (€ 77.3 million in the first nine months of 2009, as compared to € 79.4 million in 2008) partially explained by the weak performance recorded in the third quarter of the current year (2009: € 29.8 million as compared to 2008: € 33.5 million). EBITDA dropped 24% as compared to the previous year to € 17.3 million. The margin, thus, fell to 22% from 29%.

Revenues in the Multi-services segment soared 32% in the nine months ending in September (€ 35.7 million in 2009 and € 27 million in 2008), namely due to the strong performance of the companies involved in the areas of landscaping, information technologies and maintenance of golf courses. EBITDA increased 7% as compared to the previous year (€ 2.5 million in 2009, compared to € 1.6 million in 2008).

## Transport concessions



In the first nine months of 2009, revenues of the Transport Concessions division reached € 88.2 million (2008: € 83.7 million) and EBITDA was of € 79.9 million (2008: € 75.6 million), equating to an EBITDA margin of 91% (2008: 90%).



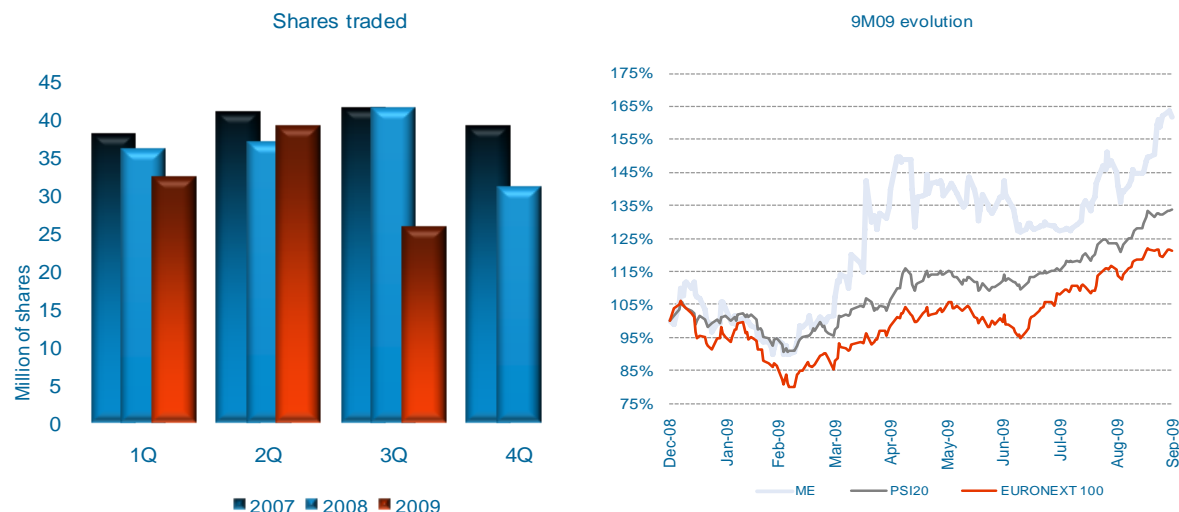
In the first nine months of the current year, with the exception of BEIRAS LITORAL E ALTA Concession, all concessions reported higher revenues as compared to the same period of last year. This concession was still the largest contributor to the division's revenues in the first nine months of the current year with € 99.8 million (2008: € 109.8 million) despite its weak performance, having been affected by lower traffic (namely in the trucks segment) as compared to the same period of 2008.

On the other hand, traffic in COSTA DE PRATA concession rose 6.5% year on year boosting revenues by 24% (€ 48.8 million obtained in 2009, as compared to € 39.4 million in the same period of last year). The opening to traffic of the last stretch of the A17 motorway during the second quarter of 2008 allowed for a direct connection, in the coastal area, between Lisbon and Aveiro as an alternative to the A1 motorway, therefore inducing traffic in COSTA DE PRATA concession. The completion of the network of the latter concession (the Estarreja-Angeja stretch that opened to traffic by mid September), should further fuel its traffic growth.

In NORTE CONCESSION, traffic improved (4%) and helped lifting revenues by 10% in the first nine months of 2009 (€ 39.3 million in 2009, as compared to € 35.9 million € in 2008).

As far as GRANDE PORTO Concession is concerned, revenues reached € 50.4 million, up 6% as compared to the first half of 2008. Traffic in the latter concession rose by 7.8%.

## Stock price performance & dividends



Stock markets evolved positively since the second quarter of the current year reversing the negative trend of the previous quarters. MOTA-ENGIL's stock price outperformed once again most of the equity indices. However, the stock turnover decreased significantly as compared to the previous quarters of both current and last year.

The General Shareholders Meeting as of April 15<sup>th</sup>, 2009 decided, according to the Board of Directors proposal, to pay € cents 11 per share as dividend, payable from May 15<sup>th</sup>.

Porto, November 20<sup>th</sup>, 2009

Dr. Jorge Paulo Sacadura de Almeida Coelho  
Chief Executive Officer

Dr. Eduardo Jorge de Almeida Rocha  
Chief Financial Officer



## **Interim Consolidated Financial Information**

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

**Separate Consolidated Income Statement  
for the period ended September 30, 2009 & 2008**

	<b>2009</b>	<b>2008</b>
	<b>Euro</b>	<b>Euro</b>
	(non audited)	(non audited)
Sales and services rendered	1,567,961,844	1,360,910,923
Other income	101,762,834	96,175,193
Cost of merchandise and of subcontracts	<u>(941,536,150)</u>	<u>(748,362,283)</u>
Gross profit	728,188,528	708,723,833
Third-party supplies & services	(266,663,772)	(266,192,799)
Staff costs	(239,849,499)	(229,470,266)
Other operating income /(costs)	<u>(229,188)</u>	<u>(4,812,769)</u>
	221,446,069	208,247,999
Depreciation	(91,673,411)	(76,352,855)
Provisions and impairment losses	<u>(498,217)</u>	<u>(2,666,996)</u>
Operating profit	129,274,441	129,228,148
Financial profit/(loss)	(85,112,714)	(89,372,040)
Gains / (losses) on associate companies	50,619,573	(3,351,982)
Income tax	<u>(19,616,840)</u>	<u>(14,373,930)</u>
Consolidated net profit for the period	<u>75,164,460</u>	<u>22,130,196</u>
Attributable:		
to minority interests	7,224,191	7,892,927
<b>to the Group</b>	<b>67,940,269</b>	<b>14,237,269</b>
Earnings per share:	0.3521	0.0725

**MOTA-ENGIL, SGPS, S.A.****Statement of Consolidated Comprehensive Income  
for the period ended September 30, 2009 & 2008**

	<b>2009</b>	<b>2008</b>
	<b>Euro</b>	<b>Euro</b>
	(non audited)	(non audited)
Consolidated net profit for the period	75,164,460	22,130,196
<i>Other comprehensive income</i>		
Exchange differences stemming from transposition of financial statements expressed in foreign currencies	3,179,725	1,477,864
Variation, net of tax, of the fair value of financial investments available for sale	-	(11,579,250)
Variation, net of tax, of the fair value of financial derivatives	(13,574,651)	(1,772,254)
Other corrections to the own funds of associates	(377,506)	(725,540)
Total comprehensive income for the period	64,392,029	9,531,016
Attributable:		
to minority interests	3,085,982	7,337,895
<b>to the Group</b>	<b>61,306,046</b>	<b>2,193,121</b>

MANAGEMENT REPORT & CONSOLIDATED FINANCIAL INFORMATION  
AS OF THE 3<sup>RD</sup> QUARTER OF 2009  
NOVEMBER 20<sup>TH</sup>, 2009

20

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

**Consolidated Statement of Financial Position  
as at September 30, 2009 & December 31, 2008**

	<b>2009 Euro</b>	<b>2008 Euro</b>
	(non audited)	(audited)
<b>Assets</b>		
<b>Non current</b>		
Goodwill	166,240,347	160,075,797
Intangible fixed assets	47,994,773	46,100,726
Concessions fixed assets	1,311,479,183	1,163,128,870
Tangible fixed assets	534,178,978	476,272,287
Financial investments under the equity method	365,037,559	173,854,668
Available for sale financial assets	49,956,546	75,148,566
Investment properties	39,666,741	41,344,627
Customers & other debtors	65,203,872	83,800,030
Deferred tax assets	38,967,152	33,375,415
	<u>2,618,725,151</u>	<u>2,253,100,986</u>
Non-current Assets Held for Sale	<u>29,043,672</u>	<u>29,043,672</u>
<b>Current</b>	-	-
Stocks	265,116,237	232,024,181
Customers	883,335,511	533,445,853
Other debtors	242,461,617	220,605,155
Other current assets	500,036,873	261,961,864
Cash & cash equivalents non recourse	164,667,442	105,814,414
Cash & cash equivalents with recourse	73,105,765	73,655,129
	<u>2,128,723,445</u>	<u>1,427,506,596</u>
<b>Total Assets</b>	<u><u>4,776,492,268</u></u>	<u><u>3,709,651,254</u></u>
	-	-
<b>Liabilities</b>	-	-
<b>Non current</b>	-	-
Non recourse debt	1,024,991,304	922,411,285
Recourse debt	807,681,058	667,688,793
Sundry Creditors	261,457,745	229,011,122
Provisions	29,862,903	30,557,261
Other non-current liabilities	55,682,024	57,978,831
Deferred tax liabilities	29,900,370	26,731,742
	<u>2,209,575,404</u>	<u>1,934,379,034</u>
<b>Current</b>		
Non recourse debt	138,929,826	132,773,431
Recourse debt	494,579,306	308,572,226
Suppliers	528,716,440	428,735,817
Derivatives	15,980,510	15,291,042
Sundry Creditors	433,997,533	305,136,084
Other current liabilities	584,613,363	243,446,537
	<u>2,196,816,978</u>	<u>1,433,955,137</u>
<b>Total liabilities</b>	<u><u>4,406,392,382</u></u>	<u><u>3,368,334,171</u></u>
<b>Equity</b>		
Share capital	204,635,695	204,635,695
Reserves	52,876,269	53,820,780
Consolidated net profit for the period	67,940,269	30,565,438
Equity attributable to the Group	<u>325,452,233</u>	<u>289,021,913</u>
Minority interests	44,647,653	52,295,170
Total equity	<u>370,099,886</u>	<u>341,317,083</u>
	<u><u>4,776,492,268</u></u>	<u><u>3,709,651,254</u></u>

# MANAGEMENT REPORT & CONSOLIDATED FINANCIAL INFORMATION

AS OF THE 3<sup>RD</sup> QUARTER OF 2009

NOVEMBER 20<sup>TH</sup>, 2009

21

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

### Statement of changes in equity during the periods ended September 30, 2009 & 2008

	Equity capital	Own Shares	Issue premiums	Goodwill	Fair value reserves		Currency translation reserve	Other reserves and result	Own funds attributable to shareholders	Own funds attributable to minority interests
					available-for-sale investments	derivatives				
Balance as at January 1, 2008	204,635,695	(16,679,167)	87,256,034	(128,661,862)	57,165,578	2,216,804	(22,818,336)	157,431,318	340,546,064	46,380,143
Impact of the investigation in Hungary	-	-	-	-	-	-	-	(25,198,695)	(25,198,695)	-
Balance as at January 1, 2008 (as restated)	204,635,695	(16,679,167)	87,256,034	(128,661,862)	57,165,578	2,216,804	(22,818,336)	132,232,623	315,347,369	46,380,143
Total comprehensive income for the period	-	-	-	(99,987)	(11,579,250)	(1,772,254)	1,407,343	14,237,269	2,193,121	7,337,895
Dividend distribution	-	-	-	-	-	-	-	(22,509,926)	(22,509,926)	(4,364,109)
Other distributions of results	-	-	-	(701,000)	-	-	-	(700,000)	(1,401,000)	(106,260)
Acquisition of own shares	-	(3,416,411)	-	-	-	-	-	-	(3,416,411)	-
Alterations to the consolidation perimeter	-	-	-	-	-	-	-	-	-	2,080,401
Balance as at September 30, 2008	204,635,695	(20,095,578)	87,256,034	(129,462,849)	45,586,328	444,550	(21,410,993)	123,259,966	290,213,152	51,328,070
Balance as at January 1, 2009	204,635,695	(21,699,082)	87,256,034	(135,873,453)	45,586,328	(6,600,821)	(23,169,923)	138,887,135	289,021,913	52,295,170
Total comprehensive income for the period	-	-	-	(441,312)	-	(9,379,689)	3,186,778	67,940,269	61,306,046	3,085,982
Dividend distribution	-	-	-	-	-	-	-	(21,302,947)	(21,302,947)	(7,089,019)
Other distributions of results	-	-	-	-	-	-	-	(2,713,070)	(2,713,070)	(90,135)
Acquisition of own shares	-	(859,709)	-	-	-	-	-	-	(859,709)	-
Alterations to the consolidation perimeter	-	-	-	-	-	-	-	-	-	(3,554,346)
Balance as at September 30, 2009	204,635,695	(22,558,791)	87,256,034	(136,314,765)	45,586,328	(15,980,510)	(19,983,145)	182,811,387	325,452,233	44,647,653