

MOTA-ENGIL, SGPS, S.A.

MANAGEMENT REPORT & CONSOLIDATED FINANCIAL  
INFORMATION AS OF THE 1<sup>ST</sup> HALF OF 2009



MOTA-ENGIL, SGPS, S.A.  
SOCIETAD OF 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 rose 14% to 957 million €
- EBITDA and EBIT margins of 14.9% and 8.3%
- Net Attributable Income of 57.8 million €
- Net corporate debt of 1.15 billion € and non-recourse debt of 1.02 billion €
- Backlog remained at 2.6 billion €

	thousand euros				
	1Q09	% T	Δ	1Q08	% T
<b>Turnover</b>	<b>957,103</b>		<b>13.8%</b>	<b>841,101</b>	
<b>EBITDA</b>	<b>142,355</b>	<b>14.9%</b>	<b>8.3%</b>	<b>131,435</b>	<b>15.6%</b>
<b>EBIT</b>	<b>79,198</b>	<b>8.3%</b>	<b>(2.2%)</b>	<b>80,954</b>	<b>9.6%</b>
Net financial income	(58,069)	(6.1%)	(1.7%)	(57,095)	(6.8%)
Net income from equity method	6,436	0.7%	45.6%	4,419	0.5%
Martifer non recurring items <sup>(1)</sup>	43,487	4.5%	-	-	-
Income before taxes	71,052	7.4%	151.3%	28,278	3.4%
Net income	61,785	6.5%	222.1%	19,184	2.3%
Attributable to:					
minority interests	3,984	0.4%	(21.0%)	5,045	0.6%
Group	57,801	6.0%	308.8%	14,138	1.7%
<b>Group (ex non recurring items)</b>	<b>14,314</b>			<b>14,138</b>	

(1) Includes non recurring capital gains and impairment losses

Non audited figures.

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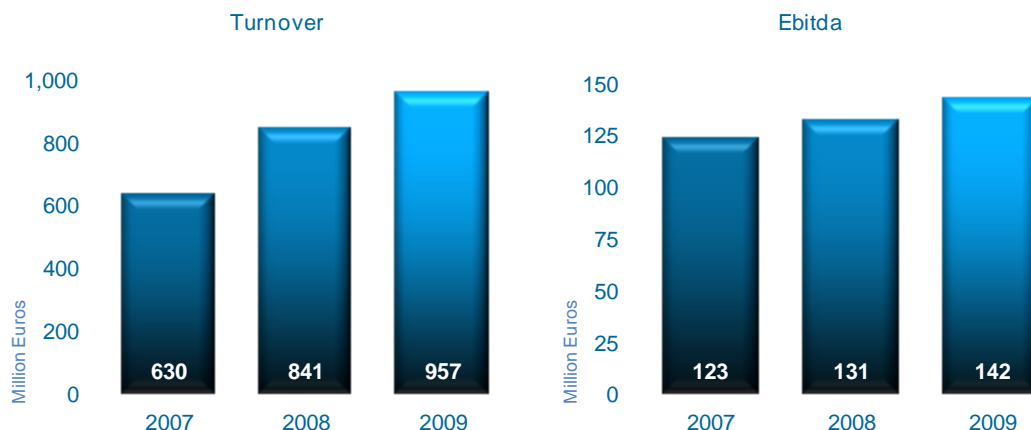
## Main achievements

- 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 130 million US\$, with an additional 120 million US\$ 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 Km, including 168 bridges with a total length of 33.5 Km and 4 tunnels with a total length of 7.3 Km. 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 130 million US\$, 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).

## Management Report

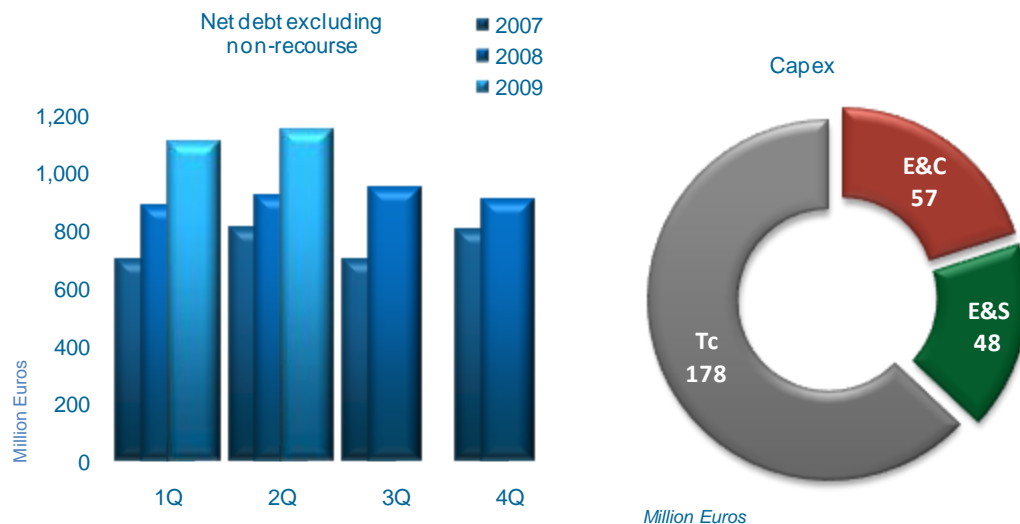
## Financial Analysis



MOTA-ENGIL reached Net Income of 18.3 million € in the first half of 2009, 14.3 million € of which attributable to the GROUP (excluding non-recurring items of Martifer). This figure came slightly above last year's (2008: 14.1 million €).

Revenues for the first half of 2009 rose 14% to 957 million € (2008: 841 million €) with all divisions contributing positively: 15% in Construction, 16% in Environment & Services and 5% in Transport Concessions. It is worth mentioning that, in the first half of the year, as was already the case in the first quarter, revenues in Environment & Services were positively affected by the change in the consolidation method of GROUP INDAQUA (previously proportionally consolidated and, following the acquisition of an additional 7.2% stake in INDAQUA - INDÚSTRIA E GESTÃO OF ÁGUAS, S.A. by the end of 2008 that allowed for the control of the aforementioned company, fully consolidated).

The improvement of the EBITDA margin in the Construction division (EBITDA margin of 9% in 2009, as compared to 8% in 2008) together with top line growth as already referred to in the first quarter of the year allowed for a good operating performance (142 million € in 2009, as compared to 131 million € in 2008), despite other segments, namely in the Environment & Services division, having been affected by the macroeconomic environment.



Net capital expenditure in the first six months of 2009 reached 280 million € (2008: 131 million €) including, as previously mentioned in the first quarter report, 85 million € from the acquisition of an additional stake in LUSOPONTE, the remaining investment accounted for in the Transport Concessions (93 million €) being related to capital expenditures in motorway concessions (Douro Interior Concession: 33 million €; Grande Lisboa Concession: 23 million € and Rondon Leste Concession in Brazil: approximately 12 million €).

As for the remaining capital expenditure, totaling 103 million €, approximately 54% came from the Construction division (57 million €), of which 22 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 13 million € (5 million € already spent in the first three months of 2009) and to the water and sewage concessionaires, mainly Matosinhos and Vila do Conde with approximately 18 million € (12 million € already spent in the first quarter of 2009).

Total net debt reached 2.17 billion €, 1.02 billion € of which being non-recourse. Non-recourse debt from the Transport Concessions division reached 937 million € and that from the Environment & Services division, 78 million €. Debt rose year on year (2008: 1.865 billion €) on the back of higher total capital expenditure and working capital deterioration.



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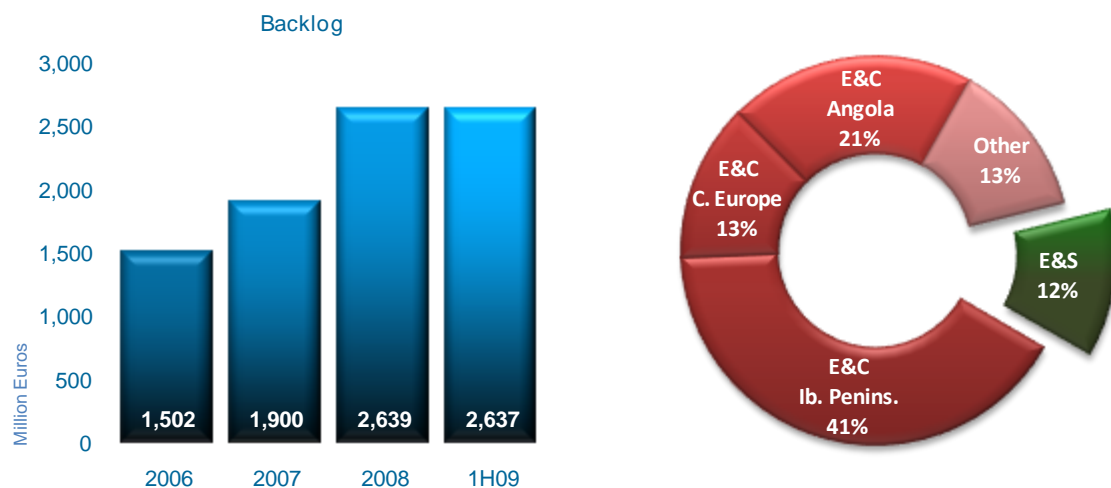
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*2007: pro-forma figures and excluding non-recurring capital gain of the Initial Public Offering the MARTIFER shares.  
2009: excluding non-recurrent gains/losses of MARTIFER.*

In the first six months of the current year, net financial expenses were of 58 million € (2008: 57 million €), up approximately 2% as compared to the same period of 2008. As was already the case in the first quarter 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, in the first half of 2009, 57.8 million €. If we exclude non-recurrent gains/losses of MARTIFER in 2Q09, net attributable income to the GROUP is 14.3 million €, as compared to 14.1 million € in the same period of last year.

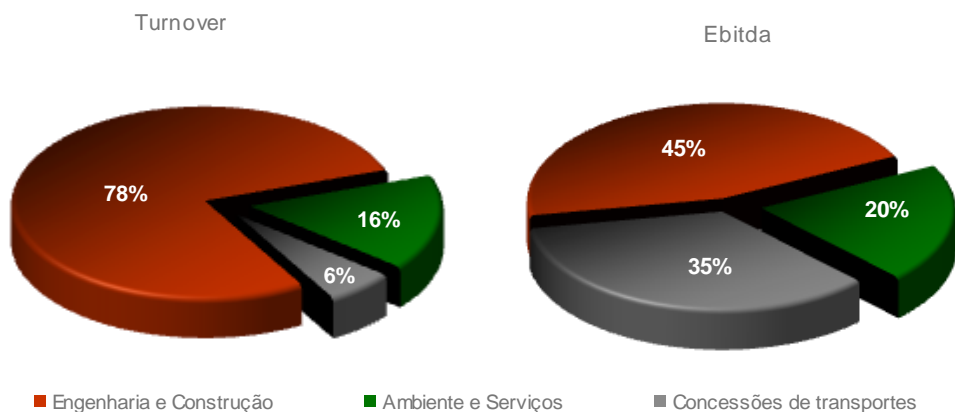


Backlog as of the end of June was of approximately 2.6 Billion €, roughly unchanged as compared to December 2008.

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 nor 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



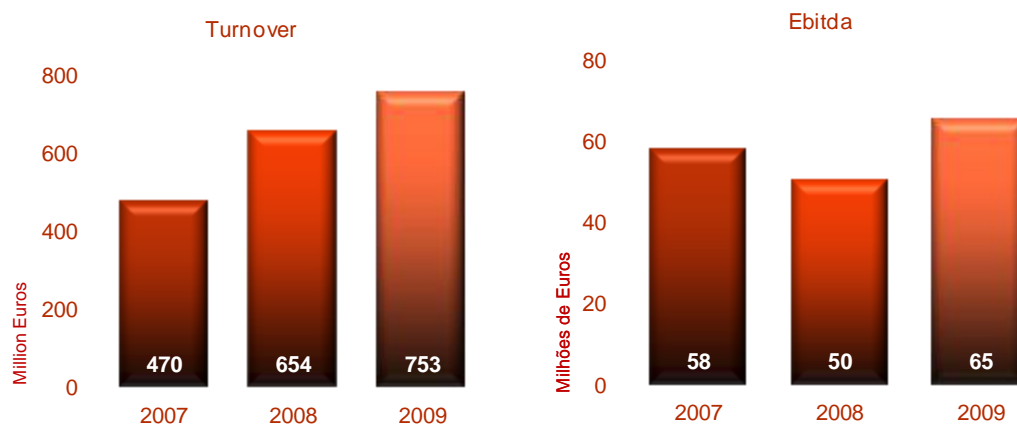
GROUP revenues had the following evolution: Construction 753.1 million € (2008: 653.6 million €), Environment & Services 155.7 million € (2008: 134.1 million €) and Transport Concessions 55.8 million € (2008: 53.2 million €).

The mix of revenues has remained roughly unchanged in the last quarters. As for the first half of the current year, Construction represented 78% of revenues; Environment & Services 16% and Transport Concessions 6%.

As far as the EBITDA split is concerned, as had already happened in the first quarter 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 45% (2008: 38%). The Environment & Services division contributed with 20% of EBITDA (2008: 25%) and Transport Concessions with 35%, lower than in 2008 (37%).

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

## Construction



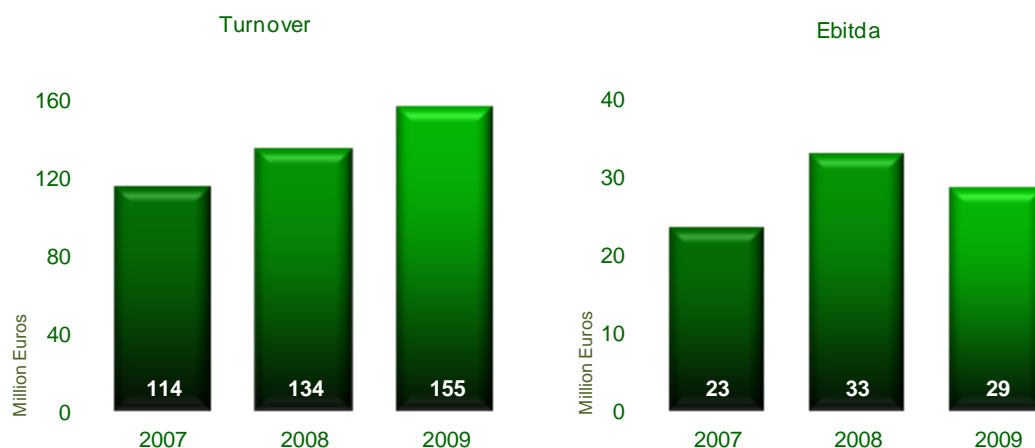
Revenues in the Construction division reached 753 million € (2008: 654 million €), up 15% year on year, in the first six months of 2009.

This performance was mainly achieved on the back of the contribution of the Portuguese (22% growth) and Angolan operations (42% growth). The Angolan market still grew nicely with revenues reaching 162 million € in the first half of 2009 as compared to 114 million € in 2008.

On the other hand, unfavourable conditions in Central Europe since the end of 2008 (economic recession and a negative exchange rate evolution) persisted through the first half year. GROUP revenues in the region therefore fell 19% to 140 million € (2008: 174 million €).

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

## Environment & Services



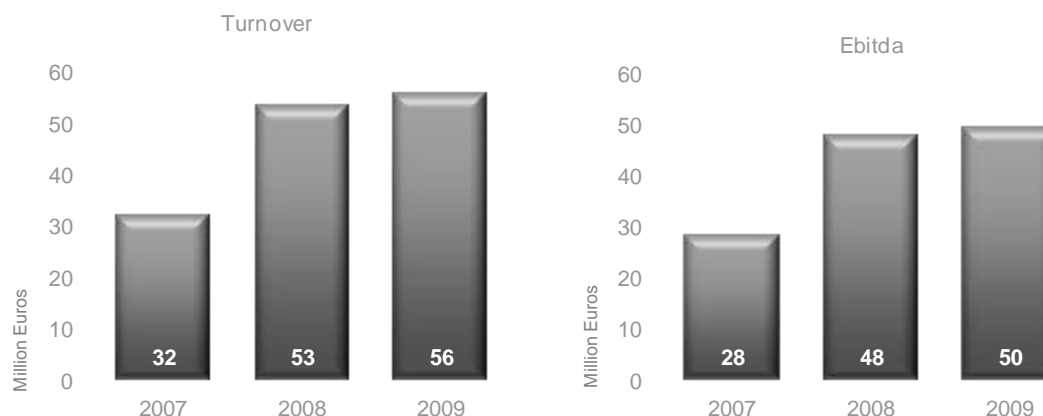
Revenues of the Environment & Services division fell approximately 16% to 155 million € in the first half of 2009 (2008: 134 million €).

The water and sewage segment was the main contributor to revenues growth (23.2 million € in 2009 as compared to 6 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.

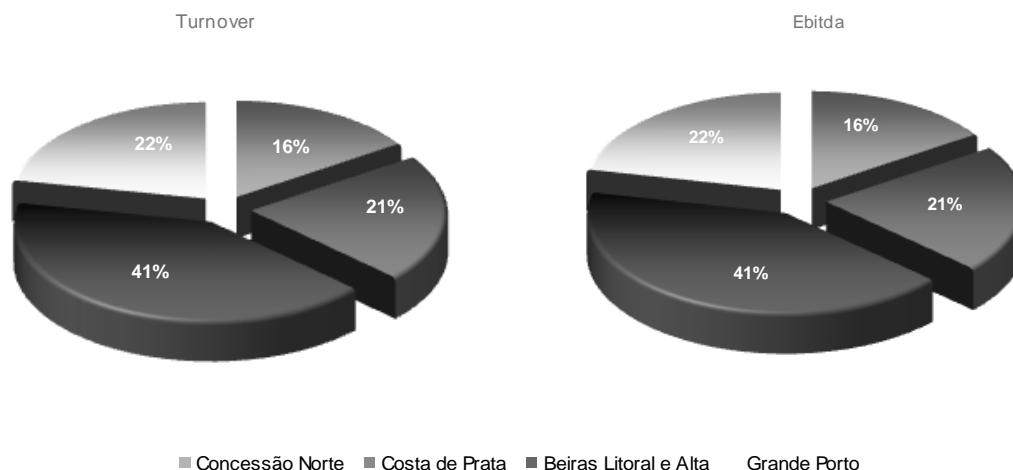
The logistics segment was still the largest within the division with revenues almost flat year on year (68.4 million € in 2009 as compared to 68.7 million € in 2008). This behavior was in line with our expectations for the current year in terms of the ports activity in light of the current economic environment that inevitably leads to a contraction of international trade as well as private consumption and corporate spending.

Revenues in the urban solid waste segment grew 3% as compared to 2008 (47.4 million € in the first six months of 2009, as compared to 45.9 million € in 2008) partially explained by the incorporation of TRIU and by organic growth.

## Transport Concessions



In the first six months of 2009, revenues of the Transport Concessions division reached 55.8 million € (2008: 53.2 million €) and EBITDA was of 49.6 million € (2008: 47.7 million €), equating to an EBITDA margin of 89% (2008: 90%).



In the first six 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 half of the current year with 61.1 million € (2008: 69.2 million €) despite its weak performance, having been affected by lower traffic (namely in the trucks segment) as compared to the same period of 2008.

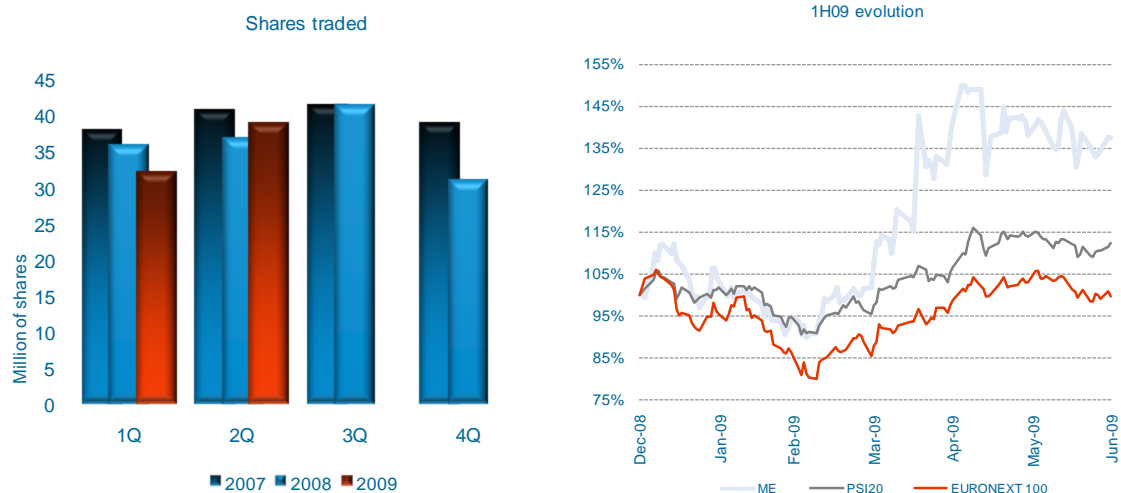
On the other hand, traffic in COSTA DE PRATA concession rose 6% year on year boosting revenues by 25% (31.6 million € obtained in 2009, as compared to 25.3 million € in the same period of last year). The opening to traffic of the last stretch of the A17 motorway during the second quarter of 2008 allowed 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 is still pending), should further fuel its traffic growth.

In NORTE CONCESSION, traffic improved modestly (1.4%) and helped lifting revenues in the first six months of 2009 (23.4 million € in 2009, as compared to 22.1 million € in 2008).

As far as GRANDE PORTO Concession is concerned, revenues reached 32.7 million €, up 4% as compared to the first half of 2008. Traffic in the latter concession rose by approximately 6%.

## Stock price behaviour & dividends



Stock markets evolved positively in the second quarter of the current year reversing the negative trend of the previous quarters. Furthermore, MOTA-ENGIL's stock price outperformed most of the equity indices. The stock turnover exceeded that of the first quarter in approximately 21% though slightly down for the first half year as compared to the same period of the previous year.

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

Porto, August 31<sup>st</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

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

	<b>2009 Euro</b>	<b>2008 Euro</b>
	(non audited)	(non audited)
Sales and services rendered	957,102,649	841,101,188
Other income	64,393,778	56,073,317
Cost of merchandise and of subcontracts	(530,948,454)	(464,094,628)
Gross profit	490,547,973	433,079,877
Third-party supplies & services	(190,871,453)	(153,326,417)
Staff costs	(152,319,129)	(147,319,508)
Other operating income /(costs)	(5,002,511)	(998,649)
	142,354,880	131,435,303
Depreciation	(61,800,223)	(49,665,749)
Provisions and impairment losses	(1,356,412)	(815,371)
Operating profit	79,198,245	80,954,183
Martifer non recurring items	43,487,003	-
Financial profit/(loss)	(58,069,254)	(57,095,427)
Gains / (losses) on associate companies	6,436,259	4,419,066
Income tax	(9,267,051)	(9,094,232)
Consolidated net profit for the period	<u>61,785,202</u>	<u>19,183,590</u>
Attributable:		
to minority interests	3,983,946	5,045,146
<b>to the Group</b>	<b>57,801,256</b>	<b>14,138,444</b>
Earnings per share:	0.3001	0.0725

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**Statement of Consolidated Comprehensive Income  
for the period ended June 30, 2009 & 2008**

	<b>2009</b> <b>Euro</b>	<b>2008</b> <b>Euro</b>
	(non audited)	(non audited)
Consolidated net profit for the period	61,785,202	4,535,327
<i>Other comprehensive income</i>		
Exchange differences stemming from transposition of financial statements expressed in foreign currencies	3,154,286	(4,354,041)
Variation, net of tax, of the fair value of financial derivatives	(5,092,192)	2,902,052
Other corrections to the own funds of associates	(4,833,944)	(4,303,444)
Total comprehensive income for the period	55,013,352	(1,220,106)
Attributable:		
to minority interests	3,935,071	5,011,783
<b>to the Group</b>	<b>51,078,281</b>	<b>(6,231,889)</b>

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

	<b>2009 Euro</b> (non audited)	<b>2008 Euro</b> (audited)
<b>Assets</b>		
<b>Non current</b>		
Goodwill	174,185,287	160,075,797
Intangible fixed assets	49,263,588	46,100,726
Concessions fixed assets	1,293,892,641	1,163,128,870
Tangible fixed assets	514,809,785	476,272,287
Financial investments under the equity method	369,088,134	173,854,668
Available for sale financial assets	37,278,500	75,148,566
Investment properties	39,941,486	41,344,627
Customers & other debtors	73,888,187	83,800,030
Deferred tax assets	38,864,725	33,375,415
	<u>2,591,212,333</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	234,298,637	232,024,181
Customers	711,724,066	533,445,853
Other debtors	277,964,510	220,605,155
Other current assets	412,213,674	261,961,864
Cash & cash equivalents non recourse	131,625,832	105,814,414
Cash & cash equivalents with recourse	106,543,528	73,655,129
	<u>1,874,370,247</u>	<u>1,427,506,596</u>
<b>Total Assets</b>	<u><u>4,494,626,252</u></u>	<u><u>3,709,651,254</u></u>
<b>Liabilities</b>		
<b>Non current</b>		
Non recourse debt	1,015,191,781	922,411,285
Recourse debt	798,562,709	667,688,793
Sundry Creditors	256,304,869	229,011,122
Provisions	30,775,523	30,557,261
Other non-current liabilities	56,068,573	57,978,831
Deferred tax liabilities	43,397,934	26,731,742
	<u>2,200,301,389</u>	<u>1,934,379,034</u>
<b>Current</b>		
Non recourse debt	131,047,578	132,773,431
Recourse debt	459,905,387	308,572,226
Suppliers	484,113,925	428,735,817
Derivatives	11,693,013	15,291,042
Sundry Creditors	419,813,406	305,136,084
Other current liabilities	420,097,930	243,446,537
	<u>1,926,671,239</u>	<u>1,433,955,137</u>
<b>Total liabilities</b>	<u><u>4,126,972,628</u></u>	<u><u>3,368,334,171</u></u>
<b>Equity</b>		
Share capital	204,635,695	204,635,695
Reserves	55,500,587	53,820,780
Consolidated net profit for the period	57,801,256	30,565,438
<b>Equity attributable to the Group</b>	<u><u>317,937,538</u></u>	<u><u>289,021,913</u></u>
Minority interests	<u>49,716,086</u>	<u>52,295,170</u>
<b>Total equity</b>	<u><u>367,653,624</u></u>	<u><u>341,317,083</u></u>
	<u><u>4,494,626,252</u></u>	<u><u>3,709,651,254</u></u>

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**Statement of changes in equity during the periods ended June 30, 2009 & 2008**

	Equity capital	Own Shares	premiums	Goodwill	Fair value reserves		translation reserve	reserves and results	attributable to shareholders	attributable to minority
					sale	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
Currency translation differences stemming from transposition of financial statements expressed in foreign currencies	-	-	-	-	-	-	(4,320,678)	-	(4,320,678)	(33,363)
Dividend distribution	-	-	-	-	-	-	-	(22,509,926)	(22,509,926)	(3,599,994)
Other distributions of results	-	-	-	(5,809)	-	-	-	(700,000)	(705,809)	(3,850)
Other corrections to available for sale financial assets	-	-	-	-	(1,650,843)	-	-	-	(1,650,843)	-
Variation, net of tax, of the fair value of financial derivatives	-	-	-	-	-	2,902,052	-	-	2,902,052	-
Acquisition of own shares	-	(2,892,653)	-	-	-	-	-	-	(2,892,653)	-
Alterations to the consolidation perimeter	-	-	-	-	-	-	-	-	-	2,060,000
Other corrections to the own funds of associates	-	-	-	(5,531,257)	-	-	-	-	(5,531,257)	1,227,813
Net profit for the year	-	-	-	-	-	-	-	14,138,444	14,138,444	5,045,146
Balance as at March 31, 2008	204,635,695	(19,571,820)	87,256,034	(134,198,928)	55,514,735	5,118,856	(27,139,014)	123,161,141	294,776,699	51,075,895
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
Currency translation differences stemming from transposition of financial statements expressed in foreign currencies	-	-	-	-	-	-	3,176,832	-	3,176,832	(22,546)
Dividend distribution	-	-	-	-	-	-	-	(21,302,947)	(21,302,947)	(6,812,792)
Variation, net of tax, of the fair value of financial derivatives	-	-	-	-	-	(5,092,192)	-	-	(5,092,192)	-
Acquisition of own shares	-	(859,709)	-	-	-	-	-	-	(859,709)	-
Alterations to the consolidation perimeter	-	-	-	-	-	-	-	-	-	298,637
Other distributions of results	-	-	-	-	-	-	-	(928,070)	(928,070)	(90,135)
Other corrections to the own funds of associates	-	-	-	(3,879,545)	-	-	-	-	(3,879,545)	63,806
Net profit for the year	-	-	-	-	-	-	-	57,801,256	57,801,256	3,983,946
Balance as at June 31 2008	204,635,695	(22,558,791)	87,256,034	(139,752,998)	45,586,328	(11,693,013)	(19,993,091)	174,457,374	317,937,538	49,716,086